

Senior and Executive Positions Remuneration Procedure

Version 2 – Approved 6 November 2024

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Purpose

This procedure outlines position evaluation, classification and remuneration practices for senior and executive positions.

Applicable governance instruments

Instrument	Section	Principles
<i>People Policy</i>	1 People recruitment, management and development 2 Inclusion, diversity and equity	
<i>General Delegations Ordinance</i>	8	

Procedure

1. Introduction

This procedure applies to senior manager and executive staff employed by the University of Tasmania on senior management contracts, including professional leadership roles, Executive Deans, Deputy Vice Chancellors and Pro-Vice Chancellor positions.

These senior and executive level positions are not covered by the classification conditions under the *University Staff Agreement*. Therefore, the Senior Manager and Executive remuneration procedure is designed to provide a set of consistent practices and governance for senior manager and executive compensation decisions that enable the University's mission and reflect the University's values.

The University's remuneration principles for senior and executive staff are that remuneration processes will be consistent, clearly communicated, and will:

- be fair and aligned to the University's mission and long term objectives
- address gender equity and internal relativities through objective evaluation and classification
- acknowledge professional growth and long-term contributions to the University's success
- be financially sustainable yet competitive in the market to attract and retain talent

The objective of this procedure is to ensure that decision making in relation to senior and executive remuneration is equitable and transparent and consistent with the *People Policy* principles.

For the remuneration of other University employees, see the *University Staff Agreement* and Modern Awards and their associated classification levels.

2. Remuneration Model

- 2.1. The University's remuneration model for senior and executive positions is approved by University Council on recommendation of the Remuneration and Nominations Committee, and consists of the following:
 - a) remuneration principles
 - b) classification structure
 - c) evaluation methodology.
- 2.2. All senior and executive roles at the University are classified using the University's classification structure. The classification structure consists of eight job levels (listed in Schedule B), which have corresponding set remuneration ranges.
- 2.3. To classify a position, the position is evaluated using the Mercer CED job evaluation methodology, which determines the classification level and total remuneration (base salary, superannuation and other benefits) range for the position.
- 2.4. The Remuneration and Nominations Committee is responsible for monitoring the remuneration of senior and executive roles for compliance with the remuneration model.

3. New Positions

- 3.1. All new positions, including senior manager and executive positions, are designed by the relevant line manager with assistance from their People and Wellbeing Business Partner in accordance with the *Recruitment Selection and Appointment Procedure*.
- 3.2. Once the line manager has developed and finalised a position description for the new senior or executive position in accordance with that procedure, the position description, organisation charts and budgets (if relevant) are provided to the People and Wellbeing Business Partner for the position to be classified using the Mercer CED evaluation system. No further changes to the

position description will be accepted after submission in the classification process.

- 3.3. The position is evaluated and peer-reviewed for quality assurance and internal alignment by Mercer CED accredited People and Wellbeing evaluators, classified into one of the eight job levels in Schedule B and a recommendation made as to the total remuneration range for the position.
- 3.4. The establishment of new senior manager roles outside of approved salary budget are to be approved by the Head of College or Division, or the Vice-Chancellor, if the position is a direct report of the Head of College or Division.
- 3.5. All new direct reports to the Vice-Chancellor require approval from the Remuneration and Nominations Committee to establish the position and its associated remuneration range.

4. Existing Positions

- 4.1. If an existing senior management or executive role becomes vacant, unless there is an evaluation from the previous six months and the position is unchanged, the position is to be re-evaluated and the classification and associated remuneration range approved in accordance with sections 3.4 and 3.5 above, prior to commencing recruitment.

5. Remuneration Offers

- 5.1. Remuneration offers for senior and executive appointments must be within the established remuneration range for the position and are made in accordance with the Recruitment, Selection and Appointment Procedure. Remuneration offers must not exceed the maximum of the range unless an exception is approved (see section 10).
- 5.2. Remuneration offers made to external candidates or internal promotions to a higher classification level should be between the entry and midpoint of the range to ensure long term financial sustainability and recognise opportunities for in-role growth and development. Offers may be made above the midpoint of the range in exceptional situations (such as where the candidate holds a previously identified critical skillset).
- 5.3. Where the appointment is to an area with a previously identified gender pay gap, remuneration for the appointee should be set at a level which helps to reduce like for like and job level pay gaps.

