


Policy Title:	Chief Executive Officer Employment and Remuneration Policy	
Date of Adoption:	15 December 2021	
Adoption Method:	<input checked="" type="checkbox"/> Council <input type="checkbox"/> CEO <input type="checkbox"/> Other (please specify)	
CEO Signature:		Date: 17/12/21
Responsible Officer and Unit:	Interim Executive Manager People, Culture & Performance	
Nominated Review Period:	<input type="checkbox"/> Annually <input checked="" type="checkbox"/> Other: Every 4 years	
Last Review Date:	Not applicable – New policy	
Next Endorsement Date:	Within 12 months of the 2024 Council Election	
Purpose/Objective:	Establish a governance framework and provide guidance/direction on the employment cycle of the Chief Executive Officer (CEO) including recruitment, performance, remuneration, and end of contract processes.	
Background/Reasons for Policy:	Compliance with Section 45 of the Local Government Act	
Definitions:	CEO Council Councillor The Act The CEO Employment and Remuneration Committee	Chief Executive Officer Macedon Ranges Shire Council The individuals holding the office of a member of the Macedon Shire Ranges Council (including the Mayor) Local Government Act 2020 Responsibility for the recruitment of the CEO, determining the CEO's Performance Plan, assessing the CEO's performance against the plan and determining the remuneration of the CEO.
References:	Victorian Government Public Sector Commission Policy on Executive Remuneration in Public Entities 2020 Protecting integrity: Leading the way – Managing the Employment Cycle of a CEO, Local Government Inspectorate (Feb 2019) Victorian Government Appointment and Remuneration Guidelines July 2020	

Related Policies:	Procurement Policy Staff Code of Conduct Councillor Code of Conduct OHS Policy
Related documents	Appendix A: Terms of Reference CEO Employment and Remuneration Committee
Related Legislation:	Local Government Act 2020 Public Administration Act 2004 Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

DOCUMENT HISTORY	Version	Date	Author
Initial Draft	1		Chrissy Gordon
Second Draft	2	2/11/21	Carmen Lawrence
Final Draft	3	8/12/21	Carmen Lawrence
Approval	3	15/12/2021	

1. Purpose and scope

This Policy complies with the requirements of the *Local Government Act 2020* (Section 45). It outlines how Council will meet its responsibility to manage the employment cycle of a CEO including the recruitment and appointment of the CEO, determining the CEO's performance plan, reviewing the performance of the CEO against the plan, and determining the remuneration of the CEO.

2. Principles

Council will carry out its functions relating to the appointment, remuneration, contract, and performance appraisal of the CEO in accordance with the following principles:

- Decision making processes that are fair, transparent, and applied consistently in comparable circumstances
- Decision making criteria that are relevant, objective, and available to the person subject to the decision
- 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 are based on competitive, merit-based selection, open processes, and objective criteria

3. CEO Employment and Remuneration Committee

3.1 Establishment

Under section 45(2) of the Act Council is required to establish a CEO Employment and Remuneration Committee (the Committee).

3.2 Role

The Committee acts in an advisory capacity to Council; its role is to:

- Guide the recruitment of the CEO, and the process for appointing a person to act as CEO if required
- Provide recommendations to Council on contractual conditions and the remuneration of the CEO
- Develop the draft CEO Performance Plan
- Assess the CEO's performance against the performance plan

3.3 Membership

- The Mayor (Chairperson)
- Two Councillors
- Independent advisor

The independent advisor will be a suitably qualified professional appointed via external advertisement and merit-based selection process for the term as specified in the Committee Terms of Reference. At the conclusion of the initial term on the Committee, the advisor may apply to be reappointed for a second term. The remuneration of the independent advisor will be based on a sitting fee per meeting, in line with the *Victorian Government Appointment and Remuneration Guidelines 2020* for like committees.

3.4 Meetings

The committee will meet at least twice per year, with authority to convene additional meetings as required. A quorum will consist of the Chairperson plus two other members.

3.5 Administrative support

The Manager People and Wellbeing will provide support to the Committee by:

- Coordinating meetings of the committee
- Preparing relevant documentation including contractual documents and reports to Council
- Consulting with the Committee on the development of a CEO onboarding program
- Maintaining appropriate records regarding employment and performance reviews
- Obtaining formal advice if requested.

