

Chief Executive Officer Employment and Remuneration Policy



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RESPONSIBLE OFFICER:	Group Manager People and Communications
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RELATED DOCUMENTS:	<i>Advisory Committee Policy</i> <i>Procurement Policy</i> <i>Employee Code of Conduct</i>
RELATED LEGISLATION:	<i>Local Government Act 2020</i>

1. PURPOSE

The purpose of the Chief Executive Officer Employment and Remuneration Policy (the Policy) is to outline the requirements for:

- the recruitment and appointment of the Chief Executive Officer;
- approving the Contract of Employment entered into between Council and the Chief Executive Officer;
- the appointment of an Acting Chief Executive Officer;
- the provision of independent professional advice in relation to the matters dealt with in the Policy;
- the monitoring of the Chief Executive Officer's performance;
- an annual review of the Chief Executive Officer's performance; and
- determining the Chief Executive Officer's remuneration.

The Policy is made in accordance with section 45 of the *Local Government Act 2020* (the Act).

2. APPLICATION

This Policy applies to the employment and remuneration of the Chief Executive Officer (CEO). This Policy applies subject to any inconsistent obligations in the Act or relevant regulations.

The Policy does not apply to the employment of any other worker, including an employee, Councillor, third party worker, or consultant.



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3. DEFINITIONS

For the purpose of the Policy the following definitions apply.

Contract of Employment means the contract of employment between Council and the CEO, including any schedules.

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

Independent Advisor means the consultant appointed by Council from time to time to provide independent advice on matters dealt with in this Policy, as provided under section 45(2)(a) of the Act.

KPIs means the key performance indicators or performance criteria of the CEO, however described.

Remuneration Package means the total gross remuneration packaged paid to the CEO pursuant to the Contract of Employment.

4. CEO EMPLOYMENT AND REMUNERATION COMMITTEE

The CEO Employment and Remuneration Committee (the Committee) is an advisory committee established by Council in accordance with the *Advisory Committee Policy*.

The purpose of the Committee is to consider, and make recommendations to Council with respect to, the:

- recruitment and appointment of a CEO, if required;
- provisions to be included in the Contract of Employment from time to time;
- selection and appointment of the Independent Advisor;
- independent advice received from time to time from the Independent Advisor;
- performance monitoring of the CEO, including with respect to achievement of the KPI's;
- annual review of the CEO's performance, including against the KPIs;
- CEO's remuneration; and
- implementation of this Policy

The Committee will comprise of all nine Councillors. The Committee is to be chaired by the Mayor. If the Mayor is absent, the meeting will be chaired by the Deputy Mayor, or a member of the Committee who is present, and appointed by the members of the Committee who are also present.



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The Committee will meet at least once per year and may convene as often is necessary to:

- prepare documentation relative to the CEO's employment and remuneration, including Council reports and contractual documents, for the approval of Council;
- conduct and maintain appropriate records regarding performance reviews of the CEO; and
- review the Remuneration Package and conditions of employment of the CEO.

5. RECRUITMENT AND APPOINTMENT

5.1. Recruitment

The Committee will establish and manage the process to recruit the CEO. The process will be designed to ensure that Council can select the best available candidate from a short list of preferred candidates.

An Executive Search Consultant will be engaged to run the recruitment process. Assistance with procuring an Executive Search Consultant, in accordance with the *Procurement Policy*, can be obtained from an appropriate officer, such as the Group Manager People and Communications.

When considering the recruitment of the position of CEO, the Committee must:

- Ensure the recruitment decision is based on merit;
- Support transparency in the recruitment processes and the public advertising of the position; and
- Ensure that regard is had to gender equity, diversity and inclusion.

5.2. Appointment

At the conclusion of the Committee's role in the recruitment process, a report will be provided to Council, and Council will proceed to decide on a preferred candidate. The report will make recommendation to Council on the provisions to be contained in the proposed Contract of Employment.

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

5.3. Reappointment of the CEO

Within six months prior to the expiry of the current CEO's Contract of Employment, the Committee will provide a recommendation to Council on:

- whether the CEO should be reappointed under a new Contract of Employment; and
- if the recommendation is to reappoint the CEO, the proposed provisions of the further Contract of Employment.

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



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5.4. Acting CEO

Council must appoint an Acting CEO when there is a vacancy in the office of the CEO or the CEO is unable to perform their duties of the office of the Chief Executive Officer.

