

GREATER SHEPPARTON CITY COUNCIL CEO EMPLOYMENT AND REMUNERATION POLICY

Adopted by Council: Day Month Year

Next Review: Day Month Year



CEO Employment and Remuneration Policy

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Business Unit:	People and Development
Responsible Officer:	Manager People and Development
Approved By:	
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DOCUMENT REVISIONS

Version #	Summary of Changes	Date Adopted

PURPOSE

This Policy provides guidance and direction on all matters relating to the employment and remuneration of a Chief Executive Officer for Greater Shepparton City Council and is produced in accordance with section 45 of the Local Government Act 2020.

OBJECTIVE

The objective of this Policy is to provide a fair and transparent approach to the recruitment, appointment, performance review and remuneration of the Chief Executive Officer. Decision making and activities associated with these areas must ensure best practice principles are applied in relation to:

- Good Governance
- Fairness, transparency and objectivity
- Appointment decisions made upon merit
- Performance reviews based upon achievable criteria

SCOPE

This Policy applies to the above mentioned activities as they relate to the position of the Chief Executive Officer and or activities performed by Councillors or a Committee convened under the direction of this Policy.

DEFINITIONS

Reference term	Definition
The Act	Local Government Act 2020
CEO	Chief Executive Officer
Council	Greater Shepparton City Council
Councillor	Mayor or Councillor as defined by the Act
Committee	A committee made up of the Mayor, Deputy Mayor, two Councillors and an independent member
KPI	Key Performance Indicator

POLICY

1. Background

The Act requires Council to 'develop, adopt and keep in force a Chief Executive Officer Employment and Remuneration Policy'. This Policy must:

- (a) Provide for the Council to obtain independent professional advice in relation to the matters dealt with in the Chief Executive Officer Employment and Remuneration Policy; and
- (b) Provide for the following –
 - i. The recruitment and appointment process;
 - ii. Provisions to be included in the contract of employment;

- iii. Performance monitoring;
- iv. An annual review; and
- v. Include any other matters prescribed by the regulations.

2. Chief Executive Employment and Remuneration Committee

In order for Council to meet its requirements under section 45 of the Act a Chief Executive Officer Employment and Remuneration Committee will be established. The committee will consist of:

- The Mayor
- The Deputy Mayor
- Two Councillor's
- Independent external member.

The purpose of the Committee will be to:

- Oversee the recruitment of the CEO;
- Make recommendations in relation to remuneration and conditions of initial employment;
- Regularly assess the CEO's performance against agreed key performance indicators and achievement of strategic objectives;
- Perform a formal annual performance review;
- Determine any annual remuneration increase in line with the CEO's Contract of Employment.
- Oversee the end of the CEO's Contract of Employment.
- Consider reappointment in accordance with section 44 (3) of the Act.

3. The Committee

The Committee will meet no less than twice a year to assess the performance of the CEO. The Mayor will chair the committee. If the Mayor is absent the Deputy Mayor will chair the committee.

The committee will ensure that all Councillors have the opportunity to provide feedback and input to the Committee regarding matters considered under clauses 4,5,6,7 and 8 of this policy. The Committee will provide to all Councillors a record of the outcomes and recommendations of each meeting held by the Committee.

A quorum must be reached in order to make any decisions. The quorum will be made up of the Chairperson and two other committee members.

4. Engaging an independent committee member

Council will call for expressions of interest for a suitably experienced and qualified independent committee member, whose term will last no longer than four years. The independent committee member will be engaged based upon the following criteria:

- Qualification or extensive experience in one or more of the following:
 - Human Resource Management, including Executive Recruitment, or talent management;
 - Senior business or government (including local government) experience;
 - Understanding of good governance as it relates to employment law, performance management and Executive level appraisals and remuneration.
 - Extensive experience working with executives, Councillors or board members.

The independent committee member will be remunerated at a rate to be determined by Council.

