



Council Policy Manual

WEST WIMMERA SHIRE COUNCIL

COUNCIL POLICY	
CHIEF EXECUTIVE OFFICER EMPLOYMENT AND REMUNERATION POLICY	Policy No:
	Adopted by Council: 27 January 2022
	Next review date: November 2022
Senior Manager:	Director of Corporate and Community Services
Responsible Officer:	Director of Corporate and Community Services
Functional Area:	Governance
Introduction & Background	<p>Under section 45 of the <i>Local Government Act 2020</i> (LGA 2020), Council is responsible for the appointment of the Chief Executive Officer (CEO), reviewing the performance of the CEO at least annually and determining the CEO's remuneration.</p> <p>The LGA 2020 also provides that councils must adopt and keep in force a CEO Employment and Remuneration Policy (the Policy).</p> <p>Accordingly, Council will carry out its functions relating to the appointment, remuneration and performance appraisal of the CEO in accordance with the LGA 2020, any relevant Regulations and the following principles:</p> <p>a) decision-making processes:</p> <ul style="list-style-type: none"> i. will be based on competitive selection, open processes, objective criteria and will have regard to gender equity, diversity and inclusiveness; ii. which are fair, accessible and applied consistently in comparable circumstances; iii. are based on criteria that are relevant, objective and available to the people the subject of the decision; iv. will be conducive to ongoing good governance; <p>b) documentation will be sufficiently clear and comprehensive to ensure decisions are transparent and capable of effective review;</p> <p>c) confidentiality will be observed;</p> <p>d) when recruiting a CEO, the Council will engage an executive recruitment agency (the Agency) which will be a nationally recognised entity or person with extensive experience in the sourcing and evaluation of applicants for</p>



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	<p>senior executive roles, including, but not limited to, the public sector; and</p> <p>e) while the decision to appoint the CEO is matter for consideration and resolution of the Council, the initial stages of the recruitment process will be the role of a CEO Employment Matters Committee (the CEMAC).</p>
Purpose & Objectives	<p>Under section 45 of the <i>Local Government Act 2020</i> (LGA 2020), Council is responsible for the appointment of the Chief Executive Officer (CEO), reviewing the performance of the CEO at least annually and determining the CEO's remuneration.</p>
Definitions	<p>In this Policy, the following terms have the meaning indicated:</p> <p>a) Audit and Risk Committee means the Audit and Risk Committee established by a Council under section 53 of the LGA 2020;</p> <p>b) Chief Executive Officer Employment and Remuneration Policy means a Chief Executive Officer Employment and Remuneration Policy developed by a Council under section 45; and</p> <p>c) workforce plan means a workforce plan developed and maintained by the Chief Executive Officer of a Council under section 46(4)(a).</p>
Policy Details	
2.	ROLES
2.1	<p>The Council</p> <p>Council is the employer of the CEO and is therefore responsible for:</p> <ul style="list-style-type: none"> a) recruitment of the CEO; b) appointment of the CEO; c) determining the CEO's terms and conditions of employment; d) monitoring and reporting on the CEO's performance; e) making decisions on contract extensions; f) adopting and reviewing the Policy; g) liaison with the CEMAC; and h) appointing acting CEOs where appropriate.



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2.2	<p>The CEMAC</p> <p>The CEMAC will:</p> <ul style="list-style-type: none">a) operate in accordance with the Charter approved by the Council;b) liaise with the CEO as to the appointment by Council of the an independent consultant (the Consultant).c) provide advice to the Council on the appointment of the Consultant. In the absence of agreement, the Consultant will be an entity or person nominated by the Municipal Association of Victoria;d) in conjunction with the Consultant, assist the Council in:<ul style="list-style-type: none">i. the recruitment process;ii. monitoring the CEO's performance;iii. reporting on the CEO's performance; andiv. making recommendations in relation to salary and conditions of employment.
2.3	<p>The Consultant</p> <p>The Consultant will assist the Council to:</p> <ul style="list-style-type: none">a) discharge its obligations in relation to the LGA 2020;b) conduct the recruitment process in accordance with this Policy;c) establish a CEO Performance Plan including key performance indicators; andd) facilitate and conduct the performance review of the CEO.
2.4	<p>The Director Corporate and Community Services</p> <p>The Director Corporate and Community Services will provide administrative support to the Council, the CEMAC and the Consultant by:</p> <ul style="list-style-type: none">a) providing support to the annual review process;b) drafting the Council report outlining the outcome of the annual review process;c) liaising with the CEMAC and the Consultant in relation to the process and timeframes of the CEO performance review;d) assisting in the employment process for a new CEO; and



