Senior Manager and Executive Remuneration Procedure

GOVERNING POLICY

This Procedure is issued pursuant to the Remuneration and Benefits Policy (MPF1223) (**Policy**) and supports compliance with relevant employment, taxation and superannuation legislative requirements.

SCOPE

This Procedure applies to all senior managers and executives who are not covered by the University of Melbourne's **(University**) Enterprise Agreement (**EA**).

PROCEDURE

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Part 1 - Procedural Objectives

1.1 Procedural Objectives

The objectives of the Senior Manager and Executive Remuneration Procedure seek to:

(a) provide a structured, consistent and transparent ARR process

(b) ensure equitable, performance-aligned remuneration outcomes

(c) strengthen governance and data integrity to support compliant, evidence-based remuneration decision-making, aligned with University delegations and financial parameters

(d) facilitate efficient and streamlined administrative practices and controls

Part 2 - Fixed Annual Remuneration and Job Classifications

2.1 Fixed Annual Remuneration

2.1.1 Fixed Annual Remuneration (**FAR**) comprises an employee's total fixed remuneration for the respective role, including base salary plus employer superannuation contributions and excluding all variable components (e.g. allowances, where applicable)

2.2 FAR Adjustments

2.2.2 FAR increases are determined based on two key factors:

a) employee's individual annual performance rating

b) the employee's remuneration position within the relevant salary (FAR) range

2.3 Job Classifications *(role sizing methodology)*

2.3.3 The University applies a structured approach to determine the relative size and value of roles, including scope, accountability, complexity and impact, to support consistent role classification, remuneration alignment, internal equity and alignment with governance standards.

a) the following factors are also assessed to determine the appropriate level and remuneration:

i. experience, knowledge, skills, qualifications
ii. market data / benchmarking and internal relativities
iii. business criticality / market competitiveness

Part 3 - Annual Remuneration Review (ARR) Process and Governance

3.1.1 The University's ARR process applies to each performance period from 1 January to 31 December. Eligible FAR adjustments are normally effective 1 April of the following year.

3.1.2 The ARR process will not necessarily lead to an increase in the Fixed Annual Remuneration.

3.1.3 The ARR process includes the following:

a) **Process Initiation and Guidance**: ARR communications and access to supporting materials, tools and guidance for leaders and administrators
b) **Performance Assessment**: *preliminary* Leader ratings are collated in data collection tools upon completion of performance discussions
c) **Calibration** (*or moderation)*: local and University-wide annual calibration process is effected to ensure fairness and consistency in final performance ratings
d) **Remuneration Modelling**: analytical process undertaken to determine indicative remuneration adjustment outcomes, integrating the alignment and validation of performance rating outcomes, market and gender pay analysis, in line with approved budget parameters.
e) **Eligibility and Criteria**: the ARR process applies to each performance period 1 January to 31 December Employees are not eligible for ARR related FAR adjustments where they;

i. commenced employment after 1 July in the relevant review year
ii. have already received a remuneration adjustment during the review period
iii. have not participated in the performance and development process
iv. were promoted from an EA-covered position after 1 September
v. are engaged on fixed-term contracts of less than eighteen (18) months' duration
vi. have not completed 100% of the required mandatory training modules
vii. are not employed at the date the remuneration adjustments are paid (around April each year) or, where notice of resignation is submitted prior to the payment date

f) **Out-of-Cycle Adjustments**: Out-of-Cycle adjustments are generally not permitted between 1 January and 30 April, during the ARR cycle process. In exceptional circumstances, requests may be considered on a case-by-case basis, subject to approval by a University Executive (UE) member.

g) **Exemption Management**: remuneration recommendations to remain within approved parameters. Any exceptions require approval from the relevant Vice Chancellor Advisory Group member
h) **Approvals and Governance**: required endorsements and approvals attained, in accordance with delegated authority frameworks (Faculty/Division, VC and University Committees, as applicable).
i) **Communication of ARR Outcomes**: ARR outcome letters prepared and distributed by leaders to eligible employees following final approval.

RELATED DOCUMENTS

(a) Remuneration and Benefits Policy (MPF1223)

(b) Out of Cycle Remuneration Adjustments Procedure

(c) Supplementary Payments Procedure

RESPONSIBLE OFFICER

Chief People Officer

IMPLEMENTATION OFFICER

Director Remuneration and Benefits

PROCEDURE APPROVER

Human Resources Remuneration and Employment Compliance Committee (**HRRECC**).

REVIEW

This Procedure is due to be reviewed by 2 September 2027.

Schedule A – ARR Roles and Responsibilities

Role/Decision/Action	Responsibility
Director, Remuneration & Benefits (DR&B)	Accountable for ARR methodology; issues guidance; remuneration modelling analysis/application; validation and reporting. Undertake job evaluations and communicate classifications and remuneration recommendations. Provide Committees with the relevant documents and data to inform decision-making.
HR Directors (HRDs)	Coordinate local delivery; manage data collection and validation; facilitate calibration; support leaders.
HR Services (HRS)	Prepare letters (as required); implement payroll coding and payments; maintain secure records.
Leaders	Prepare position descriptions and submit to R&B for evaluation (as required). Provide recommendations. Provide recommendations and justifications for Committee considerations; document rationale. Manage employee discussions and communicate outcomes (upon formal approval).
Chief People Officer (CPO)	Accountable for ARR governance; issues key communications; endorses recommendations for Committee consideration.
Vice-Chancellor (VC)	Approves ARR parameters and outcomes for cohorts within VC delegation (as applicable).
Remuneration Governance Committee (RGC)	Provides recommendations for VC approval of ARR parameters and oversees the ARR process.
HR Remuneration & Employment Compliance Committee	Review and endorse all final ratings and remuneration recommendations, under delegation of University Council.