

CEO EMPLOYMENT AND REMUNERATION POLICY

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1. INTRODUCTION

Under various provisions of the *Local Government Act 2020* (the Act), Council is responsible for the appointment of the Chief Executive Officer (CEO) and reviewing the performance of the CEO at least once each year.

The City of Greater Bendigo (the City) is committed to ensuring the application of good governance, transparency and respect in all matters relating to the employment, performance management and remuneration of the CEO.

2. PURPOSE AND SCOPE

The purpose of this policy is to:

- Fulfill the requirements related to this policy under Section 45 of the Act
- Outline the way in which the City will manage CEO employment matters by ensuring consistency in the development, undertaking or review of the CEO performance plan, performance monitoring and review, recruitment, remuneration and contract inclusions.
- Establish a CEO Employment and Remuneration Advisory Committee (the Committee)

This policy applies to the role of CEO and encompasses all mechanisms which support Council in fulfilling its obligations regarding the employment and remuneration aspects of the role of CEO and under the Act.

3. DEFINITIONS

In this policy:

CEO means the person appointed by a Council under section 44 to be its Chief Executive Officer or any person acting in that position;

CEO Employment and Remuneration Advisory Committee (the Committee) means the group consisting of all Councillors and the Independent Advisor that is tasked with advising Council on matters related to the employment, performance and remuneration of the CEO

City means the City of Greater Bendigo Council, being a body corporate constituted as a municipal Council under the Local Government Act 2020 (Vic)

Council means the Greater Bendigo City Council being all the Councillors collectively

Councillor means an individual holding the office of a member of City of Greater Bendigo Council

Independent Advisor means a suitably qualified individual who is independent of Council and the City, provides expert advice and is a member of the Committee.

4. PRINCIPLES

Council will carry out its functions relating to CEO employment matters in accordance with the following principles:

- Decision-making processes that are fair, accessible, impartial and applied consistently in comparable circumstances.
- Decision-making criteria that are relevant and objective
- Decisions and actions that are conducive to ongoing good governance.
- Documentation that is sufficiently clear and comprehensive to render decisions transparent and capable of effective review.
- Employment decisions that are based on the proper assessment of an individual's work-related qualities, abilities and potential against the genuine requirements of the role.
- Decisions to appoint new employees that are based on competitive selection, open processes, objective criteria, and has regard to gender equity, diversity and inclusiveness.

5. POLICY

5.1 CEO Employment and Remuneration Advisory Committee

5.1.1 Purpose

The purpose of the Committee is to provide advice and make recommendations to Council on CEO employment matters which include:

- CEO Recruitment
- CEO Performance and Development Plan
- CEO Performance Monitoring

- CEO Remuneration

The Committee has no delegated authority and does not have the power to make decisions on behalf of Council. Any voting rights of committee members are in an advisory capacity only and relate to the making of recommendations to the Council for decision.

5.1.2 Committee membership and chairperson

The Committee will be comprised of all Councillors and an Independent Advisor who undertakes an advisory role with the Committee. The Committee Chairperson will be the Mayor.

5.1.3 Committee quorum and meeting frequency

A quorum of the chairperson, at least four other Councillors and the Independent Advisor will be necessary to transact business of the Committee. The Committee will meet in accordance with the Committee's terms of reference and as required to fulfill the obligations of this policy.

5.1.4 Secretariat Support

The Manager People & Culture will provide secretariat support to the Committee, namely:

- Initiating actions and/or processes with the Mayor, Committee, Independent Advisor and/or Responsible Officers as required under this policy to enable responsible parties to fulfill their obligations
- Supporting the development of relevant documentation as required including CEO Employment Contract.
- Ensuring effective and confidential document management of related records including employment contracts, performance plans and performance reviews.

5.2 CEO Recruitment

Council will engage an independent and suitably qualified executive recruitment consultant to provide required services for recruitment of a CEO, as per the City's Procurement Policy.

Where recruitment of a CEO is required, the Committee may delegate a *CEO Recruitment Sub-Committee*. The *CEO Recruitment Sub-Committee* will comprise the Mayor and two (2) Councillors, with secretariat support provided by the Manager People & Culture.

The *CEO Recruitment Sub-Committee* will:

- participate in a competitive tender process for engagement of a suitable executive recruitment consultant (lead by the Manager People & Culture as Contract Manager);
- make recommendation of a preferred supplier to the Council on behalf of the Committee;
- any other recruitment functions delegated by the Committee.

The engagement of an executive recruitment consultant will be made by resolution of Council.

Unless otherwise delegated, the Committee will work with the engaged recruitment consultant in:

- developing a Recruitment Plan and Timeline
- determining the CEO selection criteria
- setting an appropriate salary and conditions of employment based on industry benchmarks.

- The CEO remuneration package should be developed with consideration of Victorian Public-Sector Commission Policy on Executive Remuneration in Public Entities. In this respect, the package will be sufficient to attract, retain, and motivate senior executives of the quality required but avoid paying more than is necessary for this purpose.

