

COUNCIL POLICY



| | |
|-----------------------------|--|
| TITLE: | CEO Employment and Remuneration Policy |
| ID NUMBER: | CPO-CEO-OD-001 (Doc Set ID: 3230846) |
| DEPARTMENT: | CEO Department |
| UNIT: | People and Culture |
| RESPONSIBLE OFFICER: | Manager of People & Culture |

| | |
|----------------------------------|--|
| ADOPTED DATE AND BY WHOM: | Council 27 August 2024 |
| EXPIRY DATE: | 27 August 2028 |
| REVIEW DATE: | <i>This policy will be reviewed every four years or as required by any legislative or council changes.</i> |

| | | | |
|-----------------------------|---|---|--|
| AVAILABILITY: | Organisation wide | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| | Public | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| | Internet | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| ADVISE AVAILABILITY: | Media Release | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Sou Wester (Responsible Officer to prepare article) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(This document is uncontrolled when printed)

1. References

Recruitment and Selection of Staff Policy
Staff Code of Conduct
Workplace Bullying, Harassment and Discrimination Prevention
Performance Improvement Procedure
Chief Executive Officer Employment Contract
Chief Executive Officer Performance Indicators
Local Government Act 2020 (Vic)
Charter of Human Rights & Responsibilities Act 2006
Fair Work Act 2009 and National Employment Standards (NES)
Equal Opportunity Act 2010
Gender Equality Act 2020
Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019
Records Management Policy

2. Purpose

This policy is a requirement of the Local Government Act 2020 (Section 45) and outlines the way in which Council will manage the recruitment and appointment of its Chief Executive Officer (CEO). It provides consistency for contract inclusions, performance monitoring and requirements for annual review.

3. Scope

This CEO Employment and Remuneration Policy (the Policy) applies to activities undertaken by the elected Council and candidates or incumbents of the Chief Executive Officer position.

4. Council Policy Principles

The employment cycle of a CEO is a core responsibility of the elected Council. This policy outlines the mechanisms which will support the Council in fulfilling its obligations regarding CEO employment and remuneration.

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

- CEO employment and recruitment processes will be based on decision-making principles and criteria that are fair and reasonable and applied consistently.

- CEO remuneration should be competitive. Remuneration should be set at a competitive level for the relevant market and sector in order to attract and retain talent, including regard for Council's fiscal and economic conditions.
- CEO performance reviews should be based on the proper assessment of an individual's work-related qualities, abilities and potential against the genuine requirements of the role.
- Ensure there is a process for the CEO to provide feedback to Council on its performance.
- All decisions and actions are conducive to ongoing good governance with documentation that is clear and comprehensive to render decisions transparent and capable of effective review.
- Decisions to appoint new employees should be based on competitive selection, open processes, objective criteria, and have regard to gender equity, diversity and inclusiveness.

4.1 CEO Employment and Remuneration Committee

4.1.1 Establishment

Council will establish a CEO Employment and Remuneration Committee (the Committee).

The Committee will operate with:

- The Mayor of the day as Chair; or a Councillor nominee (if the Mayor is not available);
- The Council shall decide the composition of the Committee. The Committee must comprise no less than four Councillors (including the Chair). A quorum is the Chairperson and three other Councillors. The Committee may comprise all Councillors.
- An independent advisor, a professional who is appropriately qualified, will also be a member of the Committee and undertake an advisory role.
- The independent advisor is entitled to be remunerated for their work.

4.1.2 Secretariat Support

The Executive Manager of People and Culture will provide secretariat support to the Committee, including:

- Preparation of agendas and taking minutes
- Coordinating meetings of the Committee
- Preparing relevant documentation, including reports to Council and contractual documents
- Maintaining appropriate records regarding performance reviews

4.2 Recruitment and Appointment of CEO

Council will engage an independent advisor and suitably qualified recruitment firm to support it in recruitment and appointment of a CEO. The Committee will make recommendations to the Council when appointing a recruitment firm, determining the CEO selection criteria and developing the CEO contract.

The recruitment firm will manage the end-to-end CEO recruitment process including:

- Preparing a brief on the role and the ideal candidate in conjunction with Council.
- Providing a detailed schedule to Council outlining the end-to-end process.
- Developing an advertising strategy to attract suitable candidates.
- Assisting the Council in conducting first and second round interviews to determine a shortlist of candidates.
- Conducting reference checks on the preferred candidate.
- Working with the Executive Manager of People & Culture to issue the contract of employment for the new CEO.
- Preparing the communications for the Council to announce the appointment of the new CEO
- Working with the Executive Manager of People and Culture to induct the new CEO.

The appointment of the CEO must be made by a resolution of Council.

4.2.1 Contractual Requirements

The contractual terms and conditions for the CEO are:

- A contract of employment is to be offered for a period of up to five years.
- A CEO is eligible to be reappointed under a new contract of employment.
- If there is a vacancy in the office of the CEO or the CEO is unable to perform the duties of the office of the CEO, the Council must appoint a person to be the Acting CEO.
- Council can delegate power to appoint an acting CEO for a period not exceeding 28 days.
- The total remuneration package (TRP) includes salary, superannuation and salary sacrifice for full private motor vehicle use. It also covers the cost of other employment benefits and associated fringe benefits tax, but excludes general business expenses such as laptop computers, mobile phones, or study leave.
- Termination of contract provisions – the employer may terminate a contract by providing the CEO with no longer than six months' notice in writing.

4.3 Remuneration and Expenses

4.3.1 Remuneration

The CEO remuneration package will be subject to the review of the CEO Employment and Remuneration Committee and work with the independent advisor to undertake the review. Any decision to increase the remuneration of the CEO must be in accordance with the Council Policy Principles.

