

Chief Executive Officer Employment and Remuneration Policy

Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.

1. Objective

- 1.1 This is the Chief Executive Officer Employment and Remuneration Policy (**Policy**) of Yarriambiack Shire Council (**Council**), made in accordance with section 45 of the *Local Government Act 2020 (Act)*.
- 1.2 This Policy provides for the following matters which Council is responsible for under the Act and/or as a requirement of this Policy:
 - 1.2.1 the recruitment and appointment of the Chief Executive Officer, ensuring that:
 - (a) the recruitment decision is based on merit,
 - (b) the recruitment processes support transparency in the recruitment process and, subject to Council's discretion to offer re-appointment in accordance with section 44(3) of the Act, the public advertising of the position; and
 - (c) ensure that regard is had to gender equity, diversity and inclusiveness.
 - 1.2.2 approving the Contract of Employment entered into between Council and the Chief Executive Officer.
 - 1.2.3 the appointment of an Acting Chief Executive Officer.
 - 1.2.4 the provision of independent professional advice in relation to the matters dealt with in the Policy.
 - 1.2.5 the monitoring of the Chief Executive Officer's performance.
 - 1.2.6 an annual review of the Chief Executive Officer's performance; and
 - 1.2.7 determining the Chief Executive Officer's remuneration.

2. Responsibility

Implementing and adhering to the Policy is the responsibility of the Manager of People and Culture in consultation with the Mayor.

3. Policy Statement and Scope

- 3.1 This Policy outlines the mechanisms which support Council in fulfilling its obligations regarding the CEO's employment and under the Act.
- 3.2 The aims of the CEO in relation to this Policy are to:
 - 3.2.1 work collaboratively with the Committee in determining the Performance Plan on an annual basis,
 - 3.2.2 actively participate in the performance appraisal process as required by the Committee,
 - 3.2.3 make use of constructive feedback from Councillors and Committee Members in relation to performance appraisals,
 - 3.2.4 undertake professional development on an as needed basis, and/or as part of the Performance Plan; and

- 3.2.5 promptly draw the Committee’s attention to any situation where any variation of the Performance Plan may be required in light of the current circumstances.
- 3.3 The aims of Council (including via the Committee) in relation to this Policy are to:
 - 3.3.1 establish the Committee,
 - 3.3.2 provide processes for the recruitment of a natural person, and their appointment, to the position of CEO,
 - 3.3.3 draft and approve the Contract of Employment entered into between Council and the CEO,
 - 3.3.4 seek and be guided by independent professional advice in relation to the matters dealt with in this Policy,
 - 3.3.5 provide processes for determining and reviewing the CEO’s Remuneration Package,
 - 3.3.6 provide processes for the monitoring of the CEO’s performance including setting the Performance Plan and conducting an annual review,
 - 3.3.7 determine as required, any variations to the Remuneration Package and terms and conditions of employment of the CEO; and
 - 3.3.8 provide processes for the appointment of an Acting Chief Executive Officer; and
 - 3.3.9 have regard to all legal, contractual and statutory obligations owed to the CEO.

4. CEO Employment and Remuneration Committee

- 4.1 Council will establish a CEO Employment and Remuneration Committee (**Committee**).
- 4.2 The Committee will be an advisory committee to Council.
- 4.3 The purposes of the Committee are to consider, and make recommendations to Council with respect to, the:
 - 4.3.1 selection and appointment of the Independent Advisor,
 - 4.3.2 independent advice received from time to time from the Independent Advisor,
 - 4.3.3 performance monitoring of the CEO, including with respect to achievement of the KPIs,
 - 4.3.4 annual review of the CEO’s performance, including against the KPIs,
 - 4.3.5 CEO’s remuneration,
 - 4.3.6 recruitment and appointment of a CEO, if required,
 - 4.3.7 provisions to be included in the Contract of Employment from time to time,
 - 4.3.8 appointment of an Acting CEO, if required; and
 - 4.3.9 implementation of this Policy.
- 4.4 The Committee must include all Councillors at Council.
- 4.5 The Chairperson of the Committee will be the Independent Advisor.
- 4.6 The Committee is to hold meetings as often as is necessary to:
 - 4.6.1 prepare documentation relevant to the CEO’s employment and remuneration, including Council reports and contractual documents, for the approval of Council,

