

CHIEF EXECUTIVE OFFICER EMPLOYMENT AND REMUNERATION POLICY

Date Adopted:	14 July 2021
Adopted By:	Council
Review Due:	July 2025
Responsible Officer:	Manager Organisational Development
Directorate:	Community and Corporate Services
EDRMS No:	D/21/26757

PURPOSE

Council is required to adopt a Chief Executive Officer Employment and Remuneration Policy under section 45 of the *Local Government Act 2020*.

The Policy must:

- (a) Provide for the Council to obtain independent professional advice in relation to the matters dealt with in the Chief Executive Officer Employment and Remuneration Policy; and
- (b) Provide for the following:
 - i. the recruitment and appointment process;
 - ii. provisions to be included in the contract of employment;
 - iii. performance monitoring;
 - iv. an annual review; and
- (c) Include any other matters prescribed by the regulations.

DEFINITIONS

Council	means Southern Grampians Shire Council
Act	means Local Government Act 2020
CEO	means Chief Executive Officer
Committee	means the CEO Employment and Remuneration Committee

APPLICATION AND SCOPE

This Policy applies to the employment of the CEO of Southern Grampians Shire Council. In the event of any inconsistency between this policy and the CEO's Contract of Employment, the provisions of the Contract shall prevail to the extent of that inconsistency.

GENERAL PROVISIONS

CEO EMPLOYMENT AND REMUNERATION COMMITTEE

Council established the CEO Employment and Remuneration Committee (the Committee) to assist Council in fulfilling its responsibilities relating to CEO Employment and Remuneration matters and in accordance with s. 45(2) of the Act.

The CEO Employment and Remuneration Committee is guided by its Charter which outlines the authority and responsibilities of the Committee and its members, which are elected by Council at its annual Statutory Meeting.

The CEO Employment and Remuneration Committee will comprise of an elected group of Councillors as determined and appointed by Council.

The Executive Assistant to the CEO will provide administrative support to the Committee by:

- Coordinating meetings of the Committee
- Preparing relevant documentation for the Committee including reports and contractual documents

The Committee operates in an advisory capacity and has the responsibility for recommending and advising the Council on –

- (a) Contractual matters relating to the CEO or the person to act as the CEO, including, but not limited to:
 - i. The appointment of the CEO or person to act as the CEO;
 - ii. Remuneration and conditions of appointment of the CEO or person to act as the CEO;
 - iii. Extension (i.e. reappointment) of the CEO or person to act as the CEO.
- (b) To conduct performance reviews of the CEO and make any recommendations to Council as a result of the review.
- (c) To perform any other prescribed functions or responsibilities required under the *Local Government Act 2020* or Regulations.

RECRUITMENT AND APPOINTMENT PROCESS

The Committee should undertake the recruitment process* adopted for the CEO and any person to act as the CEO. The Committee must make recommendations to Council on contractual matters of the:

- (a) CEO
- (b) Person to act as CEO

This includes making recommendations on:

- (a) Appointment
- (b) Remuneration and other conditions of employment

**It is open to Council to contract an executive recruiter to assist. If so, the Committee should oversee the appointment of that person or organisation and subsequent steps in the recruitment process.*

REMUNERATION

The remuneration package provided to the CEO is subject to the review of the CEO Employment and Remuneration Committee.

The remuneration package will be reviewed annually in accordance with the CEO Performance review and contract requirements.

In determining the CEO's remuneration package, the Council must give regard to:

- a. The principles in the Government of Victoria's Policy on Executive Remuneration in Public Entities
- b. Any determination that is currently in effect under Section 21 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* relating to remuneration bands for executives employed in public service bodies.

CONTRACT OF EMPLOYMENT

As part of a performance review that occurs 6 months prior to the expiry of the CEO contract, the Committee must make recommendations on whether:

- (a) To reappoint the CEO
- (b) Exercise an option to renew the contract
- (c) Early termination of the contract where warranted
- (d) To terminate in accordance with the contract

CEO PERFORMANCE PLAN

The CEO Performance Plan will be reviewed annually as part of the CEO Performance Review and developed by the CEO Employment and Remuneration Committee, in conjunction with the CEO.

The adopted Performance Plan will document agreed Key Performance Indicators and measurable Outcomes to be delivered over a twelve-month period. The CEO will present a progress report to the Committee during the Performance Review.

PERFORMANCE MONITORING

The Committee must, in conjunction with the CEO, develop relevant and measurable performance objectives.

ANNUAL REVIEW

The Committee must conduct a performance review of the CEO and make recommendations to Council on matters including whether:

- (a) The CEO meets the performance criteria in the contract
- (b) The CEO meets the Performance Plan criteria
- (c) Implement incremental remuneration increases
- (d) Vary performance criteria, remuneration, or other terms and conditions of the contract

Note: A performance criteria for a person acting as the CEO is optional. If included in a contract, this should be reviewed by the Committee.

The Mayor must provide a written notification to the CEO on the outcome of the Council's resolution within one week of the Council meeting at which the decisions of Council are made.

INDEPENDENT PROFESSIONAL ADVICE

In accordance with the Act, Council is required to obtain independent professional advice to ensure consistent and quality advice to the Committee and Council.

The independent advisor will be remunerated at a rate to be determined by Council annually and to an agreed process by Council and the CEO.

LEGISLATIVE REQUIREMENTS

This Policy is required under section 45 of the Act and should be read in conjunction with the Act and the Committee's Charter.

Council must have regard to the following in developing the CEO Employment and Remuneration Policy:

- (a) Any statement of policy issued by the Government of Victoria which is in force or with respect to its wages policy (or equivalent); and
- (b) Any determination that is currently in effect under section 21 of the Victorian Independent Remuneration and Tribunal and Improving Parliamentary Standards Act 2019 in relation to remuneration bands for executives employed in public service bodies.

IMPLEMENTATION

This Policy will be made available on the Council website.

CHARTER OF HUMAN RIGHTS COMPLIANCE

It is considered that this policy is compatible with the relevant human rights identified in the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

GENDER EQUALITY COMPLIANCE

It is considered that this policy is compatible with the relevant gender equality principles identified in the *Gender Equality Act 2020*.

This policy has not been identified as requiring a Gender Impact Assessment, as the policy is based on legislative requirements under the *Local Government Act 2020* and has no adverse gender impacts.

REVIEW

This Policy must be reviewed a minimum of every four (4) years.

AUTHORISED

Adopted by Council Resolution at Council Meeting of 14 July 2021.

END