The Victorian Independent Remuneration Tribunal (Tribunal) is required to make a Determination setting the values of remuneration bands for executives employed in public service bodies.

This Determination will take effect from 20 September 2019, and is expected to be made in December 2019.

The Victorian Public Sector Commission (VPSC) has released its Victorian Public Service (VPS) Executive Classification Framework, which establishes a three band classification structure for subordinate executives employed in public service bodies. The Tribunal’s Determination will set remuneration bands that apply to those classification bands.

The VPSC’s classification framework does not encompass the following public service body Heads:

- Secretaries of departments
- Administrative Office (AO) Heads, and
- the Victorian Public Sector Commissioner.

The Tribunal is considering establishing a fourth remuneration band that would apply to department Secretaries and the Victorian Public Sector Commissioner.

The Tribunal is also considering three options for establishing remuneration bands for AO Heads, which are explained in this paper. The Tribunal invites all persons and bodies to provide feedback on the Tribunal’s options, recommendations as to which option should be adopted and/or suggested alternative options.

Feedback, recommendations and/or suggestions can be provided in writing by sending a submission to enquiries@remunerationtribunal.vic.gov.au. The closing date for making a written submission is 5.00pm on 4 December 2019. Persons wishing to make oral submissions to the Tribunal in relation to the options or alternative options are requested to advise the Tribunal by 5.00pm on 27 November 2019.

All submissions will be published in full or in summary form as appropriate on the Tribunal’s website, unless the person making the submission seeks
confidentiality or the submission contains information that is identified as commercially sensitive. In this instance, the submission will be published in a form which protects the confidentiality or commercial sensitivity.

**Options**

**Option 1: AO Heads are placed within a four band structure**

Under this option, each AO Head will either be placed into one of the three SES bands established under the VPSC’s Executive Classification Framework, or into the new fourth remuneration band developed by the Tribunal for Secretaries and the Victorian Public Sector Commissioner.

If this option is chosen, changes may be required to the VPSC’s Executive Classification Framework to ensure that it can accommodate AO Heads.

**Option 2: establish a single additional band for AO Heads**

Under this option, a new single band will be created for all AO Heads to sit alongside the other four bands.
Option 3: establish multiple additional bands for AO Heads

Under this option, two or more bands will be created for AO Heads, which will sit alongside the other four bands.

If this option is chosen, a new classification framework may be needed for determining the appropriate AO band for each AO Head.

Identified advantages and disadvantages

Table 1 lists advantages and disadvantages of the three options discussed above that the Tribunal has identified.

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
|          | • Provides for consistent treatment of all public service body Heads  
|          | • Makes band structure simpler, as fewer bands are required | • Does not adequately recognize different responsibilities and reporting arrangements for Secretaries, AO Heads and the Victorian Public Sector Commissioner |

<table>
<thead>
<tr>
<th>Option 2</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Recognises different responsibilities and reporting arrangements for Secretaries and AO Heads</td>
<td>• More complicated system than option 1, as more bands are required</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 3</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
|          | • Recognises different responsibilities and reporting arrangements for Secretaries and AO Heads | • More complicated system than options 1 and 2, as more bands are required  
|          |             | • May require the development of a bespoke classification framework for AO Heads |
Particular questions for consideration

The Tribunal invites persons that make a submission to include their views on the following questions:

- Has the Tribunal correctly identified the advantages and disadvantages of each of the options presented?
- Which of the Tribunal’s options is preferable, and why?
- Do any barriers exist that would impede the effective implementation of any of the Tribunal’s options?
- Are there any other options for establishing bands for AO Heads that the Tribunal should consider?