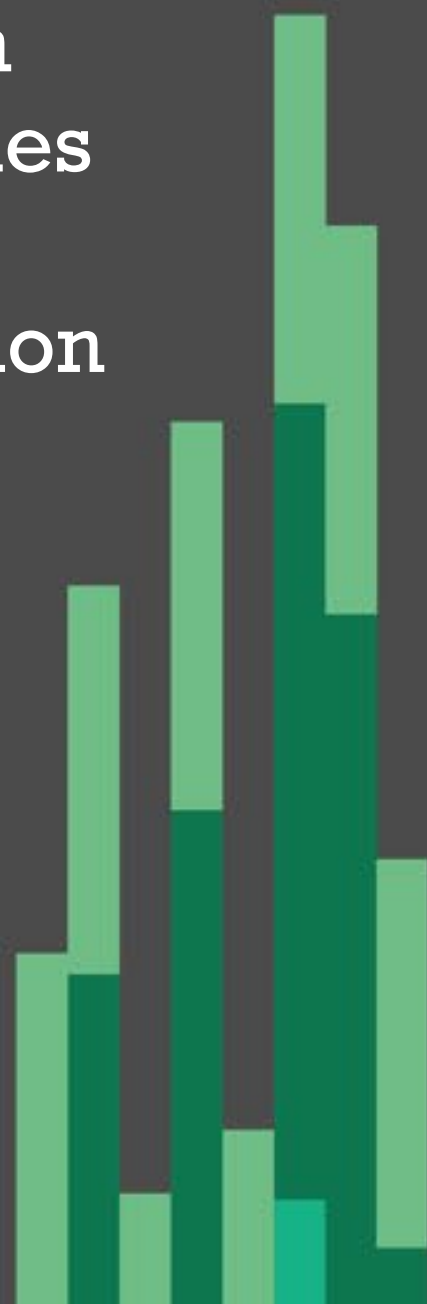

Victorian
Independent
Remuneration
Tribunal

Remuneration bands for
executives employed in
prescribed public entities
(Victoria) Annual
Adjustment Determination
2026

Statement of Reasons

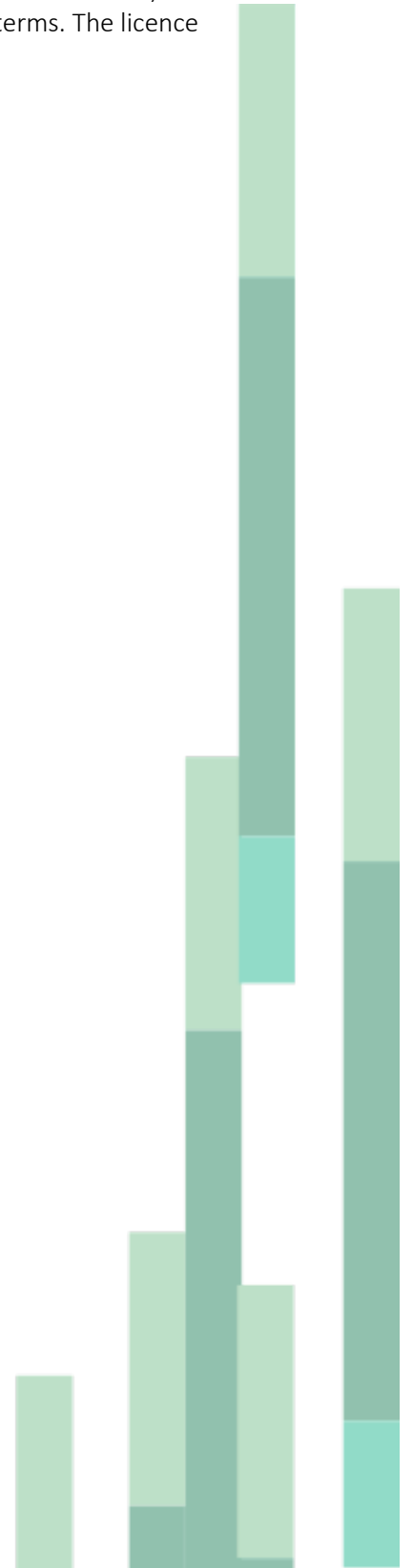


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Abbreviations and glossary

Term or abbreviation	Definition
2024 Comprehensive Determination	<i>Remuneration bands for executives employed in prescribed public entities (Victoria) Determination No. 01/2024</i>
2026 PE Annual Adjustment Determination	<i>Remuneration bands for executives employed in prescribed public entities (Victoria) Annual Adjustment Determination 2026</i>
2026–27 Budget	Victorian Budget 2026–27
AAWI	Average Annualised Wage Increase
ABS	Australian Bureau of Statistics
ATO	Australian Taxation Office
CEO	Chief Executive Officer
CPI	Consumer Price Index
Cth	Commonwealth
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
FTE	full-time equivalent
FWC	Fair Work Commission
GSP	Gross State Product
guideline rate	Premier’s annual remuneration adjustment guideline rate
MCB	Maximum Contribution Base
NMW	National Minimum Wage
notional salary component	Calculated by reducing the total remuneration package value of the remuneration bands by the amount of the superannuation contributions
p.a.	per annum
PEECF	<i>Public Entity Executive Classification Framework</i>
PE Guidelines	<i>Prescribed Public Entity Executive Remuneration Guidelines</i>
PE Handbook	<i>Victorian Public Entity Executive Handbook</i>
PESES	Public Entity Senior Executive Service
PESES executives	Executives employed in public entities, excluding those employed under Part 3 of the <i>Public Administration Act 2004 (Vic)</i>
RBA	Reserve Bank of Australia

