

CEO Employment and Remuneration Policy

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Introduction

Purpose

The purpose of this policy is to support the requirements of the Local Government Act 2020, to assist Council in fulfilling its responsibilities relating to CEO employment and performance matters.

Overview

The Council is responsible for the appointment of the CEO under section 45 of the Act, determining the CEO's performance and development plan, assessing the CEO's performance against that plan at least once per year and determining the remuneration of the CEO.

This policy is presented in three sections:

- Section 1: Establishment of Employee Matters Committee
- Section 2: CEO Recruitment Process
- Section 3: CEO Performance Monitoring

Scope

This policy sets out the composition, role and functions of the CEO Employment Matters Committee.

References

Local Government Act (2020)

Definitions

This section defines the key terms used in this policy.

Act

Local Government Act 2020.

CEO

Chief Executive Officer.

City

The Wyndham City Council organisation led by the CEO.

CEO Employment Matters Committee

The committee established under this policy known as the *CEO Employment Matters Committee*. The Committee is appointed by the Council.

Council

The Wyndham City Council comprised of elected Councillors and led by the Mayor.

Councillors

Mayor or Councillors as defined by the Act.

CEO Recruitment Panel

The CEO Recruitment Panel is appointed by the CEO Employment Matters Committee. The panel that will conduct interviews of selected Candidates comprised of the following members of the Committee:

- (i) The Mayor, or in the Mayor's absence, the Deputy Mayor
- (ii) A Councillor nominated by the Committee
- (iii) The independent member; and
- (iv) The Recruitment Consultant.

Independent Member

Appropriately qualified person, capable of providing independent professional advice in relation to the matters in this policy, who is not a Councillor or a member of Council staff.

Recruitment Consultant

Nationally recognised Consultant with specialist expertise in sourcing and evaluation candidates for Senior Executive roles.

Policy

Leading Practice Principles

The Council will carry out its functions relating to the section, appointment, remuneration and performance review of the CEO in accordance with a number of leading practice principles:

- decision-making processes that are fair, accessible and applied consistently in comparable circumstances;
- decision-making criteria that is relevant, objective and available to the CEO;
- documentation that is sufficiently clear and comprehensive to render decisions transparent and capable of effective review;
- employment decisions that are based on the proper assessment of the CEO's work-related qualities, abilities and potential against the genuine requirements of the role; and
- decisions to appoint a new CEO that are based on competitive selection, open processes and objective criteria.

Section 1: Establishment of Employee Matters Committee

CEO Employment Matters Committee

The Council will establish a CEO Employment and Remuneration Committee

The Committee will be an advisory committee to Council.

- Mayor (Chairperson);
- up to three (3) other Councillors; and
- an Independent Members.

The Committee will meet at least four times a year, with authority to convene additional meetings as circumstances required.

A quorum of the chairperson and at least two other members will be necessary to transact business of the Committee.

The Committee's role is to assist and advise the Council on matters including:

- recruitment of the CEO or acting CEO (for a period exceeding 28 calendar days);
- determining the performance and development plan of the CEO;
- providing constructive balanced feedback to the CEO;
- monitoring the CEO's achievement of the performance and development plan at 6 monthly intervals, with quarterly reports against key performance indicators tabled at Committee meetings; and
- CEO remuneration and other contractual conditions of employment.

The Manger People and Capability or their delegate has the responsibility to provide:

- information and any necessary training for members of the Committee in relation to their responsibilities under the Act
- officer advice in respect to matters before the Committee;
- administrative, secretarial and logistical support to the Committee.

Recruitment and Term of Independent Member

The Independent Member will be appointed following an advertisement calling for expressions of interest from suitably skilled and qualified people.

The terms of appointment of the Independent Member will be two years, with the options of a further two one-year terms or one, two-year term extension at the discretion of the Council.

Role of Independent Member

Duties of the Independent Member included:

- to actively participate in the Committee's annual review of the CEO's performance and development;
- actively participate in the development of a draft performance and development plan for the next 12-month period for consideration by the Council; and
- provide advice and guidance to the Committee on any matter pertaining to the CEO's employment with Council.

