

Policy – Executive Remuneration

Policy

At all times, the corporation will establish employment arrangements with executives that:

Government guidelines

Determine employment terms and conditions that are in accordance with government directions.

Remuneration

- Set executive remuneration packages:
 - sufficient to attract, retain and motivate suitably competent senior executives
 - comparable to similar organisations, especially those in the public sector
 - that avoid paying more than is necessary for the position;
 - that do not include performance bonus payments;
 - that recognise different executive remuneration ‘markets’ exist. (Remuneration levels for any given work value may vary between different sub-sectors or disciplines. Decisions on remuneration for individual executives to meet particular market needs should not be used as a basis for movements to the remuneration of other executives, or the broader executive group).
- Ensure that executive remuneration is assessed on a total remuneration package basis (TRP, which includes salary, cost of motor vehicle, superannuation and any other employment benefits, all to include associated fringe benefits tax).
- Obtain board approval of the TRP of the Managing Director (including any change to the TRP amount, setting of a bonus within an executive contract or awarding a bonus).
- Ensure that the TRP of an executive is approved by the Managing Director, and the TRP set on the basis that:
 - for an individual executive, the TRP does not exceed 80% of the TRP of the Managing Director;
 - the average TRP of all executive contracts does not exceed 70% of the TRP of the Managing Director.

Executive contract conditions

- Use the standard executive employment contract wording issued by the Victorian Public Sector Commission.
- Provide leave entitlements to executives consistent with those provided for non-executives of SRW.

Expense reimbursement and allowances

- Instruct executives that any allowances, salary sacrifice or expense reimbursements available to the executive are subject to the same definition, limits and administrative arrangements as non-executives within SRW.
- Encourage executives to not make expense reimbursement claims for trivial and minor costs (e.g. parking meter costs, snacks, coffees between meetings, other expenses less than \$10).

Contractual period and termination

- Establish executive contracts of employment for no more than five years;
- Not pay any compensation for termination of a contract beyond pay in lieu of notice and accrued leave; and
- Not make any payment for an unexpired portion of an executive contract.

Professional advice

Does not provide reimbursement for professional advice obtained by the executive, this prohibition includes contractual or taxation advice for the executive but does not include advice procured by SRW.

In respect of professional advice procured by SRW which may influence remuneration arrangements of an executive, approval must be obtained prior to obtaining that advice by the Managing Director. If the advice may influence the remuneration of the Managing Director, then the Chairman's approval must be provided before the advice is requested.

Approval must consider whether procuring the advice is consistent with community expectations and in the public interest.

Reporting

An annual Executive Remuneration Report will be provided to the Remuneration Committee that outlines, for the most recent financial year completed:

- Information reported to government by way of draft annual report disclosure in respect of executive remuneration
- For each SRW staff member with a TRP in excess of the base of the Executive Officer classification in the Victorian Public Service:
 - Employee name
 - Employee title
 - Contracted term
 - TRP
 - TRP for the reported year.
- The status of adjustments to executive remuneration for the current year:
 - Performance bonus determinations; and
 - The status of the annual executive remuneration adjustment advice.
- Advice of any change to government policy or requirements in respect of executive remuneration; and
- A statement from the Managing Director that the corporation is compliant with all executive remuneration requirements.

The Executive Remuneration Report will be provided to the first scheduled Remuneration meeting following the end of the financial year (usually August).

Non-compliance

Any instance of non-compliance of the Managing Director's remuneration with government requirements must be immediately notified to the Chairman of the Remuneration Committee.

Any instance of non-compliance with this policy must be immediately notified to the Managing Director, and then reported at the next scheduled board meeting.

Definitions

Executive:

Any existing staff who holds an executive contract and any new appointment who receives a Total Remuneration Package (TRP) in excess of the base of the Executive Officer classification in the Victorian Public Service (\$162,691 as at 1 July 2018).

Allowance:

Payments made in addition to a TRP, and includes higher duties, relocation and living away from home allowances.

Effective date and review date

This policy takes effect on 31 October 2018.

It is due for management review in October 2020 and board review in October 2023.

Who is affected

This policy applies to the Managing Director and SRW executives.

Contact

For more information contact the Managing Director, Corporation Secretary or Manager People and Culture.

Related documents

Victorian Government's Policy on Executive Remuneration for Public Entities in the Broader Public Sector.

Communications

As this is an administrative policy that directs management procedure, rather than a policy that impacts our customers and public stakeholders, this policy will be published internally and available externally on request.