Remuneration will be reviewed annually in accordance with the CEO Performance review and contract requirements.

The Total Remuneration Package shall consider:

- The Officer's performance measured against the Performance Criteria for that year as determined by the Performance Review;
- The extent of any increase over the preceding 12 months in the consumer price index (All Groups, Melbourne) as issued by the Australian Statistician;
- The Total Remuneration Package for Chief Executive Officers in other Victorian Councils of similar size and demographics to the Council.
- Any statement of policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent); and
- Any Determination that is currently in effect under section 21 of the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 in relation to remuneration bands for executives employed in public service bodies.

4.3.2 Expenses

The Chief Executive Officer may be provided a Corporate Card to use in transactions related to the role of CEO. Corporate card expenditure will be reviewed by the Chief Finance Officer. The independent Audit & Risk Committee will receive quarterly reports on all CEO corporate card transactions.

The Council will meet 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, in consultation with the Mayor.
- Reasonable costs incurred in performance of duties.
- Telephone expenses.

4.4 CEO Performance Plan

Council will adopt an annual performance plan for the CEO. The Performance Plan will be developed in conjunction with the CEO.

The Performance Plan will document agreed objectives and outcomes to be delivered over a twelve-month period.

The CEO should provide progress reports to the Committee at each review.

4.4.1 CEO Performance Review

An independent consultant will be appointed by the Council to assist with the CEO's review process. The consultant will assist Council with assessing the performance of the CEO against the current annual objectives, and the development of new objectives for the following performance year.

The review will also include the opportunity for Council to provide the CEO with performance related feedback and input into the CEO's development plan. In addition, the Committee will enable regular opportunities for "pulse checks" and feedback (occurring at a minimum of every 6 months, and a maximum of four per annum)

The CEO will also provide feedback on the performance of the Council as part of the feedback process, which may be facilitated by the independent consultant.

The performance review will be completed annually to coincide with the anniversary of the CEO's commencement date; or agreed timing, that recognise the principles of annual goal setting and annual review/feedback.

4.5 Contract Expiry

The Committee must make recommendation to Council six months prior to the expiry of the CEO contract and with regard to current legislation to:

- reappoint the CEO; or
- advertise for recruitment to the role of CEO.

Any reappointment of the current CEO must be made by a resolution of Council.

4.6 Dispute Resolution

In relation to any matter under this policy or the CEO's employment contract that may be in dispute, either the CEO or Council may:

- a. give written notice to each other of particulars of any matter in dispute; and
- b. within 14 days of receiving a notice specified in subclause 4.6(a), a meeting will be convened between Council (along with any nominated representative of Council) and the CEO (along with any nominated representative of the CEO) in an attempt to resolve the dispute.

The CEO and Council will attempt to resolve the dispute at the workplace level.

Upon failure to resolve the dispute at the workplace level, the CEO and Council will:

- a. Refer the dispute to an independent mediator as agreed by the CEO and Council, or otherwise as nominated by the Executive Director of Local Government Victoria.
- b. Agree to participate in any mediation process in good faith, with such mediation to operate in a manner as agreed by the CEO and Council; and
- c. Acknowledge the right of either the CEO or Council to appoint, in writing, another person to act on their behalf in relation to any mediation process.

The cost of the mediation service will be met by Council.

The employee and Council will each be responsible for meeting the cost of any advisor or nominated representative used by them.

4.7 Responsibilities

| Who | What |
|---------------------------------------|---|
| Executive Manager of People & Culture | <p>Provide secretariat support to the Committee which facilitates the reports and documentation required under this policy.</p> <p>Lead the process for engagement of the Independent Advisor and executive recruitment consultant.</p> <p>Act as liaison between Council/the Committee, the Recruitment Consultant to ensure timely development and approval of communications related to recruitment as required.</p> <p>Oversee adherence to the CEO Employment and Remuneration Policy.</p> |
| Council | <p>Appoint independent member to CEO Employment and Remuneration Committee</p> <p>Appoint an executive recruitment consultant (as required)</p> <p>The appointment and management of the CEO, including Acting CEO, where required.</p> <p>Where a vacancy occurs for the role of CEO, initiate a recruitment process in accordance with this policy.</p> <p>Conducting CEO performance reviews in line with adopted policy.</p> |

(This document is uncontrolled when printed)

| | |
|--------------------------|--|
| Committee | <p>Provide advice and make recommendations to Council on CEO employment matters.</p> <p>In consultation with the CEO, develop the CEO performance plan.</p> <p>Conduct CEO performance reviews in line with adopted policy.</p> <p>Working with the recruitment consultant, undertake required recruitment activities.</p> |
| Audit and Risk Committee | <p>Oversee adherence to the Credit Card Policy for expenses incurred by the CEO.</p> |

5. Records Management

All Council records created and managed as a result of implementing this policy will be managed in accordance with the Council's Records Management Policy.

The Records Management Policy assigns responsibilities for records management to employees, supervisors, volunteers and other specific positions.

No Council records are to be destroyed without consideration of the requirements of the Act(s) that govern the functions relevant to this policy. Prior to destruction, advice must be sought from the Information and Data Unit, with consideration to the requirements of the appropriate Retention and Disposal Authority (RDA).

6. Victorian State Legislation Copyright Acknowledgement

Extracts from legislation of the Parliament of the State of Victoria, Australia, are reproduced with the permission of the Crown in right of the State of Victoria, Australia. The State of Victoria accepts no responsibility for the accuracy and completeness of any legislation contained in this publication.

© State of Victoria, Australia. Copyright of legislation referenced in this publication is owned by the Crown in right of the State of Victoria, Australia.