

2. Remuneration (APS 330 Attachment E)

The Member Experience and Culture Committee are responsible for overseeing remuneration. This includes conducting regular reviews of, and making recommendations to the Board on the Remuneration Policy; making annual recommendations to the Board on the remuneration of the Chief Executive Officer, direct reports of the Chief Executive Officer, other persons whose activities may, in the Member Experience and Culture Committee's opinion, affect the financial soundness of the regulated institution and any other person specified by APRA; and making annual recommendations to the Board on the remuneration of the categories of persons covered by the Remuneration policy. The Member Experience and Culture Committee operate in accordance with its written Charter which outlines the Committee's roles, responsibilities, and terms of operation.

The members of the Member Experience and Culture Committee during the year were:

- Steven Shaw –resigned November 2021
- Eugenie Stragalinos
- Antoinette Truda
- Fabienne Michaux
- Nina O'Brien – appointed November 2021

The Member Experience and Culture committee meets at least once a year and as required. The number of meetings during the year and the Committee members' attendance record is disclosed in the table of quantitative disclosure.

When making recommendations regarding remuneration for senior manager and material risk takers, the Member Experience and Culture Committee considers information consistent with the nature and complexity of Goulburn Murray Credit Union's operations, the current risk environment in which Goulburn Murray Credit Union operates and the relatively limited availability of variable remuneration as part of Goulburn Murray Credit Union's remuneration structures. This information may include industry benchmarking and may extend to the engagement of external consultants to review and provide advice regarding Goulburn Murray Credit Union's remuneration structures.

During the year, the Member Experience and Culture Committee did not engage an external consultant to review and provide advice on the variable remuneration structure for material risk takers.

Goulburn Murray Credit Union's Remuneration Policy is subject to regular review. The Policy was reviewed by the Member Experience and Culture Committee in June 2022, with the Board adopting the current Policy effective 23 July 2022. The Remuneration Policy applies to all senior managers and any material risk takers identified by Goulburn Murray Credit Union.

The objective of GMCU's Remuneration Policy is to:

- 'support the design of remuneration packages that promote the long term financial soundness of Goulburn Murray Credit Union; sustainable, compliant and prudent management practices; attraction and retention of high quality, motivated and engaged employees; and the achievement of Goulburn Murray Credit Union's strategic objectives'.

The Member Experience and Culture Committee have reviewed the risks and remuneration structures and consider the following employees material risk takers and senior managers in accordance with CPS510:

	2022	2021
Type of Employee	Number	Number
Senior Managers		
Managers including functions of operational, finance, compliance and lending.	5	5
Material Risk Takers		
Persons subject to significant bonus or performance-based remuneration and whose activities, individually or collectively, may affect the financial soundness of the regulated institution.	Nil	Nil

As detailed in the Remuneration Policy, the structure of the remuneration arrangements comprises the following:

- Fixed Component
- Variable Component

Fixed Component

Fixed component consists of salary, fees, FBT charges related to employee benefits such as motor vehicles, leave entitlements and employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Member Experience and Culture Committee through a process that considers individual and the overall performance of Goulburn Murray Credit Union.

Variable Component

Employees have opportunities to participate in variable pay arrangements, which in all instances make up a small proportion of total remuneration arrangements. Discretionary variable pay is dependent on the achievement of objectives that seek to achieve an appropriate balance between member and strategic outcomes. At all times these variable components are able to be adjusted to zero or deferred if required to protect the financial soundness of Goulburn Murray Credit Union; respond to any significant, unexpected or unintended consequences that were not foreseen when the payments were set; or should certain risk and compliance obligations not have been met.

No ongoing bonus structure is available for senior managers or other material risk takers. Remuneration is structured to provide an opportunity for compensation for higher levels of performance.

Risk and Compliance Staff

The performance and remuneration of risk and compliance staff is assessed according to objectives specific to the roles they undertake. These roles are remunerated with a fixed salary which is reviewed and benchmarked against the industry and internally to ensure that it is set at an appropriate level. The performance of the Chief Risk, Compliance & Governance Officer is subject to direct review and input by the Board Risk Committee.

Goulburn Murray Credit Union has developed a risk management framework which describes the type of risks it is prepared to take in executing its strategic plan. The ability to reduce all variable remuneration components to zero in the event of unsatisfactory implementation or compliance with this framework provides a direct link between risk outcomes and variable remuneration.

Director	2022		2021	
	Meetings Held	Meeting Attended	Meetings Held	Meetings Attended
Eugenie Stragalinos	4	4	5	5
Geoff Cobbleidick	-	-	2	2
Eileen Curtis	-	-	4	3
John Calleja	-	-	2	2
Steven Shaw	1	1	3	3
Antoinette Truda	4	4	3	3
Fabienne Michaux	4	4	3	3
Nina O'Brien	3	3	-	-

Remuneration of the Member Experience & Culture Committee	2022	2021
Remuneration of the Member Experience & Culture Committee as part of Board	\$89,475	\$82,873

The table below presents the number of employees who received variable remuneration, guaranteed bonuses, sign-on awards, or termination payments during the financial year:

Variable remuneration, guaranteed bonuses, sign on award and termination payment	2022		2021	
	No of employees	Total (\$)	No of employees	Total (\$)
Variable remuneration award – discretionary bonus	-	-	-	-
Guaranteed Bonus	-	-	-	-
Sign-On Award	-	-	-	-
Termination Payments	-	-	-	-
Total	-	-	-	-

The table below presents total value of remuneration awards for senior managers:

Total value of remuneration awards	2022			2021		
	Unrestricted	Deferred	Total	Unrestricted	Deferred	Total
	\$	\$	\$	\$	\$	\$
Fixed Remuneration						
Cash-based	\$1,271,982		\$1,271,982	\$1,239,496	-	\$1,239,496
Shares and share linked instruments					-	
Other					-	
	\$1,271,982		\$1,271,982	\$1,239,496	-	\$1,239,496
Variable remuneration						
Cash-based	-	-	-		-	
Shares and share linked instruments	-	-	-		-	
Other	-	-	-		-	
	-	-	-		-	
	\$1,271,982		\$1,271,982	\$1,239,496		\$1,239,496