

GENERAL REPORTS

2 CEO EMPLOYMENT MATTERS COMMITTEE

FILE REFERENCE INT195409

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RECOMMENDATION

That Council;

1. Adopt the Chief Executive Officer Employment Matters Policy, as attached
2. Appoint an Advisory Committee called the Chief Executive Officer Employment Matters Committee comprising:
 - Independent Chairperson
 - Mayor
 - Previous two Mayors
 - With the option to include a suitable facilitator to assist the Committee to discharge its obligations.

3. Appoint Mr Allan Bawden as the Independent Chair of the Committee

Attachments

- 1 Draft Chief Executive Officer Employment Matters Policy 4 Pages

EXECUTIVE SUMMARY

During the recruitment and selection process of Ms Carol Jeffs as the Chief Executive Officer (CEO) it was agreed that Council should develop and adopt a Chief Executive Officer Employment Policy as proposed in the Local Government Bill currently before the Victorian Parliament. The attached draft Policy has therefore been drafted to satisfy this requirement.

The Policy proposes the appointment of an Independent person as Chair of the Committee and it is proposed that Mr Allan Bawden, previous CEO of the neighbouring Bass Coast Shire Council as the Independent Chair of the Committee.

BACKGROUND

Under various provisions of the Local Government Act Council is responsible for the appointment of the CEO (Section 94(1)) and reviewing the performance of the CEO at least once each year (Section 97A(1)). The Local Government Bill currently before State Parliament also proposes that Council must develop, adopt and keep in force a CEO Employment and Remuneration Policy and stipulates the matters required to be included in such a Policy. The draft Policy attached includes the matters required to be included in such a Policy.

During discussions throughout the recruitment and selection process that resulted in Ms Carol Jeffs being appointed as the Council CEO it was agreed that Council should move to develop a policy as proposed in the Local Government Bill and appoint an Advisory Committee for the purpose of

recruitment of the CEO, determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO.

This report is intended to facilitate this course of action.

POLICY IMPLICATIONS

It is recommended that the draft CEO Employment Matters Policy be adopted to become a formal Council Policy.

RELEVANCE TO COUNCIL PLAN

Adopting this Policy and appointing the proposed Committee is in keeping with the Open and Accountable Governance section of the Council plan.

CONSULTATION/COMMUNICATION

Expressions of Interest for the position of Independent Chairperson for the CEO employment Matters Committee were sought via public notices appearing in the Pakenham Gazette and on Council's website. Of the persons lodging an expression of interest Mr Allan Bawden due to his vast professional experience in Local Government is considered the best candidate for the role.

FINANCIAL AND RESOURCE IMPLICATIONS

The Independent Chairperson is entitled to receive \$1,500 per meeting of the Committee. It is proposed that the Committee meet at least quarterly. There are sufficient funds available in the operating budget for this expense.

CONCLUSION

It is considered that Council should adopt the CEO Employment Matters Policy, appoint an Advisory Committee consisting of the current Mayor and previous two mayors as the Councillors on the Committee and appoint Mr Allan Bawden as the Committee's inaugural Independent Chairperson.



Chief Executive Officer Employment Matters Policy

HPRM number	INT886354		
Policy owner	Manager Governance		
Adopted by	Council		
Adoption date	Click to select date	Scheduled review date:	Click to select date
Publication	Please select		
Revision/version number	Version 1 Draft		

1 Policy Context

Under various provisions of the Local Government Act Council is responsible for the appointment of the CEO (Section 94(1)) and reviewing the performance of the CEO at least once each year (Section 97A(1)).

The Local Government Bill currently before State Government also proposes that Council must develop, adopt and keep in force a Chief Executive Officer Employment and Remuneration Policy.

The Bill also stipulates the matters required to be included in such a Policy.

2 Purpose

Council shall establish an Advisory Committee to be known as the CEO Employment Matters Committee (the Committee) for the purpose of recruitment of the CEO, determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO.

3 Policy description

3.1 Membership

Membership of the Committee shall consist of the following:

- Independent Chairperson
- Mayor
- Previous two Mayors

With the option to include a suitable facilitator to assist the Committee to discharge its obligations.