Term or abbreviation	Definition
SES	Senior Executive Service
SG	Superannuation Guarantee
Tribunal	Victorian Independent Remuneration Tribunal
TRP	total remuneration package
VIRTIPS Act	<i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)</i>
VPS	Victorian public service
VPSC	Victorian Public Sector Commission
Wages Policy	<i>Wages Policy and the Enterprise Bargaining Framework</i>
WPI	Wage Price Index

Summary

The Victorian Independent Remuneration Tribunal has made an annual adjustment to the values of the remuneration bands for executives employed in Victorian prescribed public entities with effect from 1 July 2026.

The remuneration bands apply to all executives employed in public entities, whether classified as a Public Entity Senior Executive Service (PESES) or Senior Executive Service (SES) executive. They also apply to Chief Executive Officers (CEOs) (or similar) of public entities that do not meet the minimum work value score of 21 to be classified under the *Public Entity Executive Classification Framework* (PEECF).

The values of the remuneration bands are expressed as a total remuneration package (TRP), which comprise a notional salary and superannuation component. The Tribunal increased the notional salary component by 3.5 per cent and adjusted the superannuation component consistent with changes to statutory superannuation entitlements from 1 July 2026 and Victorian Government policies on executive remuneration. The effective increase is between 3.5 and 4.0 per cent, taking into account the statutory superannuation changes, which vary across different remuneration bands.

The values of the remuneration bands from 1 July 2026 are set out in Table 1.

Table 1: Remuneration band values as at 1 July 2026

Classification	Base of band (\$ p.a.)	Top of band (\$ p.a.)
PESES-1 / SES-1	240,938	310,385
PESES-2 / SES-2	310,386	447,266
PESES-3 / SES-3	447,267	594,844
CEO with a work value score below 21 points	168,249	310,385

Summary of reasons supporting adjustment

While economic activity in Australia and Victoria improved through 2025, available forecasts indicate it will decline over 2026 as higher fuel prices and interest rate increases are expected to lower household and business spending.

The Victorian Government reported an operating cash surplus being delivered for the past three years and expects to deliver an operating surplus of \$0.7 billion in 2025–26. It forecasts that net debt as a proportion of Gross State Product (GSP) will stabilise and reduce over the forward estimates, and projects that key fiscal aggregates will slowly improve.

Headline inflation for Melbourne rose to 4.6 per cent in the year to March 2026 after moderating in 2025.¹ A large contributing factor to this spike in inflation was higher fuel costs caused by the conflict in the Middle East. This has led to considerable uncertainty in global markets and to supply disruptions.

The Tribunal considered wage growth in Victoria, including in the public sector. It also gave particular weighting to the Victorian Government’s current *Wages Policy and the Enterprise Bargaining Framework* (Wages Policy), which provides for increases in wages and conditions will be funded at a rate of growth of 3 per cent per annum over the life of the agreement.

In its Annual Wage Review Decision 2026, the Fair Work Commission (FWC) awarded a 4.75 per cent wage uplift (higher for those below the C12 rate) to the nearly 2.8 million workers who are paid at an applicable minimum wage rate under a modern award.² However, the Tribunal was mindful that the circumstances of public sector executives are different from those of the employees covered by the FWC’s decision, which include some of the lowest-paid workers in Australia.

The Tribunal was conscious of the impact that inflation was having on the real value of wages, and that the impacts of the conflict in the Middle East and resultant global supply disruptions have added to the cost of doing business and the cost of living, causing greater volatility in prices.

The Tribunal received one written submission, which recommended the Tribunal take into account the Wages Policy and suggested that executives should not receive higher remuneration increases than staff covered by enterprise agreements.

An increase to the remuneration bands was required to ensure that they keep pace with wage growth in Victoria, including in the public sector.

¹ Australian Bureau of Statistics (ABS) (2026b).

² FWC (2026), p. 2.

The Tribunal was aware that its increase to the bands is below both the headline inflation rate and the FWC's annual wage uplift. Given the current fiscal and economic environment, and consistent with community expectations regarding public expenditure, the Tribunal considered it necessary to exercise a degree of restraint.

A further consideration for the Tribunal was to maintain the current alignment of the remuneration bands for executives employed in public entities with those in public service bodies, consistent with its most recent comprehensive determinations.

