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1 INTRODUCTION

1.1 Purpose

To establish recruitment practices based on a competitive merit selection process, to ensure attraction and selection of the most capable and best candidates for vacancies. Key measures of success will be increased retention of a knowledgeable and skilled workforce, ensuring organisational effectiveness for the Corporation's current and future requirements.

1.2 Scope

Applicable to current employees and external candidates applying to vacancies advertised by Macquarie Generation or agents acting on its behalf.

1.3 Exceptions

Appointments not involving standard recruitment provisions may only be approved by the Chief Executive.

2 RISKS

Non-compliance with various employment and anti-discrimination legislation, Corporate policies and procedures and difficulties in attracting suitable, and selecting the best candidates.

3 DEFINITIONS AND DELEGATIONS

Executive Manager – reports directly to the Chief Executive (for example: Chief Financial Officer, Power Station Managers). Executive Managers may: approve filling of vacancies; nominate members of a Selection Panel; nominate the appropriate Contact Officer; and approve Selection Panel recommendations.

Senior Manager – reports to an Executive Manager (for example: the Production Manager, who reports to Power Station Manager). Senior Managers may nominate a representative to participate on a Selection Panel when it is not practicable for them to do so; may nominate an appropriate Contact Officer; and may support Selection Panel recommendations.

Contact Officer is the person nominated to handle enquiries relating to an advertised vacancy.

3.1 Delegations of Authority

The Chief Executive approves:

- Establishment of new positions
- Appointment of Executive, Senior Management and contracted positions
- Any direct appointments

Executive Managers are authorised to:

- Approve advertising of positions
- Approve appointment to positions in the salary point range 1-40 within their business area
- Transfer an employee to fill a vacancy within their business area, without advertising the position
- Review the Selection Panel Recommendation Report and approve it or request further action to fill the vacancy

In addition, the Manager/Human Resources is authorised to:

- Manage recruitment processes for the Corporation
- Engage the services of external agencies for the recruitment of senior management or specialist vacancies

4 RECRUITMENT PRINCIPLES

4.1 Application of Merit

Competitive merit selection is based on:

1. Position Descriptions or Duty Statements that clearly define the job's processes and complexity, the framework in which the job operates, the output or results to be produced, and knowledge, skills, experience, expertise and aptitude required.
2. Advertising vacancies to give interested candidates a reasonable chance to know of, and how to apply for jobs offered.
3. Assessment of applicants against the same, job related, selection criteria using appropriate and unbiased selection techniques to identify candidates' relevant experience, abilities, skills, qualifications, education, attitude, standard of work performance and development potential.

4.2 Advertising

When it is necessary to fill a vacancy by advertising, this will be by internal Expressions of Interest Notice, circulated electronically to employees by Outlook and Portal (Human Resources: Expressions of Interest). Where vacancies are to be advertised externally, a note will be included in the Expression of Interest Notice.

4.3 Equal Employment Opportunity

Recruitment activities shall comply with the principles of Equal Employment Opportunity, unless expressly exempted by application to the Anti-Discrimination Board. This means that particular care will be taken to eliminate unlawful direct or indirect discrimination on the grounds set out in appropriate legislation and in accordance with the Corporation's policies and procedures.

4.4 Confidentiality

Everyone involved in recruitment processes will respect the privacy of applicants and ensure all information relating to the process and to individuals remains strictly confidential.

5 FILLING A VACANCY

Executive Managers will determine whether a position needs to be filled and the most effective way of filling the vacancy.

Where a vacancy is to be filled, a review of the current Position Description or Duty Statement will be completed, initiated by Human Resources in consultation with the Executive Manager or his/her nominee.

A vacancy may be filled by:

5.1 Secondment

Where a vacancy occurs that is for a defined period, or to carry out a special project, it may be filled by secondment. A secondment may be advertised as an Expressions of Interest, at the discretion of the Executive Manager.

5.2 Transfer

A vacancy that is filled by an employee from within or across business units, enabling the best use of employee skills and competencies within the organisation, without advertising as an Expressions of Interest, is a transfer. The transferred employee may serve a qualifying period in the position, at the discretion of the Executive Manager.

5.3 Permanent Appointment

Permanent appointment means full time or part time employment with no defined end date.

5.4 Fixed Term Appointment

Fixed term appointment means full time or part time employment for a specified term with an established end date.