4. Recruitment and appointment of the CEO

Council will engage a specialist recruitment provider to assist with the recruitment and appointment of a CEO. The Committee will provide recommendations to Council for the appointment of a recruitment provider, the selection criteria, and the development of the CEO contract. The Committee will also ensure gender equity in the composition of the interview panel.

4.1 Contract of Employment

At a minimum the Contract of Employment will detail:

- The term of employment (not greater than 5 years)
- An end of contract date at least 6 months prior to or post Council elections
- The responsibilities of the position
- Annual performance review
- The Management of Conflict-of-Interest requirements
- Remuneration
- Legislative obligations including those continuing after appointment
- Process for managing unsatisfactory performance or early termination

4.2 Remuneration and expenses

The remuneration package provided to the CEO will be subject to review by the CEO Employment and Remuneration Committee in accordance with the CEO performance review and contract requirements.

The CEO remuneration package should be developed in line with the *Victorian Public Sector Policy on Executive Remuneration in Public Entities* and the Section 21 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* relating to remuneration bands for executives employed in public service bodies. The package should be sufficient to attract, retain and motivate the executives of the calibre required for the role but avoid excess.

4.3 Performance plan

The CEO's annual Performance Plan (the plan) will be developed in conjunction with the CEO and the CEO Employment and Remuneration Committee and is to be adopted by Council. The plan will document the agreed objectives and outcomes to be delivered over the 12-month period and the CEO will provide progress reports to the Committee at each review.

4.4 End of contract

Six months prior to the end of the CEO contract, the Committee will provide a recommendation to Council to:

- Reappoint the CEO, or
- Advertise for the recruitment to the role of CEO

The incumbent CEO is to be advised of Council's decision on the recommendation. The recommendation will be in accordance with current legislative requirements.

5. Integrity of the processes

All information relating to the recruitment, selection and review processes must be kept strictly confidential. Councillors and staff involved in the processes must take all reasonable steps to maintain confidentiality and respect the privacy of all persons involved.

Any breaches of confidentiality may constitute a breach of the Councillor or Staff Code of Conduct.

Appendix A: CEO Employment and Remuneration Advisory Committee Terms of Reference

Delegation	The CEO Employment and Remuneration Advisory Committee 'the Committee' has no delegated authority. Its role is to make recommendations to Council on the appointment, performance review and remuneration of the Chief Executive Officer.
Role of the Committee	<p>The primary role of the Committee is to fulfil its responsibilities in relation to the employment cycle of the Chief Executive Officer. In that context the Committee has the following functions and responsibilities:</p> <p>Recruitment and Contract recommendations</p> <ul style="list-style-type: none"> Recommend to Council the engagement of an executive recruitment agency and the steps in the recruitment process and recruitment timeline for endorsement. Taking into account the following: <ul style="list-style-type: none"> The appointment of a recruitment agency must be in accordance with Council's Procurement Policy. The Committee may choose to utilise the Municipal Association of Victoria Permanent Recruitment Services Panel. The Manager People, Risk and Wellbeing will provide assistance to the Committee regarding processes as requested by the Chair. Act as a point of liaison between the Council and any appointed executive recruitment agency. Coordinate the review of the CEO's Position Description and associated recruitment documentation Undertake any aspects of the recruitment and appointment process agreed to by Council Make recommendations to Council on remuneration and other conditions of employment. <p>Onboarding of the CEO</p> <ul style="list-style-type: none"> Consult with all Councillors and provide advice to administrative support on onboarding of the CEO <p>Acting arrangements for the CEO</p> <ul style="list-style-type: none"> Provide advice to Council on any appointment to act as CEO for any term greater than 28 days (appointment for less than 28 days will be made directly by the CEO). Where the CEO is unable to appoint an acting CEO for less than 28 days the Committee will provide advice to Council on an acting arrangement" <p>Performance Review</p> <ul style="list-style-type: none"> Coordinate the CEO performance review process, having sought input and feedback from all Councillors Make recommendations to the Council on annual performance criteria

