

## CEO Employment and Remuneration Policy

Policy Endorsement:	Council		
Policy Superseded by this Policy:	Not applicable		
Directorate:	CEO/Corporate Services		
Responsible Officer:	Manager People Culture and Innovation		
Policy Type:	Required by <i>Local Government Act 2020</i>		
File Number:	fA238700	Version No:	01
1 <sup>st</sup> Adopted by Council 13 December 2021	Minute No. 356	Last Adopted by Council: 13 December 2021	Minute No. 356
Review Period:	Every Five (5) Years	Next Review:	December 2026

*This page has been left intentionally blank.*

## TABLE OF CONTENTS

1.	POLICY OBJECTIVE .....	2
2.	BACKGROUND .....	2
3.	SCOPE .....	2
4.	DEFINITIONS.....	2
5.	POLICY .....	3
5.1	OVERVIEW .....	3
5.2	CEO EMPLOYMENT AND REMUNERATION COMMITTEE.....	4
5.3	RECRUITMENT OF CEO .....	5
5.4	APPOINTMENT OF THE CEO .....	5
5.5	REAPPOINTMENT OF THE CEO.....	6
5.6	CONTRACT OF EMPLOYMENT .....	6
5.7	REMUNERATION AND EXPENSES.....	6
5.8	PERFORMANCE MONITORING .....	7
5.9	ANNUAL REVIEW .....	7
5.9	INDEPENDENT ADVICE .....	7
5.10	INTERACTION WITH ACT AND REGULATIONS.....	8
5.11	CONFIDENTIALITY.....	8
5.12	DELEGATIONS.....	8
6.	RESPONSE TO THE OVERARCHING GOVERNANCE PRINCIPLES OF THE LOCAL GOVERNMENT ACT 2020 .....	8
7.	CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES ACT 2006 – COMPATIBILITY STATEMENT .....	8
8.	RESPONSE TO THE GENDER EQUALITY ACT 2020 .....	8
9.	CONSIDERATION OF CLIMATE CHANGE AND SUSTAINABILITY .....	9
10.	RESPONSIBILITIES .....	9
11.	REPORTING, MONITORING AND REVIEW .....	9
12.	REFERENCES AND RELATED DOCUMENTS .....	9

## 1. POLICY OBJECTIVE

This is the Chief Executive Officer Employment and Remuneration Policy of Greater Dandenong City Council (**Council**), made in accordance with section 45 of the *Local Government Act 2020*.

This policy provides for the following matters which Council is responsible for under the Act or as a requirement of this policy:

- a) the recruitment and appointment of the Chief Executive Officer;
- b) approving the Contract of Employment entered into between Council and the Chief Executive Officer;
- c) the provision of independent professional advice in relation to the matters dealt with in the policy;
- d) the monitoring of the Chief Executive Officer's performance;
- e) an annual review of the Chief Executive Officer's performance; and
- f) determining the Chief Executive Officer's remuneration.

## 2. BACKGROUND

The *Local Government Act 2020* requires Council to "develop, adopt and keep in force" a Chief Executive Officer Employment and Remuneration Policy. The policy is required to be adopted by Council before 1 January 2022.

## 3. SCOPE

The Council is responsible for the appointment of the Chief Executive Officer (CEO), determining (with the CEO) the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the CEO's contract conditions including remuneration.

This policy has been developed to support the requirements of the *Local Government Act 2020* relating to CEO employment and remuneration.

The responsibility for assisting Council with its obligations regarding CEO employment, performance and remuneration will be delivered through the CEO Employment and Remuneration Committee.

## 4. DEFINITIONS

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 section 5.9 of this policy.

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

**Committee** means the CEO Employment and Remuneration Committee established under this policy.

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

**Council** means Greater Dandenong City Council.

**Councillors** means the individuals holding the office of a member of Greater Dandenong City Council.

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

**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 in accordance with section 45(2)(a) of the Act.

**KPIs** means Key Performance Indicators or performance criteria however described.

**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.

**Recruitment Policy** means the recruitment policy adopted by the CEO under section 48(2) of the Act.

**Regulations** means the 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 properly constituted Council meeting.

## 5. POLICY

### 5.1 OVERVIEW

This policy outlines the mechanisms which support Council in fulfilling its obligations regarding the CEO's employment and under the Act. The aims of the CEO in relation to this policy are to:

1. work collaboratively with the Committee in determining the Performance Plan on an annual basis;
2. actively participate in the performance appraisal process as required by the Committee;
3. make use of constructive feedback from Councillors and Committee Members in relation to performance appraisals;
4. undertake professional development on an as needed basis, or as part of the Performance Plan; and
5. promptly draw the Committee's attention to any situation where any variation of the Performance Plan may be required in light of the current circumstances.

