

## Policy Type

Council

## Policy Purpose

The purpose of the Policy is to establish a position for the City of Cockburn in relation to payments made to employees in addition to their contractual or industrial entitlements. Specifically, the Policy provides a framework for:

- (1) The payment of severance to employees upon termination of employment, including payments arising from employment contracts, industrial agreements or orders issued by a Court or Tribunal
- (2) Defining an upper threshold for discretionary payments that may be made in the resolution of minor industrial matters or disputes
- (3) Recognising long and meritorious service through the provision of approved monetary incentives
- (4) Determining a consistent and transparent method for the assessment and approval of any such additional payments.

## Policy Statement

This Policy is established in accordance with section 5.50(1) of the *Local Government Act 1995* (WA), which requires local governments to adopt a policy governing payments made to employees that are additional to those prescribed under a contract of employment or applicable award.

### 1. Severance pays to terminating employees

Subject to the mutual agreement of both the Chief Executive Officer and an Employee, the City may initiate a settlement process, by way of Employee resignation with a confidential Deed of Settlement, in the following circumstances.

| Settlement Circumstance                                                                                                                                                                                          | Maximum Payment Threshold         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>Industrial relations matter</b><br>Where an employee has initiated or proposes to initiate action under industrial relations legislation.                                                                     | Up to 26 weeks' ordinary base pay |
| <b>Illness, injury or incapacity</b><br>Where an employee is unable to perform the inherent requirements of their role due to illness, impairment or injury and mutual agreement is reached to cease employment. | Up to 16 weeks' ordinary base pay |

## Policy

## Payments to Employees in Addition to Contract or Award

|                                                                                                                                                                                                                  |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>Employment relationship no longer viable</b><br>Where continuing the employment relationship is not considered to be in the best interests of the City and/or the employee.                                   | Up to 16 weeks' ordinary base pay |
| <b>Performance or conduct concerns</b><br>Where sustained underperformance and/or unacceptable behaviour has been identified and the City proposes to conclude the employment relationship by mutual settlement. | Up to 16 weeks' ordinary base pay |

For the purpose of calculating severance payments, "ordinary base pay" excludes overtime, allowances (including vehicle allowances) and superannuation. The above thresholds do not include any statutory or legislative entitlements that may be payable.

### Assessment of Payment Amounts

In determining an appropriate settlement amount, the City will consider:

- Relevant recommendations or indicative outcomes from a Court or Tribunal
- Legal and industrial risk, including the strength of each party's position
- Anticipated legal and associated costs
- Operational impacts, including employee relations, engagement and reputational considerations
- The employee's length of service, role, performance, conduct and personal circumstances.

### 2. Minor Industrial Disputes

Subject to mutual agreement between the CEO and the employee, the City may enter into a financial settlement to resolve minor industrial disputes where this represents an appropriate and pragmatic resolution.

- Such settlements will not involve cessation of employment
- Payments will be formalised through a confidential Deed of Settlement
- A maximum payment of \$10,000 may be approved in these circumstances.

### 3. Recognition of Long Service

Employees reaching service milestones will be recognised during the year the milestone is achieved. Eligible employees will be identified through reporting by the People Experience team and will receive a:

- Certificate of recognition
- Commemorative lapel pin
- Gift or gift voucher to the value outlined below:

| Years of Service | Gift or Gift Voucher Amount |
|------------------|-----------------------------|
| 2 years          | \$50.00                     |
| 5 years          | \$100.00                    |
| 10 years         | \$200.00                    |
| 20 years         | \$300.00                    |
| 30 years         | \$400.00                    |
| 40 years         | \$500.00                    |

Recognition will be formally presented in accordance with the City's Reward and Recognition Policy (Administration Policy).

### 4. Payments on Cessation of Employment

However, where an employee has completed a minimum of 5 years' continuous service, the City may:

- Provide a contribution of up to \$250 towards a farewell gift; and
- Fund an appropriate farewell event, as determined by the CEO.

### 5. Specialist Allowance

The CEO may approve a Specialist Allowance, in addition to an employee's substantive base salary, where an employee and/or the role they are in:

- Provides specialist skills, qualifications, licences, certifications or expertise critical to the City's operations
- Works in hazardous, high-risk or adverse working conditions not otherwise compensated for
- Is impacted by labour market or skill shortages, is difficult to attract or retain and/or is assessed as a critical role necessary to ensure continuity of City operations
- Additional responsibilities, projects, or duties of strategic significance.

The CEO will determine the amount, duration and conditions of any allowance, having regard to operational needs, internal equity, market factors, budget availability and relevant legislative and industrial obligations. Allowances may be reviewed, varied or discontinued:

- at the CEO's discretion
- if the employee changes roles or responsibilities
- withdraws the provision of or no longer holds the skill, qualification, licence, certification or expertise.

## 6. Roles and Responsibilities

Council is responsible for endorsing this Policy and delegating authority to the CEO to approve payments within the prescribed limits.

The Chief Executive Officer (or approved delegate) is responsible for:

- Approving all payments made under this Policy
- Ensuring implementation and compliance with this Policy
- Providing advice and interpretation where required
- Supporting consistent and transparent application across the organisation.

## 7. Related policies:

- Reward and Recognition Policy
- Workforce Plan 2026 – 2030.

|                                               |                            |
|-----------------------------------------------|----------------------------|
| Strategic Link:                               | Workforce Plan 2026 - 2030 |
| Category:                                     | Governance                 |
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