

June 2003

APS Non-SES Remuneration Survey

Department of Employment &
Workplace Relations

MERCER

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Executive Summary

All Australian Public Service (APS) agencies were invited to participate in the 2002 Non-Senior Executive Service (non-SES) remuneration survey.

Fifty-five agencies provided remuneration data and broad remuneration strategy and policy information for inclusion in this report.

This survey report contains two sections, one outlining the remuneration findings of the survey, and the other containing the non-SES remuneration policy findings.

The aggregated tables are contained in the section of this report titled *Findings - Remuneration Items*, a summary of which is found below. The following summary tables provide survey average and median remuneration data at each non-SES classification level. The remuneration data is also broken down by type of employment agreement – Certified Agreement (CA) or Australian Workplace Agreement (AWA).

Table 1
Non-SES Remuneration Summary – Survey Average and Median

APS Class'n¹	Base Salary (BS)	Total Remuneration Package (TRP)²	Actual Bonuses³	Total Reward (TR)⁴	Total Reward incl. Allowances (TRA)⁵
Dollars					
Average					
GRAD	38069	42853	227	43080	43226
APS1	30052	34117	61	34177	34856
APS2	34809	39212	222	39434	40728
APS3	38771	43935	391	44327	45961
APS4	42124	47956	139	48096	49045
APS5	47550	54220	550	54770	55722
APS6	54877	62741	903	63644	64497
EL1	69337	79218	1952	81171	81847
EL2	84935	98773	3203	101975	102488
Median					
GRAD	36409	41820	0	41820	41820
APS1	30966	35012	0	35048	35217
APS2	35104	39201	0	39423	40214
APS3	39068	43888	0	44130	44476
APS4	42241	47986	0	47986	49021
APS5	47607	54159	0	54668	55287
APS6	55702	63158	0	64237	64772
EL1	69483	79509	0	81046	81684
EL2	85493	98481	1000	101607	102145

Notes

¹ Non-SES APS Classification or equivalent.

² Total Remuneration Package includes Base Salary, superannuation, motor vehicles (excluding salary sacrifice vehicles) and other entitlements paid to non-SES employees.

³ Actual incentive payments received during the year ending 31 December 2002 (includes Performance Bonus, Retention Bonus, Sign-on Bonus and Other Bonuses). Many of the eligible employees received \$0 bonus and as such this is reflected by the median figure. The average figure however, due to the nature of the calculation will always report a figure > \$0 if there is at least one bonus payment that is greater than \$0.

⁴ Total Reward is the Total Remuneration Package plus any incentive payments.

⁵ Total Reward including any allowances (examples include overtime, shift penalties, Remote Localities Allowance, Departmental Liaison Officer Allowance and any other non-reimbursement allowance) received in the year ending 31 December 2002.

The figures in Table 1 are based on the number of employees who have received the benefit. For example, if 15 employees had received an incentive payment the value for incentives would be based on those 15 employees. Medical Officers have been excluded from the figures.

An interesting outcome of the non-SES survey was the comparatively high remuneration movement between 2001 and 2002, for employees at the graduate classification level.

Table 2 presents a comparison of Median Base Salary between employees covered by a CA and those employees covered by an AWA.

Table 2
Non-SES Base Salary comparison between employees covered by CAs and employees covered by AWAs – Survey Median

APS Class'n	CA Dollars	AWA Dollars	Median Base Salary		N - CA	N - AWA
			Difference (AWA-CA)	Percentage		
GRAD	34824	41667	6843	19.7	199	148
APS1	29203	31492	2289	7.8	214	207
APS2	34536	35841	1305	3.8	410	263
APS3	37675	40827	3152	8.4	702	326
APS4	42241	44262	2021	4.8	3206	419
APS5	46527	49074	2547	5.5	712	415
APS6	53581	56790	3209	6.0	719	940
EL1	68096	69984	1888	2.8	531	1516
EL2	82839	85691	2852	3.4	481	2293

Table 3 presents a comparison of Median Total Remuneration Package between employees covered by a CA and those employees covered by an AWA.

Table 3
Non-SES Total Remuneration Package (TRP) comparison between employees covered by CAs and employees covered by AWAs – Survey Median

APS Class'n	CA Dollars	AWA Dollars	Median Total Remuneration Package		N - CA	N - AWA
			Difference (AWA-CA)	Percentage		
GRAD	39367	46622	7255	18.4	199	148
APS1	32939	35971	3032	9.2	214	207
APS2	38639	40750	2111	5.5	410	263
APS3	42440	46479	4039	9.5	702	326
APS4	47986	49844	1859	3.9	3206	419
APS5	53242	55572	2330	4.4	712	415
APS6	60797	63881	3084	5.1	719	940
EL1	77568	79931	2363	3.0	531	1516
EL2	95127	99400	4273	4.5	481	2293

Table 4 presents a comparison of Median Total Reward between employees covered by a CA and those employees covered by an AWA.

Table 4
Non-SES Total Reward comparison between employees covered by CAs and employees covered by AWAs – Survey Median

APS Class'n	CA Dollars	AWA Dollars	Median Total Reward Difference		N - CA	N - AWA
			(AWA-CA)	Percentage		
GRAD	39853	46674	6821	17.1	199	148
APS1	32939	35971	3032	9.2	214	207
APS2	38950	40803	1852	4.8	410	263
APS3	42655	46648	3993	9.4	702	326
APS4	47986	50481	2495	5.2	3206	419
APS5	53705	56683	2979	5.5	712	415
APS6	61159	66391	5232	8.6	719	940
EL1	77881	82741	4860	6.2	531	1516
EL2	95526	103202	7676	8.0	481	2293

Table 5 presents a comparison of Median Total Reward including Allowances between employees covered by a CA and those employees covered by an AWA.

Table 5
Non-SES Total Reward including Allowances comparison between employees covered by CAs and employees covered by AWAs – Survey Median

APS Class'n	CA Dollars	AWA Dollars	Median Total Reward including Allowances Difference		N - CA	N - AWA
			(AWA-CA)	Percentage		
GRAD	39853	46674	6821	17.1	199	148
APS1	33145	37020	3876	11.7	214	207
APS2	39577	40952	1374	3.5	410	263
APS3	43107	46686	3579	8.3	702	326
APS4	48179	51177	2998	6.2	3206	419
APS5	54151	56804	2653	4.9	712	415
APS6	61252	66687	5434	8.9	719	940
EL1	78079	83225	5146	6.6	531	1516
EL2	95986	103519	7533	7.8	481	2293

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Introduction

The Department of Employment and Workplace Relations (DEWR) commissioned Mercer Human Resource Consulting (Mercer) to conduct a survey of non-Senior Executive Service (non-SES) employees' remuneration within the Australian Public Service (APS).

Fifty-five agencies participated in this survey covering 108,134 non-SES employees. This survey covers all non-SES employees employed under AWAs and a sample of those employed under CAs.

The Australian Bureau of Statistics Consultancy Unit provided a sampling methodology which was used by agencies to select their sample of employees covered by a CA.

The following figure shows the number of employees in each of the fifty-five agencies. Of the fifty-five agencies, 76% of agencies had less than 250 employees and 18% of agencies had between 250 and 750 employees. Four percent had between 750 and 2,500 employees, whilst only 2% had more than 2,500 employees.

Figure 1

Number of Employees - Participating Agencies

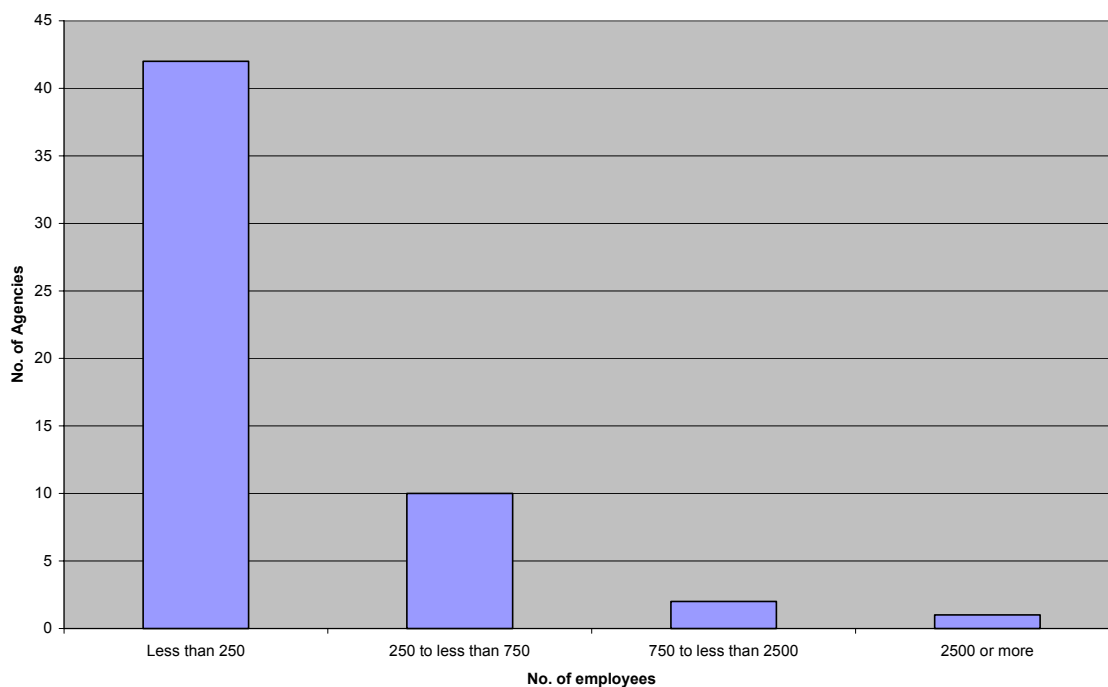


Table 6 presents the participating agencies in the 2002 non-SES survey.

Table 6
Participating agencies

Agency
Aboriginal & Torres Strait Islander Commission
Agriculture, Fisheries & Forestry Australia
Attorney-General's Department
AusAID
Australian Antarctic Division (part of Environment Australia)
Australian Broadcasting Authority
Australian Bureau of Statistics
Australian Communications Authority
Australian Competition & Consumer Commission
Australian Customs Service
Australian Electoral Commission
Australian National Audit Office
Australian Office of Financial Management
Australian Public Service Commission
Australian Radiation Protection and Nuclear Safety Agency

Agency
Australian Research Council
Australian Taxation Office
Centrelink
Child Support Agency (Department of Family and Child Services)
Comcare
Comsuper
Department of Communications, Information Technology & the Arts
Department of Defence
Department of Education, Science & Training
Department of Employment & Workplace Relations
Department of Family & Community Services
Department of Finance
Department of Foreign Affairs and Trade
Department of Health & Ageing
Department of Immigration & Multicultural & Indigenous Affairs
Department of Industry Tourism & Resources
Department of the Parliamentary Reporting Staff
Department of Prime Minister & Cabinet
Department of the House of Representatives
Department of the Parliamentary Library
Department of the Senate
Department of the Treasury
Department of Transport & Regional Services
Department of Veterans' Affairs
Environment Australia
Food Standards Australia New Zealand
Human Rights & Equal Opportunity Commission
Insolvency & Trustee Service Australia
IP Australia
National Competition Council
National Crime Authority
National Library of Australia
National Occupational Health & Safety Commission
National Office for the Information Economy
Office of Film & Literature Classification
Office of National Assessments
Office of Parliamentary Counsel

Agency

Office of the Commonwealth Ombudsman

Office of the Employment Advocate

Productivity Commission

3

Findings – Remuneration Items

The following section summarises remuneration findings for APS non-SES classifications and presents an analysis of Base Salary, Total Remuneration Package, Bonus/Incentive payments, Total Reward and Total Reward including Allowances.

