

6<sup>th</sup> May 2022

Attention: Warren McCann  
 Victorian Independent Remuneration Tribunal  
 Suite 1, Ground Floor, 1 Treasury Place  
 East Melbourne  
 Victoria 3002  
 By email: [enquiries@remunerationtribunal.vic.gov.au](mailto:enquiries@remunerationtribunal.vic.gov.au)

Dear Mr McCann,

**Re: submissions for the Annual Adjustment to remuneration bands for executives employed in prescribed public entities.**

**What level of adjustment to the values of the remuneration bands should the Tribunal consider?**

The VMIA executives have not had their roles reviewed and classified under the new classification framework yet, this is scheduled to occur in May 2022. VMIA currently uses insurance industry and general market data for remuneration benchmarking purposes.

The benchmarking data for the insurance industry published in April 2022 showed the average same incumbent base salary increased 2.6 per cent when compared to 2021, and the average job family base salary for executive level roles increased 1.8 per cent.

VMIA also engaged Mercer to complete an annual remuneration review of the national general market in November 2021. The review highlighted national same incumbent movements increased across all categories by 1.9 per cent and for head of organisations by 2 per cent.

We therefore consider it appropriate for executive's salary bands, given the current economic environment, to receive an increase for the 2022/23 year of 2 per cent outside of the 0.5 per cent anticipated superannuation guarantee increase. Indexation of 2 per cent would still be well below Consumer Price Index.

**Which economic and financial indices should the Tribunal consider when adjusting the values of the remuneration bands?**

All benchmarking completed by VMIA includes the economic factors detailed below:

- The Australian Bureau of Statistics' seasonally adjusted national wage inflation
- Sector specific wage inflation, including impact of location for that sector
- The Consumer Price Index
- The average weekly ordinary-time earnings for full time working adults
- The national unemployment rate.

**Are there other matters the Tribunal should consider when making the Determination, in addition to those listed in the VIRTIPS Act?**

VMIA, like many organisations, is experiencing higher levels of turnover and a difficult labour market. VMIA sources select executive roles from the private sector, as the required talent is often unavailable internally or within the public sector. For these roles, VMIA is competing against larger, multinational organisations in the financial services sector, where attractive base remuneration packages and significant commercially based incentives are common features.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elana Rubin'. The signature is fluid and cursive, with a distinct dot at the end of the last stroke.

Elana Rubin  
Chairperson  
VMIA