



Appendix 8b

18.4 Review of Council Policies


CP053 CEO Employment and Remuneration

Ordinary Meeting of Council

Wednesday 27 April 2022 at 7:00pm

Queenscliff Town Hall

COUNCIL POLICY

Chief Executive Officer (CEO) Employment and Remuneration	Adopted By Council:	24/11/2021	
	Date/s Revised:	27/04/2022	
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	Document No:	CP053	
	Directorate:	Executive	
	Responsible Officer:	HR & Governance	

PURPOSE

This Policy reflects the Borough of Queenscliffe Council's commitment to good governance principles around employment matters relating to the Chief Executive Officer (CEO). The Policy provides arrangements for CEO recruitment, appointment, contract arrangements, performance monitoring and performance appraisal. This policy will support Council to ensure high performance from its CEO through recruitment, professional development, performance planning, performance appraisal and appropriate recognition and remuneration.

This Policy has been prepared in accordance with Section 45 of the *Local Government Act 2020*.

POLICY STATEMENT

The employment cycle of a CEO is a fundamental responsibility of the Council. This policy provides arrangements and mechanisms by which the Council can meet these key responsibilities for CEO employment in a fair, transparent, consistent and professional manner.

Council will carry out its functions relating to the CEO employment cycle in accordance with the following best practice principles:

- Decision-making principles that are fair, transparent and applied consistently;
- 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 clear and comprehensive to render decisions capable of effective review;
- Employment decisions that are based on a proper assessment of the CEO's performance against the adopted performance criteria and the functions of a CEO set out in Section 46 of the *Local Government Act 2020*; and
- Decisions to appoint a CEO that are based on merit.

POLICY

1. Committee Arrangements

To assist Council meet its responsibilities in this Policy the Council will establish two (2) Advisory Committees as follows:

- 1.1 The CEO Employment and Remuneration Advisory Committee (the Committee) shall undertake an annual appraisal of the CEO's performance, measured against the Performance Criteria contained in the CEO Contract of Employment and as may be amended from time to time by the Council in consultation with the CEO.
- 1.2 The Committee will subsequently provide advice to the Council in relation to:
- The assessed performance of the CEO
 - Whether any change should be made to the remuneration payable to the CEO having regard to:
 - Those matters specified in the CEO Contract of Employment that must be taken into account when reviewing the CEO's remuneration, and
 - Those matters required under Section 45(3) of the Local Government Act 2020, namely, any current statement of wages policy issued by the Government of Victoria and any Determination that is in effect under Section 21 of the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019
 - Whether any changes should be made to the terms and conditions of employment contained in the CEO Contract of Employment, such changes having been collaboratively developed and agreed upon by both the Committee and the CEO
 - Arrangements for supporting the CEO's Professional Development
 - Whether any changes should be made to the CEO's Performance Criteria, such changes having been collaboratively developed by the Committee and the CEO
- 1.3 The Council will consider and determine any advice provided by the Committee by resolution, as a confidential Council Meeting matter.
- 1.4 The Committee shall also monitor the CEO's performance against the adopted Performance Criteria six months after the appointment of a CEO and, thereafter, six months after the annual performance appraisal of the CEO. The monitoring process should enable the Committee and the CEO to share a dialogue around the progress being made against the CEO Performance Criteria and to address any issues or constraints impacting on performance. If appropriate, any outcomes arising from the monitoring process may be reported to the Council by the Committee.
- 1.5 At both the annual Performance Review and the six monthly performance monitoring, the Committee shall invite the CEO to present a detailed report to the Committee identifying progress being made against the adopted Performance Criteria. The Committee will also provide an opportunity for the CEO to provide any relevant feedback to the Council about how the Council might more effectively support the CEO to achieve high performance. The Council seeks to encourage regular two-way conversations as the best way to achieve continuous feedback between the CEO and the Council.
- 1.6 The Terms of Reference for the CEO Employment and Remuneration Advisory Committee are set out in Appendix A to this Policy.
- 1.7 The CEO Recruitment Committee (the Recruitment Committee) shall, when required, undertake the various processes necessary for the recruitment and appointment of a CEO and shall provide advice to the Council in relation to:
- The budget and timeframe for the recruitment and appointment of a CEO
 - The appointment of a suitable recruitment agency, in line with Council's Procurement Policy, to assist Council recruit and appoint a CEO