6 RECRUITMENT

6.1 Recruitment File

A Recruitment File is to be created for all advertised positions. Each file will be assigned a unique number and all information relating to the recruitment of the position will be kept within the file that will be securely stored during the process and at its conclusion.

A Recruitment File may remain active for 12 months. This provides the opportunity to refer to the file in circumstances where initial appointment may change, or where a vacancy for the same or a similar position arises within that timeframe.

The recruitment file contains:

- Employment Request, Position Description or Duty Statement
- Copy of advertisement – Expressions of Interest notice and/or external
- Individual applications and supporting documentation
- List of applicants
- Interview Selection Checklist
- Interview arrangements
- Assessment test arrangements and reports on results
- Notifications of interview or non-interview
- Performance Reviews and/or summary of referee enquiries
- Summary of each candidate and any additional information used by the Selection Panel
- Selection Panel's Recommendation Report
- Notifications to unsuccessful candidates

Completed files will be handled in accordance with Records Disposal Authority. Assessment data results that are not linked to individuals, may be extracted from files and retained separately.

6.2 Contact Officer

The person nominated to be the Contact Officer will:

- have sufficient knowledge of the position
- be well informed on the selection criteria
- be receptive and encouraging to all prospective applicants
- give the same information to applicants about the position and the selection process
- be available to answer applicant enquiries - if temporarily unavailable, messages may be left for follow-up by the Contact Officer
- not be currently acting in, or be a likely applicant for the position

6.3 Human Resources

Human Resources will coordinate the recruitment process by: establishing the recruitment file; assisting candidates with information; coordinating the Selection Panel's review of applications (shortlisting); contacting candidates for interview; setting up the interview schedule and venue; organising other selection processes such as assessment or aptitude testing, as required; developing interview questions in consultation with other members of the Selection Panel; carrying out all administrative tasks associated with the recruitment process, contacting referees, ensuring current Performance Review is available for employee applicants, and following-up all actions related to the recruitment to completion.

In addition, the Human Resources representative will:

- Ensure applicants (on request) receive a copy of the Position Description or Duty Statement
- Provide applicants with other relevant material as required, such as extracts from the business plan and/or other publications detailing aims, objectives and functions of the business group and/or Macquarie Generation
- Advise applicants of any special requirements of the selection process, for example, practical tests, presentations or work samples
- Maintain accurate records and ensure that communication is maintained and effective throughout the recruitment process
- Prepare the Selection Panel Recommendation Report

6.4 Applications by Employees

Employees who want to be considered for a vacant position must apply by the closing date indicated in the Expression of Interest Notice. The application must address the specified selection criteria.

Late applications will only be accepted at the discretion of the Executive Manager and provided valid reasons are supplied to support late submission.

The application and supporting resume are the critical instruments for determining a candidate's progress to the next step in the recruitment process. Application forms are no longer used.

6.5 Withdrawing an Application

Employees are to advise in writing if they choose to withdraw their application at any time during the recruitment process. An email for this purpose will be acceptable, directed to the Human Resources representative handling the file. This advice, together with the application, is retained in the recruitment file.

7 SELECTION PROCESS

7.1 Selection Panel

A Selection Panel will have a minimum of two people and will function in accordance with Equal Employment Opportunity requirements. Members will normally be employees of Macquarie Generation and at least one will be from the location or work area where the vacancy exists.

Where an external representative is considered to offer value to the process, the Executive Manager will arrange for the inclusion of that person.

The Selection Panel is to assess the comparative merit of the applicants for a vacancy or vacancies, to identify those applicants judged to be suitable and to rank candidate selection in merit order, and to identify those not considered to be suitable.

Panel members must be skilled, informed, independent, thorough, conscientious and fair in exercising their responsibilities that are to:

- Review applications and select candidates for interview
- Ensure no applicant is unfairly excluded and that assessment measures are applied consistently
- Develop a set of interview questions that are relevant to the selection criteria and the position

- Make decisions regarding other selection tools, such as aptitude or psychometric testing
- Actively participate in the interview process and appropriately record details of the candidates' performance
- Conclude interview process with discussion on the competitive merit of candidates, taking into account all relevant information
- Produce a Summary and Recommendation Report

7.2 Shortlisting

As soon as possible after the closing date, the Selection Panel will meet to review the applications. Shortlisting is the term applied to the process where the Selection Panel compares applications against the specified selection criteria, and identifies those candidates who best demonstrate that they satisfy that criteria based on their application and experience.

There is no definitive number of applicants that should progress to the next step in the process and the decision should rest on the number of applications received, the quality of applications and the number of applicants considered to have suitably addressed the criteria.