Sample on Sample Movements

The following data is based on sample on sample movements which provide a measure of the overall movements over the survey period. Sample on sample movements may be affected by changes in the composition of the database. For example, the inclusion within the sample of new high-paying agencies may skew the data upwards. Nevertheless, sample on sample movements provide a useful representation of movements in the overall APS non-SES remuneration market.

Base Salary

Base Salary represents the full time equivalent annualised PAYE salary. It includes post-tax employee superannuation contributions and any additional car post-tax salary sacrifice amount. It excludes all other cash components including bonuses and allowances.

Figure 2 shows the spread of Base Salary at each non-SES level. The Graduate classification has not been included in this figure as this classification has no specified work value. *Please note, major outliers have been removed from this figure.*

Figure 2

Base Salary Distribution

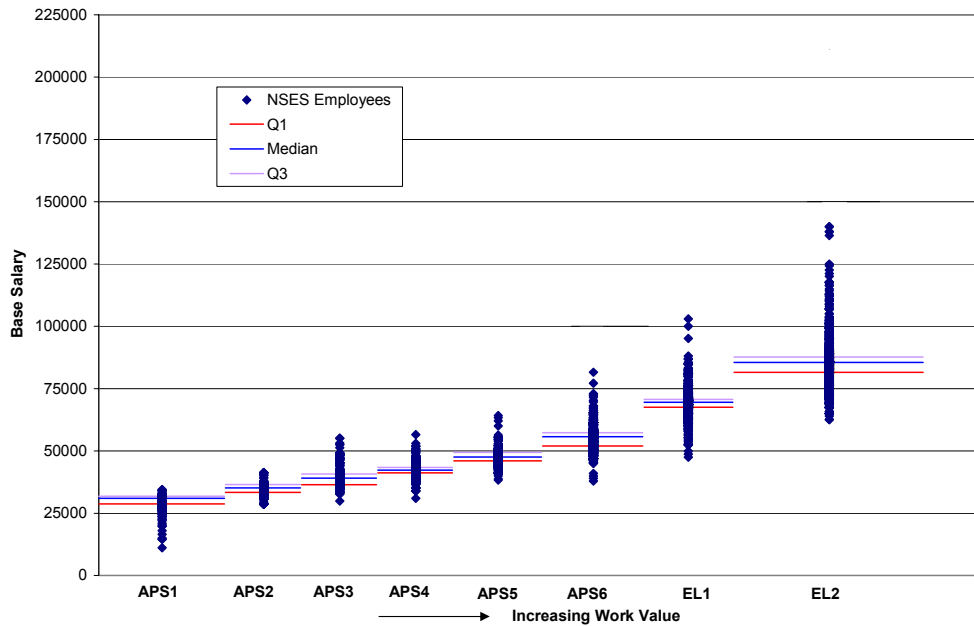


Table 7 presents Base Salary comparisons between CAs and AWAs at both the median and average for each classification level.

Table 7
Base Salary Comparison – CA and AWA

APS Class'n	Median		Difference (AWA – CA)		Average		Difference (AWA – CA)	
	CA	AWA	\$	%	CA	AWA	\$	%
GRAD	34824	41667	6843	19.7	36613	40027	3414	9.3
APS1	29203	31492	2289	7.8	29111	31024	1913	6.6
APS2	34536	35841	1305	3.8	34339	35542	1202	3.5
APS3	37675	40827	3152	8.4	37931	40580	2649	7.0
APS4	42241	44262	2021	4.8	41881	43980	2099	5.0
APS5	46527	49074	2547	5.5	47044	48419	1374	2.9
APS6	53581	56790	3209	6.0	53037	56285	3248	6.1
EL1	68096	69984	1888	2.8	67657	69926	2268	3.4
EL2	82839	85691	2852	3.4	81372	85683	4311	5.3

The results show that the employees covered by AWAs generally have a higher Base Salary than employees covered by CAs at the same classification.

At the median, the difference between CAs and AWAs ranges from 2.8% at EL 1 to 19.7% at the Graduate classification level. The average figures show that the smallest difference of 2.9% was at APS 5 and once again, the largest difference was at the Graduate classification level (9.3%).

Table 8 presents a comparison of median Base Salary for each classification between 2001 and 2002 whilst Figure 3 presents this information graphically. Note that these movements refer to a period of 18 months from 30 June 2001 to 31 December 2002.

Table 8
Median Base Salary Comparison (2001 – 2002)

APS Class'n	Median Base Salary		Movement	
	2001	2002	\$	%
GRAD	33140	36409	3269	9.9
APS1	28490	30966	2476	8.7
APS2	32570	35104	2534	7.8
APS3	36560	39068	2508	6.9
APS4	40800	42241	1441	3.5
APS5	44870	47607	2737	6.1
APS6	52530	55702	3172	6.0
EL1	64500	69483	4983	7.7
EL2	79820	85493	5673	7.1

* Note 2001 data is current as at June 2001 and 2002 data in current as at December 2002

Figure 3

Median Non-SES Base Salary Movements (2001-2002)

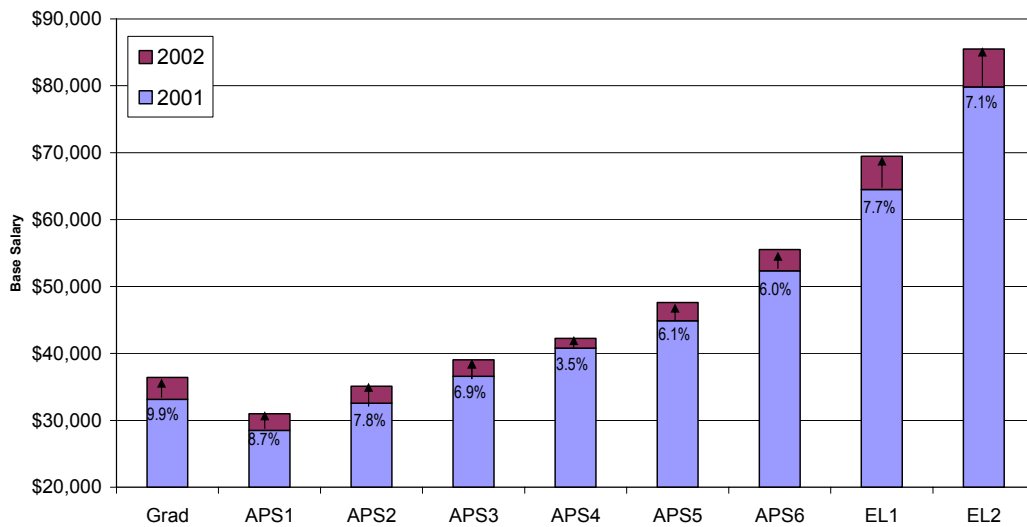


Table 9 presents a comparison of CAs and AWAs at the Base Salary level between 2001 and 2002.

Table 9
Base Salary Comparison (2001 – 2002) – CA & AWA

APS Class'n	CA Median		Difference (2002 – 2001)		AWA Median		Difference (2002 – 2001)	
	2001	2002	\$	%	2001	2002	\$	%
GRAD	33150	34824	1674	5.0	33000	41667	8667	26.3
APS1	28500	29203	703	2.5	-	-	-	-
APS2	32540	34536	1996	6.1	34000	35841	1841	5.4
APS3	36360	37675	1315	3.6	36700	40827	4127	11.2
APS4	40600	42241	1641	4.0	41900	44262	2362	5.6
APS5	44870	46527	1657	3.7	45000	49074	4074	9.1
APS6	51650	53581	1931	3.7	53020	56790	3770	7.1
EL1	63760	68096	4336	6.8	65100	69984	4884	7.5
EL2	78800	82839	4039	5.1	80040	85691	5651	7.1

**Note, a median AWA figure was not available for APS 1 in 2001, therefore no comparison has been made*

Total Remuneration Package

Total Remuneration Package (TRP) represents the total of:

- Base Salary
- Superannuation
- Motor Vehicles (including parking and FBT)
- Other fixed benefit items.

Table 10 presents a TRP comparison between CAs and AWAs at both the median and average for each classification level.

Table 10
Total Remuneration Package

APS Class'n	Median		Difference (AWA – CA)		Average		Difference (AWA – CA)	
	CA	AWA	\$	%	CA	AWA	\$	%
GRAD	39367	46622	7255	18.4	41232	45033	3801	9.2
APS1	32939	35971	3032	9.2	32625	35659	3034	9.3
APS2	38639	40750	2111	5.5	38508	40309	1801	4.7
APS3	42440	46479	4039	9.5	42835	46306	3471	8.1
APS4	47986	49844	1859	3.9	47704	49888	2184	4.6
APS5	53242	55572	2330	4.4	53768	54994	1225	2.3
APS6	60797	63881	3084	5.1	60755	64259	3505	5.8
EL1	77568	79931	2363	3.0	77378	79863	2486	3.2
EL2	95127	99400	4273	4.5	93874	99801	5926	6.3

The results show that the employees covered by AWAs generally have a higher TRP than employees covered by CAs at the same classification.

At the median, the difference between CAs and AWAs for TRP ranges from 3.0% at EL 1 to 18.4% at the Graduate classification. The average figures show that, the smallest difference of 2.3% was at APS 5 and the largest difference was at APS 1 (9.3%).

Table 11 presents a comparison of median TRP for each classification between 2001 and 2002.

Table 11
Total Remuneration Package Comparison (2001 – 2002)

APS Class'n	Median TRP		Movement	
	2001	2002	\$	%
GRAD	37260	41820	4560	12.2
APS1	32100	35012	2912	9.1
APS2	36830	39201	2371	6.4
APS3	41040	43888	2848	6.9
APS4	46080	47986	1906	4.1
APS5	50820	54159	3339	6.6
APS6	59870	63158	3288	5.5
EL1	74100	79509	5409	7.3
EL2	93100	98481	5381	5.8

** Note 2001 data is current as at June 2001 and 2002 data is current as at December 2002*

Table 12 shows that consistent with the Base Salary median comparison between 2001 and 2002, the APS 4 median TRP has the lowest movement (4.1%) of all APS classification levels. Also consistent with the Base Salary results, the highest increase occurred at the Graduate level with an increase of 12.2%.

Table 12 presents a comparison of CAs and AWAs at the Total Remuneration Package level between 2001 and 2002.

Table 12
Total Remuneration Package Comparison (2001 – 2002) – CA & AWA

APS Class'n	CA Median		Difference (2002 – 2001)		AWA Median		Difference (2002 – 2001)	
	2001	2002	\$	%	2001	2002	\$	%
GRAD	37260	39367	2107	5.7	37820	46622	8802	23.3
APS1	32110	32939	829	2.6	-	-	-	-
APS2	36580	38639	2059	5.6	40110	40750	640	1.6
APS3	40930	42440	1510	3.7	43180	46479	3299	7.6
APS4	45770	47986	2216	4.8	48230	49844	1614	3.3
APS5	50630	53242	2612	5.2	51270	55572	4302	8.4
APS6	58080	60797	2717	4.7	60100	63881	3781	6.3
EL1	73200	77568	4368	6.0	74760	79931	5171	6.9
EL2	91230	95127	3897	4.3	94490	99400	4910	5.2

**Note, a median AWA figure was not available for APS 1 in 2001, therefore no comparison has been made*

Bonus/Incentive Payments

The following summarises the findings for performance, retention and other bonuses. A performance bonus has been defined as a bonus paid to an employee upon the achievement of a specific level of performance.

A retention bonus has been defined as a bonus paid to retain an employee for a specific period of time or for the duration of a project.

‘Other bonus’ has been defined as agency wide or team wide bonuses.

