

# Council Policy

## CHIEF EXECUTIVE OFFICER EMPLOYMENT AND REMUNERATION POLICY

### 1. PURPOSE

This Policy is made in accordance with section 45 of the *Local Government Act 2020* (the Act). It provides for Council's legislative and contractual obligations over the employment life cycle of the Council's Chief Executive Officer including:

- a) the recruitment and appointment of the Chief Executive Officer
- b) provisions to be included in the Chief Executive Officer contract
- c) the monitoring of the Chief Executive Officer's performance
- d) an annual review of the Chief Executive Officer's performance
- e) a mid-cycle review
- f) determining the Chief Executive Officer's remuneration
- g) the provision of independent professional advice in relation to the matters dealt with in the Policy
- h) the establishment of a Chief Executive Officer Employment Matters Advisory Committee
- i) selection and appointment of an independent Chair for the Advisory Committee and
- j) the appointment of an Acting Chief Executive Officer

### 2. DATE OF COMMENCEMENT AND REVIEW

This Policy commences operation immediately following its endorsement on 28 March 2024. The policy will be reviewed by 28 March 2026.

### 3. DEFINITIONS

3.1 In this Policy, unless the context suggests otherwise the following words and phrases mean:

**Act** means the *Local Government Act 2020*

**Annual Review** Report has the meaning given in paragraph 12.1

**Chief Executive Officer** or **CEO** means the Chief Executive Officer of Council

**Committee** means the Chief Executive Officer Employment Matters Advisory Committee established under this Policy

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

**Council** means Colac Otway Shire Council

**Councillors** means the individuals holding the office of a member of Colac Otway Shire Council

**Council** meeting has the same meaning as in the Act

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

**Independent Chair** means the independent person appointed by Council to the Committee to Chair the meetings and provide independent advice in accordance with section 45(2)(a) of the Act

**KPIs** means Key Performance Indicators or performance criteria

**Mayor** means the Mayor of Council

**Performance Plan** means the annual performance plan setting out KPIs for the CEO

**Policy** means this CEO Employment and Remuneration Policy adopted in accordance with section 45 of the Act

**Public Sector Wages Determination** means 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

**Regulations** means any Regulations made under Division 7 of Part 2 of the Act

**Remuneration Package** means the total gross remuneration package paid to the CEO pursuant to the Contract of Employment

**Resolution** means a resolution of Council made at a Council meeting

**Terms of Reference** means the Terms of Reference of the Chief Executive Officer Employment Matters Advisory Committee adopted by Council

#### 4. POLICY STATEMENT

Council is committed to demonstrating excellence in the recruitment and management of its CEO and maintaining a positive constructive relationship with the CEO throughout the employment life cycle for the ultimate benefit of the community through:

- a) being an exemplary employer in the sector, providing lawful, fair and appropriate terms and conditions of employment
- B) utilising an open and transparent selection and appointment process and is committed to employing the best available person for the job of CEO

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- c) seeking independent advice and expert assistance in any process of selection and recruitment and will appoint an independent chair for its Chief Executive Officer Employment Matters Advisory Committee to support Council in managing its obligations and performance processes
- d) ensuring it maintains avenues for two-way feedback between it and the Chief Executive Officer in regards to setting targets for performance, priorities and identifying areas of development.

## 5. RESPONSIBILITIES

5.1 The responsibilities of Council in relation to this policy are to:

- e) establish the Employment Matters Committee and its Terms of Reference
- f) appoint the independent Chair of the Committee
- g) select on the basis of a recommendation from the Committee a recruitment firm to undertake any recruitment process for a CEO
- h) execute the Contract of Employment entered into between Council and the CEO
- i) consider the advice and recommendations made by the Committee, seek additional information and advice if required and make decisions on matters put to Council by the Committee
- j) determine the CEO's performance plan for the upcoming performance cycle taking into account the recommendations of the Committee
- k) ensure the performance review processes including mid cycle and annual reviews are conducted in a timely manner
- l) make decisions on any variations to the remuneration package and terms and conditions of employment of the CEO and
- m) appoint an Acting Chief Executive Officer in the event of leave or vacancy of the position.

5.2 The responsibilities of the Mayor reflect the primacy of the role of the Mayor in section 18 of the Act and include taking a leadership role in ensuring the regular review of the performance of the CEO and includes further the Mayor ensuring open lines of communication are maintained between the Independent Chair, the CEO and Council throughout the employment cycle.

5.3 The responsibilities of the CEO in relation to this policy are to:

- a) work collaboratively with the Committee in determining the Performance Plan on an annual basis
- b) actively participate in the performance appraisal process as required by the Committee
- c) make use of constructive feedback from Councillors and Committee Members in relation to performance appraisals
- d) undertake professional development on an as needed basis, or as part of the Performance Plan and
- e) draw the Committee's attention to any situation where any variation of the Performance Plan may be required in light of circumstances or to emerging issues which impact delivery of priorities.

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## 6. CHIEF EXECUTIVE OFFICER EMPLOYMENT MATTERS ADVISORY COMMITTEE

- 6.1 Council will establish a Chief Executive Officer Employment Matters Advisory Committee (Committee)
- 6.2 The Committee will be an advisory committee to Council
- 6.3 The purpose of the Committee will be set out in its Terms of Reference adopted and reviewed by the Council from time to time and will include supporting the Council to fulfill its obligations in implementing this policy
- 6.4 An independent Chair will Chair the Committee meetings.
- 6.5 The method of selection and appointment of the Independent Member will be set out in the Terms of Reference.