In some cases, the Selection Panel may use telephone screening as a preliminary means of further assessing candidates where there may be gaps in the information provided in resume or application, such that a proper assessment of their suitability or otherwise is difficult.

Performance Reviews may also be used for shortlisting purposes.

7.3 Assessment Testing and Psychometric Profiles

Aptitude and practical tests may be used as a further screening process to determine the suitability, skills and/or competence of applicants before the interview, or as part of the interview stage.

Where assessment or aptitude testing is part of the selection process, a note will be included in the job advertisement.

Occupational personality questionnaires provide a profile of an individual's work style, leadership ability, managerial qualities, preferred work environment and may be used as part of the selection process where such information is relevant to the position.

7.4 Interviews

The purpose of the interview is to verify and to further explore the information provided in the applicant's resume and to assess their skills, attributes, behaviours, past work performance, understanding of, and interest in the position.

The interview is useful for assessing a candidate's presentation, communication and problem-solving skills, as well as assessing their cultural "fit" and development potential, identified through the exchange of information, presentation, preparation, enthusiasm and the level of interest demonstrated by the candidate to the Selection Panel's questions.

Interview questions will be targeted and behaviour based. The questions will probe for specific examples of the candidate's behaviour in situations similar to those expected to occur in the job. Behaviour based questions seek objective responses from the candidate.

Each member of the Selection Panel will make their own notes during or after each candidate's interview, to be used in later discussion and the selection decision making process.

7.5 Reference and Background Checking

Referee and background checking provides an opportunity to consider an applicant's past work experience as a predictor of future performance and to validate educational certificates, trade qualifications, tertiary qualifications, course certificates, entry permits and visas, and other information relevant to the position or the candidate. This will usually be done by the Human Resources representative.

Performance Reviews will be obtained for employees. Where an employee has not had a formal Performance Review within 12 months of their application for the position, then arrangements will be made with their Team Leader to do so.

Reference checks will be undertaken for external applicants, having obtained their permission to contact their nominated referees. The information will be documented and considered by the Selection Panel in the final assessment and summary reporting.

7.6 The Selection Decision

Once interviews, reference checking and other assessments are completed, the Selection Panel will deliberate on the candidates' overall performance to make a decision on their suitability and to choose the best person for the job.

All the information from the selection techniques used is assembled and reviewed, including the selection criteria, applications, resumes, reference checks, performance reviews and reports, any supporting documents offered by candidates, assessment and other test results, interview notes, profiles and work samples. The Selection Panel will use this information to objectively assess each candidate's suitability for the job.

Through this process, the Selection Panel ranks candidates according to their suitability or non-suitability. Where more than one candidate is considered suitable, then further refinements in the ranking will be necessary to identify the most suitable candidate.

The most suitable is the candidate who satisfies all the selection criteria, has clearly demonstrated their capability and potential and who the Selection Panel considers would be able to carry out the responsibilities of the position given a reasonable period of training and experience.

7.7 Recommendation Report

On reaching a decision, the Human Resources representative will compile the Selection Panel's Recommendation Report.

The report will provide a summary of the recruitment process that describes the candidates and justifies relative merit, the Panel's decision and recommended candidates in order of merit, together with a recommended commencing salary, as appropriate.

Reserve candidates may also be nominated in the report.

The report is signed by all Panel members and is forwarded to the Group Manager for review or to the approving Executive Manager, together with the Recruitment File.

7.7.1 Divided Opinion Report

Where a Selection Panel is unable to make a unanimous recommendation, then a separate report will be prepared by the member/s to identify their source of disagreement and the reasons for their support for alternative candidate/s.

Both reports will be submitted to the approving Executive Manager for review. The Executive Manager will determine appropriate action.

7.7.2 Non-selection Report

If, at the conclusion of the recruitment process no suitable candidates have been identified, the Selection Panel will document its evidence, advising the Executive Manager of the situation. The report may include recommended actions to address the situation, such as re-advertising.

The Executive Manager will determine the appropriate action.

8 APPROVAL

When the Executive Manager approves the Selection Panel's recommendation/s, Human Resources will initiate the appointment process.

If not satisfied that the Selection Panel's report clearly determines the comparative merit of applicants, the Executive Manager may require the Selection Panel to provide more details to support their decision and recommendation/s.