Table 13
All eligible non-SES employees performance bonus comparison (CA and AWA)

APS Class'n	Median		Difference (AWA-CA)	Average		Difference (AWA-CA)
	CA	AWA		CA	AWA	
GRAD	0	3000	3000	0	2776	2776
APS1	0	-	-	149	-	-
APS2	0	-	-	460	-	-
APS3	0	4000	4000	408	3888	3480
APS4	0	3040	3040	471	2863	2392
APS5	0	3500	3500	509	3463	2954
APS6	0	2311	2311	564	2506	1943
EL1	268	3000	2732	1089	3673	2585
EL2	976	3873	2897	2741	4521	1780

**Note many of the eligible employees received \$0 bonus and as such this is reflected by the median figure. The average figure however, due to the nature of the calculation will always report a figure > \$0 if there is at least one bonus payment that is greater than \$0.*

Table 13 shows that eligible employees covered by AWA receive higher bonuses than their CA counterparts.

The results indicate that 15% of employees covered by a CA and 50% of employees covered by an AWA were eligible to receive a performance bonus.

At the median, no eligible employees covered by a CA received a bonus at APS 6 or below. Bonuses were received at most levels by employees covered by an AWA. At EL 1 and EL2, the difference in median bonus size between employees covered by CAs and AWAs was \$2,732 and \$2,897 respectively.

The average size of bonuses for employees covered by AWA is consistently higher than the average size of bonuses received by employees covered by CAs.

Table 14 illustrates the comparison for employees who received a performance bonus.

Table 14
All non-SES employees that received a performance bonus comparison – (CA and AWA)

APS Class'n	Median		Difference (AWA-CA)	Average		Difference (AWA-CA)
	CA	AWA		CA	AWA	
GRAD	-	-	-	-	-	-
APS1	-	-	-	-	-	-
APS2	409	-	-	948	-	-
APS3	790	4100	3310	1107	4079	2972
APS4	509	3484	2975	965	3553	2588
APS5	554	3900	3346	1219	3987	2767
APS6	648	2311	1662	1221	2947	1726
EL1	1438	3375	1937	2103	4328	2225
EL2	3458	4223	764	4155	5404	1249

Results indicate that of the employees eligible for a performance bonus, 45% (479 employees) of those employed under a CA and 78% (2530 employees) of employees covered by an AWA actually received a performance bonus.

Table 14 shows that of those employees that received a performance bonus, median and average AWA bonuses are consistently higher than bonuses paid to employees covered under CAs, for classifications APS 3 and above.

Results show that 1% of employees covered by a CA were eligible for a retention bonus representing the payments made to facilitate machinery of government change, whilst 5% of employees on an AWA were eligible to receive a retention bonus.

Table 15 presents a comparison of retention bonus payments between employees covered under AWAs and CAs.

Table 15
All non-SES employees retention bonus payment comparison - CA and AWA

APS Class'n	Median		Average	
	CA	AWA	CA	AWA
APS4	-	0	-	4455
APS5	-	5000	-	4591
APS6	-	5219	-	4086
EL1	-	4000	-	4374
EL2	-	6822	-	7743

Of all the employees eligible for a retention bonus, 5% of employees (3 employees) covered by a CA and 75% of employees (265 employees) covered by an AWA actually received a bonus.

Table 16 shows a comparison for employees that actually received a retention bonus.

Table 16
All non-SES employees that received a retention bonus payment comparison - CA and AWA

APS Class'n	Median		Average	
	CA	AWA	CA	AWA
APS5	-	5000	-	6313
APS6	-	6154	-	6420
EL1	-	6211	-	6594
EL2	-	7500	-	9463

Table 17 presents a comparison for employees that received an 'other bonus' payment. 'Other bonus' includes an agency wide or team based bonuses.

Table 17
'Other Bonus' payments comparison - CA and AWA

APS Class'n	Median			Average		Difference (AWA-CA)
	CA	AWA	Difference (AWA-CA)	CA	AWA	
GRAD	-	-	-	-	-	-
APS1	-	-	-	-	-	-
APS2	-	-	-	-	-	-
APS3	-	-	-	-	-	-
APS4	-	-	-	-	-	-
APS5	934	-	-	786	-	-
APS6	1022	524	-498	854	599	-254
EL1	1357	716	-641	1132	537	-595
EL2	1783	860	-923	1647	1125	-523

The results indicate that ‘other bonuses’ were provided to employees covered by CAs at all classification levels at APS 5 and above. ‘Other bonuses’ were provided to employees under AWAs at classification level APS 6 and above.

The bonus amounts were generally higher for those under CAs than employees covered by AWAs.

Table 18 presents a comparison for employees that received a ‘sign-on bonus’ payment.

Table 18
‘Sign-on’ payments comparison - CA and AWA

APS Class'n	Median		Difference (AWA-CA)	Average		Difference (AWA-CA)
	CA	AWA		CA	AWA	
GRAD	-	-	-	-	-	-
APS1	400	-	-400	462	-	-462
APS2	400	-	-400	676	-	-676
APS3	400	-	-400	505	-	-505
APS4	400	963	563	516	912	396
APS5	400	-	-400	626	1148	522
APS6	400	400	0	642	574	-67
EL1	621	400	-221	788	633	-155
EL2	1000	853	-147	927	1074	147

Table 18 shows that ‘sign-on bonuses’ were provided to employees covered by CAs at levels APS 1 and above, whilst ‘sign-on bonuses’ were provided to employees under AWAs at classification level APS 4, and levels APS 6 and above.

Table 19
Performance Bonus comparisons with Base Salary and TRP

APS Class'n	Average Performance Bonus Dollars	Average Percentage of BS %	Average Percentage of TRP	(N)
GRAD	649	1.6	1.4	77
APS1	149	0.5	0.4	35
APS2	557	1.6	1.4	119
APS3	1439	3.2	2.8	224
APS4	1551	3.2	2.8	257
APS5	1625	3.1	2.7	295
APS6	2037	3.1	2.7	634
EL1	3306	4.5	3.9	1054
EL2	4359	5.1	4.3	1602

The above table shows that performance bonuses as a percentage of Base Salary and Total Remuneration Package increase steadily between APS 1 and EL 2, however sit at similar levels between APS 3 and APS 6. As an average percentage of Base Salary, performance bonuses range from 0.5% to 5.1%. As an average percentage of Total Remuneration Package, performance bonuses range from 0.4% to 4.3%.

Table 20
Retention Bonus comparisons with Base Salary and TRP

APS Class'n	Average Performance Bonus Dollars	Average Percentage of BS %	Average Percentage of TRP %	(N)
APS4	2579	5.7	4.9	19
APS5	3375	7.2	6.4	20
APS6	3545	6.7	6.1	31
EL1	4053	5.9	5.3	109
EL2	7469	8.7	7.5	218

Table 20 shows retention bonuses are not generally provided at the Graduate level, APS 1, APS 2 and APS 3. Retention bonuses as a percentage of Base Salary are generally between 5.7% and 8.7%. As expected, retention bonuses as a percentage of Total Remuneration Package are generally slightly lower between 4.9% and 7.5%.

Table 21
'Other Bonus' comparisons with TRP and Base Salary

APS Class'n	Average Performance Bonus Dollars	Average Percentage of BS %	Average Percentage of TRP %	(N)
GRAD	-	-	-	15
APS1	325	1.0	0.9	9
APS2	-	-	-	14
APS3	564	1.4	1.3	18
APS4	585	1.4	1.2	21
APS5	748	1.6	1.4	25
APS6	774	1.4	1.2	32
EL1	1029	1.5	1.3	29
EL2	1302	1.5	1.3	50

Table 21 shows no particular trends in the 'other bonus' as a percentage of Base Salary or Total Remuneration Package from classification level APS 3 and above. Average 'other bonuses' range from 1.0% of Base Salary to 1.6% of Base Salary. As expected, 'other bonuses' as a percentage of Total Remuneration Package are generally slightly lower between 0.9% and 1.4%.

Table 22
‘Sign-on Bonus’ comparisons with TRP and Base Salary

APS Class'n	Average Performance Bonus	Average Percentage of BS	Average Percentage of TRP	(N)
	Dollars	%	%	
GRAD	661	1.9	1.8	29
APS1	509	1.7	1.5	34
APS2	712	2.1	1.8	90
APS3	655	1.7	1.5	83
APS4	748	1.7	1.5	98
APS5	852	1.8	1.6	88
APS6	569	1.0	0.9	362
EL1	631	0.9	0.8	293
EL2	960	1.1	1.0	206

Table 22 shows that sign-on bonuses are received by employees at all levels. ‘Sign-on bonuses’ as a percentage of Base Salary and Total Remuneration Package, appear to decrease as the APS classification level increases. This is to be expected as sign-on bonuses are usually a fixed dollar amount. Average ‘sign-on bonuses’ range from 1.0% of Base Salary to 2.1% of Base Salary and as expected, ‘other bonuses’ as a percentage of Total Remuneration Package are slightly lower between 1.0% and 1.8%.

Total Reward

Total Reward represents the sum of Total Remuneration Package and actual Incentive payments.

Table 23 presents a Total Reward comparison between CAs and AWAs at both the median and average for each classification level.

Table 23
Total Reward comparison – CA and AWA

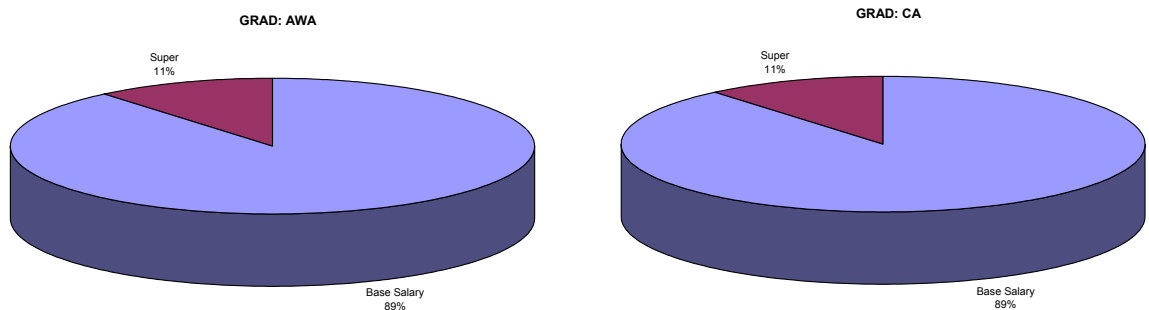
APS Class'n	Median		Difference (AWA – CA)		Average		Difference (AWA – CA)	
	CA	AWA	\$	%	CA	AWA	\$	%
GRAD	39853	46674	6821	17.1	41345	45414	4069	9.8
APS1	32939	35971	3032	9.2	32716	35688	2971	9.1
APS2	38950	40803	1852	4.8	38761	40483	1722	4.4
APS3	42655	46648	3993	9.4	42999	47185	4185	9.7
APS4	47986	50481	2495	5.2	47737	50842	3105	6.5
APS5	53705	56683	2979	5.5	54016	56063	2047	3.8
APS6	61159	66391	5232	8.6	61030	65643	4612	7.6
EL1	77881	82741	4860	6.2	77872	82326	4454	5.7
EL2	95526	103202	7676	8.0	94969	103445	8476	8.9

The results show that the employees covered by AWAs generally have higher Total Reward than employees covered by CAs at the same classification.

At the median, although the difference between CAs and AWAs for Total Reward generally ranges between 5% and 9.5%, a particularly large difference is noted at the graduate level (17.1%). The average figures show that, the difference between CAs and AWA ranges from 3.8% at APS 5 to 9.8% at the Graduate level.

