



CEO Employment and Remuneration Policy

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Responsible officer	Manager People and Culture
Policy owner	Manager People and Culture

1. Purpose

This Policy is a legislative requirement of the Local Government Act 2020 (the Act) and must provide the way in which Council will:

- Manage the recruitment and appointment of its Chief Executive Officer (CEO);
- Agree contract inclusions;
- Monitor the CEO performance; and
- Conduct the annual review of performance.

2. Scope

This Policy applies to activity undertaken by the elected Council and the incumbent of the CEO position.

3. Definitions

Word/Term	Definition
Chief Executive Officer (CEO)	Means the Chief Executive Officer at Melton City Council
Council	Means Melton City Council, being a body corporate constituted as a municipal council under the Local Government Act 2020
Councillors	Means a person who holds the office as a member of a Council, as described in the Local Government Act 2020
Council Officers	The Chief Executive Officer and staff of Council appointed by the Chief Executive Officer

4. Policy

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

4.1 CEO Employment and Remuneration Committee

Establishment

- 4.1.1 The Council must establish a CEO Employment and Remuneration Committee (the Committee) in accordance with s. 45(2) of the Local Government Act 2020.
- 4.1.2 The Committee is to be chaired by the Mayor and will be supported by an independent person who will be entitled to be remunerated for their work. The independent person must have the relevant experience and expertise in relation to appointment and employment of executive officers.

Composition of Committee

- 4.1.3 The committee comprises all Councillors and an independent facilitator with the independent person holding no voting rights.

Secretariat support

- 4.1.4 The Manager People and Culture will provide secretariat support to the Committee namely by:
- Coordinating meetings of the Committee;
 - Preparing relevant documentation including reports to Council and contractual documents; and
 - Maintaining appropriate records regarding performance reviews.

Expectations/ Requirements of Members

- 4.1.5 Members are expected to:
- Declare any interest, pecuniary interest or conflict of interest
 - Prepare for and actively participate in meetings.
 - Act in a courteous manner, respecting others views and opinions. All members should respect the decision as adjudicated by the Chair.
 - Treat information with sensitivity and confidentiality.

Meetings

- 4.1.6 The committee will meet every six months or as required.

The agenda together with any reports and documents that relate to the committee will be forwarded to members at least seven days prior to meetings.

Accurate minutes will be kept of each meeting of the committee. The minutes of a meeting shall be submitted to committee members for ratification within two weeks of the committee meeting.

Recruitment and Appointment of CEO

- 4.1.7 Council will engage an independent and suitably qualified recruitment firm to support it in the recruitment and appointment of a CEO. The appointment of a recruitment agency will be in line with Council's procurement guidelines. The committee will make recommendations to the Council when appointing a recruitment firm, determining the selection criteria for the CEO position and developing the CEO contract. The Committee may use the support of the Independent Person mentioned in 4.1.2 when appointing the recruitment firm.
- 4.1.8 Appointment of the CEO will be made on merit and in line with Equal Opportunity legislation.

Contractual Requirements

4.1.9 The CEO contract will at a minimum outline:

- The responsibilities of the role;
- Conflict of interest management requirements;
- Remuneration;
- Legislative obligations including those continuing after appointment; and
- Processes for managing unsatisfactory performance or early termination.
- The term of the contract will not be more than 5 years.

4.2 Remuneration and Expenses

Remuneration

4.2.1 The remuneration package of the CEO will be subject to the review of the CEO Employment and Remuneration Committee.

4.2.2 The remuneration as stated by the Local Government Act 2020 must be in line with the public sector executive rates of pay.

Expenses

4.2.3 All expenditure will be in line with Council's Procurement and Credit Card Policies.

4.3 CEO Performance Plan

4.3.1 The Council will adopt an annual performance plan for the CEO. The performance plan will be developed in conjunction with the CEO and CEO Employment and Remuneration Committee.

4.3.2 The performance plan will document agreed objectives and outcomes to be delivered over a twelve-month period.

4.3.3 The CEO will provide progress reports to the Committee at each review meeting.

4.4 Contract Expiry

4.4.1 The Committee must take recommendations to Council six months prior to the expiry of the CEO contract and with regards to the current legislation to:

- Reappoint the CEO as per the Local Government Act; or
- Advertise for recruitment for the role of CEO.

5. Responsibility/Accountability

5.1 Manager People and Culture

- Secretariat support to Council which facilitates the reports and documentation required under this policy

5.2	<p>Council</p> <ul style="list-style-type: none"> • Appoint independent member to support the CEO Employment and Remuneration Committee • Conduct CEO performance reviews in line with adopted policy
5.3	<p>CEO Employment and Remuneration Committee</p> <ul style="list-style-type: none"> • Oversees adherence to the CEO employment and remuneration policy • Oversee adherence to the Credit card policy for expenses incurred by the CEO

6. References and links to legislation and other documents

Name	Location
Local Government Act 2020	https://www.legislation.vic.gov.au/as-made/acts/local-government-act-2020
Local Government Act 1989	https://www.legislation.vic.gov.au/in-force/acts/local-government-act-1989/159
Melton City Council Enterprise Agreement No 9 2019	Council Intranet
Public Sector Executive Rates of pay	https://www.vic.gov.au/remuneration-bands-executives-prescribed-public-entities#remuneration-bands-for-executives-employed-in-prescribed-public-entities-victoria-determination-no-012020