In the case of divided opinion, or where the Executive Manager does not agree with the recommendations, the following options may be considered:

- Accept one of the recommendations
- Direct the Selection Panel to reconvene to discuss their recommendations with a view to reaching a unanimous agreement
- Personally interview the applicants
- Establish a separate Selection Panel to conduct the process without readvertising
- Readvertise the position

9 HEALTH AND FUNCTIONAL ASSESSMENT

A health and/or functional assessment may be required before appointment is confirmed. The purpose of the assessments is to ensure the candidate is able to perform the inherent requirements of the job.

10 APPOINTMENT

10.1 Verbal Offer

Enquiries may be made with the recommended candidate/s to confirm their continuing interest in the position. In addition, a verbal offer may be made, preceding the formal letter.

10.2 Formal Offer of Appointment

A letter offering appointment is prepared for the successful candidate, signed by the Executive Manager or the Manager/Human Resources. The letter will include a formal acceptance advice that must be completed within the timeframe specified in the letter, and, as applicable, advise that appointment may be subject to appeal.

The offer of employment is not binding until an unconditional, written acceptance has been received within the defined period.

10.3 Notification of No Further Action

If, subsequent to the advertisement and prior to an appointment being approved, it is decided that the recruitment process is not to proceed, all applicants for the position are to be advised in writing.

10.4 Unsuccessful Candidates

Advices will generally be communicated by email.

Employees will be offered the opportunity for post selection review or feedback, including those who applied but did not get to the interview stage.

11 REVIEW PROCESS FOR UNSUCCESSFUL EMPLOYEE CANDIDATES

The post selection review is to provide employees with the opportunity to discuss their application, including tests and interview, as appropriate, and as assessed by the Selection Panel. The review is intended to:

- Assist employees to understand that their non selection is not necessarily a negative reflection of their abilities but of their ranking in relation to other applicants
- Identify and discuss ideas for improvement for future job opportunities, such as guidance on preparing resume, preparation, presentation and performance at interview; strengths and weaknesses related to the job contested, and other guidance relevant to the individual
- Be on an informal basis

The review will focus on the individual. Specifics or details of the performance of other applicants will not be discussed. Members of the Selection Panel will conduct the review.

Reviews will be arranged on request by the applicant.

12 APPEAL AGAINST SELECTION DECISION

Where an employee is in disagreement with the selection decision, the employee may lodge an appeal, where:

- The employee was an applicant for the position
- The salary of the position contested is greater than the employee's current substantive salary
- Where the appointee is another employee

Decisions cannot be appealed against:

- External appointments
- Appointments that do not involve a promotion or increase in salary for appellant or the recommended appointee

The following process will apply:

- Employee lodges a written appeal to the Human Resources representative on the Selection Panel, stating the reasons for their appeal against the decision, within five working days of advice that they were unsuccessful - other members of the Selection Panel and the Executive Manager will be notified of the employee's appeal
- Arrangements will be made for the Selection Panel members to meet with the employee to discuss their concerns
- A written report will be provided to the Executive Manager outlining the outcome of the discussion
- If the matter remains unresolved, the Executive Manager and the Manager/Human Resources will meet with the employee
- The Executive Manager and Manager/Human Resources will determine the appropriate action, based on all the evidence available, including all documents held in the Recruitment File, the employee's written and expressed concerns, and the Selection Panel's comments

At the conclusion of their review, a decision will be made to:

- uphold the appeal
- reject the appeal
- instigate other actions considered appropriate

If the appeal is upheld, the Selection Panel and previous successful applicant will be advised and the reasons for upholding the appeal will be explained.

If the appeal is rejected, the appellant will be advised, together with reasons for that decision.

13 TAKING UP DUTY

Appointment, secondment or transfer is effective from the date of actually taking up duty in the position.

13.1 Induction

An appropriate induction to the position, location, work area or organisation is to be arranged. Human Resources will oversee the induction process for employees or new appointees, ensuring appropriate paperwork is completed, records established, work station, equipment, safety induction, work area orientation, ID and IT profiles are set up and training scheduled, as required.

13.2 Qualifying Period

New appointees employed under the Award have a six month qualifying period, during which regular reviews will provide opportunity for them to discuss progress in the job, as well as identify and clarify standards and expectations with their Team Leader. For those employed under an Employment Agreement, a three month qualifying period applies.

Appointment will be confirmed on successful completion of the qualifying period.

Qualifying periods may apply to employees selected for positions. For secondment or transfer, a qualifying period will be at the discretion of the Executive Manager.