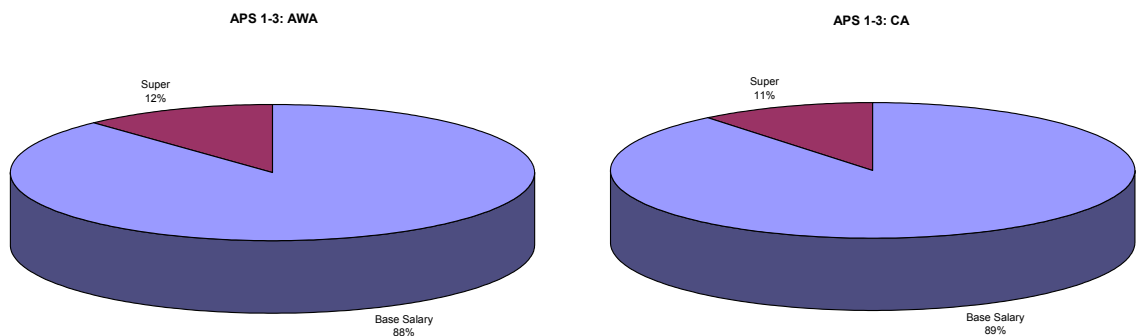
Figure 4 sets out typical components of remuneration at various classifications for employees covered by AWAs and CAs.

Figure 4
Typical Components of Remuneration
APS Graduate Classification Levels



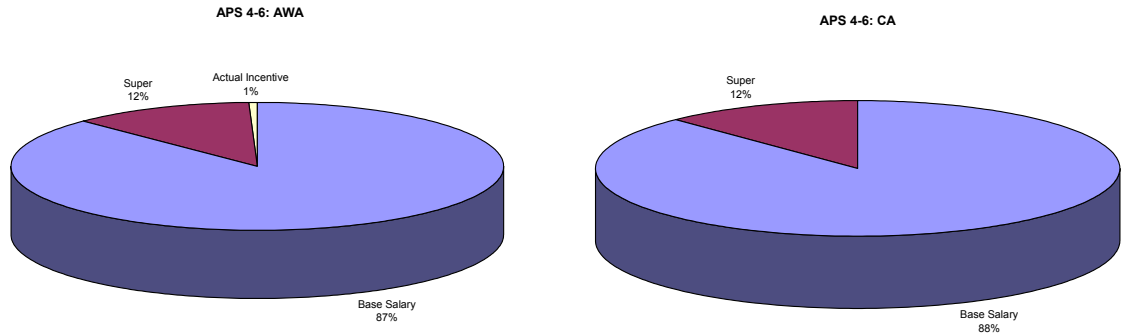
At the graduate level, results show that employees covered by a CA and employees covered by an AWA would typically receive Total Reward comprising the same components of the same proportions. Employees would typically receive Total Reward comprising 11% superannuation and 89% Base Salary.

APS 1-3 Classification Levels



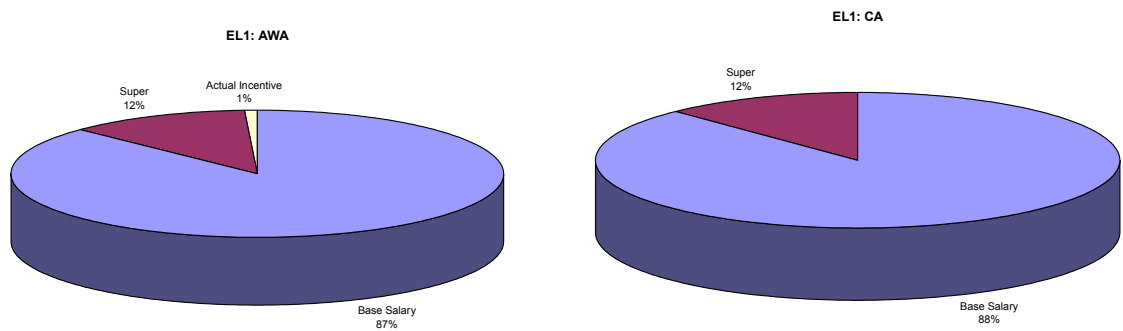
Once again, the results show little difference between AWAs and CAs at the APS levels 1 to 3. Employees covered by an AWA would typically receive Total Reward comprising 12% superannuation and 88% Base Salary, whilst employees covered by a CA would also typically receive 11% superannuation and 89% Base Salary.

APS 4-6 Classification Levels



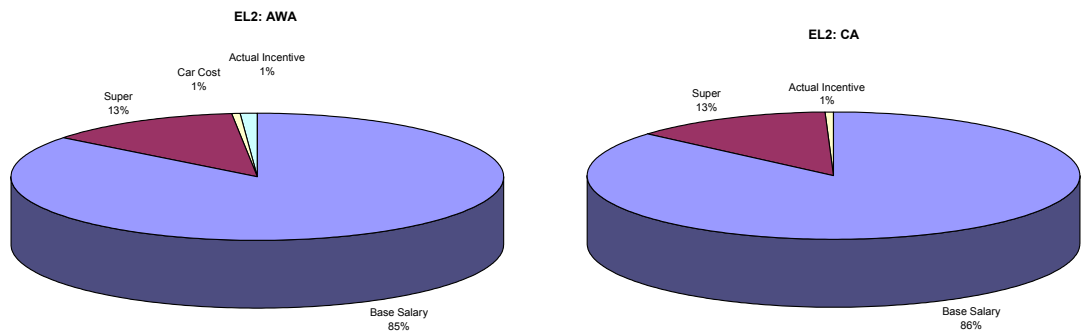
The difference between Total Reward received by an employee covered by an AWA and an employee covered by a CA at these levels is that an employee covered by an AWA would typically receive a 1% incentive and therefore Base Salary would represent a lower proportion of Total Reward than an employee covered by a CA.

EL 1 Classification Level



An employee at EL 1 covered by an AWA would typically receive Total Reward comprising 12% superannuation, 1% incentive and 87% Base Salary, whereas an employee covered by a CA would typically receive Total Reward comprising 12% superannuation, and no incentive payment.

EL 2 Classification Level



At EL 2, an employee covered by a CA would typically receive Total Reward comprising 86% Base Salary, 13% superannuation and 1% incentive. However employees covered by an AWA would typically receive Total Reward comprising 85% Base Salary, 13% superannuation, 1% incentive as well as 1% car cost.

Total Reward including Allowances

Total Reward including Allowances represents the sum of:

- Total Reward
- Shift loading
- Overtime
- Any other non-reimbursement allowances paid to the employee.

Table 24 presents a Total Reward including Allowances comparison between CAs and AWAs at both the median and average for each classification level.

Table 24
Total Reward including Allowances comparison – CA and AWA

APS Class'n	Median		Difference (AWA – CA)		Average		Difference (AWA – CA)	
	CA	AWA	\$	%	CA	AWA	\$	%
GRAD	39853	46674	6821	17.1	41586	45432	3846	9.2
APS1	33145	37020	3876	11.7	33008	36766	3759	11.4
APS2	39577	40952	1374	3.5	40479	41117	638	1.6
APS3	43107	46686	3579	8.3	44848	48357	3508	7.8
APS4	48179	51177	2998	6.2	48695	51723	3028	6.2
APS5	54151	56804	2653	4.9	55058	56862	1805	3.3
APS6	61252	66687	5434	8.9	61823	66543	4720	7.6
EL1	78079	83225	5146	6.6	78603	82983	4380	5.6
EL2	95986	103519	7533	7.8	95661	103920	8259	8.6

The results show that the employees covered by AWAs generally have higher Total Reward including Allowances, than employees covered by CAs at the same classification.

At the median, the difference between CAs and AWAs for Total Reward ranges between 3.5% at APS 2 and 17.1% at the Graduate level. Average figures show that the difference between CAs and AWAs ranges from 1.6% at APS 2 to 11.4% at the APS 1.

Employee Benefits and Other Entitlements

The following summarises findings for employee benefits and other entitlements such as motor vehicles. A summary of the following items is included below:

- Motor vehicles includes parking allowances and FBT but excludes salary sacrifice vehicles
- Superannuation
- Other entitlements, including
 - memberships
 - telephone
 - travel
 - study.

Motor Vehicles

Table 25
Motor Vehicle Costs (Package Value)

	Q1	Median	Q3	Average	N
EL1	3063	5414	8144	5819	12
EL2	2239	13206	17056	10946	206

The results in Table 25 indicate that the median motor vehicle cost for EL1 is \$5,414 and the median motor vehicle cost for EL 2 is \$13,206.

Superannuation

Table 26 shows the average superannuation amount received by employees covered by AWAs and CAs at the following classifications.

Table 26
Superannuation comparison – CA and AWA

APS Class'n	Average Superannuation (\$)		
	CA	AWA	All non-SES employees
GRAD	4619	4999	4782
APS1	3514	4613	4054
APS2	4160	4700	4371
APS3	4899	5629	5131
APS4	5821	5880	5828
APS5	6707	6525	6640
APS6	7686	7880	7796
EL1	9663	9873	9818
EL2	12459	13036	12936

The table above indicates that the average superannuation received by employees covered by AWAs is generally slightly higher than employees covered by CAs, reflecting the direct relationship between superannuation and salary.

Allowances

Table 27 shows the median and average amounts paid in overtime, shift allowances and other allowances. Other allowances includes the Remote Localities Allowance, Departmental Liaison Officer Allowance and any other non-reimbursement allowances paid to the employee.

Table 27
Superannuation comparison – CA and Australian Workplace Agreement

APC Class'n	Overtime/Restriction Allowance			Shift Allowance			Other Allowances		
	Med	Avg	N	Med	Avg	N	Med	Avg	N
GRAD	1275	1295	5	-	-	0	2997	6326	7
APS1	2086	3084	42	-	-	18	1326	2166	22
APS2	2124	3181	80	7442	6500	18	5687	9211	54
APS3	2988	4938	117	8759	8573	57	3270	10378	59
APS4	1990	2651	855	3753	4736	63	3365	5348	163
APS5	2703	4141	154	9500	9340	25	2735	4308	47
APS6	3061	4396	189	10118	10572	8	1037	2280	217
EL1	3781	5484	111	7507	8150	4	1037	3612	205
EL2	3183	4962	21	-	-	0	2741	4525	291
Total	1275	1295	5	-	-	0	2997	6326	7

4

Findings - Non-SES Remuneration Policy

Communication of remuneration strategy

An effective remuneration strategy is vital for any organisation and should reflect the organisation's philosophy and business goals. It is equally important to communicate the strategy to employees to obtain their 'buy in' and commitment to it.

Of the agencies surveyed, the majority (86%) stated that they have a formal non-SES remuneration strategy that is communicated to non-SES employees. 80% of agencies indicated that they use this strategy as a basis for program design and pay decisions.

Minimum & maximum base salary

The following graphs illustrate the reported range minimum and maximum base salaries (not based on actual data) for the various employee classifications, broken down by CAs (CA) and AWAs (AWA).