1 Context

In December 2024, the Tribunal made the *Remuneration bands for executives employed in prescribed public entities (Victoria) Determination No. 01/2024* (2024 Comprehensive Determination).³

That Determination reset the values of the remuneration bands for executives employed in prescribed public entities. The values of the remuneration bands are expressed as a TRP, inclusive of salary, non-salary benefits, and employer superannuation contributions.

On an annual basis, the Tribunal is required to make a determination providing for an adjustment to the values set in the most recent comprehensive determination.⁴ The exception being the year in which a comprehensive determination is made, in which year no annual adjustment is required.

In March 2026, the Tribunal published notice on its website of its intention to make an annual adjustment determination. The notice contained a summary of the matters the Tribunal was required to consider for this Determination and called for submissions by 27 March 2026. Prescribed public entities were informed of the notice of intention and how to make a submission. One submission was received.

This Determination, the *Remuneration bands for executives employed in prescribed public entities (Victoria) Annual Adjustment Determination 2026* (2026 PE Annual Adjustment Determination) is the second annual adjustment to the 2024 Comprehensive Determination and takes effect on 1 July 2026.⁵

The Tribunal does not set or adjust the remuneration for individual executives, which is a matter for their employer. However, some executives — those remunerated at or near the base of the relevant band — will receive a TRP uplift to ensure that they continue to be remunerated within the relevant band.

This Statement of Reasons sets out the Tribunal’s analysis of statutory and other considerations (Chapter 2) and explains its decision on the values of the remuneration bands (Chapter 3).

³ Victorian Independent Remuneration Tribunal (2024).

⁴ *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)* (VIRTIPS Act), s. 20.

⁵ VIRTIPS Act, s. 25(5).

2 Tribunal's considerations

The Tribunal considered a range of factors, including matters specified in statute and other relevant considerations, in making the 2026 PE Annual Adjustment Determination.

The purpose of the Determination is to take account of changes over the last year. The Tribunal did not consider matters that are more appropriately addressed in a comprehensive determination, such as the roles and responsibilities of executives.

2.1 Wages Policy

Particular weighting was given to the Victorian Government's current Wages Policy, which has been in effect since April 2023. It provides that:⁶

- increases in wages and conditions will be funded at a rate of growth of 3 per cent per annum over the life of the agreement
- in addition to annual wage increases, a separate lump sum cash payment will be available, equivalent to an additional 0.5 per cent of overall agreement costs.

2.2 Salary changes under enterprise agreements

Non-executive employees in public entities are covered by numerous enterprise agreements, each with their own terms, conditions and commencement dates. The Tribunal noted data available at the time of making this Determination on existing and recently negotiated enterprise agreements, including those in the broader Victorian public sector.

⁶ Industrial Relations Victoria (2024).

Trends in federal enterprise bargaining

The Department of Employment and Workplace Relations publishes a quarterly report containing data about the number of enterprise agreements made in the federal workplace relations system, as well as data about the number of employees covered and the level of Average Annualised Wage Increases (AAWI) included in collective agreements. The report for the December quarter 2025 (the most recent dataset available at the time of making this Determination) shows that the AAWI in:

- new enterprise agreements approved in the December quarter 2025 was slightly lower than that in the previous quarter (Table 2)
- Victorian agreements approved in the December and September quarters were above the national average
- public sector agreements approved in those quarters was lower than in private sector agreements
- Victorian agreements and national public and private sector agreements in effect at the end of the December quarter are largely consistent (Table 3).

Table 2: AAWI for agreements approved in the December and September quarters 2025

	December 2025 (per cent)	September 2025 (per cent)
All sectors	3.7	3.9
Public sector	3.2	3.6
Private sector	3.8	4.0
Victorian agreements	4.2	4.4

Note: Data calculated using enterprise agreements approved in the relevant quarter that contained quantifiable wage increases (941 agreements in December quarter 2025).

Source: Department of Employment and Workplace Relations (Cth) (2026).

Table 3: AAWI for agreements in operation at end of the December and September quarters 2025

	December 2025 (per cent)	September 2025 (per cent)
All sectors	3.9	3.8
Public sector	3.9	3.9
Private sector	3.8	3.7
Victorian agreements	3.8	3.6

Note: Data calculated using enterprise agreements current at the end of the relevant quarter that contained quantifiable wage increases (9,137 agreements at end of December quarter 2025).

Source: Department of Employment and Workplace Relations (Cth) (2026).

2.3 Executive employment and remuneration policies

The *Public Entity Executive Remuneration Policy* provides an overarching framework for the employment and remuneration of public sector executives.

In the 2024 Comprehensive Determination, the Tribunal set separate remuneration bands for:⁷

- executive positions classified to the PESES and SES classification bands
- the CEOs of small public entities where the work value score assessed under the PEECF was below 21 points.