- The recruitment and appointment of a CEO
- The form and content of a CEO Contract of Employment having consulted a suitable independent legal advisor
- The total remuneration payable to the CEO under the terms of the CEO Contract of Employment having regard to any current statement of wages policy issued by the Government of Victoria and any Determination that is in effect under Section 21 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*
- The options available to the Council, within six months prior to the expiry of any CEO Contract of Employment, to either reappoint the CEO under a new Contract of Employment, or to cease the employment of the CEO due to the expiry of the Contract of Employment
- The appointment of an Acting CEO when there is a vacancy in the office of CEO or when the CEO is on leave or absent from duties for a period greater than twenty-eight (28) days. In circumstances when an Acting CEO needs to be appointed for a period not exceeding twenty-eight (28) days, the CEO may appoint an Acting CEO under delegation from the Council.

1.8 The Council will consider and determine any advice provided by the Recruitment Committee by resolution, as a confidential Council meeting matter.

1.9 The Recruitment Committee, working very closely with the appointed recruitment agency will ensure that

- The Recruitment Committee provides the recruitment agency with a detailed brief identifying the key qualities and skills required by an ideal candidate
- The Recruitment Committee and the recruitment agency agree on a suitable advertising and marketing strategy to attract suitable candidates and to promote the transparency of the process
- Key selection criteria are established at the outset of the recruitment process
- Merit is the basis for the employment decision and the Recruitment Committee shall have regard to gender equality, diversity and inclusiveness in its deliberations.

1.10 The Recruitment Committee shall also ensure that appropriate arrangements are in place for:

- public announcements concerning the appointment of a CEO, and
- suitable on-boarding and induction of the CEO

1.11 The Terms of Reference for the CEO Recruitment Advisory Committee are set out in Appendix B to this Policy

2. Contractual Arrangements

2.1 The CEO Contract of Employment will include, at a minimum:

- A maximum term of up to five years
- The responsibilities of the position
- A Performance Plan, containing Performance Criteria against which the CEO's performance will be monitored and appraised

- The total remuneration that will be payable to the CEO
 - Leave and other terms and conditions of employment
 - Legislative obligations
 - Clear processes for managing unsatisfactory performance and early Contract termination provisions
 - Dispute resolution arrangements
- 2.2 The total remuneration package payable to the CEO will be inclusive of salary, superannuation and other employment benefits, including associated Fringe Benefits Tax. No performance bonus arrangements will apply.
- 2.3 The CEO Contract of Employment and in particular the remuneration package payable to the CEO under the terms of the Contract will be consistent with the principles of the Victorian Government Public Entity Executive Remuneration Policy, which stipulates that remuneration:
- should be fair and reasonable;
 - should consider entity performance as well as Victorian fiscal and economic conditions;
 - should be set at a competitive level for the relevant market and sector, to attract and retain talented people;
 - should reflect the non-financial benefits of local government employment; and
 - should be based on decisions that are robust, transparent, consistent and understandable to both the CEO and the public.

3. Independent Professional Advice

- 3.1 The Council is required, under the provisions of the *Local Government Act 2020* to provide for the Council to obtain independent professional advice in relation to the matters dealt with in this Policy.
- 3.2 The Council will appoint a suitably qualified person to provide independent professional advice to both the CEO Employment and Remuneration Committee and the CEO Recruitment Committee, on an ongoing basis, around the various matters contained in this Policy. The appointment of such a person will follow an appropriately transparent process. Council has determined the term of appointment of such a person, including the remuneration payable, to be:
- A process of public advertisement will be undertaken, including (as a minimum) advertising the position on Council's website.
 - Following a process of public advertisement, the independent professional will be appointed by Council for an initial term of one to three years (with the ability to extend to up to a further 3 years without readvertising).
 - In the event of the independent professional resigning / retiring before the expiry of their term, the vacancy will be filled via the process above.
 - If Council proposes to remove the independent professional, it must give written notice to the independent professional of its intention to do so and provide the independent professional with the opportunity to be heard at a Council meeting which may be open to the public, if the independent professional so requests.
 - Remuneration to the independent professional will be paid at a rate to be negotiated with the successful applicant.

