



Policy Name	CEO Recruitment, Performance, and Remuneration	
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1. PURPOSE

Managing the employment of Council's Chief Executive Officer (CEO) is a core responsibility of the West Arnhem Regional Council. Council is responsible for recruitment and appointment of the CEO and determining the CEO's contract conditions including remuneration. In addition, a core responsibility of the Mayor is to lead the Council to undertake regular reviews of the performance of the CEO.

The purpose of this policy is to outline the mechanisms and processes which will support Council in fulfilling its obligations regarding CEO recruitment and appointment, remuneration and performance review.

This policy also covers Council's position on CEO allowances and other benefits.

2. SCOPE

This policy applies to activities undertaken by Elected Members of Council in relation to managing the employment of the CEO; to candidates or incumbents of the CEO position; and to employees of Council with responsibilities for implementing this policy.

3. DEFINITIONS

In the context of this policy the following definitions apply:

Benefit means any non-cash benefit and cash payment (other than base salary) made or expected to be made for the benefit of an employee.

Conflict of Interest means a potential, perceived, or actual conflict between an employee's official duties and responsibilities in serving the public interest, and their own private interests. A conflict of interest can arise from avoiding personal losses, as well as gaining a personal advantage – whether financial or otherwise. This includes advantages to relatives, friends, and business associates.

Independent Member means a suitably qualified and experienced professional who is not a current Elected Member or employee of Council.



Key Result Area (KRA) means an outcome/s for which the CEO is responsible in relation to core aspects of the CEO's role. KRAs are generally aligned to the priorities of Council.

Key Performance Indicator (KPI) is an indicator which measures achievement in a key result area.

Performance criteria means the criteria against which the CEO's job performance is assessed. Performance criteria are generally aligned with Council's strategic and operational objectives and priorities.

Recruitment Consultant means a consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles.

Remuneration means salary and salary equivalents including cash and non-cash benefits.

4. POLICY STATEMENT

This policy outlines the mechanisms and processes that Council has in place to support the Council to manage the CEO's employment cycle.

Council will carry out its functions relating to the recruitment, appointment, remuneration and performance review of the CEO in accordance with the following best practice principles:

- Decision-making principles that are fair, equitable, transparent, and applied consistently.
- Decision-making criteria that are relevant, objective, and available to the person subject to the decision.
- Decisions and actions that are conducive to ongoing good governance.
- Documentation that is clear and comprehensive, so that decisions may be subject to 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.

CEO Employment and Remuneration Advisory Panel

Council is committed to implementing CEO employment arrangements that are clear, consistent, effective, and transparent.

To support Council to achieve this objective, Council will establish a *CEO Employment and Remuneration Advisory Panel* (the panel).

The panel will comprise the Mayor (who will chair the panel), two additional Elected Members, and at least one Independent Member.

- The Independent Member/s will be appointed following a public process seeking Expressions of Interest from suitably qualified and experienced candidates.
- The Independent Member/s must not be a current Elected Member of Council, or Council employee.
- The Independent Member/s may be entitled to remuneration based on a sitting fee per meeting, in line with Northern Territory guidelines and/or practices for similar positions.
- The Independent Member/s travel costs will be reimbursed in accordance with ATO allowances.

The panel will provide advice and support to Council with regards to the following CEO employment processes:

- Recruitment and Appointment of CEO.
- CEO Contract of Employment and Remuneration.



- CEO Performance Review.
- Contract Expiry.

The CEO will allocate appropriate human resources to provide secretariat support to the panel, to ensure that all reports and documentation required under this policy are recorded and managed in compliance with legislative and regulatory requirements.

Recruitment and Appointment of CEO

Council is committed to appointing a high quality and appropriately skilled CEO and to implementing best practice recruitment processes for the position of the CEO.

Council is an equal opportunity employer and will ensure that all applicants for the CEO position have equal access to recruitment opportunities, free from discrimination. The CEO recruitment process will comply with all relevant legislative requirements including the requirements of the *Local Government Act, Regulations and Guidelines*, the *Anti-discrimination Act*, and the principles of *Equal Employment Opportunity*.