In December 2025, the Victorian Government published new standard executive contracts⁸ and executive employment handbooks for public sector executives.⁹ These documents set out the employment and remuneration policies that apply to executives in public entities. Changes made as part of the December 2025 update include (among others):

- updating the leave entitlements of executives
- clarifying when and how executive remuneration is reviewed.

The standard contract explains how an executive's remuneration is reviewed. Employers are required to review an executive's remuneration on an annual basis. As part of the annual review process, an employer may increase an executive's remuneration by up to a maximum rate set by the Premier — referred to as the Premier's annual remuneration adjustment guideline rate (guideline rate).¹⁰

An employer may also agree to undertake an additional review of an executive's TRP and the guideline rate does not apply to those reviews.¹¹

In the 2024 Comprehensive Determination, the Tribunal set separate remuneration bands for:¹²

- executive positions classified to the PESES and SES classification bands

⁷ Victorian Independent Remuneration Tribunal (2024).

⁸ The use of the standard contract for public entity executives is not mandatory, although it is strongly encouraged to ensure consistency with government policies.

⁹ Department of Premier and Cabinet (DPC) (2025c); DPC (2025d).

¹⁰ DPC (2025a), p. 5; DPC (2025b), p. 5.

¹¹ DPC (2025a), p. 5; DPC (2025b), p. 5.

¹² Victorian Independent Remuneration Tribunal (2024).

- the CEOs of small public entities where the work value score assessed under the PEECF was below 21 points.

The 2025 guideline rate of 3 per cent was commensurate with the Victorian Government's Wages Policy, which provides for annual wage increases of 3 per cent. At the time of making this Determination, the Premier has not announced the guideline rate applying from 1 July 2026.¹³

Changes to superannuation entitlements

The Commonwealth Government has made a series of legislative reforms to how employers calculate, pay and report superannuation entitlements, referred to as Payday Super reforms. The changes take effect from 1 July 2026. As part of these changes:¹⁴

- the maximum superannuation contribution base has been renamed the maximum contribution base (both abbreviated to MCB)
- the MCB is now calculated as an annual rather than a quarterly value, and is equal to the concessional contribution cap divided by the Superannuation Guarantee (SG) rate (12 per cent)
- employers are required to ensure superannuation payments are received by the employee's superannuation fund no more than seven business days after their salary is paid.

Under Commonwealth law, the SG rate and the MCB apply to executives who are members of an accumulation scheme.

Since the Tribunal's previous annual adjustment determination, the SG rate has not changed from 12 per cent.¹⁵

The Australian Taxation Office (ATO) has stated that for 2026–27 the MCB will be \$270,830.¹⁶

Victorian Government policy and the standard executive contracts require public entities to pass on statutory superannuation changes without reducing an executive's base salary.¹⁷

¹³ State Government of Victoria (2025).

¹⁴ Australian Taxation Office (ATO) (2026a); ATO (2026b).

¹⁵ ATO (2026b).

¹⁶ ATO (2026b).

¹⁷ DPC (2025a), p. 5; DPC (2025b), p. 5.

2.4 Economic and financial considerations

The Tribunal’s consideration of current and projected economic conditions has been informed by a range of sources, including the:

- latest data on key economic indicators published by the Australian Bureau of Statistics (ABS)
- Reserve Bank of Australia’s (RBA) May 2026 Statement on Monetary Policy
- latest Victorian budget.

Economic activity in Australia and Victoria improved through 2025. In the year to the December quarter 2025, growth in Australia’s real Gross Domestic Product was 2.6 per cent.¹⁸ The RBA forecasts that economic activity in Australia will decline over 2026 as higher fuel prices and interest rate increases are expected to lower household and business spending.¹⁹ A higher inflation environment suggests that while headline economic growth has increased nationally, this may not be sustainable in the long term.²⁰

The Victorian Budget 2026–27 (2026–27 Budget) noted that economic activity in Victoria picked up during 2025 alongside strong growth in real household income and declining interest rates.²¹ According to ABS data, in the year to the December quarter 2025, the seasonally adjusted State Final Demand for Victoria grew by 2.7 per cent.²² However, national cost-of-living pressures are persisting as inflation picked up in early 2026.²³ Growth in real GSP is forecast to be 1.75 per cent in 2025–26, 1.50 per cent in 2026–27, and then to rise to 2.00 per cent in 2027–28 and 2.50 per cent in 2028–29.²⁴

In November 2025, the ABS began publishing the Consumer Price Index (CPI) on a monthly rather than a quarterly basis. The Tribunal has continued to consider CPI data for the year to March to assess current inflation. That is consistent with the Tribunal’s past practice for annual adjustment determinations made in the middle of the year. However, the Tribunal has also considered CPI data for the month of April (the current data at the time of making this Determination).

¹⁸ ABS (2026a).

¹⁹ RBA (2026), p. 56.

²⁰ RBA (2026), p. 56.

²¹ Department of Treasury and Finance (DTF) (2026), p. 15.

²² ABS (2026a).

²³ RBA (2026), p. 58.