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	e) maintaining documentation within Council's information management system to reflect the appropriate level of security and confidentiality.
3	APPOINTMENT OF THE CEO – ROLES AND PROCESSES
3.1	<p>Council</p> <p>The Council is the employer of the CEO and responsible for his or her appointment, reviewing the performance of the CEO at least annually and for determining the CEO's total remuneration package.</p>
3.2	<p>CEMAC</p> <p>In conjunction with the Consultant, the CEMAC is responsible for:</p> <ul style="list-style-type: none"> a) the initial stages of the recruitment of the CEO, including: <ul style="list-style-type: none"> i. approving the position description; ii. recommending to Council the appointment of the Agency; iii. with the Agency, agreeing on the methods to evaluate applicants including the interview process, psychometric testing (if relevant) and referee checking; iv. developing and making recommendations to Council regarding: <ul style="list-style-type: none"> • a candidate identification strategy (research, advertising and marketing) including the search and selection process and timeframes; • the formation of an interview panel to interview shortlisted candidates identified by the Agency and the Consultant; • proposing salary and conditions of employment based on industry benchmarks and after considering the 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 avoiding conditions of employment that are excessive; • identification of short listed candidates for interview; and • making recommendations to the Council in relation to the appointment and re-appointment of the CEO.
3.3	<p>The Consultant</p> <p>The Consultant is responsible for:</p> <ul style="list-style-type: none"> a) establishing key accountabilities and selection criteria of the role along with candidate application material;



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	<p>b) ensuring that all candidates are updated on the outcome of the recruitment process;</p> <p>c) once the preferred candidate is determined by the Council, with the support of the CEMAC, negotiating the terms of employment within the general framework of the proposed conditions of employment; and</p> <p>d) development of an orientation/induction program for the new CEO.</p>
4	THE RECRUITMENT PROCESS
4.1	<p>Advertising</p> <p>The CEO's position will be advertised in:</p> <p>a) the Age, similar interstate publications and relevant regional newspapers; and</p> <p>b) relevant websites.</p>
4.2	<p>Position description</p> <p>A comprehensive position description will be made available when the CEO's position is advertised.</p>
4.3	<p>Applications</p> <p>Applications must be made in accordance with the advertised requirements. A copy of this Policy will be provided to all applicants.</p>
4.4	<p>Interviews</p> <p>Interviews of the short listed candidates will be conducted by the CEMAC in consultation with Agency and the Consultant. The final interviews will be conducted by the Council.</p>
4.5	<p>Appointment</p> <p>The appointment of the CEO will be made by resolution of the Council.</p>
5	THE CEO'S CONTRACT TERMS AND CONDITIONS
5.1	<p>Contract</p> <p>The CEO's appointment is subject to the execution of a contract between the Council and the appointee. The Council will meet the costs of the contract preparation. Council's current Enterprise Agreement does not apply to the CEO.</p>



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5.2	<p>Term</p> <p>In accordance with the LGA 2020, the contract term will be up to five years.</p>				
5.3	<p>Salary</p> <p>The CEMAC, in consultation with the Consultant, will recommend to Council an appropriate salary and terms and conditions of employment. The recommendations must have regard to:</p> <ul style="list-style-type: none"> 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 <i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019</i> in relation to remuneration bands for executives employed in public service Bodies. 				
5.4	<p>Bonuses</p> <p>Having regard to the report of the Local Government Inspectorate's <i>Protecting Integrity: Leading the Way</i>, Council's policy is not to pay bonuses.</p>				
5.5	<p>Leave arrangements</p> <p>The CEO will have the following leave entitlements:</p> <ul style="list-style-type: none"> a) compassionate leave 2 days leave for each occasion when a member of the CEO's immediate family or household develops a personal illness or injury that poses a serious threat to life; b) bereavement leave 2 days leave for each occasion when a member of the CEO's immediate family or household dies; c) annual leave - four weeks; d) long service leave - thirteen weeks long service leave with pay for each period of ten years of continuous service with the Council, or combination of other approved service. The leave may be accessed on a pro-rata basis after an initial seven years of continuous service; and e) parental leave – in accordance with <i>Table 1</i>. <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 60%;"> <tr> <td style="padding: 5px;">Parental leave</td> <td style="padding: 5px;">12 months unpaid parental leave</td> </tr> <tr> <td style="padding: 5px;">Paternity/partner leave</td> <td style="padding: 5px;">Three weeks unpaid leave</td> </tr> </table>	Parental leave	12 months unpaid parental leave	Paternity/partner leave	Three weeks unpaid leave
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5.6	<p>Vehicle</p> <p>The CEO will be provided with a fully maintained vehicle for business and personal use.</p>
5.7	<p>Superannuation</p> <p>Council will contribute the standard 10% of salary.</p> <p>The CEO may nominate the superannuation fund into which contributions are to be made.</p> <p>If the CEO does not nominate a fund, the default fund for employer contributions will be the Vision Super Fund.</p>
5.8	<p>Memberships</p> <p>Council will meet the costs of joining fees and annual subscriptions of professional bodies including, but not limited to:</p> <ul style="list-style-type: none"> a) Local Government Professionals; and b) the Institute of Public Administration.
5.9	<p>Delegated powers</p> <p>Council will delegate a range of powers, duties and functions to the CEO. Many of these powers, duties and functions can be sub-delegated by the CEO to other Council staff. The CEO may also:</p> <ul style="list-style-type: none"> a) pursuant to the LGA 2020, delegate powers to community asset committees; and b) in accordance with section 11(3) of the LGA 2020 and under delegation, appoint an Acting CEO for a period not exceeding 28 days.
6.	<p>MONITORING AND REVIEWING THE CEO'S PERFORMANCE – ROLES AND PROCESSES</p>
6.1	<p>Council</p> <p>The Council's role is to:</p> <ul style="list-style-type: none"> a) monitor the CEO's performance; b) formally conduct an annual review of the CEO's performance; and c) determine any changes to the CEO's remuneration and conditions of employment.