- 4.6.2 conduct and maintain appropriate records regarding performance reviews of the CEO; and
- 4.6.3 review the Remuneration Package and conditions of employment of the CEO,
provided that the Committee meets at least twice in each year.
- 4.7 The Chairperson is to distribute an agenda at least 72 hours in advance of each meeting to Committee members. The Mayor may provide suggested agenda items to the Chairperson at least one week in advance of each meeting.
- 4.8 The Secretariat Support is to prepare and distribute meeting minutes to the Committee, once approved by the Chairperson, within three working days of each meeting.
- 4.9 The Chairperson will provide a report to Council following each meeting describing its activities and making recommendations about any action to be taken by Council.
- 4.10 The Committee will determine its procedures at its first meeting, which will include:
 - 4.10.1 the rules for its meetings, noting that meetings should be conducted with as little formality and technicality as appropriate to fulfil the Committee's purposes,
 - 4.10.2 how often the Committee will meet, provided that the Committee meets at least twice in each year,
 - 4.10.3 quorum, provided that the quorum is not less than the Chairperson, Mayor and four Councillors; and
 - 4.10.4 means of attendance at Committee meetings (e.g. in person or electronically); and
 - 4.10.5 the taking of minutes of the Committee meetings,
and will communicate the procedures to Council.
- 4.11 For the avoidance of doubt, nothing in this Policy requires Council to accept any or all of the Committee's recommendations.

5. Reappointment of CEO

- 5.1 No more than 6 months and no less than 3 months prior to the expiry of the current CEO's Contract of Employment, the Committee will provide a recommendation to Council on:
 - 5.1.1 whether the CEO should be reappointed under a new Contract of Employment for a period of up to 3 years without the need to advertise the position and with the option to extend the Contract of Employment up to and including the final term of the contract (3 years + final 2 years = 5 years) (maximum of 10 years of service before re-advertising),
 - 5.1.2 if the recommendation is to reappoint the CEO, the proposed provisions of the further Contract of Employment; and/or
 - 5.1.3 whether the position of CEO should be publicly advertised, and a recruitment process implemented in accordance with clause 6.
- 5.2 For the avoidance of doubt, any reappointment of the current CEO must be made by Resolution of Council.
- 5.3 Where the Contract of Employment is for a term of 12 months or less, the period of months referred to in clause 5.1 shall be no more than 2 months and no less than 1 month.

6. Recruitment of CEO

- 6.1 If the position of CEO is vacant, or Council has resolved to publicly advertise the position of CEO in accordance with clause 5.1.3, the Committee will establish and manage the process to recruit or reappoint the CEO (**Process**), designed to ensure that Council can select the best available candidate from a short list of preferred candidates (with or without a recommendation from the Committee).
- 6.2 If an Executive Search Consultant is recommended to assist Council in the Process, the Committee will determine, and make a recommendation to Council's Manager People and Culture, as to the Executive Search Consultant to be appointed to run the Process.
- 6.3 The Committee must liaise with the Executive Search Consultant in connection with the Process.
- 6.4 The Committee must have regard to clause 1.2.1 when implementing the recruitment process to:
- 6.4.1 ensure that the recruitment decision is based on merit,
 - 6.4.2 support transparency in the Process and the public advertising of the position; and
 - 6.4.3 ensure that regard is had to gender equity, diversity and inclusiveness.
- 6.5 The Committee must ensure that the Executive Search Consultant publicly advertises the CEO role. For the avoidance of doubt, the current CEO may apply for the role of CEO.
- 6.6 The Executive Search Consultant will be appointed on the terms agreed by Committee, including that the Executive Search Consultant will prepare, and provide to Council, a schedule of dates for key decisions to be made by Resolution of Council throughout the Process.
- 6.7 The Committee must provide a report and recommendation to Council so that each key decision identified in the schedule prepared under clause 6.6 can, if necessary, be made by Resolution of Council. They may include recommendations as to:
- 6.7.1 the preferred candidate; and
 - 6.7.2 the proposed high level contract terms (including the term of employment and Remuneration Package).

