

CEO Remuneration Policy	Document No:	SCS – 007
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Responsible Officer:	Manager People & Culture	
Authorising Officer:	Council	

1. Purpose

The purpose of this policy is to provide clarity and guidance in relation to reviewing and establishing remuneration for the Chief Executive Officer (CEO).

2. Scope

This policy and procedure covers the principles and processes for determining remuneration for the CEO in consideration of the relevant industrial instruments that may apply. This policy and procedure does not address performance development or recruitment principles or practices.

3. Application

This policy applies to the CEO only. This policy does not apply to other employees of Council.

4. Definitions

Benchmark	refers to relevant and reliable industry surveys that are used to compare Surf Coast to other comparable councils or employers.
Enterprise Agreement	refers to the current industrial agreements established for the majority of Council officers.
Experience	Determined by evidence of growth and development within the role over time.
Industrial instrument	refers to employment contracts, legislation, enterprise agreements and awards that may be relevant to the employment relationship
Large Rural Council	is the group or category referred to in the industry benchmarking reports. A large rural council is defined as councils with a recurrent budget of between \$60m and \$100m.
Level	refers to the level of the position as defined within the benchmarking report. For example Level 1 = CEO
Market Parity	Determined from the relevant remuneration benchmarking for Large Rural councils. The current median salary is considered to be the mid-point.
Performance	Annual performance reviews will determine the performance rating in terms of Exceeding, Meeting or Partially Meeting Objectives.
Total Remuneration	the sum total of cash salary plus superannuation plus motor vehicle. Total remuneration does not include expense reimbursement or other benefits such as further education expenses.

5. Policy

The CEO Remuneration Policy applies the following principles:

We will seek to attract, retain and engage a capable and high performing CEO and recognise the growth and development experienced by the individual during their time in the role. Council will:

- Offer salaries that are commensurate with the experience of the incumbent and reflect performance against objectives as determined during the annual performance appraisal.
- Seek parity to comparable sized Councils at median salary or above and be reflective of the different disciplines and their associated qualification requirements.
- Not position ourselves within the lowest or highest quartiles unless exceptional circumstances warrant such a decision.

CEO Remuneration should

- reflect the performance of the individual against agreed objectives
- align to the long-term interests of Council and the community
- be externally competitive and internally equitable
- consider the sensitivity or impact on other stakeholders and the relativity to Enterprise Agreement increases
- comply with relevant legislation

6. Procedure

In accordance with the CEO employment contract and any relevant industrial instruments, CEO remuneration is reviewed at least once per year by the Council on the advice of the CEO Employment Matters Committee of Council. This process is referred to as the remuneration review. Any changes to the CEO remuneration are effective from 1 July.

The remuneration review should be completed annually within one month following the Performance Review, having regard to:

- (a) the CEO's performance measured against the Performance Criteria for that year;
- (b) any pay increase to which the CEO is entitled under any applicable Industrial Instrument;
- (c) the extent of any increase over the preceding 12 months in the Consumer Price Index (All Groups, Melbourne) as issued by the Australian Statistician; and
- (d) the acquisition and satisfactory utilisation of new or enhanced skills by the CEO if beneficial to or required by the Council; and
- (e) market relativity for comparable roles in relevant industries.