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## 7. RECRUITMENT OF THE CEO

- 7.1 The Committee will establish and manage the process to recruit the CEO to ensure that Council can select the best available candidate from a short list of preferred candidates
- 7.2 The Committee will make a recommendation to Council as to the recruitment firm to be appointed to run the recruitment process
- 7.3 The Committee must liaise with the Recruitment Consultant in connection with the recruitment process and ensure that the Recruitment Consultant publicly advertises the CEO role
- 7.4 The Committee must direct the Recruitment Consultant to prepare, and provide to Council, a schedule of dates for key decisions to be made by resolution of Council throughout the recruitment process and a report and recommendation to Council so that each key decision identified in the schedule prepared under paragraph 6.5 can be made by resolution of Council.

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## 8. APPOINTMENT OF THE CEO

- 8.1 Council will receive a report from the Committee on the completion of its role in the recruitment process, and Council will proceed to decide on a preferred candidate with the support of the Committee to negotiate and finalise the Contract of Employment. The report will include a list of all shortlisted candidates.
- 8.2 The Committee will provide a recommendation to Council on the provisions to be contained in the proposed Contract of Employment.
- 8.3 The appointment of the CEO must be made by a resolution of Council.

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## 9. REAPPOINTMENT OF THE CEO

- 9.1 Within 6 months prior to the expiry of the current CEO's Contract of Employment, the Committee will provide a recommendation to Council on:
- a) whether the CEO should be reappointed under a new Contract of Employment; and
  - b) if the recommendation is to reappoint the CEO, the proposed provisions of the further Contract of Employment.
- 9.2 Any reappointment of the current CEO must be made by a resolution of Council.

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## 10. CONTRACT OF EMPLOYMENT

- 10.1 The Contract of Employment is to be read in conjunction with this Policy.
- 10.2 The Contract of Employment will, at a minimum, outline the following:
- a) the employment term, which must not exceed 5 years in accordance with section 44(2) of the Act
  - b) the responsibilities and duties of the position, including compliance with the Act and the Code of Conduct
  - c) the conflict of interest management requirements
  - d) performance management arrangements including provision for annual and mid cycle review
  - e) the CEO's Remuneration Package and other entitlements
  - f) any legislative and contractual obligations, including those during and continuing after appointment
  - g) the CEO's leave entitlements
  - h) dispute resolution procedures
  - i) processes for managing unsatisfactory performance
  - j) processes for early termination, including notice of termination provisions with notice of termination by Council being restricted to a maximum of six [6] months and
  - k) any other matters required to be contained in the Contract of Employment by the Regulations.
- 10.3 The Contract of Employment may only be varied by a resolution of Council and accepted by the CEO, recorded in a deed of variation

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## 11. REMUNERATION AND EXPENSES

- 11.1 The Remuneration Package provided to the CEO will form part of the Committee's annual review, having regard to (in accordance with section 45(3) of the Act) and 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 Sector Wages Determination.

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- 11.2 Remuneration will be reviewed on an annual basis, in accordance with the CEO’s Performance Plan and contractual requirements.
- 11.3 Council will meet expenses incurred by the CEO in relation to:
- a) membership and subscription fees payable to professional associations which are reasonably necessary in order to carry out duties
  - b) reasonable costs incurred where attending conferences, seminars or other networking functions and
  - c) reasonable costs incurred in performance of required duties.

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12. PERFORMANCE MONITORING

- 12.1 In accordance with the Act specific the importance of the role of the Mayor in managing the relationship with the CEO, the Mayor will take a leadership role in ensuring the regular review of the CEO’s performance and will maintain a close working relationship with the Independent Chair and CEO for this purpose.
- 12.2 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 a bi-annual basis.
- 12.3 The Committee will meet with the CEO following each progress report to provide feedback on the performance outlined in the progress report and to discuss any emerging issues impacting on delivery of priorities.
- 12.4 At the commencement of each performance cycle a workshop with Committee members and the CEO should be coordinated so that:
- a) the CEO can prepare and present an overview of their findings during the early months, and highlight any projections or forecasts of relevance to Council during their tenure
  - b) Council and CEO can agree to projects and priorities for inclusion in the CEO’s Performance Plan and KPIs and
  - c) In addition to formal review processes Council is committed to providing its CEO ongoing feedback around performance, priorities and areas for development.
- 12.5 All reviews will include the opportunity for Council to provide the CEO with performance related feedback and input into the CEO’s development plan. The CEO will also have the opportunity to provide feedback to the Council. This process will be facilitated by the Independent Chair of the Committee.

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13. ANNUAL REVIEW

- 13.1 In preparation for Council’s review, the Committee is required to submit an annual review report (Annual Review Report) to Council which includes recommendations on the following:
- a) whether, and to what extent, the CEO has met the KPIs under the Performance Plan

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- b) whether any KPIs or other criteria ought to be varied under the Performance Plan
- c) whether the Remuneration Package ought to be varied and
- d) any other necessary matters.

13.2 The Committee will submit the Annual Review Report to Council only after meeting with the CEO to discuss the Committee’s proposed recommendations.

13.3 Council shall, after receipt of the Annual Review Report, review the recommendations in the Annual Review Report and advise the CEO of the outcomes of the review process.

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14. ACTING CEO

14.1 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 Chief Executive Officer.

14.2 The appointment of the 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.

14.3 The Committee may advise Council on the selection and appointment of an Acting CEO.

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15. INTERACTION WITH ACT AND REGULATIONS

15.1 This Policy applies subject to any inconsistent obligations in the Act or the Regulations.

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16. CONFIDENTIALITY

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

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17. DELEGATIONS

17.1 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).

17.2 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)

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18. REVIEW OF POLICY

18.1 This Policy will be reviewed at least every 2 years (or as required) by the Committee and within 6 months of each Council election, and the Committee will make a recommendation to Council with respect to any suggested changes.

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## DOCUMENT CONTROL

<b>Policy owner</b>	Manager Governance	<b>Division</b>	Executive
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