- The independent professional must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately recorded.
- 3.3 The person appointed to provide independent professional advice to the Committees shall:
- Assist the Committees prepare reports and recommendations for the Council's consideration
 - Ensure Committee deliberations including CEO recruitment and CEO Performance appraisal are undertaken in strict confidence
 - Provide advice to Committee members based on their independence and expertise which contribute to maintaining good governance and best practice human resource management
- 3.4 If the role of CEO becomes vacant, Council will engage a recruitment agency to support it in the recruitment and appointment of a CEO. The Council's Recruitment Committee will make recommendations to the Council about appointing a suitable recruitment agency.
- 3.5 The Council will ensure that it utilises independent legal advice to prepare the CEO Contract of Employment.
- 3.6 The Council may, on an as needed basis, obtain additional independent professional advice on matters dealt with under this policy

4 Administrative Support

- 4.1 The Council's HR & Governance Coordinator will collaborate with the Mayor and:
- Provide meetings of the Committee and the Recruitment Committee with appropriate administrative support
 - Seek expressions of interest, from time to time, from suitably qualified people to provide independent professional advice to the Committee and the Recruitment Committee and bring the matter before Council for appointment by resolution.

5 Implementation

- 5.1 This Policy has considered the *Gender Equality Act 2020* in its development.
- 5.2 The Policy has considered the *Charter of Human Rights and Responsibilities Act 2006* in its development.

6 Monitoring Evaluation and Review

- 6.1 This Policy will be reviewed and adopted by Council by June 30th in the year following a Council general election and more often if required.
- 6.2 The implementation of the Policy will be reported annually to the Council's Audit and Risk Advisory Committee.

TRAINING AND COMMUNICATION

This policy will be communicated and training provided to Councillors and Officers directly involved with the processes contained in this Policy.

CONTINUOUS IMPROVEMENT

This policy will be reviewed on a continuous basis, but as a minimum every three years from the date of adoption.

OTHER REFERENCES

Local Government Act 2020

END

Appendix A
Terms of Reference for the Borough of Queenscliffe
CEO Employment and Remuneration Advisory Committee

Purpose

The purpose of the CEO Employment and Remuneration Advisory Committee (the Committee) is to assist the Council fulfil its responsibilities in accordance with the Chief Executive Officer Employment & Remuneration Policy to:

- Assess the CEO's performance against the performance criteria set out in the CEO Contract of Employment, as amended from time to time and in consultation and agreement with the CEO
- Reviewing the remuneration of the CEO in accordance with the CEO Contract of Employment
- Reviewing the performance criteria and any other terms and conditions of the CEO Contract of Employment in consultation and agreement with the CEO
- Monitoring the performance of the CEO and providing the CEO with opportunities to provide feedback about performance and related issues and to identify ways in which the Council might support the CEO to perform at a high standard.
- Support the CEO's professional development

Duties and Functions

The Committee has the following duties and functions:

- To make recommendations to the Council, in accordance with the Council's CEO Employment and Remuneration Policy about:
 - The outcomes of an annual performance appraisal of the CEO
 - The remuneration and terms and conditions of employment of the CEO
 - The performance Criteria against which the CEO's performance is to be assessed
 - The performance review methodology developed by the Committee for the CEO
 - The CEO's professional development
- To monitor the CEO's performance on an ongoing basis in accordance with the Council's CEO Employment and Remuneration Policy
- To ensure that the CEO is closely consulted on these matters and the CEO's agreement is reached when any changes to the CEO Contract of Employment are proposed by the Committee
- To ensure that there is effective two-way communication and a shared dialogue between the Committee and the CEO in the performance of the Committee's functions and duties.

