

## Submission to:

The Victorian Independent Remuneration Tribunal in relation to matters being considered by the Tribunal in the making of its Determination of remuneration bands for executives employed in prescribed public entities.

## TAC's key recommendations to the Tribunal

- Flexibility to negotiate remuneration within a band;
- Flexibility to assign remuneration across bands;
- The consideration of TAC's regional location, which limits our talent sourcing for critical specific industry roles.
- Remain competitive within our regional market.

## Background

The TAC's ambition is to be the world leader in social insurance and eliminate serious road trauma in Victoria.

Our Vision is Zero deaths and serious injuries on our roads and our Mission is to be the world's leading social insurer.

The TAC's current Total Rewards strategy ensures our people feel engaged and rewarded to deliver on our vision and mission and also attracts the high calibre of technical and leadership qualities required to achieve our business strategy.

## Key messages

1. **Workforce Data:** We currently employ 58 executives, including the Chief Executive Officer.
2. **Market:** Executives are employed across a number of markets within the General Insurance Industry. Some examples include, Data and Analytics, Actuary, Business Intelligence, Legal, Risk Management, Project Management, Finance and Health.
3. **Location:** We are located in Geelong and use our Total Reward Strategy, which combines both compensation and benefits to motivate and engage our workforce. In addition, due to the location of our business, this strategy is very important to attract the right calibre of candidates from the national labour market.
4. **Job evaluation:** We use the Hay Group methodology for evaluating all our roles to understand the degree of complexity and responsibility associated. This method is widely used and is considered to be one of the most reliable systematic approaches for job evaluation in mid to large organisations.
5. **Remuneration at the TAC:**
  - a. Is based on the job evaluation outcome to accurately size a position against a Hay Group reference level. These levels will then determine a minimum and maximum salary range.
  - b. Is set using the guidelines under the TAC's remuneration policy (Attachment 1) approved by the TAC Board.

- c. Targets its position in the market at the 50<sup>th</sup> percentile, however there is flexibility under this current policy to pay up to the 62<sup>nd</sup> percentile to high calibre candidates, generally in the data science/analytics, actuary and legal positions which can be difficult to recruit to.

**6. Talent Sourcing:**

- a. Data in the last 12 months shows that the TAC's executive level roles are being sourced from the Private Banking or Finance sector.
- b. Our regional location makes it difficult to attract high calibre candidates, for industry specific roles, however our current practice allows us to be flexible to negotiate remuneration.

**Summary**

At the TAC we want our people to be inspired to make a difference. We are passionate about supporting both the personal and professional goals of our people. Our current executive framework allows us to do this and remunerates employees in accordance with the value of their work (job evaluation) and benchmarks across organisations within the private and public sector.

Our current remuneration practices ensures adequate levels of competitiveness, both internal and external. Therefore, due to the nature of our business, its location and uniqueness of its executive positions, we would like the Tribunal to consider the following when making its determination.

- Ability to have the flexibility to remunerate anywhere within the minimum and maximum of a band;
- Ability to be flexible in negotiating salary across the bands during the hiring process to attract quality candidates for industry specific roles. For example a Data Scientist position has been assessed as a Band 2, which has a minimum and maximum salary of \$150,000 to \$250,000. The candidate is regarded as top talent and negotiates a salary that shifts into Band 3 (\$270,000), we would like the flexibility to make the offer at this salary;
- The regional location of the TAC - a majority of our quality executive candidates that are considered for industry specific roles, reside in the Melbourne area. In order to attract these candidates to travel to Geelong, our remuneration offering needs to compensate for travel cost, travel time and be competitive against the Melbourne market.
- Ability to remain competitive in our regional market – the TAC shares the region with WorkSafe, the National Disability Insurance Agency, GMHBA, Barwon Water, Deakin University, Barwon Health and the Australian Bureau of Statistics. Flexibility in remuneration has allowed us to remain competitive and retain and attract quality executives.

In conclusion, we appreciate the Tribunal allowing us the opportunity to provide our submission and we look forward to your response.

**Endorsed by:** Jane Barker  
Head of People & Culture  
Transport Accident Commission

**Date:** 24 February 2020