7. Appointment (or reappointment) of the CEO

- 7.1 Council will receive a report from the Committee on the completion of its role in the Process, and Council will proceed to decide on a preferred candidate with the support of the Committee to negotiate and finalise the Contract of Employment.
- 7.2 The Committee will provide a recommendation to Council on the provisions to be contained in the proposed Contract of Employment.
- 7.3 The appointment (or reappointment) of the CEO must be made by a Resolution of Council.

8. Contract of Employment

- 8.1 The Contract of Employment is to be read in conjunction with this Policy (but the terms of the Policy are not incorporated into the Contract of Employment).
- 8.2 The Contract of Employment will, at a minimum, outline the following:
- 8.2.1 the employment term, which must not exceed 5 years in accordance with section 44(2) of the Act,

- 8.2.2 the responsibilities and duties of the position, including compliance with the Act and the Code of Conduct for Council staff,
 - 8.2.3 the conflict-of-interest management requirements,
 - 8.2.4 the CEO's Remuneration Package and other entitlements,
 - 8.2.5 any legislative and contractual obligations, including those during and continuing after appointment,
 - 8.2.6 the CEO's leave entitlements,
 - 8.2.7 dispute resolution procedures,
 - 8.2.8 processes for managing unsatisfactory performance,
 - 8.2.9 processes for early termination, including notice of termination (or payment in lieu) provisions, with notice of termination by Council being restricted to a maximum of six [6] months; and
 - 8.2.10 any other matters required to be contained in the Contract of Employment by the Regulations.
- 8.3 The Contract of Employment may only be varied by a Resolution of Council with the CEO's acceptance, recorded in a deed of variation.

9. Remuneration and Expenses

- 9.1 The Remuneration Package provided to the CEO will form part of the Committee's annual review, having regard to (in accordance with section 45(3) of the Act):
- 9.1.1 any statement of policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent);¹ and
 - 9.1.2 any Public Sector Wages Determination.²
- 9.2 Remuneration will be reviewed on an annual basis, in accordance with the CEO's Performance Plan and contractual requirements.
- 9.3 Council will meet expenses incurred by the CEO as outlined in the Contract of Employment from time to time.
- 9.4 Council may provide the CEO with a corporate credit card to use in transactions related to the role of CEO. All corporate credit card expenditure will be reviewed and approved by the Mayor.
- 9.5 Council's Audit & Risk Committee will receive annual reports on all CEO corporate credit card transactions.

10. Performance Monitoring

- 10.1 Council will adopt an annual Performance Plan for the CEO, which will include KPIs. The Performance Plan must be developed collaboratively between the CEO and the Committee and confirmed by a Resolution of Council.

¹ Section 45(3)(a) of the Act requires Council to have regard to any statement of policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent). The current Victorian Government Wages Policy applies in the public sector from 4 April 2023. See <https://www.vic.gov.au/wages-policy-and-enterprise-bargaining-framework>

² Section 45(3)(b) of the Act requires Council to have regard to the published remuneration bands for executives employed in public service bodies. See: <https://www.vic.gov.au/tribunals-determination-vps-executive-remuneration-bands>

- 10.2 As part of the process for performance monitoring, performance principles will be developed by the Committee, in consultation with the CEO.
- 10.3 The CEO is to provide progress reports against the Performance Plan to the Committee on an annual basis.
- 10.4 The Committee may meet with the CEO following each progress report to discuss the matters contained in the progress report and any feedback from Council.
- 10.5 Following the initial 6 months of the CEO's term, a workshop with Councillors and the CEO should be coordinated so that:
 - 10.5.1 the CEO can prepare and present their views since their last appointment on any related matters, and highlight any projections or forecasts of relevance to Council during their tenure;
 - 10.5.2 Councillors can provide feedback to the CEO on their perspective of the CEO's performance during the initial period of the CEO's employment; and
 - 10.5.3 Council and the CEO can consider projects and priorities for inclusion in the CEO's Performance Plan and KPIs.
- 10.6 Nothing in this Policy prevents the Committee and/or Council from monitoring the CEO's performance on an ongoing basis.