²⁴ DTF (2026), pp. 16-17.

Recent data from the ABS show that, after moderating in 2025, inflation is rising, driven by increases in the cost of housing and transport. The Australian CPI rose by 4.6 per cent in the year to March 2026, while trimmed mean inflation was 3.3 per cent across the same time period.²⁵ The April CPI data showed only minor shifts in these indices.²⁶

A large contributing factor to this spike in inflation was higher fuel costs caused by the conflict in the Middle East. This has led to considerable uncertainty in global markets and to supply disruptions. The RBA expects that higher fuel prices will also contribute indirectly to future inflationary pressures, as businesses pass on increases to their input costs.²⁷ The RBA forecasts that headline inflation will peak at 4.8 per cent in June 2026, falling to 4.0 per cent in December 2026 and stabilising within the RBA’s target band at 2.4 per cent in June 2027.²⁸

In Victoria, annual CPI inflation increased to 4.6 per cent in March 2026, however showed no change from March to April.²⁹ In year-average terms, headline inflation is forecast to be 3.50 per cent in 2025–26 and 2026–27, and to return to the RBA’s target band by 2027–28, averaging 2.75 per cent.³⁰

Relevant inflation data for Australia and Melbourne are summarised in Table 4.

Table 4: Summary of current inflation data for Australia and Melbourne

Indicator ^(a)	Year to March 2026 (per cent)	March to April 2026 (per cent)
CPI – Australia, All groups	4.6	0.4
CPI – Australia, Trimmed mean	3.3	0.3
CPI – Melbourne, All groups	4.6	0.0
CPI – Melbourne, excluding volatile items	3.8	0.3

Note: (a) Percentages in this table refer to the change in the indicator during the relevant time period.
Sources: ABS (2026b); ABS (2026c).

Wage Price Index (WPI) data published by the ABS show that in the 12 months to the March quarter 2026 wages grew by:³¹

- 3.1 per cent in Victoria, with wages growth in the public sector in Victoria slightly lower at 3.0 per cent

²⁵ ABS (2026b).

²⁶ ABS (2026c).

²⁷ RBA (2026), p. 36.

²⁸ RBA (2026), p. 64.

²⁹ ABS (2026b); ABS (2026c).

³⁰ DTF (2026), p. 3.

³¹ ABS (2026e).

- 3.3 per cent across Australia (in seasonally adjusted terms) and at the same rate in the public sector in Australia.

The RBA forecasts that near-term wage growth will remain strong, driven by high energy-related inflation and a competitive job market, before slowing from 2027 onwards.³²

Victorian wages (measured using the WPI) are forecast to increase by 3.25 per cent in both 2025–26 and 2026–27.³³ While inflationary pressures are expected to remain elevated in the coming year, weighing on real wage growth until 2026–27, wages are forecast to exceed inflation from 2027–28 onwards.³⁴

Conditions in the Australian labour market have begun to ease. The seasonally adjusted unemployment rate rose to 4.5 per cent in April 2026, while the participation rate fell slightly to 66.7 per cent.³⁵ The RBA considered that labour market conditions are still somewhat tight, based on a range of measures that it monitors. These include the underemployment rate, hours-based underutilisation rate, average hours per capita, the share of businesses reporting labour constraints, and non-mining capacity utilisation.³⁶

According to the 2026–27 Budget, Victoria’s labour market remains healthy, with employment increasing by 2.5 per cent in 2024–25 following strong growth in previous years. At the time of the Budget’s publication, the participation rate and the share of Victorians in employment were at historically high levels. Measures of spare capacity in the labour market, including the unemployment and underemployment rates, remain low by historical standards.³⁷

The RBA forecasts that the unemployment rate will rise to 4.7 per cent by June 2028. Employment growth is forecast to remain subdued due to the weaker outlook for domestic activity.³⁸

³² RBA (2026), p. 58.

³³ DTF (2026), p. 17.

³⁴ DTF (2026), p. 30.

³⁵ ABS (2026d).

³⁶ RBA (2026), p. 32.

³⁷ DTF (2026), p. 26.

³⁸ RBA (2026), p. 57.

On 12 May 2026, the Commonwealth Government delivered its 2026–27 budget, including a variety of economic initiatives and proposed taxation changes.³⁹ The Tribunal did not seek to take the potential impact of these reforms on Australian and Victorian conditions into account, as at the time of making this Determination that remains unclear.

The Victorian Government’s fiscal strategy

The 2026–27 Budget provided an update to the Victorian Government’s five-step fiscal strategy to restore Victoria’s finances following the COVID-19 pandemic.

