Executive Remuneration and Appointment Policy

Section 1 - Purpose

(1) Charles Sturt University (the University) recognises the importance of remuneration that links pay to performance and is aligned with the higher education sector and broader market in attracting and retaining highly skilled and effective executive and senior leaders. This policy sets out the University's remuneration scheme and appointment process for senior, executive and senior executive leaders.

Scope

(2) This policy applies to all positions classified as senior, executive or senior executive leaders (leaders) and all staff appointed on senior, executive or senior executive leader contracts.

Section 2 - Glossary

(3) For the purposes of this policy, the following definitions apply:

a. Fixed-term appointment - is employment with the University for a specific term that expires through the effluxion of time or employment in connection with a specific task or project and which will terminate upon occurrence of a specified contingency related to the task or project.
b. Leaders or leadership positions – where used without further clarification, refers inclusively to all senior leader, executive leader and senior executive leader positions, described at clause 4.
c. Performance-based remuneration scheme – refers to the remuneration opportunities available to leaders under this policy, including the remuneration package based on the remuneration model, personal allowances for attraction and retention, or performance bonuses.
d. Remuneration package – the employee's total employment costs, including salary, leave loading, employer contribution to superannuation, and the private use component of a motor vehicle where applicable.

Section 3 - Policy

Part A - Senior, executive and senior executive leadership classifications

(4) The leadership classifications used by the University are described in the following table. This table should reflect the definitions and delegation bands stated in the Delegations and Authorisations Policy. Where there is any inconsistency between that policy and this clause, the Delegations and Authorisations Policy will overrule this policy.

Position Group	Classification level	Included positions (indicative only)
Senior leader	SNR5 SNR4	Directors, Heads of School, etc.

Position Group	Classification level	Included positions (indicative only)
Executive leader	SNR3 SNR2 SNR1	Pro Vice-Chancellors, Executive Deans, Executive Directors, University Secretary, etc.
Senior executive leader	By position	Vice-Chancellor Provost and Deputy Vice-Chancellor (Academic) Deputy Vice-Chancellor and Vice-President (Research) Chief Operating Officer

Part B - Remuneration model

(5) The University offers leaders flexible, performance-based remuneration above the maximum applicable enterprise agreement rates, to reflect practices in the general marketplace and promote linkages between strategic planning, performance management and remuneration.

(6) The objectives of the performance-based remuneration scheme are to:

a. strengthen the University's ability to attract and retain leaders of the highest quality,
b. recognise and reward the performance of leaders,
c. recognise and reward the contribution of leaders towards the achievement of the University's mission and strategy,
d. strengthen the University's competitive advantage, both nationally and internationally, through improved motivation, productivity, efficiency, effectiveness, quality, flexibility and equity, and
e. foster the development of a positive, productive and performance-focused workplace culture, underpinned by cooperative and consultative approaches to work.

(7) The University aims to link remuneration levels for its leaders to the median point of the general market, subject to the ongoing achievement of the University's performance objectives and financial performance of the University.

(8) The benefits of the remuneration model are that it:

a. provides for remuneration progression, based on achievement of the employee's accountabilities and performance objectives and their contribution to the achievement of the University's key objectives,
b. enables appointment within a remuneration level to be made at any point, based on factors such as experience, internal relativities and/or attraction/retention/ market considerations. Generally, however, new leaders progress from the 'entry zone', typically at one of the lower steps of the level, and
c. links overall movement in the executive remuneration model to market forces and University performance.

Determination and approval of remuneration levels

(9) The University Council determines the remuneration level for all leadership classifications, acting on the advice of the Nomination and People Committee and the Vice-Chancellor.

(10) Remuneration levels will be reviewed annually, and adjusted where appropriate, by the Nomination and People Committee acting on the advice of the Vice-Chancellor. Reviews and adjustments will consider remuneration movements in both the higher education sector and the general market, and the University's performance and capacity to pay. These adjustments are normally effective from 1 July each year.

(11) The remuneration arrangements and increases under the University's enterprise agreements do not apply to leadership positions covered by this policy.

(12) The starting remuneration, and progression within the remuneration level, will be approved in accordance with

Delegation Schedule B - People and Culture, or for the remuneration progression of senior-executive leaders, approved by Council on the recommendation of the Nomination and People Committee.

(13) The classification and corresponding remuneration level ascribed to each position is based on work value principles, which take into account the accountabilities and responsibilities of a position.

(14) New positions, or significant changes to existing positions, should be independently and externally classified to ensure relativities across positions.

Progression within the remuneration level

(15) The remuneration level for each classification includes a minimum and maximum step, where the minimum step is normally 20% less than the maximum step. An employee's remuneration package will be within the remuneration level for their classification.

(16) New leadership appointments will normally commence at the minimum or lower range of the remuneration level for their classification, subject to approval as set out in Delegation Schedule B - People and Culture and the Executive Remuneration and Appointment Procedure.

(17) Progress through the remuneration level is subject to the employee's performance and achievements against annual performance agreements. Through the annual performance review process, the employee's remuneration package will normally progress upwards through the remuneration level towards the maximum step each year. See the Executive Remuneration and Appointment Procedure for more information regarding progression and performance review.

(18) Remuneration above the maximum step of a remuneration level is only possible through one of the following mechanisms:

a. A personal allowance; see the Personal Allowance Policy.
b. A performance bonus of up to 5% of the employee's current annual salary, as a one-off, lump-sum payment for outstanding performance; see the Executive Remuneration and Appointment Procedure.

Structure of individual remuneration packages

(19) The remuneration package for all leadership classifications consists of:

a. a base salary,
b. employer contributions to superannuation,
c. private use component of the cost of a fully maintained motor vehicle according to the provisions set out in the Motor Vehicle Guidelines - Executive Managers, applicable to executive and senior executive leaders only, and
d. an annual leave loading based on the salary for a general/professional staff level 10 under the Enterprise Agreement. Leave loading is rolled into and paid with the base salary, not itemised separately.

(20) Other payments, such as personal allowances or performance bonuses (and where applicable, the employer contributions to superannuation related to these) are paid in addition to the remuneration package.

Superannuation

(21) See the Executive Remuneration and Appointment Procedure for information about superannuation.

Part C - Appointments to leadership positions

Appointment

(22) Appointments are made in accordance with Delegation Schedule B - People and Culture, the Appointments Policy and Appointments Procedure – Recruitment and Selection.

> Note: the Appointment Policy is in development; see the Staff Recruitment and Selection Policy

Duration of appointment

(23) Appointees to leadership positions are appointed on a fixed-term basis for periods of up to five years, under terms and conditions specified in a contract of employment.

(24) The Vice-Chancellor will inform the Nomination and People Committee of any appointments to executive leadership positions (SNR1-3).

Probation

(25) Unless determined otherwise, new leaders employed on a fixed-term appointment of three years or longer will serve a probationary period of 12 months.

(26) Delegation Schedule B - People and Culture sets out who may waive or shorten a period of probation, having regard to the individual's prior service, qualifications and experience.

Renewal of appointment

(27) A leader's appointment may be renewed by mutual agreement. Renewal is subject to the leader meeting the requirements of their appointment, including those relating to any specified probationary period and annual performance management reviews undertaken in accordance with the Executive Remuneration and Appointment Procedure.

Section 4 - Procedures

(28) Refer to the Executive Remuneration and Appointment Procedure.

Section 5 - Guidelines

(29) Refer to Motor Vehicles Guidelines - Executive Managers.

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