11. Annual Review

- 11.1 In preparation for Council's review, the Chairperson is required to submit an annual review report (**Annual Review Report**) to Council which includes recommendations on the following:
 - 11.1.1 whether, and to what extent, the CEO has met the KPIs under the Performance Plan;
 - 11.1.2 whether, and to what extent or in what respect, any KPIs or other criteria ought to be varied under the Performance Plan;
 - 11.1.3 whether, and to what extent, the Remuneration Package ought to be varied; and
 - 11.1.4 any other necessary matters.
- 11.2 The Chairperson will submit the Annual Review Report to Council only after meeting with the CEO to discuss the Committee's proposed recommendations.
- 11.3 The CEO may request the opportunity to address Council about any of the matters set out in clause 11.1 as part of this process.
- 11.4 Council shall, after receipt of the Annual Review Report, review the recommendations in the Annual Review Report, resolve upon matters described in clause 11.1 and advise the CEO of the terms or effect of the Resolution of Council.

12. Acting CEO

- 12.1 Council must appoint an Acting CEO when there is a vacancy in the office of the CEO or the CEO is unable to perform their duties under the Contract of Employment for a period exceeding 28 days.
- 12.2 The appointment of the CEO must be made by a Resolution of Council unless the Acting CEO is appointed for a period not exceeding 28 days, in which case the CEO may appoint an Acting CEO under delegation from Council pursuant to section 11(3) of the Act. Nothing in this Policy applies to the CEO's appointment of an Acting CEO under delegation.
- 12.3 Where applicable, the Committee may advise Council on:

- 12.3.1 the selection and appointment of an Acting CEO including whether it is appropriate to:
 - (a) recruit an external candidate who is not currently employed by Council; or
 - (b) appoint an internal candidate who is a current employee of Council;
- 12.3.2 the terms of the Acting CEO's contract of employment (to the extent that the terms set out in clause 8.2 of this Policy are inappropriate for an Acting appointment); and
- 12.3.3 performance monitoring and review processes, if applicable, which are to be determined by reference to the length of the Acting CEO's term of appointment.

13. Independent Advice

- 13.1 The Independent Advisor is responsible for providing independent professional advice in relation to the matters dealt with under this Policy in accordance with section 45(2)(a) of the Act.
- 13.2 The Independent Advisor will be appointed:
 - 13.2.1 on the recommendation of the Committee following a process to seek experienced and suitably qualified persons but must not be the Executive Search Consultant appointed by Council to assist in the recruitment process; and
 - 13.2.2 for a term to be determined by Council, with an option to appoint the Independent Advisor for up to a four-year term, without the need to advertise the position each year.
- 13.3 Council will determine the remuneration of the Independent Advisor and ensure that it is a term of the Independent Advisor's engagement that the Independent Advisor keep confidential all information which the Independent Advisor acquires by virtue of the engagement.
- 13.4 Council, or the Committee with the approval of a Resolution of Council, can, on an as needed basis, obtain additional independent professional advice in relation to the matters dealt with under this Policy.