It states that Steps 1 and 2 have been achieved, with a reported operating cash surplus being delivered for the past three years. The Victorian Government is projecting that key fiscal aggregates, including the operating balance and net debt to GSP, will slowly improve.⁴⁰

The 2026–27 Budget further states that the Victorian Government remains on track to deliver an operating surplus (Step 3) of \$0.7 billion in 2025–26, the first surplus since the COVID-19 pandemic began. The 2026–27 Budget continues to forecast net debt as a proportion of GSP reaching 24.9 per cent at June 2027 before declining to 24.8 per cent by June 2028, 24.6 per cent by June 2029 and then 24.4 per cent by June 2030 (Steps 4 and 5).⁴¹

2.5 Matters raised in submissions

The Tribunal received one written submission from Goulburn-Murray Water, which has been published on the Tribunal’s website in line with its submission policy.

Goulburn-Murray Water recommended the Tribunal take into account the Wages Policy and suggested that executives should not receive higher remuneration increases than staff covered by enterprise agreements. It also recommended the Tribunal adjust the remuneration bands consistently with the Premier’s guideline rate.

³⁹ Commonwealth of Australia (2026).

⁴⁰ DTF (2026), p. 46.

⁴¹ DTF (2026), p. 46.

2.6 Other relevant considerations

Victorian Public Sector Commission's data collection

Each year, the Victorian Public Sector Commission (VPSC) collects data from public sector employers about their employees. Data is collected as at 30 June of the relevant year. The latest data available is for the year to 30 June 2025.

Victoria's public sector continues to be its biggest employer, making up 9.9 per cent of the state's labour force on a headcount basis or 8.1 per cent on a full-time equivalent (FTE) basis.⁴² There are 259 public sector employers including public health services, Technical and Further Education organisations, and police and emergency services.⁴³

The Victorian public sector grew by 2.3 per cent, an increase of 7,390 FTE employees, including 3,852 additional FTE employees in government schools. At June 2025, there were 393,663 people employed in the overall Victorian public sector (the equivalent of 322,266 full-time employees).⁴⁴

According to the VPSC, the median⁴⁵ pay at June 2025 was:⁴⁶

- \$278,137 for VPS executives
- \$290,601 for public entity executives
- \$286,445 for public sector executives overall.

The VPSC reported that between July 2024 and July 2025 median executive pay increased by:⁴⁷

- \$8,711 (3.2 per cent) in the VPS
- \$11,362 (4.1 per cent) in Victorian public entities.

These increases reflect an adjustment to public sector executive pay plus additional superannuation, to cover changes to superannuation entitlements at 1 July 2024.

⁴² VPSC (2026c).

⁴³ VPSC (2026b).

⁴⁴ VPSC (2026b).

⁴⁵ The median is the exact middle value in an ordered dataset, separating the higher half from the lower half.

⁴⁶ VPSC (2026a).

⁴⁷ VPSC (2026a).

FWC Annual Wage Review Decision 2026

In June 2026, the FWC announced an increase to the National Minimum Wage (NMW) and minimum pay rates under modern awards. From 1 July 2026, most modern award rates will increase by 4.75 per cent.⁴⁸

In reaching its decision, the FWC considered a range of factors including the:

- current economic environment and inflationary pressures
- impacts of events in the Middle East on fuel and other supply issues
- workforce participation and the relative living standards of the low paid
- real wage gap between award wage rates and the change in the CPI since 2021
- gender pay gap.

In its decision, the FWC commenced a structural adjustment to its lowest pay tiers by starting to phase out the C13 wage rate — the lowest tier for ongoing employment. Over three stages, the higher C12 tier will become the new minimum standard for all ongoing work. To begin this transition, the FWC will increase the C13 category by the baseline 4.75 per cent plus an additional amount equal to one-third of the gap between the C13 and C12 rates. The NMW, which is aligned to the C13 rate, will increase by the same amount.⁴⁹ The Tribunal notes this equates to an increase of 5.97 per cent.

The Tribunal was mindful that while many of the factors it considered are common with a subset of those considered by the FWC, the circumstances of public sector executives differ from those of the low-paid employees covered by the FWC's decision.

Nonetheless, the Tribunal took note of the FWC's decision as a relevant factor as it is an indicator for broader wage movements across the economy.

3 Tribunal's decisions

Having regard to the considerations outlined in Chapter 2, the Tribunal has decided to increase the notional salary component of the values of the executive remuneration bands by 3.5 per cent from 1 July 2026.

⁴⁸ FWC (2026), p. 2.

⁴⁹ FWC (2026), pp. 2-3.

The Tribunal adjusted the superannuation component of the bands by between \$610 and \$2,500, consistent with changes to statutory superannuation entitlements from 1 July 2026 and Victorian Government policies on executive remuneration.

From 1 July 2026, the MCB will be \$270,830 per annum, an increase of \$20,830 compared to the previous annual value of \$250,000.⁵⁰ As a result, the superannuation contributions for some executives will increase to \$32,500 (12 per cent of \$270,830) from \$30,000 (12 per cent of \$250,000). This represents an increase of \$2,500 (or 8.3 per cent) in superannuation contributions. The Tribunal's adjustment to the notional superannuation component of the relevant remuneration band values reflects that change, meaning that the total effective increase in the remuneration bands is between 3.5 and 4.0 per cent.