Remuneration for Independent Member

The Independent Member will be remunerated as follows:

- a sitting fee per meeting (agreed by Council), together with reimbursement of travel costs (where applicable) in line with the relevant [ATO tables](#). The fee to be paid has regard for the specific roles and responsibilities of the independent member as set out in this policy;
- the fee will be paid to the Independent Member within 30 days of their attendance at each of the four scheduled committee meetings; and
- an additional fee of equivalent value will be paid to the Independent Member for every meeting of the Committee attended over and above the four meetings required each year.

Section 2: CEO Recruitment Process

Recruitment of a CEO

The Council's role is to appoint the CEO, having considered the advice of the Committee.

The Committee shall, in accordance with Council's Procurement Policy and with the assistance of the Manager People and Capability, seek and appoint an independent Recruitment Consultant to manage and conduct the process of selection of a suitable candidate for the position of CEO.

The Committee shall, in conjunction with the Recruitment Consultant, develop and agree upon:

- a recruitment sub-committee (The CEO Recruitment Panel) charged with interviewing candidates identified by the Recruitment Consultant;
- a search and selection process and timeframe;
- setting the salary and conditions based on industry benchmarks;
- key accountabilities;
- key selection criteria;
- candidate application material;
- a candidate identification strategy;
- methods of applicant evaluation – embracing diversity and gender equity principles and best practice processes to eliminate bias; and
- public relations activities.

The Committee shall seek Council approval of preparatory work.

The Committee shall, in conjunction with the Recruitment Consultant:

- oversee the development of the candidate pool by the Recruitment Consultant, providing feedback on the quality and diversity of candidates being identified;
- review the Recruitment Consultant's report on the candidate pool and select at least two candidates from that pool for preliminary interview by the CEO Recruitment Panel; and
- shortlist at least two final candidates for interview by the full Council.

Once the preferred candidate is determined by the full Council, with the support of the Recruitment Consultant, the Committee shall negotiate the terms of employment within the contractual framework of employment provided by the Council in accordance with the Act.

The Committee shall then:

- ensure, through the Recruitment Consultant, that all candidates are updated on the outcome of the recruitment and selection process; and
- develop and recommend to the Council an on-boarding program for the new CEO.

Section 3: CEO Performance Monitoring

CEO Performance Review and Planning Process

The Council, on advice from the Committee, is responsible for determining the CEO's performance and development plan with the CEO, assessing the CEO's performance against that plan at least once per year and determining the remuneration of the CEO.

The Committee's role is to:

- prepare a draft performance and development plan for Council's consideration;
- seek expert independent advice on the facilitation and criteria for the performance and development plan and review;
- seek expert independent advice on remuneration benchmarks from a nationally recognised recruitment consultant; and
- conduct a performance review of the CEO and make recommendations to Council on matters including whether:
 - the CEO meets the performance and development plan criteria; and
 - to vary performance and development plan criteria, remuneration, or other terms and conditions of the contract.

The Committee shall:

- ensure the independent advice is considered and reasons for not accepting the advice recorded;
- ensure that the CEO is consulted about and advised of the process;
- in consultation with the CEO, identify and agree upon the performance and development plan goals and activities that the CEO should work towards achieving over a 12 month period;
- ensure that the CEO is given the opportunity to present his/her self-assessment to the Committee;
- attend to the collection and collation of Council feedback in relation to the CEO's performance as measured against the performance and development plan approved by Council;
- review the CEO's remuneration package as a component of the annual review;
- report to Council Meeting seeking decision on outcomes of the review process in relation to:
 - the CEO's achievement of the performance criteria;
 - any proposed variation in salary;
 - the setting of the performance and development plan for the measurement of the CEO's performance for the next 12 month period;
 - agree with the CEO on a personal and professional development plan for the next 12 month period; and
 - whether any options of the CEO's contract should be exercised in accordance with the contract.

Monitoring and Reporting

This policy will be monitored by the Manager People and Capability in relation to any legislative change that may affect its terms and conditions.

Advice and Assistance

The Manager People and Capability manages the provision of advice to the organisation regarding this policy. Independent professional advice will be sought in relation to the matters dealt with in this policy.

Implementation of this Policy

Records

The City must retain records associated with this policy and its implementation for at least the period shown below.

Review

The City should review and, if necessary, amend this policy within three years of the approval date.