The aims of Council (including via the Committee) in relation to this policy are to:

1. establish the Committee;
2. provide processes for the recruitment of a natural person, and their appointment, to the position of CEO;
3. draft and approve the Contract of Employment entered into between Council and the CEO;
4. seek and be guided by independent professional advice in relation to the matters dealt with in this policy;
5. provide processes for determining and reviewing the CEO's Remuneration Package;
6. provide processes for the monitoring of the CEO's performance including setting the Performance Plan and conducting an annual review; and
7. determine, as required, whether any variations to the Remuneration Package and terms and conditions of employment of the CEO.

## **5.2 CEO EMPLOYMENT AND REMUNERATION COMMITTEE**

Council will establish a CEO Employment and Remuneration Committee (Committee). The Committee will be an advisory committee to Council.

The purposes of the Committee are to consider, and make recommendations to, Council with respect to the:

1. selection and appointment of the Independent Advisor;
2. independent advice received from time to time from the Independent Advisor;
3. performance monitoring of the CEO, including with respect to achievement of the KPIs;
4. annual review of the CEO's performance, including against the KPIs;
5. CEO's remuneration;
6. recruitment and appointment of a CEO, if required;
7. provisions to be included in the Contract of Employment from time to time; and
8. implementation of this policy.

The Committee must include at least the Mayor and two Councillors. The Committee is to be chaired by:

1. the Mayor; or
2. if the Mayor is absent, a Councillor who is present at the Committee meeting and is appointed by the members of the Committee who are also present.

The Committee is to hold meetings as often as is necessary to:

1. prepare documentation relevant to the CEO's employment and remuneration, including Council reports and contractual documents, for the approval of Council;
2. conduct and maintain appropriate records regarding performance reviews of the CEO; and
3. review the Remuneration Package and conditions of employment of the CEO, provided that the Committee meets at least twice in each year.

The Committee will provide a report to Council following each meeting describing its activities and making recommendations about any action to be taken by Council.

The Committee will determine its procedures at its first meeting, which will include:

1. the rules for its meetings, noting that meetings should be conducted with as little formality and technicality as appropriate to fulfil the Committee's purposes;

2. how often the Committee will meet, provided that the Committee meets at least twice in each year;
3. quorum, provided that the quorum is not less than the Mayor and two Councillors;
4. means of attendance at Committee meetings (e.g. in person or electronically); and
5. the taking of the minutes of the Committee meetings,

and will communicate the procedures to Council.

### **5.3 RECRUITMENT OF CEO**

The Committee will establish and manage the process to recruit the CEO, designed to ensure that Council can select the best available candidate from a short list of preferred candidates (with or without a recommendation from the Committee).

The Committee will determine, and make a recommendation to Council, as to:

1. whether there is a need to engage an Executive Search Consultant to run the recruitment process; and, if so
2. the Executive Search Consultant to be appointed to run the recruitment process.

If an Executive Search Consultant is engaged, the Committee must liaise with the Executive Search Consultant in connection with the recruitment process.

The Committee must have regard to Council's Recruitment Policy when considering the recruitment of the position of CEO to:

1. ensure that the recruitment decision is based on merit;
2. support transparency in the recruitment process and the public advertising of the position; and
3. ensure that regard is had to gender equity, diversity and inclusiveness.

The Committee must ensure that the Executive Search Consultant publicly advertises the CEO role.

The Committee must direct the Executive Search 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.

The Committee must provide a report and recommendation to Council so that each key decision identified in the schedule prepared under the schedule mentioned in the above paragraph can be made by resolution of Council.

### **5.4 APPOINTMENT OF THE CEO**

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 Committee will provide a 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.

## **5.5 REAPPOINTMENT OF THE CEO**

Within 6 months prior to the expiry of the current CEO's Contract of Employment, the Committee will provide a recommendation to Council on:

1. whether the CEO should be reappointed under a new Contract of Employment; and
2. 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.

## **5.6 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 a minimum, outline the following:

1. the employment term, which must not exceed five (5) years in accordance with section 44(2) of the Act;
2. the responsibilities and duties of the position, including compliance with the Act and the Code of Conduct;
3. the conflict of interest management requirements;
4. the CEO's Remuneration Package and other entitlements;
5. any legislative and contractual obligations, including those during and continuing after appointment;
6. the CEO's leave entitlements;
7. dispute resolution procedures;
8. processes for managing unsatisfactory performance;
9. 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
10. any other matters required to be contained in the Contract of Employment by the Regulations.

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

## **5.7 REMUNERATION AND EXPENSES**

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):

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

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

Council will meet expenses incurred by the CEO in relation to:

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



3. reasonable costs incurred in performance of required duties.