Figure 5

Minimum of Range

Base Salary Range Minima and Maxima

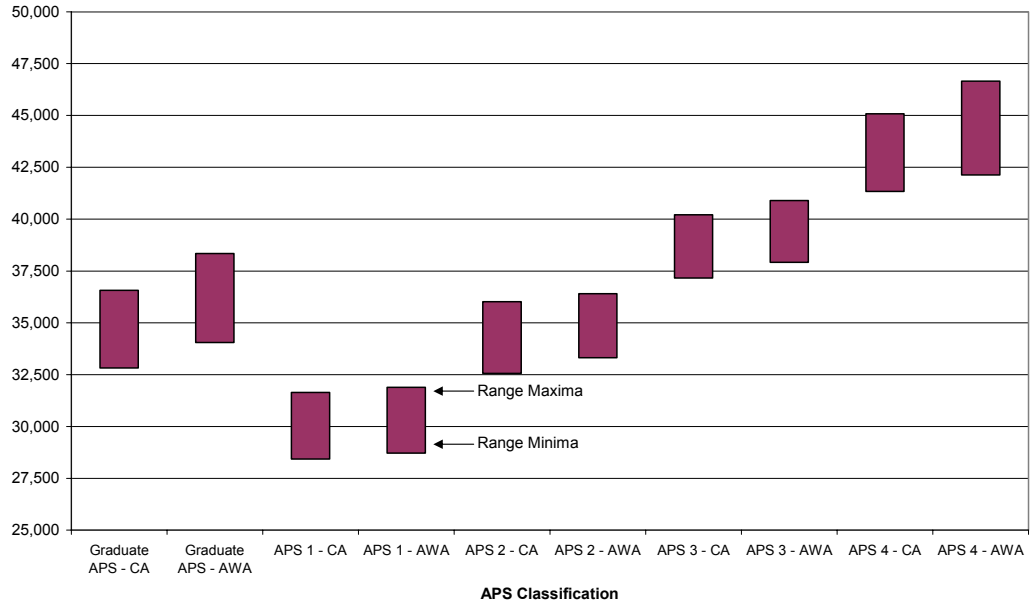
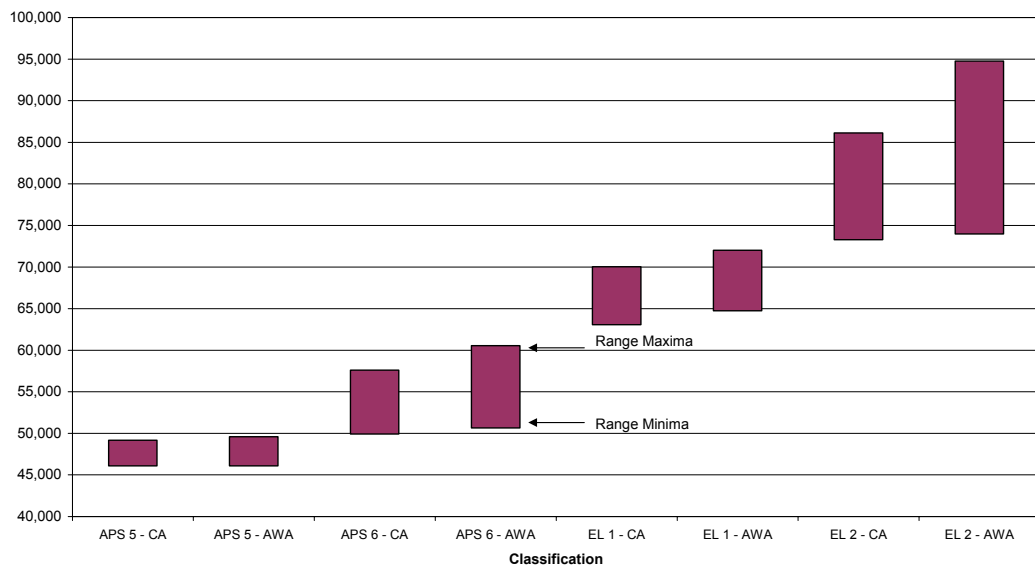


Figure 6

Base Salary Range Minima and Maxima



Remuneration Benchmarking

Remuneration benchmarking is used by organisations to facilitate the management of remuneration.

Of those agencies who are using the benchmarking process, a general overview of where they position themselves against their relevant peer group is provided in Table 28. For example, when referencing the DEWR remuneration survey group, agencies generally position themselves at the 75th percentile for Base Salary, TRP and incentives.

Table 28
Remuneration benchmarking comparator groups

	CA			AWA		
	Base Salary	TRP	Inc	Base Salary	TRP	Inc
	Percentile					
DEWR remuneration survey group	75	75	75	75	75	75
Select Public Sector agencies	67.5	75	75	75	75	75

As highlighted above, the 75th percentile is the (median) pay policy positioning for agencies benchmarking themselves against the DEWR remuneration survey group, and select public sector agencies. Given the number of agencies targeting their pay policy at the 75th percentile, we would expect that over a number of years this position would become the median. This has not yet become evident in the results of this survey, which may suggest that the 75th percentile is the desired pay policy position of the contributing agencies rather than their actual pay policy position.

The following Figures highlight the proportion of agencies comparing themselves against the relevant comparator groups. As depicted, the majority of organisations indicate that they adopt the public sector or DEWR remuneration survey group as their peer group for benchmarking both CA and AWA remuneration.

Figure 7
Base Salary Comparator Groups

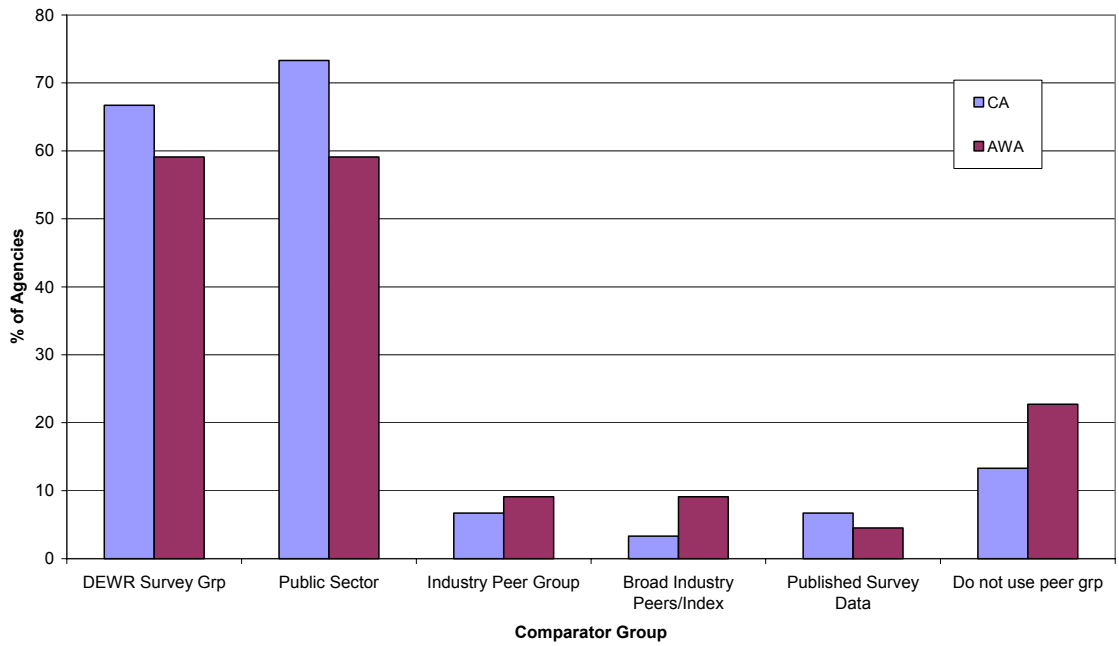


Figure 8
TRP Comparator Groups

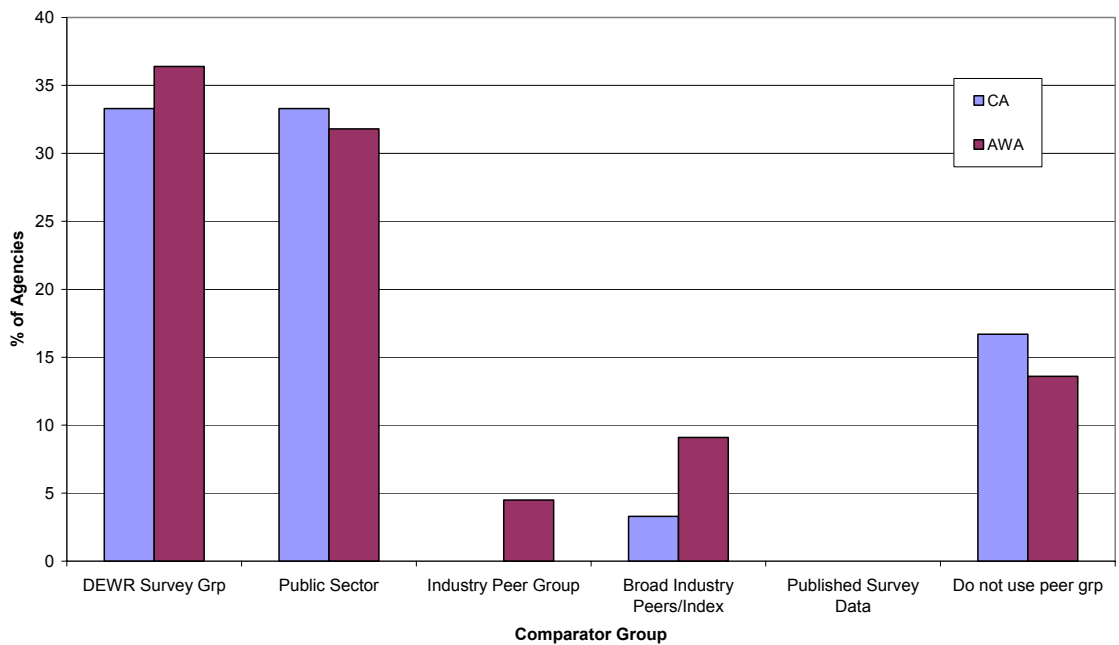
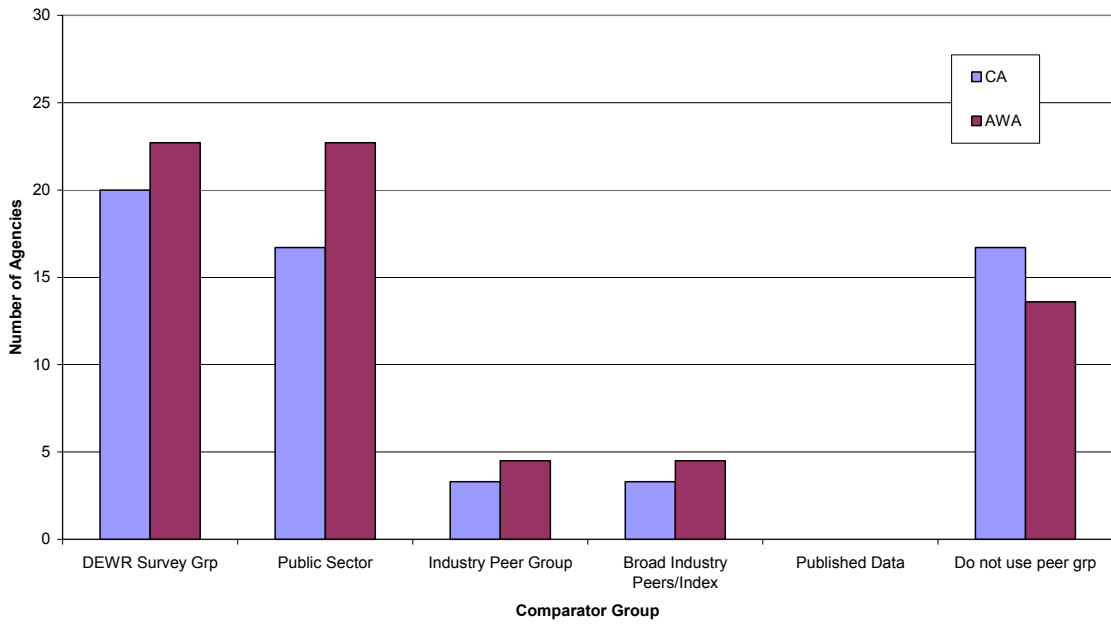