14. Dispute Resolution

- 14.1 In relation to any matter under this Policy or the CEO's Contract of Employment that may be in dispute, either the CEO or Council may:
 - 14.1.1 give written notice to each other of the particulars of any matter in dispute; and
 - 14.1.2 within 14 days of receiving a notice specified in clause 14.1.1, a meeting will be convened between the Committee and the CEO in an attempt to resolve the dispute.
- 14.2 If the dispute is not resolved, Council (in consultation with the CEO and on the recommendation of the Committee) will either within 14 days:
 - 14.2.1 refer the dispute to an independent mediator (as agreed by the CEO and Council, or if they cannot agree a mediator appointed by the Executive Director of Local Government Victoria) and the Committee/Council agree to participate in any mediation process in good faith with at least the Mayor in attendance on behalf of Council; or
 - 14.2.2 nominate one or more external persons for the purpose of conducting further investigation and discussion (including any consultation with the CEO, as required) and making a recommendation to Council. Persons

nominated for this purpose will have had no prior involvement in the dispute.

- 14.3 The cost of any mediation or investigation will be met by Council.
- 14.4 Having regard to any proposed outcome from any mediation under clause 14.2.1, or the recommendation made in accordance with clause 14.2.2, Council will make a final decision regarding the dispute which shall be binding on the parties.
- 14.5 During this process, no party shall be prejudiced as to the final resolution of the dispute. The parties will co-operate to ensure that the steps required to reach a resolution are carried out as expeditiously as possible for the benefit of all concerned.
- 14.6 Council and/or the CEO may nominate a representative (including a legal representative) to assist it and/or the CEO in this process. The CEO and/or Council will each be responsible for meeting the cost of any nominated representative used by them or it.
- 14.7 Neither the committee nor the Mayor can make any binding decision under any dispute resolution process, without a Resolution.

15. Administrative Support

- 15.1 Council acknowledges that, in implementing this Policy, it, the Committee and/or the Independent Advisor will from time to time require the assistance of members of Council staff, including assistance in relation to governance and human resources matters, and (where relevant) procurement and contract management.
- 15.2 Council, the Committee and/or the Independent Advisor may from time to time request a member of staff to provide assistance in implementing this Policy, recognising that the position of the member of staff is made difficult because they are accountable to the CEO (or a person acting as CEO) and therefore requests for assistance need to be limited to no more than those which are reasonably necessary.
- 15.3 For the purposes of this clause 15, and without limiting its generality, Council's Governance Officer and Manager People and Culture, or their nominees, will provide support to the Committee by:
 - 15.3.1 assisting in the coordination of Committee meetings,
 - 15.3.2 preparing relevant documentation for Committee meetings, including reports to Council and contractual documents,
 - 15.3.3 maintaining appropriate records regarding the CEO's annual review; and
 - 15.3.4 providing advice in connection with the proper governance of the Committee's role and proceedings.

16. Interaction with Act and Regulations

- 16.1 This Policy applies subject to any inconsistent obligations in the Act or the Regulations.

17. Confidentiality

- 17.1 Council is not required to disclose any personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.

18. Delegations

- 18.1 As set out in clause 12.2, Council must not delegate the power to appoint the CEO, whether on a permanent or acting basis, however, it may delegate to the

CEO the power to appoint an Acting CEO for a period not exceeding 28 days (sections 11(2)(d) and 11(3) of the Act).

- 18.2 Council must not delegate the power to make any decision in relation to the employment, dismissal or removal of the CEO (section 11(2)(e) of the Act).

19. References

19.1 *Local Government Act 2020*

19.2 *Fair Work Act 2009*

19.3 *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*

20. Definitions

Act	means the <i>Local Government Act 2020</i> or its successor.
Acting CEO	means the person appointed by Council in accordance with clause 12 of this Policy and section 44(4) of the Act to act in the position of Chief Executive Officer.
Annual Review Report	has the meaning given in clause 11.1.
Chairperson	means the chair of the CEO Employment and Remuneration Committee established under this Policy.
Chief Executive Officer or CEO	means the Chief Executive Officer of Council.
Committee	means the CEO Employment and Remuneration Committee established under this Policy.
Committee Member	means each person appointed by Council to the Committee from time to time.
Contract of Employment	means the contract of employment between Council and the CEO, including any schedules.
Council	means Yarriambiack Shire Council.
Councillors	means the individuals holding the office of a member of Yarriambiack Shire Council.
Council meeting	has the same meaning as in the Act.
Executive Search Consultant	means a consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles.
Independent Advisor	means the consultant appointed by Council from time to time to provide independent advice in accordance with section 45(2)(a) of the Act.
KPIs	means Key Performance Indicators or performance criteria however described.
Mayor	means the Mayor of Council.