Council will also undertake to ensure diversity in the selection and recruitment panel for the position of CEO, to the extent that this is reasonably practicable.

The *CEO Employment and Remuneration Advisory Panel* will assist Council during the CEO Recruitment and Appointment process by undertaking the following functions:

- Determining and making a recommendation to Council on the recruitment process for the position of the CEO.
 - The recruitment process must be approved by Council resolution before the vacancy for the position of the CEO is advertised.
- Determining and making a recommendation to Council regarding whether Council should engage an independent and suitably qualified recruitment consultant to support Council to recruit and appoint the CEO. Where the panel lacks the necessary capacity and/or expertise to undertake an executive level recruitment process, the panel should recommend engaging a professional to facilitate those aspects of the recruitment and selection process where the panel lacks the required expertise.
 - The decision on whether to engage an independent recruitment consultant must be made by Council resolution.
- Determining and making a recommendation to Council regarding the qualifications and selection criteria for the position that are necessary to effectively undertake the role and duties of the CEO. In making this recommendation the panel should take into consideration the needs of the West Arnhem Region and Council's strategic plan and operating context.
- Determining and making a recommendation to Council regarding the CEO's Position Description. This description should clearly outline the qualifications, selection criteria and responsibilities of the position, and should be made available to all applicants.
- Determining and making a recommendation to Council regarding the proposed CEO contract of employment (see contractual requirements and CEO remuneration below).
- Serving as the recruitment panel for the position of the CEO. In undertaking this function the panel must comply with all relevant legislative and regulatory requirements including (but not limited to):
 - Thoroughly verifying the recommended applicant/s work history, qualifications, professional memberships, referees, and claims made in their job application.



- Making enquiries to determine the applicant/s eligibility with reference to section 166 of the *Local Government Act*.
- Determining any potential conflicts of interest that an applicant may have if appointed and making a recommendation to Council as to how the conflict of interest will be managed in accordance with the *Conflict of Interest (Employees) Policy*.
- Determining and making a recommendation to Council regarding the most suitable applicant for the position of CEO.

Council's decision to appoint a CEO is to be based on the principles of merit, equity, and transparency, with the successful applicant assessed as clearly demonstrating how their knowledge, skills and experience meet the selection criteria for the position.

Contractual Requirements

The *CEO Employment and Remuneration Advisory Panel* will prepare a proposed CEO employment contract for Council's consideration and approval.

In preparing the CEO's employment contract, the panel must ensure the contract meets the legislative and regulatory requirements as well as all relevant employment law requirements, and that the contract is legally binding and valid.

- The panel may choose to seek advice from an independent recruitment consultant to help inform the terms and conditions of the employment contract and the proposed remuneration package.
- The panel will also consider seeking independent legal advice to ensure that the contract is lawful and able to be enforced.

CEO Remuneration

As part of the CEO recruitment process, a remuneration package for the CEO is to be approved by the Council.

The *CEO Employment and Remuneration Advisory Panel* will prepare a proposed remuneration package for Council's consideration and approval.

The remuneration package is to cover cash and non-cash benefits and any limitations or entitlements over private use of Council assets.

In determining the proposed remuneration package, the panel will seek advice on remuneration benchmarks, while taking into account any legislative requirements.

Information and data sources that the panel should take into consideration include (but are not limited to):

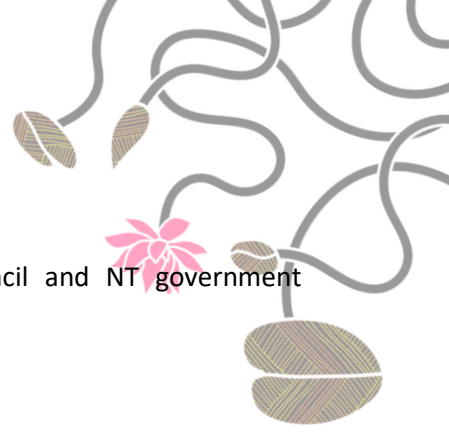
- Current remuneration data/market rates across the sector for Council and government organisations of a similar size and complexity.
- CEO Position Description.
- Council's organisational structure and the relativity of the CEO's proposed remuneration package with Council's current senior personnel remuneration.
- The regional location context.