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6.2	<p>CEMAC</p> <p>The CEMAC will:</p> <ul style="list-style-type: none">a) meet at least annually in relation to evaluating the CEO's performance;b) ensure that the CEO is consulted and advised of the proposed review process;c) report to the Council with recommendations relating to the outcomes of the review including:<ul style="list-style-type: none">i. the CEO's achievements against the agreed performance criteria;ii. any proposed variation in contract conditions;iii. whether any options in the CEO's contract should be exercised;d) in consultation with the CEO and the Consultant, identify and agree on the proposed Performance Plan goals and activities that the CEO should work towards achieving over the following 12 months and which are to be recommended for endorsement by Council. In establishing the CEO's Performance Plan, the CEMAC shall ensure the goals are relevant, measurable, timely and achievable and have regard to:<ul style="list-style-type: none">i. the Council Plan;ii. the Council's financial and other resources;iii. the Council's strategic plans;iv. relevant Council policies; andv. legislative requirements.
6.3	<p>The Consultant</p> <p>The Consultant shall, in the following order:</p> <ul style="list-style-type: none">a) ensure that the CEO submits a Performance Assessment Report and is given the opportunity to present their self-assessment to the CEMAC;b) facilitate discussion in relation to the CEO's performance with CEMAC, as measured against the approved Key Performance Indicators;c) assess the CEO's performance against the Key Performance Indicators;d) ensure that CEMAC provide clear feedback directly to the CEO on their assessmente) provide the opportunity to the CEO to request clarification from CEMAC where



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	<p>needed and respond to the assessment</p> <p>f) finalise the assessment of CEO's performance against the Key Performance Indicators</p> <p>g) provide final feedback to the CEO about their performance and the proposed outcome of the remuneration review.</p> <p>h) provide the opportunity to the CEO to address Council if requested</p>
7	<p>RE-APPOINTMENT OF THE CEO</p> <p>Section 44(3) of the LGA 2020 provides that a CEO may be re-appointed without the position being advertised. Council does not offer any assurance that this will occur.</p>
8	<p>THE AUDIT AND RISK COMMITTEE'S ROLE</p> <p>Section 54 (2) (a) of the LGA provides that the role of the Audit and Risk Committee includes monitoring the compliance of Council policies and procedures with:</p> <p>a) the overarching governance principles; and</p> <p>b) the LGA 2020, relevant Regulations and any Ministerial directions.</p> <p>Accordingly, issues relating to the recruitment, appointment and performance of the CEO may be considered by the Audit and Risk Committee.</p>
9	<p>POLICY ACCESS</p> <p>This Policy will be published on the Council website.</p>
10	<p>POLICY REVIEW</p> <p>The Policy will be reviewed every twelve months or in the event that the position of the CEO becomes vacant.</p>
11	<p>POLICY AMENDMENTS</p> <p>Minor amendments to the Policy may be made by the CEO to reflect legislative or organisational changes. The CEO must notify the Councillors of any such amendments.</p>



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APPENDIX 1 – DEFINITIONS

In this Policy, the following terms have the meaning indicated:

- a) **Audit and Risk Committee** means the Audit and Risk Committee established by a Council under section 53 of the LGA 2020;
- b) **Chief Executive Officer Employment and Remuneration Policy** means a Chief Executive Officer Employment and Remuneration Policy developed by a Council under section 45; and
- c) **workforce plan** means a workforce plan developed and maintained by the Chief Executive Officer of a Council under section 46(4)(a).