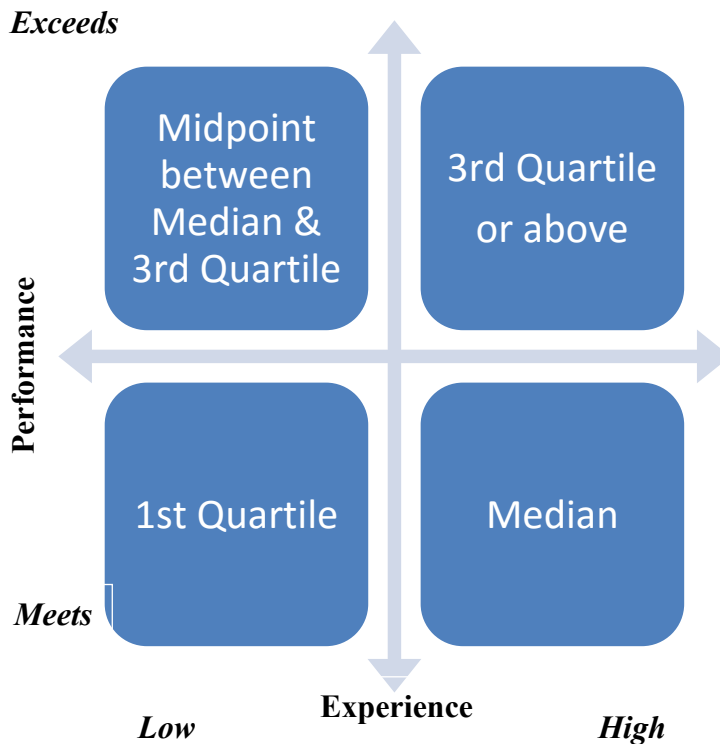
Determining Market Relativity

Council will benchmark proposed remuneration against relevant and reliable industry benchmarking reports for similar sized Councils and Executive market movement e.g. VPS .

Council recognises that from time to time the remuneration amounts indicated in benchmarking reports may fluctuate depending on recruitment activities and packages re-negotiated during the period covered by the remuneration survey.

If applying these principles indicates a substantial remuneration increase is appropriate, it is a reasonable expectation that this adjustment may be phased over more than one year.

Council intends to remunerate the CEO in the range between the median and into the 3rd quartile depending on relevant experience and performance over the preceding year.



Examples:

CEO is exceeding expectations demonstrated through performance of all objectives to a high level has experience in the role over time, and has developed and grown in the role in the past year by expanding their knowledge and understanding, and taking on new responsibilities. As such, remuneration is sought within the upper 3rd quartile of relevant remuneration benchmarks.

CEO is exceeding expectations demonstrated through performance of all objectives to a high level and has limited experience in the role. Although they may be experiencing high levels of personal growth and development they are not yet ready to take on new assignments or projects, or to expand their responsibilities. As such, remuneration is sought within the lower 3rd quartile of relevant remuneration benchmarks.

CEO is meeting expectations and is the early stages of growth and development in the role. Their focus is on delivering objectives and their experience is limited. As such remuneration is sought at the average remuneration level.

Other considerations

Any increase to the Remuneration Package is inclusive of, and may be set off against, any wage increase awarded to the CEO under any employment contract or industrial instrument. The CEO is not a party to Council’s Enterprise Agreement.

In the interests of helping our community and environment to thrive consideration must also be given to Council’s capacity to pay the proposed remuneration. The current financial year budget and position should be taken into account prior to approving any recommended remuneration increase.

Roles and responsibilities

Council Endorse changes to the CEO’s remuneration. The Mayor should communicate the outcomes of the CEO’s remuneration review with the CEO.

CEO Employment Matters Committee The CEO Employment Matters Committee approves and authorises the use of this policy. As such any changes to remuneration practices relating to the CEO require approval of the Committee. The Committee will recommend changes to CEO remuneration to the Council.

Manager People & Culture Responsibility for the development and management of this policy rests with the Manager People & Culture. The Manager People & Culture will provide relevant and up to date data to enable remuneration recommendations to be made according to the principles of this policy. Ensure CEO Employment Matters Committee, Councillors and CEO are aware of the process and timelines for the Remuneration Review. The Manager People & Culture will instruct Payroll to implement the recommendations and will provide letters of confirmation for the Mayor to provide to the CEO.

7. Records

Not applicable

8. Attachments

Not applicable

9. References

Local Government Act 1989

CEO Employment Contract

CEO Employment Matters Committee terms of reference