



WARRNAMBOOL
CITY COUNCIL

**CHIEF EXECUTIVE OFFICER
EMPLOYMENT AND REMUNERATION
POLICY**

DOCUMENT CONTROL

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1. INTRODUCTION

Purpose

The Council is responsible for the appointment of the Chief Executive Officer ('the CEO'), determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO.

This policy has been developed to assist Council in fulfilling its responsibilities relating to the Chief Executive employment and performance matters and to fulfil the requirements of the Local Government Act ('the Act').

The Council recognises the importance of having sound governance practices and systems for the employment of a CEO so as to attract and retain a high calibre CEO.

Scope

This policy applies to the employment of the CEO. In the event of any inconsistency between this policy and the CEO's Contract of Employment, the provisions of the Contract of Employment shall prevail to the extent of the inconsistency.

Definitions and Terminology

Term	Meaning
Act	Local Government Act 1989 and/or the Local Government Act 2020
CEO	Chief Executive Officer
Committee	Chief Executive Officer Employment Matters Advisory Committee
Council	Warrnambool City Council
Observer	Observers may be at a meeting "in attendance", or "by invitation". As they are not Committee members, observers do not have voting rights and do not normally have speaking rights (though the Chair may invite them to speak in appropriate circumstances).
Recruitment Consultant	Consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles

References

Category	Document
Legislation	Local Government Act 1989 Local Government Act 2020 Local Government Planning and Reporting Regulations Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

Standards & Guidelines	Victorian Government Public Entity Executive Remuneration Policy (PEER policy)
Council Related Policies & Procedures	Chief Executive Employment Matters Procedure Chief Executive Employment Matters Committee – Terms of Reference.

2. POLICY

Principles

The Council will carry out its functions relating to the appointment, remuneration and performance appraisal 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 are relevant, objective and transparent;
- Decisions and actions that are conducive to ongoing good governance;
- 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 an individual’s work related qualities, abilities and potential against the genuine requirements of the role; and
- Decisions to appoint new employees that are based on competitive selection, open processes and objective criteria.

The responsibility for assisting the Council with its obligations regarding CEO employment and performance matters shall be delivered through the establishment of a CEO Employment Matters Advisory Committee.

CEO Employment Matters Advisory Committee

The Council shall establish an Advisory Committee to be known as the CEO Employment Matters Advisory Committee (the Committee).

Role

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

- Recruitment of the CEO;
- Determining the Performance Plan of the CEO;
- Monitoring the CEO’s achievement of the Performance Plan; and
- Preparing an Annual Review Report on the CEO’s performance and key terms of employment.

Membership

The membership of the Committee will comprise an Independent Chair, the Mayor and two Councillors.

Observers

Any Councillor who is not a member of the Committee, may subject to the consent of the Independent Chair attend a meeting of the Committee as an Observer.

Terms of Reference

The Terms of Reference for the Committee are set out in a separate document.

Recruitment Process

The Council shall:

- a. Engage a recognised Recruitment Consultant to run the recruitment process, on Council's behalf, in consultation with the Committee.
- b. Agree on the general framework for the terms of employment of the CEO.
- c. Give final approval for the recruitment process to proceed having considered the advice from the Committee and the Recruitment Consultant.
- d. Identify suitable candidates for appointment and conduct interviews

The Committee's role is to liaise with the Recruitment Consultant on the recruitment process and recommend the process to the Council.

Appointment of CEO

The Council will receive a report from the Committee on the completion of its role with the recruitment process, authorise the implementation of the recruitment process and subsequently conduct interviews with selected candidates.

The Council must decide on a preferred candidate and with the support of the Recruitment Consultant negotiate the Contract of Employment within the general framework for the terms of employment as agreed by the Council.

The appointment of the CEO must be made by a resolution of the Council.

Contract of Employment

The following provisions must be included in the Contract of Employment:

- a. Term of employment – no greater than five (5) years;
- b. Total Remuneration Package (including salary, cost to employer of motor vehicle, superannuation and other employment benefits, including associated fringe benefits tax);
- c. Additional expenses payable by Council;
- d. Annual review of performance;
- e. Annual review of the Total Remuneration Package;
- f. Leave entitlements;
- g. Ownership of intellectual property;
- h. Performance criteria;
- i. Conduct matters;
- j. Suspension, redundancy and termination of contract provisions;
- k. No compensation for termination of a contract beyond pay in lieu of notice and accrued leave;
- l. Employment notice provisions; and
- m. Dispute resolution procedure, to deal with disputes arising out of the contract.

Total Remuneration Package

In determining the CEO's Total Remuneration Package, on appointment and in subsequent reviews, the Council must have regard to:

- a. The principles in the Government of Victoria's Policy on Executive Remuneration in Public Entities.
- b. Any Determination that is currently in effect under section 21 of the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 relating to remuneration bands for executives employed in public service bodies.

Performance Plan and Monitoring

The Council shall:

- a. Engage a Facilitator to assist the Committee to develop and monitor the CEO Performance Plan.
- b. Approve the CEO's annual Performance Plan (which shall contain Performance Objectives and appropriate Measures of Achievement).

