

CHIEF EXECUTIVE OFFICER EMPLOYMENT AND REMUNERATION POLICY

1.0 Purpose

Council is required to adopt a Chief Executive Officer Employment and Remuneration Policy under section 45 of *Local Government Act 2020* (The Act). It outlines the Council's approach to managing the recruitment, appointment and performance of its Chief Executive Officer.

2.0 Scope

Council is responsible for:

- The recruitment, selection and appointment of the Chief Executive Officer (CEO);
- Determining (with the CEO) the CEO's Performance Plan including the setting of strategic priorities and goals and key performance objectives;
- Assessing the CEO's performance against that annual Performance Plan; and
- Determining the CEO's contract terms and conditions, including annual remuneration.

3.0 Policy Statement

3.1 Policy Application

This policy provides additional direction and guidance on the management of the employee life cycle of the Chief Executive Officer's employment, from recruitment, strategic priorities and goal planning, setting of key performance objectives, annual performance and remuneration reviews through to end of contract processes.

3.1.2 Independent Expertise

The Council may, at any time, obtain additional independent professional advice to manage legal, contractual employment obligations and an independent mediator for disputes, in respect of any matter dealt within this Policy. The independent advisor will have specialist skills for example:

- Human resource qualifications and demonstrated executive management skills, business experience (including Local Government) and/or an employment law background;
- Demonstrated ability in relation to executive-level performance appraisals, professional development and remuneration;
- Significant experience working with Councillors, Board Members, Advisory Boards and Committees in a similar professional advisory role.

The independent advisor will be engaged following a procurement process.

3.2 Councillor Support

Support to the Councillors will be provided by the Executive Manager, People & Culture and Executive Manager, Governance and Risk. This will include:

- Coordinating Briefings;
- Preparing relevant documentation including reports to the Council and contractual documents;
- Procuring independent legal advice on contractual or employment matters at the request of the Council, in line with Procurement Policy;
- Maintaining appropriate records.

3.3 Process for the Recruitment and appointment of the CEO

If the role of CEO becomes vacant, the Council may engage an independent and suitably qualified executive search agency to support the recruitment and appointment of a CEO, and to seek advice on remuneration benchmarks while considering any legislative requirements.

In accordance with Council's Procurement Policy and associated procedures, and with the assistance of the Executive Manager, People & Culture the Council may seek and appoint an executive search agency in accordance with clause 3.4 of this Policy.

3.3.1 Recruitment Preparatory Work

If an executive search agency is engaged, they will provide:

- Strategies to attract, recruit, retain and motivate candidates;
- Proposed total remuneration package range (including salary, superannuation, allowances and other employment benefits including associated fringe benefits tax considerations); and
- Selection criteria based on the key accountabilities, succinct statements about strategic priorities and key performance measurements.

3.4 Following the appointment of a new CEO, the Council's role is to:

- Prepare a draft CEO's Initial Performance Plan (with the CEO) for the Council's consideration;
- Review the initial performance within the first six (6) months and prepare a report for Council with a recommendation on the probation period outcomes of the CEO appointment;
- Seek advice (if required) on determining and assessing the CEO's Performance Plan;
- Conduct bi-annual Performance Reviews of the CEO and determine if the CEO has met the performance criteria;
- Vary the Performance Plan criteria, remuneration, or other terms and conditions in the contract of employment.

The CEO will provide a progress report to the Council at the 6-month and 12-month review period.

The Performance 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 may be facilitated by an independent professional advisor.

3.5 CEO Performance and Remuneration Review and Planning Process

The Council is responsible for:

- In consultation with a newly appointed CEO, identify and agree to the Performance Plan goals and activities that the CEO should work towards achieving over the probation and qualifying period;
- The Council will adopt a set of strategic priorities and goals, as well as setting of annual key performance objectives for the CEO which will be developed collaboratively by the CEO and the Council;
- The Performance Plan will document agreed priorities, goals and key performance 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 bi-annually by Council;
- Ensure that the CEO submits a Performance Plan and is given the opportunity to collaborate and present a self-assessment to the Committee;
- Ensure all Councillors are invited to provide comments of the CEO's Performance Review;
- Attend to the collection and collation of Councillor feedback in relation to the CEO's performance as measured against the Performance Plan approved by Council. Review the CEO's remuneration package as a component of the Performance Review process in accordance with terms and conditions in the contract of employment;
- Provide feedback to the CEO about the outcome of the performance and remuneration review;
- Determining and assessing the CEO's Performance Plan (with the CEO) and determining any adjustment to the annual remuneration package for the CEO;
- Ensure that the CEO is advised of the review outcomes up to and including end of contract process.

3.6 CEO Employment Remuneration:

In accordance with section 45(3) of the *Local Government Act 2020*, Council must have regard when developing the Chief Executive Officer Employment and Remuneration Policy:

- a) Any statement of policy issued by the Government of Victoria which is in force 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 Tribunal and Improving Parliamentary Standards Act 2019* in relation to remuneration bands for executives employed in public service bodies.

3.7 Report to a Council meeting on outcomes of the Performance and Remuneration Review process in relation to:

- The CEO's achievement against the strategic priorities, goals and key performance objectives;
- Any proposed variation in annual remuneration package and other terms and conditions of the contract of employment;

- The setting of the Performance Plan for the measurement of the CEO's performance for the next 12-month period;
- The setting of a Development Plan for the next 12-month period;
- Whether any options of the CEO's contract should be exercised in accordance with the terms and conditions in the contract of employment.

3.8 Council shall seek resolutions on employment matters as below:

- Outcome of Performance Review and Planning decisions and performance monitoring;
- If there is a change to performance criteria;
- If there is a change to CEO annual remuneration package, outside of contractual conditions;
- If the terms and conditions in the employment contract are to be varied.

3.9 Dispute Resolution

Should a dispute arise in relation to any matter under this Policy or the CEO's contract of employment, either the CEO or the 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 of a matter specified in clause 2 of this Policy, a meeting will be convened between the CEO (along with any nominated representative of the CEO) and the Council (along with any nominated representative of Council) in an attempt to resolve the dispute.

The CEO and the Council will make all reasonable attempts to resolve the dispute at the workplace level.

Should the CEO and the 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 the Council;
- c) Acknowledge the right of either the CEO or the 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 the Council.

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

4.0 Supporting documents and references

4.1 Legislation

- *Local Government Act 1989 to the extent it continues to apply*
- *Local Government Act 2020*
- *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019.*

- *Charter of Human Rights & Responsibilities Act 2006*
- *Gender Equality Act 2020*

4.2 Associated Documents

- *Procurement Policy*
- *Contract of Employment, Maddocks*
- *Victorian Independent-Remuneration Tribunal Determinations*
- *National Remuneration Framework (Local Government), McArthurs*

4.3 Definitions

<i>Council</i>	Ballarat City Council, being a body corporate constituted as a municipal Council under the <i>Local Government Act 2020</i>
<i>Councillor</i>	A Councillor of the Council.
<i>CEO</i>	Chief Executive Officer of Council or the person acting in or performing the position of Chief Executive Officer
<i>Independent Professional Advisor</i>	Appropriately qualified person, capable of providing independent professional advice in relation to the matters in this policy, who is not a Councillor or a member of Council staff
<i>Independent Mediator</i>	Appropriately qualified person, capable of providing mediation through a structured negotiation process assisting the parties to identify and assess options and negotiate an agreement to resolve their dispute

3 Policy owner

Executive Manager, People and Culture and Executive Manager Governance and Risk

4 Authorisation

Adopted by Ballarat City Council on 15 December 2021 (R276/21)