Remuneration and Benefits Policy and Procedures
Explanatory Memorandum

THE UNIVERSITY OF MELBOURNE

Introduction

The existing policy is largely descriptive and procedural, outlining specific entitlements and practices. It currently applies only to EA-covered employees, and this will see it transition to a whole-of-workforce remuneration policy. The new draft policy reframes this as a principles-based governance framework that introduces:

1. Clear remuneration principles;
2. A focus on alignment with Strategy 2030
3. Separation of policy vs procedure.

The draft suite represents a mature and structured remuneration governance framework that aligns remuneration practices with institutional strategy, enhances compliance (for example PayDay super) and audit readiness, and supports attraction, retention, and performance outcomes.

Key Components of the revised Remuneration and Benefits suite

1. **Remuneration and Benefits Policy**

   This document establishes:

   - Principles of market alignment, fairness, and compliance
   - Governance expectations for remuneration decisions
   - A structure linking all related procedures

2. **Supplementary Payments Procedure**

   The Supplementary Payments Procedure provides detailed rules for payments beyond base salary or fixed remuneration.

   Key features include:

   - Three categories of supplementary payments: Committed Additional Payments, Discretionary Payments, and Other Conditional Payments
   - Alignment with performance expectations
   - Non-indexation of supplementary payments
   - Eligibility and governance for market/attraction loadings, Head of Department/School loadings, additional responsibility loadings, higher duties arrangements, and academic distinction loadings
   - Controls for on-call arrangements, equity in rostering, and superannuation treatment variability

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3. **Out-of-Cycle Remuneration Adjustments Procedure**

This procedure governs remuneration changes outside standard review cycles.

It provides a structured pathway for market adjustments, retention interventions, and role scope changes. It supports evidence-based decisions that are consistent with policy principles and subject to appropriate approval controls.

4. **Senior Manager and Executive Remuneration Procedure**

This document defines remuneration arrangements for senior cohorts (non-EA employees), with a focus on:

- Executive remuneration structuring
- Governance and approval mechanisms
- Alignment with market benchmarks

Its intent is to ensure competitive positioning for leadership roles, clear governance over high-impact remuneration decisions, and alignment with organisational strategy and risk settings.

5. **Employee Benefits Procedure**

This procedure outlines non-salary benefits provided to employees.

It supports standardisation of eligibility and administration, promotes the employee value proposition, and helps ensure equitable access and consistent application.

Feedback

Feedback should be sent to employment-policy@unimelb.edu.au by **COB 20 July 2026**.