The Committee's role is to:

- a. Prepare a draft annual Performance Plan for Council's consideration.
- b. Seek expert advice on facilitation and criteria for the preparation of the Performance Plan and its review.
- c. Regularly monitor the CEO's performance.

Annual Review

The Council shall:

- a. Make a final assessment of the CEO's annual performance against the Performance Plan.
- b. Review the CEO Total Remuneration Package.
- c. Advise the CEO of the outcomes of the annual review process.

The Committee's role is to:

- a. Conduct an annual review of the CEO's performance.
- b. Submit an Annual Review Report to the Council, including recommendations on:
 - i. Whether the CEO meets the Performance Plan criteria;
 - ii. To vary any Performance Plan criteria;
 - iii. To vary the Total Remuneration Package; and/or
 - iv. Other terms and conditions of the contract.

The Council must receive and consider the Committee's Annual Review Report recommendations within 3 weeks of the anniversary date of the CEO's date of commencement of employment.

Within one month of receiving the Committee's Annual Review Report the Council must complete:

- a. The review of the Total Remuneration Package.
- b. Setting the Performance Plan for the next 12 months.
- c. Agree on a Professional and Personal Development Plan.
- d. Address and any other matters referred by the Committee.

Written notification from the Mayor to the CEO on the outcome of the Council's resolution on the Annual Review must be sent within one week after the Council meeting at which the decisions of the Council are made.

Integrity of the Processes

All information relating to the recruitment, selection and review processes must be kept strictly confidential. Councillors and staff involved in the processes must take all reasonable steps to maintain confidentiality and respect the privacy of all persons involved.

Any breaches of confidentiality may constitute a breach of the Councillor or Staff Code of Conduct.

Reporting

Disclosure of the CEO's Total Remuneration Package will only be by way of information included in Council's Annual Report and in accordance with any other legislative requirements.

3. GOVERNANCE

Review

This policy shall be reviewed, in consultation with the CEO Employment Matters Advisory Committee, at least every three (3) years.

Compliance Responsibility

The Committee's independent Chair shall exercise an oversight function over compliance with this policy. The Chair shall report on any non-compliance matters to the Council.

CHIEF EXECUTIVE OFFICER EMPLOYMENT MATTERS ADVISORY COMMITTEE (CEEMAC) TERMS OF REFERENCE

1. Establishment of Committee

The Chief Executive Officer Employment Matters Advisory Committee ('the Committee'), is a formally appointed Advisory Committee of the Warrnambool City Council ('the Council') for the purposes of the Local Government Act 1989/2020 ('the Act').

The membership of the Committee and the Terms of Reference will be approved by resolution of the Council.

2. Purpose of Committee

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

- a. Recruitment of the Chief Executive Officer ('the CEO') or the person to act as the CEO;
- b. Determining the Performance Plan of the CEO;
- c. Monitoring the CEO's achievement of the Performance Plan; and
- d. Preparing an Annual Review Report on the CEO's performance and key terms of employment.

The functions and responsibilities for the Committee's role are set out in Appendix 1. In carrying out its role, the Committee must have full regard for the directions set out in the CEO Employment and Remuneration Policy.

3. Authority and Compliance

The Committee is an advisory committee only and has no delegated decision making authority.

4. Membership

Composition

The Committee shall be composed of:

- Independent Chair,
- The Mayor and
- Two Councillors appointed by the Council.

Appointment of Chair

The Independent Chair will be appointed by the Council.

Key competencies for the appointment of the Independent Chair include:

- Demonstrated human resource management skills, senior business experience and/or local government experience and/or employment law background;
- Demonstrated ability in relation to performance management and development of Executive level staff; and
- Previous experience or facilitation experience working with Executive, Governance bodies

or Board Members in membership and or / facilitation roles

Term of Appointment

Up to four years, in line with the term of the Council.

Observers

Any Councillor who is not a member of the Committee, may subject to the consent of the Independent Chair attend a meeting of the Committee as an Observer.

5. Support to the Committee

Administrative responsibility and support for the Committee is assigned to the Manager Governance. This function includes providing:

- information and any necessary training for members in relation to their responsibilities under the Terms of Reference and the Act;
- preparation of meeting agendas and minutes;
- advice in respect to matters before the Committee; and
- secretarial and logistical support to the Committee

6. Meeting Proceedings

Meeting Schedule

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

Attendance at Meetings

Teleconference or over the internet (e.g. Zoom, Skype, FaceTime) attendance is acceptable

A member who misses two consecutive meetings without a formal apology may, at the discretion of Council, have their term revoked.

A member who is unable to attend the majority of meetings during the year without a formal apology may, at the discretion of Council, have their term of office revoked.

Meeting Agendas

Agenda items can be submitted by Members for consideration for inclusion by the Chair.

The structure of the Committee Agenda and documents will be determined by the Chair.

The Agenda must be distributed to members at least five working days prior to the meeting.

Quorum

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

If a quorum is not present within 20 minutes of the time appointed for the commencement of the meeting, the meeting shall lapse.

If a quorum fails after the commencement of the meeting, the meeting shall lapse.

Business that is unfinished at the completion of a meeting may at the discretion of the Chair be referred to the next meeting of the Committee.