The appointment of the Acting CEO must be made by a resolution of Council unless the Acting CEO is appointed for a period not exceeding 28 days, in which case the CEO may appoint an Acting CEO under delegation from Council pursuant to section 11(3) of the Act.

6. CEO EMPLOYMENT CONTRACT AND REMUNERATION

6.1. Contract of Employment

The Contract of Employment is to be read in conjunction with this Policy (but the terms of the Policy are not incorporated into the Contract of Employment).

The Contract of Employment will, at minimum, outline the following:

- the employment term, which must not exceed five years in accordance with section 44(2) of the Act;
- the responsibilities and duties of the position, including compliance with the Act and the *Employee Code of Conduct*;
- the conflict of interest management requirements;
- the CEO's Remuneration Package and other entitlements;
- any legislative and contractual obligations, including those during and continuing after appointment;
- the CEO's leave entitlements;
- dispute resolution procedures;
- processes for managing unsatisfactory performance;
- process for early termination, including notice of termination provisions with notice of termination by Council being restricted to a maximum of six months; and
- any other matters required to be contained in the Contract of Employment by regulation.

The Contract of Employment may only be varied by a resolution of Council and accepted by CEO, recorded in a deed of variation.

6.2. Remuneration and Expenses

The Remuneration Package provided to the CEO will from part of the Committee's annual review, having regard to (in accordance with section 45(3) of the Act):

- any statement of policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent); and
- any Public Wages Determination.

The Remuneration Package will be reviewed on an annual basis, in accordance with the CEO's Performance Plan and contractual requirements.



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Council will meet expenses incurred by the CEO as outlined in the Contract of Employment or in relation to:

- membership and subscription fees payable to professional associations which are reasonably necessary in order to carry out duties;
- reasonable costs incurred where attending conferences, seminars or other networking functions; and
- reasonable costs incurred in performance of required duties.

7. MONITORING AND REVIEW

7.1. Performance Monitoring

Council will adopt an annual performance plan for the CEO, which will include KPIs. The performance plan must be developed collaboratively between the CEO and the Committee.

The CEO is to provide progress reports against the performance plan to the Committee on an annual basis.

The Committee may meet with the CEO following each progress report to discuss the matters contained in the progress report.

Nothing in this Policy prevents the Committee and/or Council from monitoring the CEO's performance on an ongoing basis or the CEO providing more frequent updates to the Mayor, Committee and/or Council.

7.2. Annual review

In preparation for Council's review, the Committee is required to submit an annual review report to Council which includes recommendations on the following:

- whether, and to what extent, the CEO has met the KPI's under the performance plan;
- whether any KPIs or other criteria ought to be varied under the performance plan;
- whether the Remuneration Package ought to be varied; and
- any other necessary matters.

The Committee will submit the annual review report to Council only after meeting with the CEO to discuss the Committee's proposed recommendations.

Council shall, after receipt of the annual review report, review the recommendations, and advise the CEO of the outcomes of the review process.

8. INDEPENDENT ADVICE

The Independent Advisor is responsible for providing independent professional advice in relation to the matters dealt with under this Policy in accordance with section 45(2)(a) of the Act.



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The Independent Advisor will be appointed on the recommendation of the Committee following a process to seek experienced and suitably qualified persons but must not be the Executive Search Consultant appointed to assist in the recruitment process.

Council will determine the:

- term of the appointment of the Independent Advisor; and
- remuneration of the Independent Advisor.

Council, or the Committee with the approval of a Council resolution, can, on an as needed basis, obtain additional independent professional advice in relation to the matters dealt with under this Policy.

Assistance with procuring the Independent Advisor, in accordance with the *Procurement Policy*, can be obtained from an appropriate officer, such as the Group Manager People and Communications.

9. DELEGATIONS

Council must not delegate the power to appoint the CEO, whether on a permanent or acting basis, however, it may delegate to the CEO the power to appoint an Acting CEO for a period not exceeding 28 days (sections 11(2)(d) and 11(3) of the Act).

Council must not delegate the power to make any decision in relation to the employment, dismissal or removal of the CEO (section 11(2)(e) of the Act).

10. CONFIDENTIALITY

Council is not required to disclose any personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.

11. ADMINISTRATIVE UPDATES

From time to time, circumstances may change leading to the need for minor administrative changes to this policy. Where an update does not materially alter this policy, such a change may be made administratively. Examples of minor administrative changes include changes to names of Manningham Council departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this policy, it must be considered by Council.



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