In accordance with the *Ministerial Guidelines*, the remuneration package must not be increased when offering a contract to an applicant.

CEO Remuneration Review

Council will review the CEO's remuneration package at 12-month intervals.





In determining the remuneration review the following benchmarks should be used:

- Key Performance Indicator and performance criteria outcomes.
- Remuneration benchmarked to the equivalent market rates for Council and NT government organisations of a similar size and complexity.
- CPI movements.

Council should also take into consideration:

- Relevant legislative and regulatory requirements and guidelines.
- Any changes to remuneration relativities internally within Council and externally across the sector.
- The importance of retaining key talent and skills within Council.
- The fiscal environment of the Council.

In undertaking the CEO's remuneration review, Council may choose to seek advice and recommendations from the *CEO Employment and Remuneration Advisory Panel*.

CEO Allowances and Other Benefits

CEO allowances and other benefits form part of the total remuneration package of the CEO and are to be informed by, and subject to, the terms of the CEO's contract of employment.

The CEO's contract of employment will cover:

- The CEO's entitlement to a vehicle.
 - The CEO is to comply with Council's *Motor Vehicle Use Policy*.
 - Vehicle specification should be consistent with Council's *Light Vehicle Specification and Management Guidelines*.
- The CEO's entitlement to housing accommodation.
 - The CEO is to comply with Council's *Employer Provided Accommodation Procedures*.

In addition, the CEO is entitled to the following:

- Travel allowances, relocation assistance, salary packaging and employee vaccinations (in accordance with the terms of the *Allowances, Travel and Other Benefits (Employee) Policy*).
- Allocation of ICT equipment and services required to perform the role of the CEO (e.g., mobile phone and suitable plan/laptop computer/tablet etc). Allocation and use of ICT equipment is to be in accordance with Council's *Information and Communications Technology Resources Policy*.

Subject to appropriate prior authority, provision of documentary evidence and any applicable policies and procedures in place, Council will meet and/or reimburse expenses incurred by the CEO including:

- Membership and subscription fees payable to professional associations which are reasonably necessary or desirable in performance of duties.
- Reasonable costs incurred where attending conferences, seminars or undertaking study.

The CEO may be provided a Corporate Credit Card to use in transactions related to the role of the CEO. Use of a Corporate Credit Card must be in compliance with Council's *Credit Card Policy (CEO and Elected Members)*.



If an expense is proposed to be incurred by the CEO that is in excess of what this policy or the CEO contract of employment provides for, the CEO is to seek a resolution of the Council before incurring the expense.

CEO Performance Review

CEO Performance Plan

Council will adopt an annual Performance Plan for the CEO, which will document:

- Agreed Key Result Areas (KRAs) to be delivered over a twelve-month period.
 - KRAs are to be specific, relevant, measurable, achievable, and time-based.
- Agreed performance criteria and Key Performance Indicators (KPIs).
- An agreed performance review process, including specification of periodic reviews.
- The Performance Plan may also set out the CEO's professional development goals and outline a plan to achieve these goals.

The Performance Plan is to be developed by the *CEO Employment and Remuneration Advisory Panel* in conjunction with the CEO and must be agreed upon by the CEO and Council.

CEO Performance Review

The performance of the CEO is to be formally reviewed at least once in every year of their employment.

In addition to this minimum requirement, Council will engage in regular discussions with the CEO regarding their performance and progress in relation to the KRAs and ways that the CEO can be supported.

- These discussions may result in changes to the CEO's Performance Plan, such as changes to KRAs, KPIs and performance criteria. Any such changes are to be agreed between Council and the CEO as the matter arises.

The *CEO Employment and Remuneration Advisory Panel* will assist Council to conduct the formal performance review of the CEO by undertaking an assessment of the CEO's performance.

The panel's assessment of the CEO's performance is to be made free from bias and based on the CEO's achievement against the agreed KRAs.