Figure 9

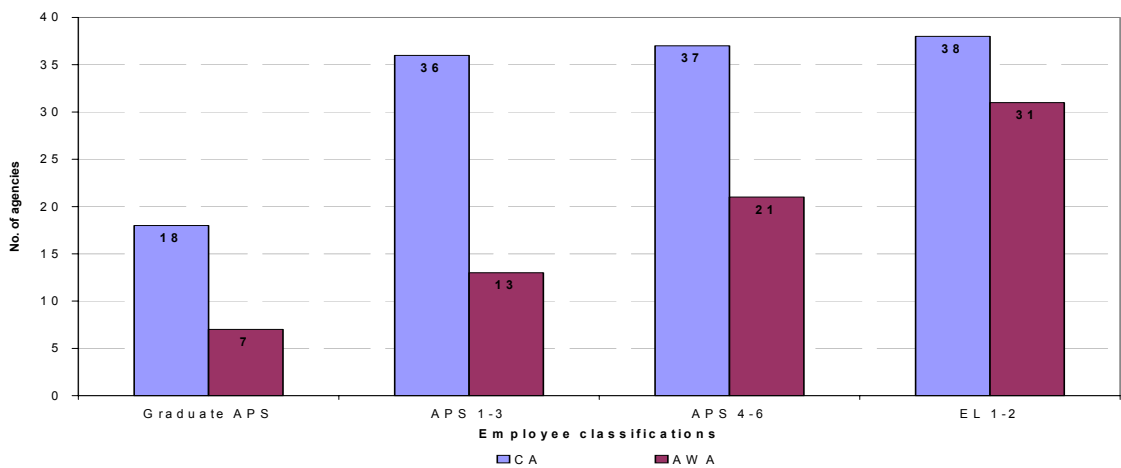
Incentive Comparator Groups



Annual remuneration review process

The following graph shows the number of agencies that have an annual remuneration review process for employees. As highlighted a greater number of agencies undertake an annual remuneration review process for employees on CAs, compared with those on AWAs. This is an interesting result as many employees moved from a CA to an AWA because it was believed that they would provide a more rigorous approach to remuneration reviews.

Figure 10



Non-SES starting salaries

The survey asked agencies how they determine starting salaries for non-SES employees. For employees covered by an AWA, survey respondents reported that starting salaries are more commonly determined at the discretion of the Secretary, whereas for employees covered by a CA, the most cited response was for staff to commence at the minimum pay point for the relevant classification.

Table 29
Determining non-SES starting salaries

	% of agencies	
	CA (n=52)	AWA (n=44)
At the discretion of the Secretary	34.6	61.4
Using market data from remuneration surveys	1.9	4.5
In line with others in the agency in the same classification	11.5	2.3
Job evaluation	-	4.5
At the minimum of the classification	46.2	22.7
Other	5.8	4.5

Remuneration increases

Tables 30 and 31 present the planned Base Salary increases (over the next three financial years) for AWA and CA employees.

The survey results show that most agencies will provide for a 3.35%-5% per annum movement for each of the next three financial years in their CAs and AWAs, with 4% being the median planned increased (with the exception of the 2004/2005 financial year for AWA employees).

Table 30
Planned Base Salary increases for CAs

CAs	Q1	Median	Q3	Average
Percentage				
2002/2003 financial year (n=38)	3.87	4.00	5.00	4.53
2003/2004 financial year (n=25)	3.50	4.00	4.10	3.89
2004/2005 financial year (n=8)	3.62	4.00	4.50	4.10

**2005/2006 financial year – data not available*

Table 31
Planned base salary increases for AWAs

AWAs	Q1	Median	Q3	Average
Percentage				
2002/2003 financial year (n=25)	3.75	4.00	5.00	4.57
2003/2004 financial year (n=18)	3.45	4.00	4.62	4.03
2004/2005 financial year (n=8)	3.35	4.25	4.87	4.10

**2005/2006 financial year – data not available*

Non-SES retention payments

Retention payments are made to some employees as a means of retaining that employee for the duration of a project or for a particular period of time. They are different to performance pay or incentive plans which reward employees for achievement of specific performance objectives.

The following graph illustrates the number of agencies which offer retention payment plans for employees covered by a CA or an AWA.

Figure 11
Agencies offering retention payments

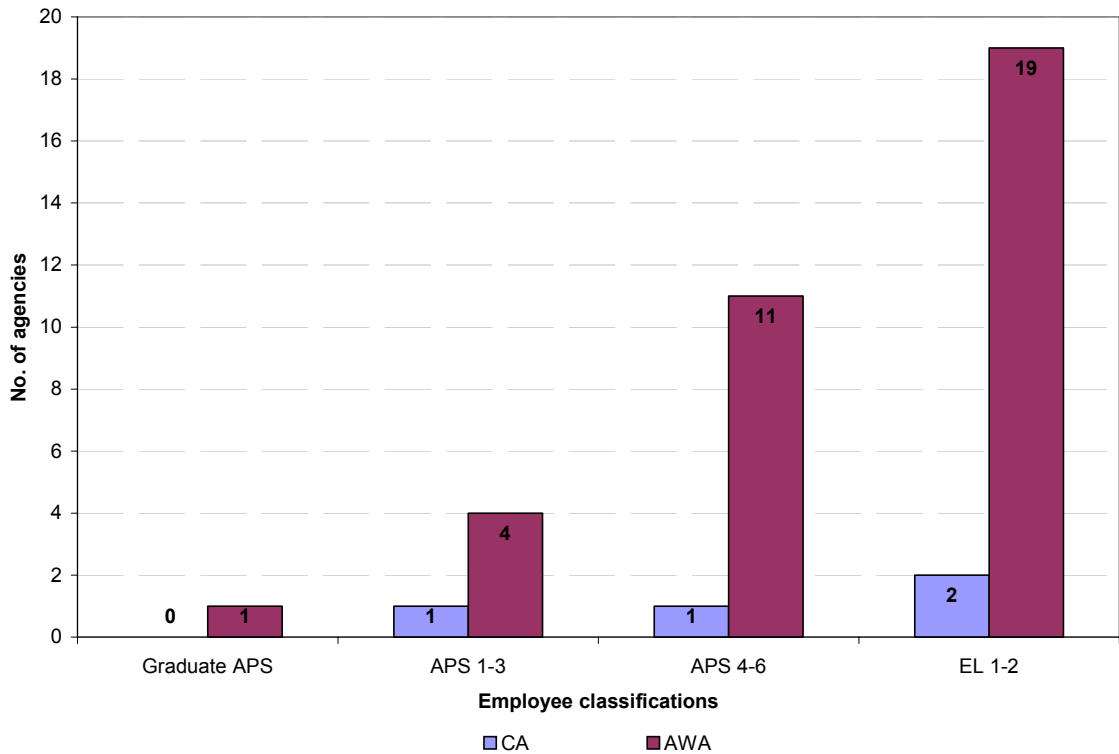


Figure 11 shows that eligibility for retention payments are more prevalent at higher levels.

Where retention payments are made to non-SES employees, they are typically provided to staff on AWAs at a certain point in time (eg 6 months continuous employment). For employees under a CA, the basis of retention payments is more varied, as illustrated in Table 32.

Table 32
Basis of retention payments

	% of agencies	
	CA (n=4)	AWA (n=20)
On completion of a milestone (eg project)	25.0	20.0
At a point in time (eg 6 months continuous employment)	25.0	65.0
Other	50.0	15.0

Attraction and retention

An increasingly competitive, uncertain and constantly changing environment has forced many organisations to look at how they strategically manage attraction and retention of key talent. This includes understanding the markets from which an organisation is likely to source staff. As such, the survey asked agencies who they consider to be their competitors.

The results indicate that agencies consider their biggest competitor, in terms of attraction and retention, to be the Commonwealth public sector, with the Private sector being the biggest threat for IT positions.

Table 33
Attraction and retention – major competitors

Job family	% of agencies			
	Commonwealth public sector	Other public sector (State/Local government)	Government Business Enterprises	Private sector
Generalist positions (n=45)	97.7	68.8	46.6	33.3
IT (n=32)	81.2	53.1	43.7	87.5
Finance (n=30)	96.6	66.6	53.3	66.6
Medical (n=4)	75.0	75.0	75.0	100.0
Legal (n=23)	95.6	73.9	56.5	56.5
Communications (n=20)	90.0	60.0	50.0	65.0
Other (n=9)	77.7	77.7	66.6	66.6

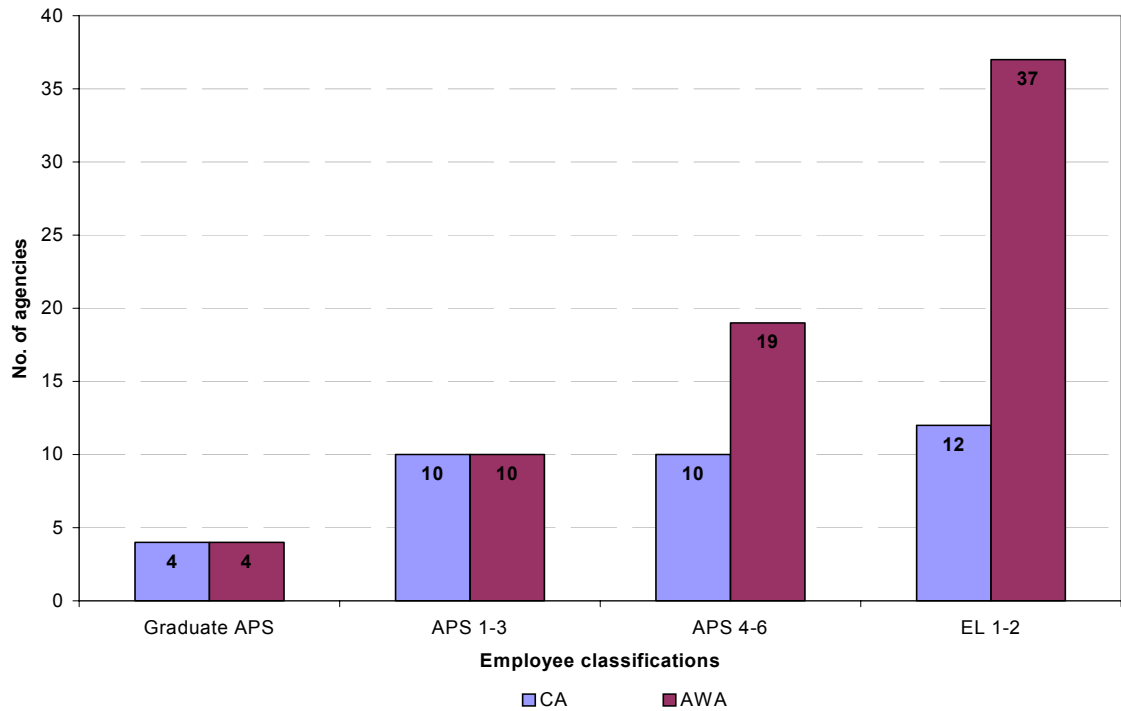
Non-SES performance pay plans

Performance pay or incentive plans reward employees for the extent to which they achieve specific performance outcomes.

Performance targets can be financial, such as revenue or non-financial, such as customer satisfaction levels. Examples of performance pay plans include an incentive matrix, performance scorecard and balanced scorecard.

The following graph shows the number of agencies that offer performance pay plans for employees covered by a CA or an AWA.

Figure 12
Agencies offering performance payments



As illustrated in Figure 12, performance payment eligibility for AWA employees increases with the classification level. This trend is consistent with general market practice.

However for employees covered by a CA, performance payment eligibility is notably lower, with quite consistent eligibility across the classification levels (with the exception of graduates).

Of those organisations that offer performance payments, the vast majority cap this amount. This is illustrated in the following Table 34.