## 5.8 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 a [annual/quarterly/bi-annual] basis.

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

Following the initial [three (3) or six (6)] months of the CEO's term, a workshop with Councillors and the CEO should be coordinated so that:

1. 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;
2. Councillors can provide feedback to the CEO on their perspective of the CEO's performance during the initial period; and
3. Council and CEO can agree to projects and priorities for inclusion in the CEO's Performance Plan and KPIs.

Nothing in this policy prevents the Committee and/or Council from monitoring the CEO's performance on an ongoing basis.

## 5.9 ANNUAL REVIEW

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:

1. whether, and to what extent, the CEO has met the KPIs under the Performance Plan;
2. whether any KPIs or other criteria ought to be varied under the Performance Plan;
3. whether the Remuneration Package ought to be varied; and
4. 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 in the Annual Review Report and advise the CEO of the outcomes of the review process.

## 5.9 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.

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 by Council to assist in the recruitment process.

Council will determine the:

1. term of appointment of the Independent Advisor; and

2. remuneration of the Independent Advisor.

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

## **5.10 INTERACTION WITH ACT AND REGULATIONS**

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

## **5.11 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.

## **5.12 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).

## **6. RESPONSE TO THE OVERARCHING GOVERNANCE PRINCIPLES OF THE LOCAL GOVERNMENT ACT 2020**

The policy has been developed in accordance with the overarching governance principles of the *Local Government Act 2020* and specifically clause 45 which sets out the requirements for the policy. This is a new policy for Council and sets out a transparent, fair and equitable process for how a CEO will be recruited, their performance monitored and assessed and how they will be remunerated. These are in accordance with the principles set out in the Act and all relevant laws.

## **7. CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES ACT 2006 – COMPATIBILITY STATEMENT**

The *Charter of Human Rights and Responsibilities Act 2006* has been considered in preparing this policy. The policy is compatible with relevant rights enshrined in the Charter in that it is designed to:

1. provide equal and effective protection against discrimination in the employment and remuneration of a CEO;
2. ensure all job applications and recruitment decisions are merit based; and
3. protect each person's right to privacy and to not have their reputation unlawfully attacked.

## **8. RESPONSE TO THE GENDER EQUALITY ACT 2020**

The *Gender Equality Act 2020* has been considered in the preparation of this policy and does not benefit any one gender group over any other.

## 9. CONSIDERATION OF CLIMATE CHANGE AND SUSTAINABILITY

This policy has no impact on Council's Declaration on a Climate and Ecological Emergency, Council's Climate Change Emergency Strategy 2020-2030 or the requirements of the Local Government Act 2020 in relation to the overarching governance principle on climate change and sustainability, because the administrative measures contained in this policy do not touch on the natural environment and do not seek to change any built environment.

## 10. RESPONSIBILITIES

The Councillors who are members of the CEO Employment and Remuneration Committee are responsible for implementing this policy.

## 11. REPORTING, MONITORING AND REVIEW

This policy will be reviewed within six (6) months of its adoption by Council.

This policy will thereafter be reviewed at least every three (3) years by the Committee and within six (6) months of each Council election and the Committee will make a recommendation to Council with respect to any suggested changes.

## 12. REFERENCES AND RELATED DOCUMENTS

### **Victorian Legislation, Principles and other References (as amended from time to time)**

- *Equal Opportunity Act 2010*
- *Gender Equality Act 2020*
- *Local Government Act 2020*
- *Occupational Health and Safety Act 2004*
- *The Charter of Human Rights and Responsibilities Act 2006*
- *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)*
- Remuneration bands for executives employed in public service bodies (Victoria) Determinations

### **Commonwealth Legislation, schemes and guidelines (as amended or replaced from time to time)**

- *Privacy and Data Protection Act 2014*
- *Public Records Act 1973*
- *Racial and Religious Tolerance Act*
- *Worker Screening Act 2020*

### **Related Council and Other Policies, Procedures, Strategies, Protocols, Guidelines**

- Greater Dandenong City Council Appropriate Workplace Behaviours Policy
- Greater Dandenong Council Plan
- Greater Dandenong City Council Child Safe Policy
- Greater Dandenong City Council Disability Action Policy and Plan
- Greater Dandenong City Council Diversity, Access and Equity Policy

- Greater Dandenong City Council Enterprise Agreement
- Greater Dandenong City Council Position Descriptions
- Greater Dandenong City Council Positive Aging Strategy
- Greater Dandenong City Council Reconciliation Action Plan
- Greater Dandenong City Council Record Management Policy
- Greater Dandenong City Council Recruitment Tools
- Greater Dandenong City Council Staff Grievance Resolution Policy
- Greater Dandenong City Council Injury Management Occupational Rehabilitation & Return to Work Procedure
- Working with Children Check Guidelines
- Workplace Adjustment Guidelines
- Code of Conduct -Staff
- Code of Conduct - Councillors