An increase to the remuneration bands was required to ensure that they keep pace with wage growth in Victoria, including in the public sector.

In setting the new bands the Tribunal was mindful of the current and forecast economic conditions, including the current inflationary environment, the increasing unemployment rate in Victoria and the forecast moderation of economic growth.

Recent international events have had a substantial impact on inflation and global trade, and have made the forward outlook highly uncertain — as shown by the volatility in the recent CPI data. As noted in the 2026–27 budgets, the impacts of these events are directly adding to the cost of doing business and the cost of living, although the Commonwealth and Victorian Governments have introduced measures to reduce these pressures.⁵¹

In its Annual Wage Review decision, the FWC acknowledged the challenge and complexity of balancing the sudden change and uncertainty in economic conditions and the recent unexpected increase in inflation. The FWC's decision reinforced the importance of maintaining the real value of wages as far as possible, particularly where the rate of inflation for non-discretionary essential goods and services is substantially higher than the headline increase in the CPI.⁵²

⁵⁰ ATO (2026b).

⁵¹ Commonwealth of Australia (2026); DTF (2026), pp. 18-19.

⁵² FWC (2026), p. 2.

However, the Tribunal was also mindful that the circumstances of public sector executives are different to those of the employees covered by the FWC's decision, which include some of the lowest-paid workers in Australia. Given the current environment and consistent with community expectations regarding public expenditure, the Tribunal resolved that it should exercise a degree of restraint.

A further consideration for the Tribunal was to maintain the current alignment of the remuneration bands for executives employed in public service bodies and public entities, consistent with its most recent comprehensive determinations.

The Tribunal was conscious that the increase in the bands is below the headline inflation rates for Australia and Melbourne, but believes that this is justified in the full factual context of all information available to it for the making of this Determination.

The values of the remuneration bands from 1 July 2026 are set out in Table 5.

Table 5: Annual adjustment to the remuneration band values as at 1 July 2026

Classification	Value as at 30 June 2026 (\$ p.a.)			Value as at 1 July 2026 (\$ p.a.)		
	TRP	Salary component	Superannuation component ^(a)	TRP	Salary component ^(b)	Superannuation component ^(c)
PESES-1 / SES-1						
base of band	232,790	207,848	24,942	240,938	215,123	25,815
top of band	298,488	268,488	30,000	310,385	277,885	32,500
PESES-2 / SES-2						
base of band	298,489	268,489	30,000	310,386	277,886	32,500
top of band	430,740	400,740	30,000	447,266	414,766	32,500
PESES-3 / SES-3						
base of band	430,741	400,741	30,000	447,267	414,767	32,500
top of band	573,328	543,328	30,000	594,844	562,344	32,500
CEO with a work value score below 21 points						
base of band	162,559	145,142	17,417	168,249	150,222	18,027
top of band	298,488	268,488	30,000	310,385	277,885	32,500

Notes: (a) Superannuation entitlement based on Commonwealth superannuation law as at 30 June 2026 — SG rate of 12 per cent and MCB of \$250,000 per annum. (b) Equal to 30 June 2026 value plus the 3.5 per cent adjustment. (c) Superannuation entitlement based on Commonwealth superannuation law as at 1 July 2026 — SG rate of 12 per cent and MCB of \$270,830 per annum. Numbers may not add due to rounding.

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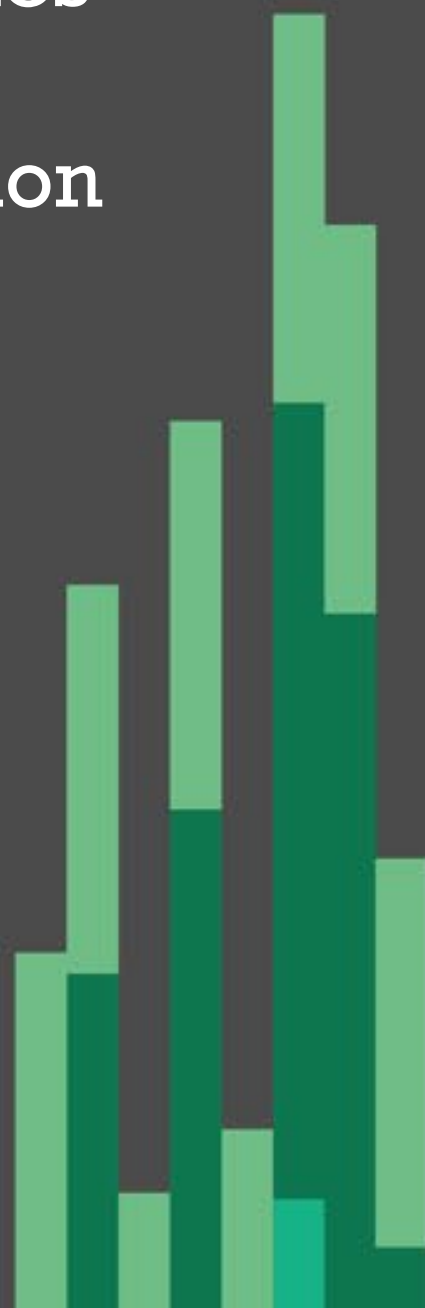
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Remuneration bands for executives employed in prescribed public entities (Victoria) Annual Adjustment Determination 2026



DETERMINATION

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)

Part 3—Determination of the remuneration bands for executives employed in prescribed public entities.