Conflict of Interest

If a Member has a conflict of interest relating to any item on a Meeting Agenda, the member must verbally disclose the type and nature of the interest immediately before consideration of the matter in question.

Confidentiality

All Committee meetings and records are considered confidential and may be designated as confidential in accordance with the Act as the matters relate to personnel and contractual matters.

Minutes and Reporting

The Manager, Governance will take the minutes for each Committee meeting.

The minutes shall be in a standard format including a record of those present, apologies for absence, adoption of previous minutes and a list of adopted actions and resolutions of the Committee.

Minutes of each meeting will be presented at the next Council meeting.

7. Records

All records pertaining to the Committee's function shall be kept by the Manager Governance on the CEO's personnel file.

The records may be accessed by the Chair, Mayor and CEO (current incumbent only).

8. Key Meeting and Reporting Requirements

- 1st & 3rd quarter Performance Review Progress meetings (CEO & Committee)
- Mid-year Performance Review (CEO & Committee/Consultant)
- Full Year Performance Review (CEO & Committee/Consultant).
- Submission of the Committee's Annual Review report to the Council - to occur within 3 weeks the anniversary date of the CEO's date of commencement of employment.

Appendix 1 – CEEMAC Functions and Responsibilities

a. Recruitment of the CEO

To fulfil its role, the Committee shall:

1. Undertake preparatory work on the recruitment process in conjunction with the appointed Recruitment Consultant. Develop and agree on:
 - a. A search and selection process and timeframe;
 - b. A range for the Total Remuneration Package
 - c. Conditions of employment;
 - d. Key accountabilities of the role;
 - e. Key selection criteria;
 - f. Candidate application material;
 - g. A candidate identification strategy;
 - h. Methods of applicant evaluation; and
 - i. Public relations and internal communications activities.
2. Liaison with the appointed Lawyer to review and recommend on the form and terms of the Contract of Employment, including:
 - a. Term of employment – no greater than five (5) years;
 - b. Total Remuneration Package (TRP);
 - c. Additional expenses payable by Council;
 - d. Annual review of performance;
 - e. Annual review of the TRP;
 - f. Leave entitlements;
 - g. Ownership of intellectual property;
 - h. Performance criteria;
 - i. Conduct matters;
 - j. Suspension, redundancy and termination of contract provisions;
 - k. No compensation for termination of a contract beyond pay in lieu of notice and accrued leave;
 - l. Employment notice provisions; and
 - a. Dispute resolution procedure.
3. Seek Council approval for the recruitment process to proceed.

b. Determining the Performance Plan

To fulfil its role, the Committee shall:

1. Recommend to Council the appointment of a Facilitator to assist the Committee to discharge its obligations in relation to the preparation of an annual performance plan and subsequent monitoring and year-end review.
2. Ensure that the CEO is consulted and advised of the process.
3. In consultation with the CEO, identify and agree the Performance Plan objectives and measures that the CEO should work towards achieving over a 12 month period and submit to the Council for approval (refer to Appendix 2 for Performance Plan Template).

c. Monitoring achievement of the Performance Plan

To fulfil its role, the Committee shall:

1. Monitor the CEO's performance and provide feedback to the CEO and about his/her performance at quarterly review meetings.
2. Ensure that the CEO submits a written end-of-year self-assessment on the Performance Plan
3. Ensure that all Councillors are invited to provide written comments on the CEO's performance to the Committee based on the Performance Plan Template.
4. Attend to the collection and collation of council feedback in relation to the CEO's performance as measured against the Performance Plan. In making this assessment, the Committee will take into account any written comments about the performance of the CEO it has received from Councillors

d. Annual Review

To fulfil its role, the Committee shall:

2. Make a detailed assessment of the CEO's performance against the Performance Plan.
3. Review the CEO's Total Remuneration Package as a component of the annual review. In considering its recommendations on the CEO Total Remuneration Package the Committee must have regard to:
 - a. The principles in the Government of Victoria's Policy on Executive Remuneration in Public Entities; and
 - b. Any Determination that is currently in effect under section 21 of the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 relating to remuneration bands for executives employed in public service bodies
4. The Chair shall arrange for the preparation of an Annual Review Report having regards to:
 - a. Written submission made by Councillors;
 - b. Other Information, both quantitative and qualitative, pertinent to the various measure of performance established in the Performance Plan;
 - c. The CEO's written appraisal of his performance; and
 - d. The Committee's own deliberations.
5. Provide feedback to the CEO about the proposed outcome of the annual performance review and the TRP review and provide the CEO the opportunity to submit a response.
6. Submit the Annual Review Report to the Council.

The CEO's written self-assessment and response to the Committee's assessment will form part of the Report to the Council.

The Report will seek decisions on outcomes of the review process, including:

 - a. The CEO's achievement of the Performance Plan;
 - b. Any proposed variation to the Total Remuneration Package;
 - c. Setting the CEO's Performance Plan for the next 12 month period;
 - d. Setting the CEO's Professional and Personal Development Plan for the next 12 month period; and
 - e. Whether any options of the CEO's contract should be exercised in accordance with the Contract of Employment.