5. Recruitment and appointment of a Chief Executive Officer

The Committee, through the Director Corporate Services, will engage an independent and suitably qualified executive recruitment firm to manage the recruitment and appointment of the CEO. Once engaged the Committee will liaise with the recruitment firm to review selection criteria, applications and recommendations for selection.

The Committee will recommend to Council the term of appointment, required performance criteria and remuneration package to be provided to the CEO.

The Director Corporate Services and Manager People and Development will assist with advice and guidance on these matters where required.

6. Remuneration of the Chief Executive Officer

The remuneration of the CEO should be sufficient to attract a suitably qualified candidate, and competitive enough to retain and motivate the incumbent of the role.

The annual remuneration review will be undertaken by the Committee and will take into account the following factors:

- Performance against agreed KPI's and Strategic Objectives as determined by the Committee.
- CPI
- Genuine industry standards as provided by experienced Industry /Recruitment professionals.

The Total Remuneration Package shall include but not be limited to salary, superannuation and other employment benefits.

If the superannuation guarantee charge is increased under superannuation legislation, the Total Remuneration Package will automatically increase commensurately.

7. Performance Management of the CEO

The Committee will be responsible for assessing the performance of the CEO on a regular basis, meaning no less than twice a year. The performance will be assessed against agreed key performance indicators and strategic objectives. The KPI's and objectives will be determined and agreed by the CEO and Council prior to the end of a contractual year but may be varied by agreement during the contractual year.

The Committee may, through the Director Corporate Services, procure the services of an independent facilitator to assist with the performance management process. The Committee may suggest and recommend KPI's and will ensure all Councillors have an opportunity to provide input and feedback on the CEO's annual performance in relation to the agreed KPI's.

The CEO will be consulted with and advised of all stages of the review process and will have the opportunity to provide the Committee with a self-assessment of his/her performance. The Committee will provide feedback to the CEO on their performance and proposed outcome of a remuneration review. The Committee will then provide a report to the Council, via the Director Corporate Services, making a recommendation with regards to;

- The CEO's achievements against the KPI's
- Any changes agreed to the KPI's for the next 12 months;
- Any agreed professional development for the CEO for the next 12 months;
- Any proposed variation to remuneration.

8. Ending a CEO Contract

The Committee will be responsible for seeking advice where necessary regarding the expiry or termination of the CEO contract. The Committee shall then advise the Council of its obligations under the appropriate legislation and in accordance with the current Contract of Employment.

This must take place no later than six months prior to the normal expiry date of the CEO contract and must make recommendations in line with appropriate legislation regarding;

- Reappointment of the CEO
- Engaging a recruitment firm for the recruitment of a new CEO

9. Confidentiality

All reasonable steps must be taken to ensure the confidentiality of the recruitment, selection, performance review and contract negotiations of the CEO. All documentation associated with these processes must be held in accordance with relevant legislation listed below and any staff, Councillors or Committee members must take all steps to maintain the privacy of all persons involved. Any breach of confidentiality may be regarded as a breach of the Councillor Code of Conduct or Employees Code of Conduct or may result in the termination of the independent member from the Committee.

10. Support

The Committee and the CEO will at all times be assisted where necessary by the Director Corporate Services, Manager People and Development and Corporate Governance staff to either provide advice and guidance or administrative support.

Where advice and/or guidance requires the procurement of professional services (e.g. legal advice, industrial relations) the Director Corporate Services (or their delegate) will facilitate the procurement of such services.

RELATED POLICIES, PROCEDURES AND DOCUMENTS

- *Councillors Code of Conduct*
- *Employees Code of Conduct*
- *Chief Executive Contract of Employment*

RELATED LEGISLATION

- *Local Government Act 2020*
- *Fair Work Act 2009*
- *Equal Opportunity Act 2010*
- *National Employment Standards*
- *Privacy and Data Protection Act 2014*

REVIEW

The Manager People and Development will review this Policy every four years or within six months of the election of the Council.

Mayor

Date