APPENDIX 2 – STATUTORY REQUIREMENTS

The relevant provisions of the LGA 2020 are shown below.

Section 11 – Power of delegation

A Council may delegate to the Chief Executive Officer the power to appoint an Acting Chief Executive Officer for a period not exceeding 28 days.

Section 18 (g) and (h) – Role of the Mayor

The Mayor is required to:

- a) take a leadership role in ensuring the regular review of the performance of the Chief Executive Officer; and
- b) provide advice to the Chief Executive Officer when the Chief Executive Officer is setting the agenda for Council meetings.

Section 19 (1) (c) – Specific powers of the Mayor

The Mayor may require the Chief Executive Officer to report to the Council on the implementation of a Council decision.

Section 32 (4) – Councillor Induction Training

The Chief Executive Officer must:

- a) ensure that the Councillor induction training is available to be taken by a Councillor from the day the Councillor takes the oath or affirmation of office; and
- b) provide reasonable assistance to a Councillor to enable them to access the Councillor induction training.

Section 44 - The Chief Executive Officer

1. Subject to this section, a Council must appoint a natural person to be its Chief Executive Officer in accordance with its Chief Executive Officer Employment and Remuneration Policy under section 45.
2. A Chief Executive Officer must be appointed under a contract of employment with the Council that does not exceed five years.
3. A Chief Executive Officer is eligible to be re-appointed under a new contract of employment under subsection (2).
4. If there is a vacancy in the office of Chief Executive Officer or the Chief Executive Officer is unable to perform the duties of the office of Chief Executive Officer, the Council must appoint a person to be the Acting Chief Executive Officer.



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5. The Chief Executive Officer or an Acting Chief Executive Officer is a member of Council staff.

6. A Council must comply with any requirements prescribed by the regulations in relation to the employment of a Chief Executive Officer.

Section 45 – the Policy

1. A Council must develop, adopt and keep in force a Chief Executive Officer Employment and Remuneration Policy.

2. A Chief Executive Officer Employment and Remuneration Policy must:

a) provide for the Council to obtain independent professional advice in relation to the matters dealt with in the Chief Executive Officer Employment and Remuneration Policy; and

b) provide for the following:

i. the recruitment and appointment process;

ii. provisions to be included in the contract of employment;

iii. performance monitoring;

iv. an annual review; and

c) include any other matters prescribed by the Regulations.

3. A council must have regard to:

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;

in developing the Chief Executive Officer Employment and Remuneration Policy.

Section 46 – Functions of the CEO

A Chief Executive Officer is responsible for:

a) supporting the Mayor and the Councillors in the performance of their roles; and

b) ensuring the effective and efficient management of the day to day operations of the Council.



APPENDIX 3 – RELATED DOCUMENTS

Legislation

- The *Gender Diversity Act 2020*.
- The *Local Government Act 1989*.
- The *Local Government Act 2020*.
- The *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*; and
- Relevant Regulations.

Council Strategies

In accordance with the LGA 2020 and other Acts, Council has adopted strategic plans in relation to:

- a Community Vision;
- strategic planning principles; and
- a four year budget.

Council Plans

In accordance with the LGA 2020, Council has adopted:

- a Council Plan;
- a Workforce Plan;
- a ten year Financial Plan;
- a ten year Asset Plan; and
- a four year Revenue and Rating Plan.

In addition, Council has adopted strategic plans in relation to a wide range of other matters.

Council policies

In accordance with the LGA 2020, Council has adopted policies in relation to:

- CEO Employment and Remuneration;
- Community Engagement;
- Councillor Expenses;
- Public Transparency;



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- Complaints
- Recruitment of Staff;
- Election Period;
- Financial matters;
- Procurement; and
- Councillor Gifts.

Codes

Council has adopted:

- a Staff Code of Conduct; and
- a Councillor Code of Conduct.

Other

- Victorian Public Sector Commission Policy on Executive Remuneration in Public Entities.
- *Protecting integrity: Leading the way - Managing the Employment Cycle of a CEO*, Local Government Inspectorate (Feb 2019)



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