5.3 CEO Appointment

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

The CEO contract of employment term will not exceed 5 years and will at minimum outline:

- the duties and responsibilities of the position;
- leave and other terms and conditions of employment
- conflict of interest management requirements;
- remuneration;
- legislative obligations including those continuing after appointment; and
- processes for managing unsatisfactory performance or early termination.

5.4 CEO Induction and Onboarding Program

Following determination of the preferred candidate, a CEO Induction and Onboarding Program will be developed to guide the first 3 months of induction activities for the incoming CEO. In consultation with the Committee and Director Corporate Performance (and the incoming CEO where relevant), the Manager People & Culture will lead development of the program having consideration of:

- Local Government experience of the incoming CEO
- City of Greater Bendigo plans and strategies, corporate planning and reporting, budget cycles and policies and procedures
- Development of the CEO Performance and Development Plan (including KPIs) which are to be determined and documented within 3 months of the commencement date
- Any handover documents as relevant.

The Committee will recommend the CEO Induction and Onboarding Program to the Council for endorsement.

5.5 CEO Performance Monitoring

The CEO's performance will be reviewed against the requirements of the position and the CEO Performance and Development Plan, via scheduled performance reviews at six (6) monthly intervals. Such CEO performance reviews will be undertaken by the Committee and the CEO.

5.5.1 CEO Performance and Development Plan

- The CEO Performance and Development Plan will be developed by the CEO, in consultation with the Committee.
- The CEO Performance and Development Plan will document agreed objectives and outcomes (Key Performance Indicators [KPIs]) to be delivered over a twelve-month period and will be adopted by Council.
- The twelve-month period should, in line with relevant corporate planning and reporting, be based on the financial year. It is recognised that some flexibility is required depending on

the timing of commencement of the CEO.

5.5.2 Mid-year Performance Review

Based on an annual (financial year) CEO Performance and Development Plan, the mid-year performance review should occur early in the calendar year and aim to review and assess the CEO's performance in the preceding six months.

5.5.3 Annual Performance Review

Based on an annual (financial year) CEO Performance and Development Plan, the annual performance review should occur in June and aim to review and assess the CEO's performance over the preceding financial year.

5.5.4 Remuneration Review

Remuneration will be reviewed annually in accordance with the CEO Annual Performance Review process and contract requirements.

5.6 Reappointment of the CEO

At least 6 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.

5.7 Appointment of Acting CEO

In accordance with Section 11 (3) of the Local Government Act 2020, Council may delegate to the CEO the power to appoint an Acting CEO for a period not exceeding 28 days.

If there is a vacancy in the office of CEO, or the CEO is unable to perform the duties of the office of CEO for a period exceeding 28 days, the Council must appoint a person to be the Acting CEO.

5.8 Provision of Independent Professional Advice

In accordance with section 45 of the Act, Council may obtain independent professional advice on relation to the matters dealt with in this policy including the CEO recruitment and appointment process, CEO Contract of Employment and remuneration, the preparation of a CEO Performance Plan, CEO performance monitoring and management or any other matter dealt with under this policy.

Requests for such independent professional advice should be made by the Mayor (on behalf of Council) to the Manager People & Culture, who will engage an appropriate provider and obtain the requested advice, or delegate to the relevant Officer.

5.9 Confidentiality

In addition to responsibilities outlined below (see 6. *Roles and Responsibilities*) all roles described under this policy will ensure confidentiality is maintained for all information related to CEO employment matters and related documents are managed accordingly. All roles are bound by expectations related to confidentiality in accordance with the Councillor Code of Conduct or Employee Code of Conduct (as relevant) and any legislation, terms of contract and/or policies relating to dealing with confidential information.

6. ROLES AND RESPONSIBILITIES

The following roles and positions have defined functions and responsibilities as follows:

Council:

- Meet the requirements of the Act and other relevant legislation;
- The appointment and management of the CEO, including an Acting CEO, where required;
- Where a vacancy occurs for the role of CEO, initiate a recruitment process in accordance with this policy.
- Appoint an Independent Advisor to support the committee
- Appoint an executive recruitment consultant (as required)

Mayor:

- Chair and lead the Committee
- On behalf of the Committee, liaise with the Independent Advisor in respect to the timing and approach to CEO performance reviews
- Provide written notification to the CEO on the outcome of the Annual Review
- Approve applications for annual leave, long service leave, personal leave or an extended absence made by the CEO, on behalf of Council.

The Committee:

- Provide advice and make recommendations to Council on CEO employment matters
- In consultation with the CEO, develop annual performance objectives (KPIs) to inform the CEO Performance and Development Plan
- In consultation with the CEO, develop the CEO Performance and Development Plan
- Conduct CEO performance reviews in line with adopted policy
- Delegate a CEO Recruitment Sub-Committee (as required)
- Working with the recruitment consultant, undertake required recruitment activities including participation in reviewing applications and/or shortlists, interview panels and any salary and conditions of employment

CEO:

- Actively engage in the development of the CEO Performance and Development Plan and CEO performance reviews including providing updates to the Committee.