Performance Plan	means the annual performance plan setting out KPIs for the CEO.
Policy	means this CEO Employment and Remuneration Policy adopted in accordance with section 45 of the Act.
Public Sector Wages Determination	means 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.
Recruitment Policy	means the recruitment policy adopted by the CEO under section 48(2) of the Act.
Regulations	means the Regulations made under Division 7 of Part 2 of the Act.
Remuneration Package	means the total gross remuneration package paid to the CEO pursuant to the Contract of Employment.
Resolution	means a resolution of Council made at a properly constituted Council meeting.
Secretariat Support	means a person nominated by the CEO to assist the Chairperson and the Committee by undertaking necessary administrative functions under this Policy (such as the compilation and distribution of meeting agenda and minutes).

21. Consistency with Governance Principles *Local Government Act 2020*

Governance Principle	Section of policy where covered
(a) Council decisions are to be made and actions taken in accordance with the relevant law;	Clauses 1 Objective, 3 Policy Statement and Scope, 4 CEO Employment and Remuneration Committee, 5 Reappointment of CEO, 6 Recruitment of CEO, 7 Appointment (or reappointment) of the CEO, 8 Contract of Employment, 9 Remuneration and Expenses, 10 Performance monitoring, 11 Annual review, 12 Acting CEO, 13 Independent Advice, 14 Dispute Resolution, 16 Interaction with Act and Regulations, 18 Delegations, 20 Definitions
(b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;	Clauses 1 Objective, 3 Policy Statement and Scope
(c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;	Clauses 1 Objective, 3 Policy Statement and Scope

Governance Principle	Section of policy where covered
(d) the municipal community is to be engaged in strategic planning and strategic decision making;	Clauses 1 Objective, 3 Policy Statement and Scope
(e) innovation and continuous improvement is to be pursued;	Clauses 1 Objective, 3 Policy Statement and Scope
(f) collaboration with other Councils and Governments and statutory bodies is to be sought;	Clauses 9 Remuneration and Expenses
(g) the ongoing financial viability of the Council is to be ensured;	Clauses 1 Objective, 3 Policy Statement and Scope, 4 CEO Employment and Remuneration Committee, 9 Remuneration and Expenses
(h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;	N/A
(i) the transparency of Council decisions, actions and information is to be ensured.	Clauses 1 Objective, 6 Recruitment of CEO, 7 Appointment (or reappointment) of the CEO)

In giving effect to the overarching governance principles, a Council must take into account the following supporting principles—

- (a) the community engagement principles,
- (b) the public transparency principles,
- (c) the strategic planning principles,
- (d) the financial management principles,
- (e) the service performance principles.

22. Policy Review

- 22.1 This Policy will be reviewed at least every two years by the Audit and Risk Committee and within 12 months of each Council election, and the Committee will make a recommendation to Council with respect to any suggested changes.
- 22.2 Council will consult with the CEO prior to making any changes to the Policy which require Council to vary corresponding provisions in the Contract of Employment.


23. Legislative Context

Local Government Act 2020, section 45

24. Council Approved Policy

Policy Adopted:	Ordinary Meeting 28 August 2019	Minute Page 48
Policy Reviewed:	Ordinary Meeting 23 June 2021	Minute Page 215
	Ordinary Meeting 26 June 2024	Item 15.6 Minute Page 38

25. Audit and Risk Committee Approval

Adopted:	CEO Approved Date	CEO Name	CEO Signature
Reviewed:	23 June 2021	Jessie Holmes	
	Audit and Risk Committee Review 26 June 2023	Tammy Smith	