Remuneration bands for executives employed in prescribed public entities (Victoria) Annual Adjustment Determination 2026

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Part 1 – Legal matters and definitions

1. **Title and purpose:** This Determination is the *Remuneration bands for executives employed in prescribed public entities (Victoria) Annual Adjustment Determination 2026* and is made under Part 3 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic) by the Victorian Independent Remuneration Tribunal. This Determination adjusts the remuneration bands set in the *Remuneration bands for executives employed in prescribed public entities (Victoria) Determination No. 01/2024*, as amended. The remuneration bands that apply from the effective date are set out in this instrument.
2. **Effective date:** This Determination takes effect on 1 July 2026.
3. **Definitions**
 - 3.1 Terms not defined in this Determination have the same meaning as in the *Public Administration Act 2004* (Vic), unless the contrary intention appears.
 - 3.2 In this Determination, unless the contrary intention appears:
 - Executive** means an individual to whom the PEER Policy applies under paragraphs 4.1 and 4.2 of the PEER Policy;
 - FTE** means full-time equivalent;
 - PAA** means the *Public Administration Act 2004* (Vic);
 - PEECF** means the *Public Entity Executive Classification Framework* in relation to Public Entity Senior Executive Service classifications issued by the Victorian Public Sector Commission and available on its website, as amended from time to time;
 - PEER Policy** means the Victorian Government *Public Entity Executive Remuneration Policy* (which is a Schedule to an Order made by the Governor in Council under section 92 of the PAA) as amended from time to time;

TRP means total remuneration package, and is the sum of:

- (a) base salary;
- (b) superannuation contributions;
- (c) employment benefits (i.e. non-salary) specified in the executive's contract of employment; and
- (d) the annual cost to the employer of providing the non-monetary benefits, including any fringe benefits tax payable; —

but for the avoidance of doubt, TRP excludes any bonus opportunity specified in the contract of employment;

Note: The PEER Policy requires that all new or renewed executive contracts entered into from 4 February 2020 must not include a bonus opportunity, subject to an exception for specific roles at Treasury Corporation of Victoria and the Victorian Funds Management Corporation. Refer to the PEER Policy for further information.

VIRTIPS Act means the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic);

VPSECF means the *Victorian Public Service Executive Classification Framework* in relation to Senior Executive Service classifications issued by the Victorian Public Sector Commission and available on its website, as amended from time to time.

4. Coverage and application

- 4.1 This Determination adjusts the values of the remuneration bands for executives employed in prescribed public entities.

Part 2 – Remuneration bands for executives

5. Values of the remuneration bands

- 5.1 Subject to clause 6, the values of the remuneration bands for executives employed in prescribed public entities are set out in Table 1.
- 5.2 The relevant remuneration band for each executive corresponds to the Public Entity Senior Executive Service, or Senior Executive Service classification, of that position determined under the PEECF or VPSECF.

Table 1: Values of remuneration bands for the Senior Executive Service from 1 July 2026

Classification	Base of band TRP \$ per annum	Top of band TRP \$ per annum
Public Entity Senior Executive Service-1 / Senior Executive Service-1	240,938	310,385
Public Entity Senior Executive Service-2 / Senior Executive Service-2	310,386	447,266
Public Entity Senior Executive Service-3 / Senior Executive Service-3	447,267	594,844

Note: The above values are for executives employed on a 1.0 FTE basis and apply pro rata to executives employed on a part-time basis.

6. Remuneration band for Chief Executive Officer positions that do not meet the minimum work value score required to be classified

6.1 This clause applies to Chief Executive Officers (or similar positions if not titled as such) whose positions have been assessed using the PEECF and do not meet the minimum work value score required for their classification to be determined (21 points). The values of the remuneration band for those executives are set out in Table 2.

Table 2: Values of remuneration band for Chief Executive Officers or similar with a work value score of less than 21 points from 1 July 2026

Classification	Base of band TRP \$ per annum	Top of band TRP \$ per annum
Chief Executive Officer with a work value score below 21 points	168,249	310,385

Note: The above values are for executives employed on a 1.0 FTE basis and apply pro rata to executives employed on a part-time basis.



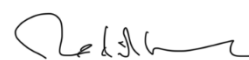
Warren McCann
Chair

Victorian Independent
Remuneration Tribunal



Laurinda Gardner
Member

Victorian Independent
Remuneration Tribunal



Meredith Sussex AM
Member

Victorian Independent
Remuneration Tribunal

Date: 22 June 2026