



CEO Employment and Remuneration Policy

Document Name	CEO Employment and Remuneration Policy
Document ID	A4731762
Owner	People and Capability
Internal/External	Internal
Approver	Council
Document Status	Draft
Version	2.0
Approved Date	25 March 2025
Next Review Date	After November 2029

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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

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.

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.

COMMITTEE

The committee established under this policy known as the *CEO Employment Matters Committee*

COUNCIL

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

COUNCILLOR

Mayor or Councillor as defined by the Act.

PANEL

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) Councillors nominated by the Council
- (iii) The independent member; and
- (iv) The Recruitment Consultant.

RECRUITMENT CONSULTANT

Nationally recognised consultant with specialist expertise in sourcing and evaluating candidates for Senior Executive roles.

1. LEADING PRACTICE PRINCIPLES

- Council will carry out its functions relating to the selection, appointment, remuneration and performance review of the CEO in accordance with these 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.

2. CEO EMPLOYMENT MATTERS COMMITTEE

2.1 Council will establish a CEO Employment Matters Committee

2.2 The Committee will be an advisory committee to Council.

- Mayor (Chairperson);
- Deputy Mayor; and
- Other Councillors appointed by Council; and
- an Independent Member.

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

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

2.5 The Committee's role is to assist and advise 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.

2.6 The Manager People and Capability or their delegate will ensure the provision of:

- 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.

3. RECRUITMENT AND TERM OF INDEPENDENT MEMBER

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

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

4. ROLE OF INDEPENDENT MEMBER

➤ Duties of the Independent Member include:

- 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.
- Assisting in the development of the performance criteria and undertaking the annual review of the CEO;
- Performing other functions as required in supporting the CEO's performance reviews and performance development, and providing advice on appropriate development opportunities for the role of CEO;
- Providing independent and impartial advice on the CEO's total remuneration package and remuneration reviews;
- Assisting the Committee to adhere to statutory obligations and Council's policies and procedures, including equity and fairness;
- Advising on conflicts of interest.

5. 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.

6. CONTRACT EXPIRY

The Committee must make a recommendation to Council six months prior to the expiry of the CEO contract of employment and with regard to current legislation to either:

- Reappoint the CEO under a new contract of employment; or
- Cease the employment of the CEO upon the expiry of the current contract.

Any reappointment of the current CEO must be made by a resolution of Council.

7. RECRUITMENT OF A CEO

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

7.2 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.

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

- a recruitment sub-committee 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.

7.4 The Committee shall seek Council approval of preparatory work.

7.5 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 Panel; and
- recommend for shortlist at least two final candidates for interview by Council.

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

7.7 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.

8. CONFIDENTIALITY

All information relating to the recruitment, selection and performance review process is defined as confidential under the Local Government Act 2020. Councillors and staff involved in the process must take all reasonable steps to maintain confidentiality and respect the privacy all persons involved. A breach of confidentiality may constitute a breach of the Councillor Code of Conduct or the Staff Code of Conduct. For Councillors, breaching confidentiality could result in a finding of serious misconduct be a Code of Conduct Panel.

9. CEO PERFORMANCE REVIEW AND PLANNING PROCESS

9.1 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.

9.2 The Committee’s role is to:

- prepare a draft performance and development plan for Council's consideration, consider feedback from Councillors and recommend for Council approval a final plan including any proposed specific Key Performance Indicators;
- 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.

9.3 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 their 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.

10. DISPUTE RESOLUTION

Should a dispute arise in relation to any matter under this policy or the CEO employment contract, either the CEO or Council may give written notice to the other party of the particulars of any matter in dispute.

Within 14 calendar days of receiving such a notice a meeting will be convened between the Committee (and any nominated representative of Council) and the CEO (and any nominated representative of the CEO) with the purpose of attempting to resolve the dispute.

The CEO and Council will make all reasonable attempts to resolve the dispute internally.

Should the CEO and Council be unable to resolve the dispute, the CEO and Council will:

1. Refer the dispute to an independent mediator as agreed by the CEO and Council, or otherwise as nominated by the Executive Director of Local Government Victoria (or its successor entity).
2. Agree to participate in any mediation process in good faith, with such mediation to operate in a manner as agreed by the CEO and Council; and
3. Acknowledge the right of either the CEO or Council to appoint, in writing, any other person to act on their behalf in relation to any mediation process.

The cost of the mediation process will be met by the City.

The CEO and Council will each be responsible for paying their respective costs of any advisor or nominated representative they appoint.

11. Monitoring, Evaluation and reporting

This Policy will be reviewed by Council at least once every Council term.

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

12. Advice and assistance

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

13. Records

The City must retain records associated with this policy and its implementation.