



CEO Employment and Remuneration Policy

Department/Unit		First Implemented	xxx	Review Date	xxx
Origin		Reviewed	xxx	Version	xxx
Authorising Officer	Chief Executive Officer	Effective From	xxx	TRIM Reference	xxx

Purpose/Objective

This policy reinforces Council's commitment to good governance practices and provides a consistent, fair and transparent framework for employment matters relating to the Chief Executive Officer (CEO) including recruitment, contract terms, performance monitoring and annual review.

This policy is a requirement of s. 45(2) of the Local Government Act 2020 (the Act) and outlines Council's approach to managing the recruitment and appointment of its CEO.

Policy Statement

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

1. Principals

Council will carry out its functions relating to the recruitment, appointment, remuneration and performance appraisal of the CEO in accordance with leading and best practice principles. This includes:

- ▶ decision making processes which are fair, accessible and consistently applied;
- ▶ decision making criteria which are relevant, objective and transparent;
- ▶ decisions and actions are taken which are aligned with good governance;
- ▶ clear, transparent and comprehensive documentation to support decisions and enable effective review;
- ▶ employment decisions which are based on the fair and proper assessment of an individual's work related qualities and abilities against the genuine requirements of the role;
- ▶ all decisions relating to appointments are based on competitive selection, open processes and objective criteria.

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The responsibility for assisting the Council with its obligations regarding CEO employment and performance matters shall be delivered through the establishment of a CEO Employment and Remuneration Committee

2. CEO Employment Matters Committee

Council will establish a CEO Employment Matters Committee to oversee matters relating to CEO employment and remuneration in accordance with the Act, s.45(2).

The Council will agree Terms of Reference for the CEO Employment Matters Committee.

The Committee will be chaired by the Mayor.

The Committee may, at any time, obtain independent professional advice to help it discharge its obligation in respect of any matter dealt with in this Policy.

Any Councillor who is not a member of the Committee, may, subject to the consent of the Chairperson, attend a meeting of the Committee as an Observer.

A person nominated by the CEO will provide secretariat support to the Advisory Group, including:

- ▶ coordinating meetings of the Committee,
- ▶ preparing relevant documentation including reports to Council and contractual documents,
- ▶ maintaining appropriate records regarding performance review.

3. Recruitment and Appointment of CEO

a. Independent Recruitment Firm

Council will engage an independent and suitably qualified recruitment consultant to support the Committee in the recruitment and appointment of a CEO.

The Committee will make recommendations to Council when appointing a recruitment consultant, determining the CEO selection criteria and developing the CEO contract.

The recruitment agency will manage the end to end recruitment process including : • taking a detailed brief from the Council on the role and the ideal candidate;

- preparing a detailed schedule outlining the end to end process;
- developing an advertising strategy to attract suitable candidates;
- assisting the Council to conduct first and second round interviews to determine a shortlist of candidates;
- conducting relevant psychometric assessments to determine best fit;
- conducting reference and probity checks on the preferred candidate;
- liaison with the Executive Manager, People and Culture regarding the employment contract for the successful candidate;
- liaison with the Committee regarding the public announcement of the appointment of the new CEO.

b. Contractual Requirements

A CEO will be appointed on a maximum term contract of employment for a period of up to five years. The contract of employment will generally be in accordance with the Maddocks Lawyer's Senior Officer model contract as updated from time to time.

- ▶ the responsibilities of the position,
- ▶ conflict of interest management requirements,
- ▶ remuneration,
- ▶ legislative obligations including those continuing after appointment,
- ▶ processes for managing unsatisfactory performance or early termination.

4. Remuneration and Expenses

The total CEO remuneration package will be subject to the review of the Committee.

The remuneration package will be consistent with the principles of the Victorian Government Public Entity Executive Remuneration Policy, which stipulate that remuneration:

- should be fair and reasonable;
- should consider entity performance as well as Victorian fiscal and economic conditions;
- should be set at a competitive level for the relevant market and sector, to attract and retain talented people;
- should reflect the non-financial benefits of local government employment; and
- should be based on decisions that are robust, transparent, consistent and understandable to both the CEO and the public.

The total remuneration package will be inclusive of salary, superannuation and other employment benefits, including associated Fringe Benefits Tax. No performance bonus arrangements will apply.

Remuneration will be reviewed annually in accordance with the terms of the contract. CEO Performance Review and contractual requirements. The annual review will take into consideration:

- increases in CPI in the preceding twelve month period;
- the officer's achievement of the performance objectives;
- market rates for comparable positions; and
- the acquisition and satisfactory utilisation of new or enhanced skills by the officer if beneficial to, or required by, the Council.