6. Annual Remuneration Review

- 6.1. The remuneration of all senior and executive employees is reviewed annually in the second quarter of each year through a formal collective review process, designed to maintain consistent remuneration practices across the University.
- 6.2. The Remuneration and Nominations committee will review the classification levels and associated ranges, and may approve a base annual adjustment that is to apply to employees covered by this procedure, and adjustments to the remuneration ranges for each classification level.
- 6.3. At a college and divisional level, where there are previously identified pay gaps, remuneration adjustments may be made across multiple positions as part of the annual remuneration review to reduce like for like and job level pay gaps.
- 6.4. Line managers may review the remuneration of their direct reports as part of the annual remuneration review and are encouraged to seek advice from their People and Wellbeing Business Partner when considering individual adjustments
- 6.5. A remuneration increase above the base annual adjustment may be awarded to an individual staff member where:
 - a) the staff member has sustained exceptional performance and capability development against

set expectations, and evidence is provided in support.

- b) a talent review process facilitated by People and Wellbeing has identified a potential attrition risk for a critical role.
- 6.6. The delegate may decide not to recommend an annual increase, or award an increase below the base annual adjustment for an individual staff member where there is a sustained record of underperformance or documented conduct issue within the current remuneration cycle, or where the staff member's remuneration is above the current maximum level for their range.
- 6.7. Where an increase above the base adjustment is recommended, the relevant line manager will prepare a business case in consultation with their People and Wellbeing Business Partner, for approval by the appropriate delegate under section 8.3 of the *General Delegations Ordinance*.
- 6.8. Approved adjustments to individual remuneration arrangements are applied from the first full pay period in July each year.

7. Out of Cycle Remuneration Reviews

- 7.1. Remuneration adjustments for individuals outside of the annual remuneration review process will only be considered in certain exceptional circumstances.
 - a) Where accountabilities of the position have significantly changed and a position evaluation using Mercer CED methodology results in reclassification of the position to a higher level.
 - b) As part of a retention plan for a key person, critical role, or successor identified in a talent review process facilitated by People and Wellbeing.
- 7.2. The relevant line manager will prepare a business case in consultation with their People and Wellbeing Business Partner, for approval by the appropriate delegate under section 8.3 of the *General Delegations Ordinance*.

8. Discretionary Allowances

- 8.1. Discretionary allowances are short term, temporary, or one-off payments that may be awarded in the following circumstances:
 - a) To recognise temporary additional responsibilities assumed by an employee in their current position (responsibilities allowance).
 - b) Where market forces have pushed salaries higher within a specific job category and there is a need to retain an employee in a critical role or skillset identified through a talent review process facilitated by People and Wellbeing.
- 8.2. Responsibility allowances can be awarded for a maximum period of 12 months. Where additional responsibilities extend beyond this duration, the position must be re-evaluated to determine the appropriate position classification and remuneration range for the role.
- 8.3. Requests for discretionary allowances are submitted by the line manager via the Service Portal with supporting justification. Line managers are encouraged to seek advice from their People and Wellbeing Business Partner prior to making a request.
- 8.4. Discretionary allowances are approved by the appropriate delegate in accordance with section 8.3 of the *General Delegations Ordinance*.
- 8.5. All discretionary allowances that have been approved in the preceding 12 months are reviewed as part of the annual remuneration review to ensure they continue to meet one of the circumstances outlined in section 8.1 above.
- 8.6. To maintain a focus on long term impact and alignment with our mission, incentive based

payments, such as bonuses tied to shorter term individual or team-based productivity or financial performance metrics are not offered by the University.

9. Separation Payments

- 9.1. When an employee departs the University, a review of the contractual entitlements will be undertaken by the line manager, in collaboration with People and Wellbeing to determine separation entitlements (including accrued leave, severance payments, or any other financial obligations stipulated in the employee's contract). All separation payments are to be made in line with contractual entitlements.
- 9.2. In exceptional circumstances where it is determined to be in the best interest of the University, an ex-gratia payment (where there is no legal or contractual obligation to make the payment) may be considered. The line manager must provide rationale for any payment in excess of contractual entitlements.
- 9.3. The Vice-Chancellor must approve ex-gratia payments exceeding contractual entitlements, or may refer these to the Remuneration and Nominations Committee for approval.
- 9.4. All ex-gratia payments outside contractual entitlements are to be documented and reported to the Remuneration and Nominations committee through regular reporting.