	<ul style="list-style-type: none"> • Make recommendations to Council on annual remuneration review, or the review of any other terms and conditions of the employment contract. <p>End of Contract</p> <p>At a minimum of six months prior to the expiry of the current CEO's Contract of Employment make recommendations to Council, having sought input and feedback from all Councillors, on options which could include:</p> <ul style="list-style-type: none"> • Reappointment of the CEO; or • Early termination of the contract where warranted; or • To terminate in accordance with the contract.
Membership and chairperson	<p>The membership of the Committee is:</p> <ul style="list-style-type: none"> • The Mayor • Two Councillors (other than the Mayor) • An independent professional advisor (the Advisor) with appropriate professional experience in employment related matters <p>The Independent Advisor</p> <p>The Independent Advisor (Advisor) will be appointed for a maximum four-year term with an option for a further maximum four-year term by mutual agreement between the Advisor and Committee. The Advisor cannot be a Councillor or member of Council staff.</p> <p>The Advisor's term must not be scheduled to finish 12 months either side of a Council election.</p> <p>The advisor will have the following key competencies:</p> <ul style="list-style-type: none"> • Demonstrated executive human resource management experience and leadership (specifically in the areas of recruitment, salary benchmarking, performance management and appraisals, and professional development of executive level staff. • Experience in executive level roles in business and/or the public sector. • Experience working with boards or other governance bodies. <p>The Advisor will be paid a fee based on a sitting fee per meeting, in line with the <i>Victorian Government Appointment and Remuneration Guidelines 2020</i> for like committees and will be appointed by the Council.</p> <p>The interview panel for the independent advisor, when required, will consist of Councillor members of the Committee and the Manager People, Risk and Wellbeing.</p> <p>Councillor Committee members</p> <ul style="list-style-type: none"> • Council will review Councillor appointments on an annual basis subject to the reappointment of a minimum of one existing Councillor Committee member • If a Mayoral election occurs during the CEO recruitment period and a new Mayor is elected, the current Mayor at the time recruitment commenced will continue to be included in the Committee until such time as the new CEO is appointed. The new Mayor will join the Committee at

	<p>the time of being elected Mayor, temporarily increasing the Committee size.</p> <p>The Chairperson</p> <p>The Mayor will act as Chairperson for the Committee meetings. The Committee will appoint a deputy Chairperson annually after Councillor appointments to the committee. The Deputy Chairperson will chair meetings when the Mayor is absent for a scheduled meeting that cannot be rescheduled.</p>
Administrative Support	<p>The Manager People, Risk and Wellbeing will provide support to the Committee by:</p> <ul style="list-style-type: none"> • Providing secretariat support for the Committee, including the production of agendas and draft minutes <p>All other administrative support outlined in Section 3.5 of the Policy</p>
Meeting schedule	<p>The Committee will develop an agreed schedule of meetings in consultation with the CEO.</p> <p>The Committee will meet as outlined in the Policy.</p>
Voting rights	<p>A motion before the Committee is to be determined as follows:</p> <ul style="list-style-type: none"> • Each member present is entitled to one vote • Voting must not be in secret • The motion is determined in the affirmative by a majority of members present • An abstention from voting is to be taken to be a vote in the negative • Voting shall be by a show of hands • The Chairperson must declare the result of the motion • Any member may request a division, in which the process described in Council Governance Rules shall apply, excepting where reference to "Councillor" is to be read as "member". In the event of a tied vote, the Chairperson must exercise the casting vote
Quorum	<p>A quorum will consist of the Chairperson plus two other members.</p>
Reporting	<p>Advisory Committee minutes and recommendations will be submitted to the next appropriate Scheduled Council Meeting as a confidential item for consideration.</p>
Conduct of members	<p>Councillors' Code of Conduct applies. The conflict of interest and confidentiality provisions in the Local Government Act 2020 apply to all members.</p>
Conduct of meetings	<p>Meeting agendas will be prepared by secretariat in consultation with the Committee chair and provided at least five (5) working days in advance to members, along with appropriate briefing materials.</p> <p>Minutes will be prepared and distributed to the Committee within five (5) working days of the meeting for approval at the next meeting.</p>

	<p>The following provisions will apply to all meetings of the Committee:</p> <ul style="list-style-type: none"> • Only Committee members are entitled to attend meetings • The Committee may invite, or require, any person/s to attend meetings, as it deems necessary.
Contact details of committee	Manager People, Risk and Wellbeing
Review of Terms of Reference	The committee's terms of reference will be reviewed every four years or as required. The revised Terms of Reference must be approved by Council.
References	<p><i>Local Government Act 2020</i> <i>CEO Employment and Remuneration Policy</i> <i>Councillor Code of Conduct</i> <i>Victorian Government Appointment and Remuneration Guidelines 2020</i></p>