

## Advice to Development Victoria to pay the Chief Executive Officer above the remuneration band

Advice reference 2023/21

Date 10 July 2023 and supplemented 3 August 2023

*This advice is provided under section 37 of the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic).*

### Details of proposal

Development Victoria requested advice on a proposal to pay the following executive above the maximum of the relevant remuneration band set by the *Remuneration bands for executives employed in prescribed public entities (Victoria) Annual Adjustment Determination 2023*:

<b>Position</b>	Chief Executive Officer
<b>Remuneration band</b>	PESES-3
<b>Maximum of band PESES-3</b>	\$533,431
<b>Proposed TRP</b>	████████
<b>Proposed percentage above the band</b>	██████
<b>Contract period</b>	Five years

## Advice provided 10 July 2023

- 1 The Victorian Independent Remuneration Tribunal (Tribunal) advises Development Victoria (DV) that an appropriate total remuneration package (TRP) for an executive in the position of Chief Executive Officer is up to \$650,000 per annum.
- 2 The Tribunal considers it appropriate that this position be paid a TRP which exceeds the maximum of the remuneration band for the following reasons:
  - (a) The functions and responsibilities of the position, which include design and construction of large property and precinct developments, delivering time-critical Commonwealth Games infrastructure, and managing complex commercial and stakeholder arrangements and relationships.
  - (b) The skills, knowledge and experience that are relevant to the position, and how these would support DV to achieve its operational and commercial priorities.
  - (c) The market testing process undertaken by DV within Australia to identify candidates for the position with suitable skills, capability and experience for the position.
  - (d) The remuneration benchmarking analysis available to the Tribunal, including data on relevant private and public sector comparators.
- 3 The Tribunal notes that its advice must be sought again for a mid-contract remuneration adjustment, reappointment or a new appointment, if it is proposed to continue paying the executive above the maximum of the remuneration band.

## Note: 10 August 2023

The Tribunal notes that its advice given on 10 July 2023 was provided prior to the cancellation of the hosting of the 2026 Commonwealth Games by the State of Victoria. The short timeframes involved in the delivery of the Commonwealth Games infrastructure and the associated risks, as well as significant construction experience and related qualifications stated as being required for the CEO, were significant considerations for the Tribunal in formulating its advice. For these reasons, the Tribunal's advice should be regarded as no longer necessarily appropriate in relation to the CEO of Development Victoria.