Composition of the Committee

The Committee will comprise:

- The Mayor, who will chair Meetings of the Committee, and
- Two (2) other Councillors appointed by the Council

Access to Independent Professional Advice

Committee Meetings will be attended by the person appointed by the Council to provide independent professional advice to the Committee in accordance with the Council's CEO Employment and Remuneration Policy.

Quorum

The Mayor and one other Councillor will constitute a quorum. In the event that a quorum is not present within thirty (30) minutes after the scheduled meeting commencement time, the meeting will be rescheduled by the Mayor.

Voting

All members of the Committee shall have one vote. Decision making will be by show of hands. For a motion to be successful it must be carried by a majority of members present at the meeting. Where there are an equal number of votes for and against a motion the Chairperson will have a casting vote.

Frequency of Meetings

The Committee shall meet at least twice each year. The Mayor may call any necessary additional meetings as required.

Meeting Minutes

The business conducted at Meetings of the Committee will be recorded in minutes which will be confidential and provided to the HR & Governance Coordinator.

END

Appendix B

Terms of Reference for the Borough of Queenscliffe CEO Recruitment Advisory Committee

Purpose

The purpose of the CEO Recruitment Advisory Committee (the Recruitment Committee) is to assist the Council fulfil its responsibilities in accordance with the Chief Executive Officer Employment & Remuneration Policy to:

- Recruit and appoint a natural person to be the CEO of the Council
- Appoint an Acting CEO when there is a vacancy in the office of CEO or when the CEO is on leave or absent from duties for a period greater than twenty-eight (28) days.
- Consider the reappointment of the CEO under a new Contract of Employment, or to cease the employment of the CEO due to the expiry of the Contract of Employment
- Determine the form and content of a CEO Contract of Employment having consulted with an independent legal advisor of Council

Duties and Functions

The Recruitment Committee has the following duties and functions:

- To make recommendations to the Council, in accordance with the Council's CEO Employment and Remuneration Policy about:
 - The budget and timeframe for the recruitment and appointment of a CEO
 - The appointment of a recruitment agency to support the Recruitment Committee in the recruitment and appointment of a CEO.
 - The recruitment and appointment of a CEO
 - The form and content of a CEO Contract of Employment having consulted with an independent legal advisor of Council
 - The appointment an Acting CEO when there is a vacancy in the office of CEO or when the CEO is on leave or absent from duties for a period greater than twenty-eight (28) days.
 - The reappointment of the CEO under a new Contract of Employment, or to cease the employment of the CEO due to the expiry of the Contract of Employment
- To ensure that appropriate arrangements are in place for:
 - Public announcements concerning the appointment of a CEO, and
 - Suitable on-boarding and induction for a new CEO
- To work closely with the Recruitment Agency appointed by the Council to recruit and appoint a CEO.

Composition of the Committee

The Committee will comprise all Councillors of the Queenscliffe Borough Council. The Mayor will chair meetings of the Recruitment Committee.

Access to Independent Professional Advice

Recruitment Committee Meetings will be attended by the person appointed by the Council to provide independent professional advice to the Committee in accordance with the Council's CEO Performance and Remuneration Policy.

Quorum

Three (3) Councillors will constitute a quorum. In the event that a quorum is not present within thirty (30) minutes after the scheduled meeting commencement time, the meeting will be rescheduled by the Mayor.

Voting

All members of the Committee shall have one vote. Decision making will be by show of hands. For a motion to be successful it must be carried by a majority of members present at the meeting. Where there are an equal number of votes for and against a motion the Chairperson will have a casting vote.

Frequency of Meetings

The Committee shall meet as required. The Mayor shall call necessary meetings of the Recruitment Committee.

Meeting Minutes

The business conducted at Meetings of the Committee will be recorded in minutes which will be confidential and provided to the HR & Governance Coordinator.

END