**EDUCATION AND TRAINING REFORM ACT 2006**

**DIRECTION TO GOVERNING BOARDS OF ADULT EDUCATION INSTITUTIONS ON EXECUTIVE REMUNERATION AND CLASSIFICATION**

**PURPOSE**

1. The purpose of this Direction is to require boards of adult education institutions to adjust the remuneration range payable to the Chief Executive Officer of the institution and executive officers in accordance with:

1. the institution Annual Income (Less Capital) Ranges; and
2. Remuneration Ranges in line with the 2012 executive remuneration review adjustment approved by the Premier of Victoria, as advised by the Government Sector Executive Remuneration Panel and effective from 1 July 2012.

**INTERPRETATION**

2.In this Direction, unless stated otherwise:

*Act* means the *Education and Training Reform Act* 2006;

*Institution* means an adult education institution established under the Act;

words used have the same meaning as in the Act.

**APPLICATION AND REVOCATION OF PREVIOUS DIRECTIONS**

3. This Direction is issued to the board of each institution, and replaces those parts of previous Directions dealing with the subject matter in paragraph 6, which parts are hereby revoked.

**FROM 1 JANUARY 2013**

4. From 1 January 2013, a reference to a board of an institution in this Direction shall be read as meaning the adult education institution.

(*Note*: *on 1 January 2013,* *Parts 4 and 5 of the* *Education Legislation Amendment (Governance) Act 2012 will commence operation. That Act changes the legal structure of boards and adult education institutions, so that from that date, the institution, instead of the board, will be a legal entity vested with various functions and powers.*

*This clause mirrors the effect of* *transitional* *section 33 of the above Act, which in summary, vests the institution with the relevant functions and powers from 1 January 2013).*

**AUTHORITY FOR DIRECTION AND COMMENCEMENT**

5. This Direction is issued pursuant to section 5.2.1(2)(b) of the Act, and commences on the date it is signed.

**CHIEF EXECUTIVE OFFICERS OR EXECUTIVE OFFICERS**

6. The board of an institution must assign one of the following classifications to each executive officer of the institution in accordance with the following:

Chief Executive Officer Level 1 (CEO 1)

Chief Executive Officer Level 2 (CEO 2)

Executive Officer (EO)

The board of an institution must determine the classification level of a Chief Executive Officer in accordance with the following table:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Institution Annual Income (Less Capital) Ranges** | **Classification Level** | **Remuneration Ranges** | | |
|  | | Minimum | Mid-Point | Maximum |
| Greater than $107.7 Million | CEO 1 | $238,478 | $267,317 | $296,155 |
| Up to $107.7 Million | CEO 2 | $196,754 | $217,615 | $238,477 |
|  | EO | $141,667 |  |  |

AS SIGNED BY THE MINISTER

**The Hon. Peter Hall, MLC**

**Minister for Higher Education and Skills**

Dated: 21 DECEMBER 2012