3.2 Quorum

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

3.3 Meeting frequency

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

3.4 Recruitment of Independent Chairperson

The Committee will seek Expressions of Interest from suitably experienced person to fill the position of the Independent Chairperson of the Committee. The term of appointment will be for a period of two years with the option of a further two one year term extensions by mutual consent.

- The independent chairperson cannot be a Councillor or member of Council staff.
- The independent chairperson will provide advice to the Committee and, annually assist to develop the draft performance criteria and performance review methodology for consideration by the Committee and Council.
- The independent chairperson is entitled to vote on recommendations put before the Committee.

4 Role

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

4.1 Recruitment of the Council's CEO or the person to act as the CEO

Council's role is to appoint the CEO, on the advice of the Committee, the Committee's role is to identify and recommend a suitable person and refer the appointment of that person to Council.

4.1.1 Recruitment consultant

The Committee shall seek and recommend the appointment of a nationally recognised Recruitment Consultant to manage and conduct the process of selection of a suitable candidate for the position of CEO.

4.2 CEO remuneration and other contractual conditions of employment

The Committee in consultation with the Recruitment Consultant will recommend setting an appropriate salary and conditions of employment based on industry benchmarks.

In accordance with the Victorian Public Sector Commission Policy on Executive Remuneration in Public Entities the CEO remuneration package will be sufficient to attract, retain and motivate senior executives of the quality required but avoid paying more than is necessary for this purpose.

Remuneration arrangements will be consistent with government policy in the following areas:

- contract of employment for up to five years
- total remuneration package (includes salary, cost to employer of motor vehicle, superannuation and other employment benefits, all to include associated fringe benefits tax)
- assessment for annual performance incentive payment of up to a maximum of 17% or 20% of total remuneration package
- termination of contract provisions
- no compensation for termination of a contract beyond pay in lieu of notice and accrued leave
- under no circumstances may an unexpired portion of a contract be paid out.

4.3 Determining and monitoring the Performance Plan of the Council's CEO

The Council is responsible for determining the CEO's Performance Plan with the CEO, assessing the CEO's performance against that plan and determining any incentive payment of the CEO..

The Committee's role is to prepare a draft performance plan for Council's consideration, seek expert advice on facilitation and criteria for the performance plan and review, conduct a performance review of the CEO and make recommendations to Council on matters including whether:

- the CEO meets the performance plan criteria
- to vary performance plan criteria, remuneration, or other terms and conditions of the contract

The Committee shall

- ensure that the CEO is consulted and advised of the process.
- In consultation with the CEO, identify and agree the performance plan goals and activities that the CEO should work towards achieving over a 12 month period
- Ensure that the CEO submits a Performance Plan Template report and is given the opportunity to present his/her self-assessment to the Council
- Ensure all Councillors are invited to provide comments of appraisal of the CEO's performance to the Committee
- Attend to the collection and collation of council feedback in relation to the CEO's performance as measured against the performance plan approved by Council
- Review the CEO's remuneration package as a component of the annual review
- Report to the Council regarding the CEO's performance review

5 Disclosure

To ensure accountability to the community disclosure of information relating to the CEO's contract and remuneration is of the highest importance.

Disclosure will be by way of information included in the Annual Report.

6 Related documents

Type of document	Title and/or HPRM reference
Commonwealth/Victorian legislation	Local Government Act 1989 and Local Government Bill
Policies	Victorian Public Sector Commission Policy on Executive Remuneration in Public Entities

7 Glossary of terms

- "Act" means the Local Government Act 1989
- "CEO" means Chief Executive Officer
- "The Committee" means an Advisory Committee of the Council
- "Contract" means the Chief Executive Officer Employment Contract
- "Council" means Cardinia Shire Council
- "Councillor" means the Mayor or Councillor as defined by the Act

- “Independent member” means a suitably qualified person who is not a Councillor or Officer of Council and is a voting member of the Committee
- “Recruitment Consultant” means a Nationally recognised consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles
- “Remuneration” means salary