Table 34
Agencies capping the performance pay provided to individuals

	% of agencies	
	CA	AWA
Graduate APS (n=4)	75.0	75.0
APS 1-3 (n=10)	90.0	60.0
APS 4-6 (n=10-19)	90.0	63.1
EL 1-2 (n=12-37)	91.6	78.4

The following two tables show the caps that agencies impose on performance plans, either as a dollar amount or as a percentage of remuneration.

Table 35
Dollar cap on performance plans

	Q1	Median	Q3	Average
	Dollars			
Graduate APS (CA)	-	-	-	-
Graduate APS (AWA)	-	-	-	-
APS 1-3 (CA)	-	-	-	-
APS 1-3 (AWA) n=4	4,130	5,388	6,147	4,889
APS 4-6 (CA)	-	-	-	-
APS 4-6 (AWA) n=4	5,688	7,700	8,785	6,772
EL 1-2 (CA)	-	-	-	-
EL 1-2 (AWA) n=5	10,163	13,062	14,892	11,023

Table 36
Percentage cap on performance plans

	Q1	Median	Q3	Average
	Percentage of remuneration			
Graduate APS (CA)	-	-	-	-
Graduate APS (AWA)	-	-	-	-
APS 1-3 (CA) n=5	2.0	3.0	6.0	4.4
APS 1-3 (AWA)	-	-	-	-
APS 4-6 (CA) n=5	2.0	3.0	6.0	5.4
APS 4-6 (AWA) n=7	8.0	12.0	15.0	11.0
EL 1-2 (CA) n=6	2.2	4.5	9.0	6.2
EL 1-2 (AWA) n=19	10.0	13.0	15.0	11.3

Consistent with SES employees, most performance payments are made in the form of a cash lump sum with a lesser amount paid as an increase in Base Salary. As shown in Table 37, relatively few agencies provide performance pay in the form of a superannuation top-up or as non-cash benefits.

Table 37
Reward mechanisms in non-SES performance plans

	% of agencies	
	CA (n=14)	AWA (n=35)
Cash lump sum	85.7	94.3
Increase in base salary	50.0	25.7
Superannuation top-up	7.1	5.7
Non-cash benefits	-	2.9



Salary Survey Results

All of the data presented in this section has been analysed by individual. This means that each individual is treated as a separate piece of data. If, for example, one agency provides data on 3 individuals for a particular APS classification level, that input is counted as 3 separate pieces of data. However, if less than 3 agencies have provided data for any one category, data will not be provided regardless of the number of individuals in the sample (No. Recv).

The number of individuals on which the profile is based (sample size) is shown in the right hand column of each table.

Analysed by Individual

Graduate APS	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars			Percent			
Base Salary	34611	36409	41667	38069	89	88	347
Agency Super Contribution	4310	5000	5423	4782	11	11	347
Car Cost							0
Other Benefits							1
Total Remuneration Package	38762	41820	46674	42853	100	100	347
Performance Bonus (\$)	0	0	0	649	1	0	77
Retention Bonus (\$)							0
Sign on and other bonus	400	731	951	663	2	2	38
Total Reward	38762	41820	46824	43080	101	100	347
All allowances	1223	1480	7117	4230	9	9	12
Total Reward including Allowances	38762	41820	46824	43226	101	100	347

APS 1	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	28763	30966	31791	30052	88	88	421
Agency Super Contribution	2624	4364	4762	4054	12	11	421
Car Cost							1
Other Benefits							0
Total Remuneration Package	31613	35012	37182	34117	100	100	421
Performance Bonus (\$)	0	0	360	149	0	0	35
Retention Bonus (\$)							0
Sign on and other bonus	400	400	693	507.7	1	1	31
Total Reward	31613	35048	37182	34177	100	100	421
All allowances	1591	3050	6607	4464	12	12	64
Total Reward including Allowances	31720	35217	37426	34856	102	102	421

APS 2	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	33361	35104	36484	34809	89	89	673
Agency Super Contribution	3114	4763	5237	4371	11	11	673
Car Cost							1
Other Benefits							2
Total Remuneration Package	36851	39201	41900	39212	100	99	673
Performance Bonus (\$)	0	30	530	557	1	0	119
Retention Bonus (\$)							7
Sign on and other bonus	400	731	861	723.7	2	2	93
Total Reward	36952	39423	41990	39434	101	100	673
All allowances	1719	3244	7743	6755	17	17	129
Total Reward including Allowances	37209	40214	42215	40728	104	103	673

APS 3	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	36402	39068	40766	38771	88	88	1028
Agency Super Contribution	4747	5203	5821	5131	11	11	1028
Car Cost							1
Other Benefits				6351	11	11	3
Total Remuneration Package	40560	43888	46578	43935	100	99	1028
Performance Bonus (\$)	0	383	2095	1439	3	1	216
Retention Bonus (\$)							9
Sign on and other bonus	400	559	922	646	1	1	95
Total Reward	40684	44130	46686	44327	101	100	1028
All allowances	2168	4268	11323	9231	20	20	182
Total Reward including Allowances	40944	44476	47161	45961	104	103	1028

APS 4	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	41185	42241	43392	42124	88	88	3625
Agency Super Contribution	5459	5745	5901	5828	12	12	3625
Car Cost							0
Other Benefits	1547	2250	7612	3803	7	7	4
Total Remuneration Package	46366	47986	49293	47956	100	100	3625
Performance Bonus (\$)	0	509	2891	1551	3	1	228
Retention Bonus (\$)	0	0	0	2579	5	2	19
Sign on and other bonus	400	500	1000	739.1	1	1	112
Total Reward	46476	47986	49293	48096	100	100	3625
All allowances	1435	2233	4006	3479	7	7	989
Total Reward including Allowances	46786	49021	50717	49045	102	102	3625

APS 5	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	46013	47607	49367	47550	88	87	1127
Agency Super Contribution	6013	6471	7129	6640	12	12	1127
Car Cost							5
Other Benefits							2
Total Remuneration Package	52099	54159	56752	54220	100	99	1127
Performance Bonus (\$)	0	550	2788	1625	3	1	262
Retention Bonus (\$)	0	0	5000	3375	6	3	20
Sign on and other bonus	444	1000	1118	890	2	2	113
Total Reward	52271	54668	56908	54770	101	100	1127
All allowances	1829	3577	6640	5711	10	10	188
Total Reward including Allowances	52271	55287	57636	55722	103	102	1127

APS 6	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	51962	55702	57281	54877	88	86	1659
Agency Super Contribution	6711	7430	8710	7796	12	12	1659
Car Cost	4282	9816	13260	9119	12	12	4
Other Benefits	2122	3603	7469	6848	9	9	11
Total Remuneration Package	58420	63158	66428	62741	100	99	1659
Performance Bonus (\$)	79	2208	2555	2037	3	2	538
Retention Bonus (\$)	0	0	6269	3545	6	4	31
Sign on and other bonus	400	400	800	599	1	1	331
Total Reward	59211	64237	67676	63644	101	100	1659
All allowances	1037	1673	4540	3708	6	6	382
Total Reward including Allowances	59498	64772	68882	64497	103	101	1659

EL 1	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	67506	69483	70625	69352	88	86	2047
Agency Super Contribution	8274	9432	12233	9818	12	12	2047
Car Cost	3063	5414	8144	5819	7	7	12
Other Benefits	2624	2811	5232	4212	5	5	14
Total Remuneration Package	76003	79509	83083	79218	100	98	2047
Performance Bonus (\$)	1001	2780	5364	3310	4	1	993
Retention Bonus (\$)	0	4000	6958	4053	5	3	109
Sign on and other bonus	400	400	1000	688.7	1	1	267
Total Reward	76892	81061	85696	81185	102	100	2047
All allowances	1037	1976	5314	4566	6	6	303
Total Reward including Allowances	77332	81693	86595	81861	103	101	2047

EL2	Q1	Median	Q3	Average	Avg % of TRP	Avg % of TR	No. Recv
	Dollars				Percent		
Base Salary	81517	85493	87746	84935	86	84	2774
Agency Super Contribution	10494	11972	16851	12936	13	12	2774
Car Cost	2239	13206	17056	10946	9	9	206
Other Benefits	1868	3562	6412	6513	6	6	38
Total Remuneration Package	92760	98481	103772	98773	100	97	2774
Performance Bonus (\$)	2145	3629	6482	4368	4	2	1585
Retention Bonus (\$)	2897	6419	10000	7469	7	5	218
Sign on and other bonus	400	853	1643	1049	1	1	237
Total Reward	94958	101607	108149	101975	103	100	2774
All allowances	1217	2936.5	5895	4644	5	5	306
Total Reward including Allowances	95437	102145	108451	102488	104	100	2774

Analysis of Data by Various Parameters

These tables present summary remuneration information (showing Base Salary and Total Remuneration Package) for each survey agency, analysed by parameters that identify particular segments of the survey group. These parameters include:

- total number of employees – the number of staff employed by the agency
- specialisation – the area or job family to which the SES employee is best described to belong to.

These analyses are useful for:

- identifying trends and differences in the data
- isolating particular types of organisations which may impact on the data
- determining whether remuneration practices are consistent with similar organisations.

Number of Employees

Graduate APS	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
No. of Employees	Dollars				Dollars				
0 to less than 100									2
100 to less than 500	34139	38537	42876	38787	38120	42873	48513	43613	40
500 to less than 1000	34412	36409	38984	36456	38722	41191	43888	41191	37
1000 to less than 5000	34638	38343	42133	37910	38762	43774	48074	42636	129
5000 or more	36397	41667	41667	39158	41662	46456	46674	43950	117

APS 1	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
No. of Employees	Dollars				Dollars				
0 to less than 100									2
100 to less than 500	28763	30932	31866	30188	30735	34111	37125	33833	61
500 to less than 1000	28905	31382	31848	30448	32116	36128	36999	34860	24
1000 to less than 5000	28223	29103	31570	29284	30696	33122	35246	32552	82
5000 or more	29592	31492	32555	30382	32786	35971	37255	34827	236

APS 2 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	33700	34153	34710	34163	37123	38638	41379	39138	14
100 to less than 500	33833	35370	36210	35103	36965	39423	41323	39210	135
500 to less than 1000	32098	33717	35706	33925	35253	37830	40374	37798	87
1000 to less than 5000	32811	34600	35849	34383	36215	38355	40367	38476	152
5000 or more	34279	35671	36897	35234	37725	40438	42162	40070	269

APS 3 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	36642	37861	39259	37622	41261	43237	44120	42350	39
100 to less than 500	37823	39358	40477	39561	42346	44457	46002	44478	179
500 to less than 1000	36838	39707	41688	40276	41314	44650	48203	45824	130
1000 to less than 5000	38180	39358	40336	39660	41737	44396	46630	44827	187
5000 or more	34907	37998	40827	37829	39654	42433	46636	43016	477

APS 4 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	40880	42138	44340	42592	46228	48230	50271	48422	63
100 to less than 500	41917	43408	44867	43613	46721	48618	51051	48951	182
500 to less than 1000	40127	42028	44300	42417	45400	47825	50584	48037	155
1000 to less than 5000	41935	43465	44559	42964	46008	49324	50761	48507	287
5000 or more	41185	42241	43392	41916	46476	47986	49293	47816	2922

APS 5 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	45119	47480	48204	46934	51357	53789	56254	53745	40
100 to less than 500	46752	48347	50016	48577	52319	54378	56804	54929	167
500 to less than 1000	45000	47042	48504	46841	50787	53333	55556	53253	162
1000 to less than 5000	46459	48070	49240	48003	51631	54169	56594	54270	257
5000 or more	46013	46473	49779	47218	52271	54477	56908	54280	484

APS 6 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	50256	51966	55038	53242	56698	59293	62031	60192	66
100 to less than 500	52992	55857	57931	56044	59360	63527	68547	63583	228
500 to less than 1000	53596	56796	61340	56491	60736	64861	70050	64796	232
1000 to less than 5000	53081	56790	56790	55112	59076	63717	66401	62675	664
5000 or more	49637	53837	57930	53366	56953	61159	66428	61718	451

EL 1 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	66215	68103	72688	69384	75238	78869	84573	79957	86
100 to less than 500	67310	68912	71451	69599	75744	78438	82474	79402	352
500 to less than 1000	67396	70427	76062	71269	76587	80795	86863	81603	350
1000 to less than 5000	67778	68337	70206	68924	75361	78831	81508	78103	895
5000 or more	67244	69984	69984	68085	76508	79619	84624	79161	327

EL 2 No. of Employees	Base Salary				Total Remuneration Package				No Rec
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
	Dollars				Dollars				
0 to less than 100	79351	84164	88047	87347	90793	96376	103841	101431	81
100 to less than 500	81173	84947	88213	85543	92784	98416	103939	100135	376
500 to less than 1000	83662	86330	90647	87721	95979	101190	108448	103123	394
1000 to less than 5000	81286	84800	85958	83361	87271	97133	102290	95378	1062
5000 or more	81077	87412	88935	85385	94599	100617	107095	100576	532

Consistent with 2001, the above tables show that there **does not appear to be a correlation** between the size of an agency (number of employees), and associated remuneration levels.