The Council will meet reasonable 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 approved conferences, seminars or undertaking study
- Reasonable costs incurred in performance of duties.

5. CEO Performance Objectives and Review

The Council will adopt an annual performance objectives for the CEO (the Performance Plan). The Performance Plan will be developed collaboratively by the CEO and the Committee.

The Performance Plan will document agreed objectives and outcomes to be delivered over a twelve-month period. A formal review of the CEO's performance, benchmarked against the Performance Plan, will be held annually by the Committee.

An informal review will occur at the 6 month mark to ensure that objectives and actions are progressing and to discuss any challenges that may impact outcomes. The informal review will provide the CEO and Council with the opportunity to adjust any of the objectives set, by agreement, if required.

The CEO will provide a progress report to the Committee at both the 6 and 12 month review. 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. The CEO will also have the opportunity to provide feedback to the Council. This process will be facilitated by the Chair of the Committee supported by an independent person suitably qualified in Human Resources.

6. Contract Expiry

The Committee must make recommendation(s) to Council six months prior to the expiry of the CEO Contract, and with regard to current legislation, to:

- ▶ reappoint the CEO under a new contract of employment, or
- ▶ cease the employment of the CEO due to the expiry of the contract

7. Integrity of the Process

Failure to maintain and comply with this policy may constitute a breach of section 45 of the Local Government Act 2020 and accordingly be subject to review by the Local Government Inspectorate.

All information relating to the recruitment, selection and performance review process must be kept strictly confidential. Councillors and staff involved in the process must take all reasonable steps to maintain confidentiality and respect the privacy of all persons involved. A breach of confidentiality may constitute a breach of the Councillor Code of Conduct or Staff Code of Conduct.

The Chair of the Committee shall report on any non-compliance matters to the Council.

8. Dispute Resolution

Should a dispute arise in relation to any matter under this policy or the CEO's employment contract, either the CEO or Council may:

- a. Give written notice to the other party of the particulars of any matter in dispute; and
- b. Within 14 days of receiving a notice specified in clause 7a above, a meeting will be convened between the Committee (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 make all reasonable attempts to resolve the dispute at the workplace level.

Should the CEO and Council be unable 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 parties, 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, any other person to act on their behalf in relation to any mediation process. The cost of the mediation service will be met by Council.

The CEO and Council will each be responsible for paying costs of any advisor or nominated representative used by them.

9. Human Rights Charter Compatibility

This Policy has been assessed as being compatible with the Charter of Human Rights and Responsibilities Act 2006 (Vic) and the requirements of the Gender Equality Act 2020 (Vic).

Definitions

The Act: Local Government Act 2020.

CEO: Chief Executive Officer of Mansfield Shire Council.

CEO Employment and Remuneration Advisory Group: Responsible for the recruitment of the CEO, determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO.

Council: Mansfield Shire Council as constituted as a municipal council under the Local Government Act 2020.

Councillor: An elected member of the Council as defined by the Local Government Act 2020.

Council Officer: The Chief Executive Officer and staff of Council appointed by the Chief Executive Officer.

Independent person: Is a suitably qualified person, appointed by Council, who is not a Councillor or Officer of Council and is a non-voting member of the Committee.

Mayor: The Mayor elected by Council and/or Councillor(s) as defined by the Local Government Act 2020.

Recruitment Consultant: a recognised consultant/organisation with expertise in sourcing and evaluating candidates for senior executive roles.

Remuneration: the salary and associated benefits determined by Council to be paid to the CEO.

Scope

This policy applies to activities undertaken by the elected Council and candidates or incumbents of the Chief Executive Officer position and any Acting Chief Executive Officer.

Responsibilities

Responsibility for the application of this Policy is held by the People and Culture Advisor

References/Related Policies

- ▶ Charter of Human Rights and Responsibilities Act 2006 (Vic)
- ▶ Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)
- ▶ Local Government Act 2020 (Vic)
- ▶ Gender Equality Act 2020 (Vic)

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- ▶ Mansfield Shire Council Gender Equality Policy
- ▶ Mansfield Shire Council Equal Opportunity and Human Rights Policy
- ▶ Mansfield Shire Council Grievance Policy
- ▶ Terms of Reference CEO Employment and Remuneration Committee

Implementation

This Policy is effective from XXX.

Review Date

This Policy is to be reviewed by XXX.

Authorisation to Implement Policy

Signed: _____

Mayor