10. Managing Exceptions

- 10.1. Any variations to remuneration for employees reporting directly to the Vice-Chancellor, outside of the remuneration model must be approved by the Remuneration and Nominations committee.
- 10.2. If the proposed exception relates to any other position classified in executive, senior manager ,or professional expert (P5, P6) bands, the line manager must prepare a business case, outlining the details required in section 10.2a) – d) for referral to the Vice-Chancellor for approval.
- 10.3. In consultation with their People and Wellbeing Business Partner, the line manager must prepare a business case for the proposed exception for consideration. The business case must outline:
 - a) details of the proposed exception
 - b) rationale for the exception
 - c) how the exception aligns with the principles of the remuneration model
 - d) the impact that the exception may have on consistency and equity of remuneration practices.
- 10.4. Approved exceptions and the details of their impact will be reported to the Remuneration and Nominations Committee to ensure visibility and oversight.

Related procedures

Recruitment, Selection and Appointment Procedure

People Performance Procedure

Versions

<u>Version</u>	Action	Approved By	Business Owner/s	Approval Date
1	Approved	Chief People Officer	Chief People Officer	27 October 2023
2	Approved	Chief People Officer	Director, Organisational Development Director, Business Partnering	6 November 2024

Schedule A: Roles and Responsibilities

Role	Responsibilities
Line Manager	• Develop position descriptions for a position. • Request job evaluation for new and existing positions. • Seek advice from People and Wellbeing as appropriate. • Seek approval for establishment of positions. • Review contractual entitlements in collaboration with People and wellbeing when an employee departs. • Hold regular performance conversations with employees.
People and Wellbeing	• Provide advice on job design and position description. • Evaluate positions using Mercer CED methodology. • Provide position classification and remuneration range. • Advise on remuneration adjustments during the annual remuneration review. • Provide advice on discretionary allowances. • Provide advice on separation entitlements.
Delegate	• Approve establishment of new positions. • Approve offers of employment above midpoint of remuneration range. • Approve business case for out of cycle remuneration adjustments. • Approve requests for discretionary allowances • Apply the one up principle where a decision impacts their direct reports.
Vice-Chancellor	• Approve separation ex-gratia payments exceeding contractual entitlements
Remuneration and Nominations Committee	• Approve base annual adjustment each year for employees and remuneration ranges. • Approve ex-gratia payments referred by the Vice-Chancellor

Schedule B: Classification Structure

A job leveling structure applies to the executive and senior management staff at the University. This structure provides guidance around typical indicative titles, responsibilities and reporting layers aligned to each level.

Each level is correlated to work value points based on the Mercer CED evaluation methodology, allowing objective internal and external benchmarking against roles of similar size and scope. Remuneration ranges for each level are also provided as a total remuneration package, to inform pay decisions that are both consistent with market expectations while supporting pay equity outcomes. Indicative titles are provided, which may be informed by the outcome of the position evaluation.

An annual remuneration assessment will be undertaken each year to ensure the remuneration ranges aligned to each level are consistent and aligned with external market trends and the University's desired salary positioning in relation to the market.

		Streams				
		Executive	Manager	Professional Expert		
		Drives strategic direction of the university Takes an enterprise-wide perspective	Achieves results primarily through work of others Manages performance and development of team(s)	Achieves results primarily through own work Applies specific technical expertise		
Job Levels	E3	Vice-Chancellor				
	E2	Chief (X) Officer Executive Dean (X) Deputy Vice-Chancellor (X)				
	E1	Chief (X) Officer Pro Vice-Chancellor (X) Executive Director (X)				
			M5	Executive Director (X) Pro Vice-Chancellor (X) Director (X)		
			M4	Director (X)	P6	Associate Director (X) Senior Lead (X)
			M3	Associate Director (X) Senior Manager (X)	P5	Associate Director (X) Lead (X)