

Remuneration - Performance Bonus Procedure

Section 1 - Purpose / Objectives

(1) The purpose of this procedure is to:

- a. detail the conditions, eligibility and process for an annual performance bonus benefit; and
- b. provide a framework to;
 - i. ensure consistency and transparency of process;
 - ii. provide guidance and timelines for managers to follow in setting KPI's for eligible staff;
 - iii. detail the process for determining and providing outcomes.

Section 2 - Scope / Application

(2) This procedure applies to all staff, excluding the Vice-Chancellor, with an entitlement for an annual performance bonus as specified in their employment contract.

Section 3 - Definitions

(3) KPI's - Key Performance Indicators. Aligning business objectives with specific and measurable individual targets.

Section 4 - Policy Statement

(4) See [Remuneration Policy](#) .

Section 5 - Procedures

Part A - Procedures

Eligibility

(5) A performance bonus provision may only be included as part of a remuneration package for the following staff:

- a. All Band 2 positions as detailed in the [Delegations and Authorisations Policy](#)
- b. All Band 3 positions as detailed in the [Delegations and Authorisations Policy](#)
- c. Any positions below Band 3 where the employing manager believes that a performance bonus is appropriate. This will typically be positions that are fully responsible for meeting commercial income targets, sales targets and other easily quantifiable and measurable KPI's, where the achievement of the set targets and KPI's are the main focus of the role. The employing manager should consult with the Director, P&C Business Services in these circumstances. The addition of a performance bonus component for staff in this category is subject to the

approval of the relevant Senior Executive (i.e. Band 2 position in the [Delegations and Authorisations Policy](#)).

Bonus Parameters

(6) The following table provides the range of bonus percentages:

Delegations and Authorisations Policy	Maximum Bonus Parameters
Band 2 positions	20% of base salary
Band 3 positions	10% of base salary
Other approved positions	5% or 10% of base salary

(7) All bonus payments will be non-superable except where necessary to satisfy the University's obligation under Superannuation Guarantee (SGC) legislation.

Performance Criteria

(8) Managers are to ensure set KPI's are determined in accordance with the three elements listed in (11) below and are included in the staff member's annual Staff Performance and Development Program (SPDP) plan. These KPI's will form the basis for assessing and grading annual performance. KPI's are to be set in accordance with the following timelines for staff with a performance bonus entitlement:

- a. By the 15th February annually for existing eligible staff; or
- b. Within four weeks of becoming eligible, for both new staff and existing staff that become eligible during the year.

Annual Review Process

(9) An annual performance review will be undertaken annually to measure and reward eligible staff against set KPI's and behaviour aligned to University values and to recognise exceptional performance for the period under review.

(10) Bonus payments will be based on performance across the calendar year from January to December. Where an employee commences part way through the year, performance will normally be assessed on a pro-rata basis for the period. Thereafter, staff will only be eligible for a performance bonus based on completion of a full calendar year.

Determination of Bonus Amounts

(11) The Vice-Chancellor holds absolute authority to approve any bonus payment and/or reduce the maximum percentage limits for any given year based on the University's overall performance and financial position.

(12) Employee bonus payments are determined by three elements:

- a. Individual performance - This element is based on the employee's performance against their KPI's that have been set for the year under review. It should include KPI's for budget* and performance management where the staff member has responsibility for a department.

* As a guide, meeting budget objectives is an expected outcome of managers with budget responsibilities. Therefore, in assessing this KPI, a performance bonus reward would normally only occur if budget targets are exceeded.

- b. Cross functional performance — This element is based on the employee's performance against their contribution to the achievement of agreed University wide KPI's, which have been set for the year under review.
- c. University / Unit performance and financial position (including the achievement of key strategic outcomes).

(13) Percentage weightings will be assigned to each of the above categories on the following basis:

Position Band	Element	Indicative Weighting (as a fraction of total bonus)
2	All elements	1/3rd for each element
3& other approved positions	1	1/2
3& other approved positions	2	1/3rd
3& other approved positions	3	1/6th

Payment of performance bonus

(14) The payment of performance bonus will be made after final approval is obtained from the Vice-Chancellor and would normally occur in April of the year following the review period.

Part B - Roles and Responsibilities

Role	Responsibilities
Manager	In consultation with the staff member, develop clear KPI's and objectives as part of the annual SPDP process. Assess the performance of staff eligible for a performance bonus for the year of review, and provide recommendations to the Vice-Chancellor for consideration and approval.
People & Culture	Administer the annual performance bonus review process including: - The provision of information to managers of eligible staff in their areas, and the process they are required to follow to make their recommendations. - Collate recommendations for VC approval. - advise eligible staff of review outcomes and process recommendations for VC approval.
Vice-Chancellor	Assess/modify/approve recommendations for payment of annual bonus.

Section 6 - Guidelines

(15) Nil

Status and Details

Status	Historic
Effective Date	4th April 2016
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Approval Date	23rd March 2016
Expiry Date	29th July 2019
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