Reviews will be generated in SAP. The responsible Team Leader is to ensure the reviews are completed in the given timeframe. Human Resources will assist in this process and will arrange to confirm appointments on the successful completion of the qualifying period.

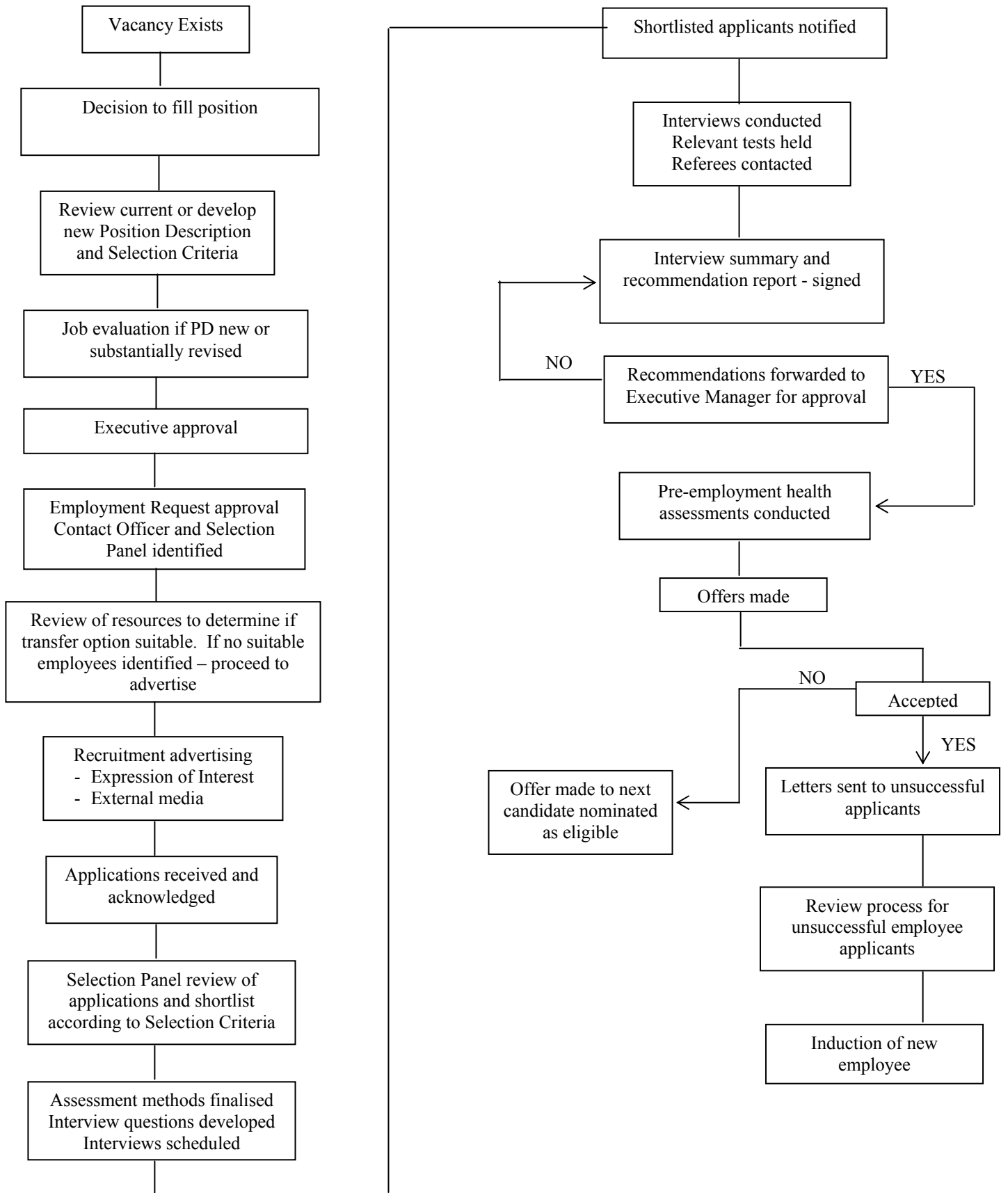
14 RECRUITMENT AND EMPLOYMENT AGENCIES

External providers may be used from time to time for the recruitment of senior management or specialist positions, or to arrange temporary coverage for short term vacancies.

15 APPENDIX

A flow chart of the recruitment process is included in this Standard.

APPENDIX: RECRUITMENT AND SELECTION PROCESS



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