

12 February 2020

Victorian Independent Remuneration Tribunal
Tribunal Secretariat,
Suite 1 Ground Floor,
1 Treasury Place,
Melbourne, Vic 3000
enquires@remunerationtribunal.vic.gov.au

Re: Matters being considered by the Tribunal in the making of its determination of remuneration bands for executives employed in prescribed public entities

The TAFE Gippsland (formally Federation Training Institute) Board of Directors' Remuneration Committee, has reflected on the matters being considered by the Victorian Independent Remuneration Tribunal (VIRT) and offer the following observations and additional content for VIRT further consideration prior to final determination.

1. Scope of Determination

TAFE Gippsland agree with the scope of the determination, in that, the principle of the employer having the discretion to set employee Total Remuneration Package (TRP) package within a relevant band classification and the right to seek approval for offering a TRP outside the relevant band with appropriate justification is maintained.

2. Other Executive Workforce Reforms

TAFE Gippsland provides in principle support for the proposed classification framework. The introduction of the three-tier band structure is welcomed, if previously approved specific sector entity classification structures (i.e. TAFE Institutes), are made redundant.

In supporting a single public entity classification framework, TAFE Gippsland believes that a consistent work value assessment and associated TRP application will enhance opportunities for across public sector executive employment opportunities and the potential for broader talent pool availability.

TAFE Gippsland welcomes a consistent application of evaluating the degree of complexity and broad community responsibilities of public entities within regional Victoria rather than the current financial turnover methodology band structure. The complexity of delivering services across multiple campuses whilst establishing and maintaining state, regional and local community and industry confidence is a competence of the highest level which cannot be judged purely on financial input processes across different and often complex public entities.

3. Existing Employment and Remuneration Framework for Public Entity Executives

TAFE Gippsland acknowledges the dynamic environment in which the VIRT is considering matters in making its determination.

The gazetting of an updated Victorian Government Public Entity Executive Remuneration Policy (PEER Policy) on 4 February 2020, which has reaffirmed five (5) of the previous six (6) mandatory public entity contract terms (table 1) has added complexity to the process but, should be regarded as totally separate from the considerations of the VIRT in determining remuneration bands for public entity executives.

The PEER Policy clearly outlines the process necessary for setting, reviewing or making submissions for approval. TAFE Gippsland suggests that a comprehensive training process be established for those responsible for implementation of the PEER Policy across all sectors to ensure alignment of expected outcomes and to accelerate the submission for approval process and associated timelines.

The Victorian Public Entity Executive Classification Framework if applied consistently, should reduce executive salary discrepancies related to the work value of similar roles (CEO/COO/CFO/HR) across public sector entities such as Statutory Authorities, Municipal Councils, Water Corporations, and Cemetery Trusts etc.

4. Roles of Public Entity Executives

TAFE Gippsland is supportive of the Core Competencies of public entity executives (Table 2) and their use in assisting in classifying executive positions. However, the weightings of these competencies will require some flexibility in application.

The competency requirements differ in environments where CEOs are deemed to be prominent public entity identities within regional and local communities. The complexities of the role including public relations, stakeholder engagement, industry liaison, securing differing revenue streams including regulated, commercial and government funding, community and regional representation as well as community and stakeholder support agency, adds a higher level of expertise and experience requirements than is required in metropolitan appointments.

5. Economic factors

TAFE Gippsland acknowledges the matters being considered which are consistent with the requirements of the VRITIPS Act including the financial position and fiscal strategy of the State of Victoria.

In summary, TAFE Gippsland, Remuneration Committee is grateful for the opportunity to provide feedback to VIRT and to present our principal position that the complexities of the role of public sector executive positions cannot be judged on fiscal measures only and that the purpose and accountability of the entity, particularly in local communities throughout regional Victoria requires consideration.

Yours sincerely



Des Powell AM
Chair, TAFE Gippsland