- Provide relevant information to the Committee in a timely manner;
- Advise Council in instances where an Acting CEO is to be appointed under delegation during the temporary absence of the CEO, in accordance with approved delegations;
- Support the Mayor and the Councillors in the performance of their roles in accordance with the Act;
- Ensure the effective and efficient management of the day-to-day operations of Council in accordance with the Act.

Independent Advisor:

- Provide information and advice to the Committee in relation to the matters dealt with in this policy (CEO employment matters) as required/requested and support the resulting Committee's recommendations to Council.
- Participate as a Committee member in an advisory capacity, and document accurate Committee Meeting minutes.
- Provide support to the Mayor to fulfil their role as Chairperson of the Committee
- Assist in the development of the CEO Performance and Development Plan and participate in the mid-year and annual review of the CEO's performance against the CEO Performance and Development Plan
- Accurately document records/minutes of Committee meetings and mid and annual CEO performance reviews and develop any related reports as required and on behalf of the Committee, ensure complete and accurate documentation is provided to the Manager People and Culture for appropriate document management.
- As part of the CEO Performance Review process, provide independent and impartial advice to the Committee on the CEO's remuneration review (at least annually) which includes reference to informed, relevant and best-practice bench-marking.
- Advise of any conflicts of interest.

Director Corporate Performance:

- Delegate Council Officer (below) to provide administrative support to the Committee where appropriate and subject to confidentiality provisions.
- Liaise between the Mayor and any Council Officer as required to fulfill the obligations, roles and responsibilities under this policy

Manager People & Culture:

- Initiate the necessary process by notifying the Mayor of the expiration of the CEO's current contract within 12 months of expiry.
- Provide secretariat support to the Committee which facilitates development of any additional reports and documentation required under this policy (outside those identified as responsibility of the Independent Advisor as above)
- Provide secretariat support to the CEO Recruitment Sub-Committee (as per 5.2 CEO Recruitment) including attending meetings and taking minutes and providing liaison support between the recruitment consultant and CEO Recruitment Sub-Committee.

- Provide advice to the Committee on the interpretation and application of this Policy including roles and responsibilities
- Assist the Committee and/or Council to obtain independent professional advice from external parties on any matter under this policy, if requested.
- Lead the tender process for engagement of the Independent Advisor and executive recruitment consultant (where required) as per the City's Procurement Policy
- Undertake the role of Contract Manager for any supplier contract entered into under this policy
- Act as liaison between Council/the Committee, the Recruitment Consultant and Manager Communications to ensure timely development and approval of communications related to recruitment (including advertising material and internal and external announcements of recruitment activities and appointment of the new CEO) as required.
- Lead the development of a CEO Onboarding program, in consultation with the Committee, Director Corporate Performance and incoming CEO.

Council Officer (as delegated):

- Schedule and coordinate meetings of the Committee
- Provide support to ensure effective communication between responsible parties and follow up of required actions
- Ensure relevant and complete documentation is provided to the Manager People and Culture for appropriate document management including: Council reports, any minuted decisions related to CEO employment matters and the minutes of CEO Employment Committee meetings.
- Support the Committee Chairperson (the Mayor) in the development of agendas for Committee Meetings as required

7. RELATED DOCUMENTS

Relevant documents and/or resources are available as outlined below. These include:

- [Terms of reference CEO Employment & Remuneration Advisory Committee](#)
- [Procurement Policy](#)
- [Victorian Public Sector Commission Policy on Executive Remuneration in Public Entities.](#)
- [Victorian Public Sector Executive Remuneration Guidelines](#)
- [Protecting integrity: Leading the way - Managing the Employment Cycle of a CEO, Local Government Inspectorate](#) (Feb 2019)
- [Councillor Code of Conduct](#)
- [Employee Code of Conduct](#)

Further information or advice on this policy should be directed to People and Culture

8. HUMAN RIGHTS COMPATIBILITY

The implications of this policy have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

9. EQUITY IMPACT ASSESSMENT

This policy has been assessed as not requiring an Equity Impact Assessment as it does not have a direct and significant impact on the public.

10. ADMINISTRATIVE UPDATES

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this, such a change may be made administratively. Examples include a change to the name of a City unit, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be made through consultation with the staff Consultative Committee and with the approval of EMT or where required, resolution of Council.

11. DOCUMENT HISTORY

Date Approved	Responsible Officer	Unit	Change Type	Version	Next Review Date
<i>May, 2021</i>	<i>VOT</i>	<i>People & Culture</i>	<i>Develop initial</i>	<i>1</i>	
<i>December 2021</i>	<i>VOT</i>	<i>People & Culture</i>	<i>Revise based on Council feedback</i>	<i>2</i>	<i>Dec 2025</i>
<i>March 2023</i>	<i>KC</i>	<i>People & Culture</i>	<i>Administrative</i>	<i>3</i>	<i>Dec 2025</i>
<i>June2024</i>	<i>KC</i>	<i>People & Culture</i>	<i>Review</i>	<i>4</i>	<i>June 2028</i>