Specialisation

Graduate APS	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Finance													2
General	34638	38343	41667	38294	38762	42964	46778	43157	38762	43774	46824	43407	307
IT													5
Legal													6
Other													16
Science													11

APS 1	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
General	28763	30932	31672	29997	31613	35032	37190	34121	31613	35048	37190	34184	409
IT													1
Other													10
Science													1

APS 2	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	34610	34610	35911	35044	37866	39234	40830	39310	37866	39234	40830	39310	4
Finance	32795	34985	36373	34717	36218	41127	45613	40986	36218	41632	45865	41239	4
General	33361	35162	36513	34806	36939	39318	41969	39262	37078	39550	42009	39492	647
IT													3
Other													14
Science													1

APS 3	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	37381	39205	39494	38620	39375	44351	44956	42920	39375	44351	44956	42920	6
Finance	36667	38427	40740	38717	41094	42854	46302	43356	41465	43323	46302	43520	9
General	36386	39067	40748	38706	40560	43901	46576	43935	40684	44157	46686	44344	970
IT	39275	41150	44625	41745	44778	48769	50917	47998	44778	48769	50917	47998	10
Legal													1
Other													27
Science													5

APS 4	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	41607	43148	44927	43276	46687	47474	50409	48609	46687	47474	50409	48609	7
Finance	41622	44580	45769	43828	47543	49799	53491	50291	47780	51070	53491	50697	10
General	41185	42241	43392	42052	46368	47986	49293	47927	46476	47986	49293	48058	3470
IT	42956	43541	45091	43634	48606	49641	51141	49532	48838	49750	51972	50153	72
Legal				42889				47966				47966	3
Medical													7
Other													41
Science	42436	44346	45287	44162	48575	50295	51556	49716	48575	50295	51556	49716	15

APS 5	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	46527	47959	49205	47981	53064	55551	56260	54835	53064	55686	56751	55388	13
Finance	47280	49802	51634	48610	53685	56874	60643	56208	53685	56874	61520	56662	13
General	46013	47425	49280	47417	52210	54169	56762	54282	52271	54759	56908	54869	988
IT	47277	48100	49716	48679	53821	54960	57122	55832	53821	55603	57122	56209	42
Legal	44169	46513	47625	46102	47296	49965	53508	50256	47296	49965	53508	50256	4
Other	46957	48968	49611	48481	48373	50388	51838	50673	48373	50388	51838	50872	54
Science	48456	49779	49779	49112	55966	56982	60416	57642	55966	56982	60416	57642	13

APS 6	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	52259	54364	58293	54899	59533	61967	65520	62629	59694	62392	67070	63149	12
Finance	50895	55564	59595	55419	57846	61458	67263	63193	59183	63277	67263	64202	18
General	51829	55702	57186	54757	59041	63536	66693	62938	59390	64705	67966	63851	1366
IT	52300	55595	57710	55221	59259	62530	65789	62525	59788	63604	66657	63996	141
Legal	50153	53588	56174	53422	56487	59161	63687	60051	56487	59161	65386	60508	10
Medical													1
Other	52588	55037	56511	55973	53957	57271	58071	58674	53957	57271	58071	58880	73
Science	52641	57603	58159	55949	60810	65659	66687	64796	60810	65659	66687	64796	38

EL 1	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	69506	72440	76965	72779	78715	82081	87890	83170	80227	85272	91433	85917	32
Finance	68098	70000	72660	70855	77052	80656	85550	81411	77606	84077	91060	84056	44
General	67778	69600	70625	69372	76408	79784	83919	79794	77736	81478	85518	81552	1491
IT	67387	68337	70300	68976	75509	79270	81691	78282	77625	82885	86533	82200	258
Legal	67173	73612	80289	73678	75482	84691	91784	84636	75482	84691	93117	86229	31
Medical													1
Other	65611	68448	70268	67785	68021	70008	73124	72028	68045	70008	73463	72740	140
Science	66687	69297	69984	67600	75170	79369	84160	78437	75170	79369	84160	78652	50

EL 2	Base Salary				Total Remuneration Package				Total Reward				No. Recv
	Q1	Median	Q3	Average	Q1	Median	Q3	Average	Q1	Median	Q3	Average	
Specialisation	Dollars				Dollars				Dollars				Number
Communications	84261	86789	87756	87863	96679	99378	102285	102862	99928	105101	110008	107267	38
Finance	84243	86310	90642	93926	96121	100146	108447	108520	96488	104152	121545	111931	46
General	81517	85493	87020	84429	93732	98550	103772	98999	96307	102290	107738	102327	1947
IT	83503	85493	87507	85701	93430	98592	103001	98552	97124	106535	113197	105879	163
Legal	84154	87681	90096	87280	96386	99372	103586	99772	96973	103099	109730	103858	80
Medical													2
Other	78527	82500	85905	82444	81728	89529	99578	91330	81728	90892	102600	92747	348
Science	85311	88935	98192	91385	100075	103921	117215	108453	100448	106062	117215	108879	150

6

Reference Material

Confidentiality

Mercer is aware of the confidential nature of the information provided and stress that we appreciate and protect this.

Under no circumstances, do we disclose any specific information or data to any third party. Our commitment in this regard is exemplified clearly by the following factors:

- Mercer's Information Group is a respected research facility which has been producing salary surveys for over 30 years
- there is no identification on the salary input sheets except an agency number. This is our only way of identifying agencies for administrative purposes
- to protect confidentiality, where fewer than three agencies provide a component, no data can be shown. In these circumstances, this is indicated by a 'dash', while the no. recv column will indicate the number of the sample provided with the component
- Mercer reserves the right not to change the names of recipients of our surveys unless authorised to do so in writing. This is to prevent confidential survey information being provided by unauthorised personnel.

Method of analysis

Each data table has seven columns of data:

- first quartile (Q1)
- median
- third quartile (Q3)
- average
- average percentage of TRP
- average percentage of TR
- no. reporting (no. recv).

The meaning of these terms are explained in the Glossary at the end of this section. In the **analysed by individual** profile, the **no. recv** figure shows the number of individuals who receive the component.

In the above example, if one of the four staff in Agency A receives a car allowance, as does the staff member at Agency C and no such allowance is paid to staff in Agencies B and D, the **analysed by individual** profile, will show **no. recv** as 2 (or two out of ten).

In the **analysed by agency** profile the **no. recv** figure would be 2 as two of the four agencies provide a car allowance, to at least some employees.

In the **analysed by individual** profile four statistics (Q1, Median, Q3, Average) that measure the cost of the particular component only for those incumbents receiving it. That is, they do not include zero values for those who do not receive the component.

Why the columns don't add up

It is worthwhile reviewing the method used to calculate the statistics.

Raw data - incumbents	A	B	C	D	E
Salary	35,000	36,250	37,750	39,200	42,500
Superannuation	1,750	1,813	3,775	1,176	2,215
Leave Loading	471	488	508	528	-
Car allowance	6,000	-	700	4,000	-
Total Remuneration Package	43,221	38,550	42,733	44,904	44,625
Incentive bonus	10,000	250	3,765	-	-
Total Reward	53,221	38,800	46,498	44,904	44,625

Analysis by individual	Q1	Median	Q3	Average	No. Rec
Salary	36,250	37,750	39,200	38,140	5
Superannuation	1,463	1,813	2,950	2,128	5
Leave Loading	484	498	513	499	4
Car allowance	-	-	-	3,567	3
Total Remuneration Package	42,733	43,221	44,625	42,807	5
Incentive bonus	-	-	-	4,672	3
Total Reward	44,625	44,904	46,498	45,610	5

The calculations of Total Remuneration Package and Total Reward, are made separately for each incumbent, and then ranked. Thus, the median Total Reward figure, for example, is not the sum of all the medians of each component included in Total Reward (i.e. not the sum of the column). It is the median figure for the Total Reward of all incumbents, regardless of how many or what value of remuneration components they received.

It would be an extreme coincidence if, for example, the median Base Salary and median Total Reward shown were the actual details for any particular individual.

The four statistics measure the value of the component only for those individuals receiving it. Because of this, the figures given on different lines of the profile cannot simply be added to check the totals shown.

Using the data

Some idea of the data spread can be gained in the following way:

- if the average for a component is much higher than the median and closer to the third quartile, it means a few agencies paid very highly in relation to the rest for this component
- if the average is close to the first quartile, a few agencies paid much lower than the majority for this component
- if the average is close to the median, as many agencies paid high as paid low, and the data is approximately normally distributed.

Percentile ranks and an average are provided, and most agencies have a chosen market position that relates to one of these figures. This breadth of data has the following advantages:

- It allows data that falls above and below an organisation's chosen market position to be taken into account. That is, it can be of use for establishing ranges or individual pay rates according to skill or performance.
- It allows the highs and lows of individual remuneration rates to be taken into account.
- Even if remuneration is set according to a specific market position, the range of statistics shown enables comparison of, for example, average and median values, and so determine whether relatively high or low values are impacting on the data.

7

Glossary of Terms

Base Salary [BS]

Base Salary represents the full time equivalent annualised PAYE salary. It *includes* post-tax employee superannuation contributions and any additional car post-tax salary sacrifice amount. It *excludes* all other cash components including bonus, and allowances.

Total Remuneration Package [TRP]

Base Salary plus the total of the following items:

- Superannuation (including the EPSC component)
- Motor Vehicles (including parking and FBT)
- Other fixed benefit items

Total Reward [TR]

Total Remuneration Package plus actual annual incentive/bonus payments.

Statistical Terms

Median

The median is the midpoint of a range of figures. It is calculated by sorting all the values into ascending order then locating the value above which 50% of the scores fall and below which 50% of the scores fall.

First and third quartile (Q1 and Q3)

After calculating the median, the first quartile is the midpoint of the lower half of the sample and the third quartile is the mid point of the upper half of the sample. That is, the first quartile is the score below which 25% of the cases fall and above which 75% fall, and the third quartile is the score below which 75% of cases fall and above which 25% fall.

Percentile

A percentile is a variable dividing the distribution of a set of scores into one hundred equal parts. Hence, at the 83rd percentile, 83% of the sample fall below this point and 17% of the sample are above it.

Average percentage of TRP and TR

The average of TRP and TR are included to illustrate the percentage breakdown of each component in TRP and TR.

No. recv

The *no. recv* figure is the number of the sample reporting to a component. If one agency inputs data on three positions, but only one of them receives a car, this will only count as *1 recv* in the profile report.

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