- In assessing the CEO's performance, the panel must ensure that the collection of evidence regarding the agreed performance criteria and KPIs is thorough and comprehensive.
- The CEO is to be given the opportunity to provide their self-assessment against the performance criteria and KPIs.
- The CEO is to be informed about the results of their performance assessment and the findings of the panel.

The panel is to report on its assessment of the CEO's performance to the Council, including findings and recommendations – including where necessary a recommended plan to address any identified performance issues. The plan should outline the actions to be taken, who is responsible for the actions and an agreed timeframe.

Council's formal performance review of the CEO will be informed by the panel's assessment report.

- All performance review decisions and actions by the Council are to be impartial, transparent, and capable of review.
- If the CEO is dissatisfied with the performance review process, the CEO should write to the Mayor, stating the grounds of the appeal. The Mayor should seek to resolve the matter in consultation with



a representative of the CEO (chosen by the CEO), and in line with the principles of the *Grievance Resolution Policy*.

Council and the panel must ensure that accurate and comprehensive records of the performance management process are created and kept confidential.

If Council and/or the panel lack the resources and expertise to meet the expected standard of performance review, Council should engage an external facilitator to assist with the process of the performance review and/or the development of the performance plan.

- The external facilitator should have experience in performance management (preferably in local government and/or with senior executives). They should not have any interest in, or relationship with, the Council or CEO.

Contract Expiry

The *CEO Employment and Remuneration Advisory Panel* will make a recommendation to Council six months prior to the expiry of the CEO contract, and with regard to current legislative requirements, to:

- Reappoint the CEO; or
- Advertise for recruitment of the position of the CEO.

The panel may also make a recommendation regarding varying the terms of the reappointed CEO's contract of employment.

The panel may seek independent professional advice, if required, to ensure that any proposed recommendations or variations to the CEO's contract of employment meet current legislative and employment law requirements.

Review of the Policy

The operation of this policy should be reviewed every 3 years or more frequently as may be required, including at the same time when the CEO's contract of employment is reviewed by Council. In this instance, any policy amendments are to be made in alignment with the terms of the CEO's contract. This policy should then be adopted and made available prior to the recruitment process for the CEO commencing.

Responsibilities

Council is responsible for:

- Appointing the *CEO Employment and Remuneration Advisory Panel* members, including the Independent Member/s.
- Approving the CEO recruitment process, CEO employment contract and remuneration, and appointing the CEO.
- Conducting CEO performance reviews in line with the provisions of this policy.
- Conducting remuneration reviews in line with the provisions of this policy.

The CEO is responsible for:

- Allocating appropriate human resources to provide secretariat support to the *CEO Employment and Remuneration Advisory Panel*.
- Working collaboratively with the panel to develop the annual Performance Plan.
- Participating actively in the performance review process and making use of constructive feedback.



- Undertaking professional development as outlined in the performance review and/or Performance Plan.
- Promptly bringing to Council’s attention any situation where it might be reasonably appropriate to vary any aspect of the Performance Plan and/or performance review process, in response to current circumstances.



5. Responsibilities

The Chief People and Capability Officer is the Policy Custodian for this policy and is responsible for reviewing the operation of the policy (every 3 years or more frequently as may be required), and for monitoring continuing relevance, effectiveness, and consistency with related documents and the Law.

Following approval of this policy document, the Chief People and Capability Officer (or a nominated delegate) is also responsible for ensuring that the implementation and communication plan is implemented and that all Council employees have access to the policy.

6. Related Documents

Legislation and References

- Anti-Discrimination Act 1992 (NT)
- Local Government Act 2019 (NT)
- Local Government (General) Regulations 2021 (NT)
- Guideline 2: Appointing a CEO (NT)

Policy documents

- Allowances, Travel and Other Benefits (Employee) Policy
- Code of Conduct (CEO)
- Conflict of Interest (Employees) Policy
- Credit Card Policy (CEO and Elected Members)
- Gifts, Benefits and Hospitality (Employees) Policy
- Information and Communications Technology Resources Policy
- Motor Vehicle Use Policy

Procedures

- Employer Provided Accommodation Procedures

Instructions, tools, guidelines, forms and templates

- Light Vehicle Specification and Management Guidelines

