

CEO Employment and Remuneration Policy

<p>1. Purpose</p>	<p>This Policy sets out the way in which Council will manage the recruitment and appointment of its CEO and establishes a fair, transparent and consistent framework for all matters relating to employment, performance planning and management, professional development and remuneration of the CEO in accordance with the requirements of Section 45 of the Act.</p>
<p>2. Scope</p>	<p>The employment cycle of the CEO is a core responsibility of Council. This Policy outlines the mechanisms which will support Council in fulfilling its obligations regarding CEO employment and remuneration.</p> <p>In the event of any inconsistency between this policy and the CEO's Contract of Employment, subject to the Act, the provisions of the Contract of Employment shall prevail to the extent of the inconsistency.</p>
<p>3. Definitions and Abbreviations</p>	<p>Act – <i>Local Government Act 2020</i>.</p> <p>Acting CEO – The person appointed by Council in accordance with this Policy and Section 44(4) of the Act to act in the position of CEO.</p> <p>Annual Review - The formal discussion and evaluation of the progress of the CEO against the Performance Plan, with an opportunity for Council and the CEO to discuss future goals, development opportunities and any problems being experienced.</p> <p>Annual Review Period – The annual review period of the CEO will run from 1 July to 30 June each year (or as otherwise agreed by Council and the CEO).</p> <p>CEO - Person occupying the office of Chief Executive Officer of Council, and includes a person acting in that office.</p> <p>Committee – The CEO Employment Matters Committee, an Advisory Committee to Council chaired by an Independent Chair appointed in accordance with the CEO Employment Matters Charter.</p> <p>Contract of Employment – The contract of employment between Council and the CEO</p> <p>Council - Darebin City Council.</p> <p>Councillors - The individuals holding the office of a member of Council.</p> <p>Executive Recruitment Consultant – An independent consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles.</p> <p>Independent Chair – The independent HR professional appointed by Council from time to time to provide independent advice in accordance with Section 45(2)(a) of the Act.</p> <p>KPIs – Key Performance Indicators or performance criteria however described.</p> <p>OHS Act – <i>Occupational Health and Safety Act 2004</i></p> <p>Performance Plan – The annual performance plan developed by the</p>

	<p>Committee in consultation with the CEO setting out KPIs for the CEO, as adopted by Council.</p> <p>Policy – This CEO Employment and Remuneration Policy is adopted in accordance with Section 45 of the Act.</p> <p>Public Sector Wages Determination – 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.</p> <p>Regulations means the Regulations, if any, made under Division 7 of Part 2 of the Act.</p> <p>Remuneration Package – The total gross remuneration package paid to the CEO pursuant to the Contract of Employment.</p> <p>Resolution – A Resolution of Council made at a properly constituted Council meeting.</p> <p>Vacancy – Vacancy of the office of the CEO arising as a result of resignation, retirement or termination, including the end of the term of appointment or death of the incumbent.</p>
<p>4. Policy Statements</p>	<p>This Policy has been developed in accordance with the requirements of s 45 of the Act and provides guidance on the employment and remuneration of the CEO, including:</p> <ul style="list-style-type: none"> ▪ the recruitment and appointment of a CEO; ▪ the Contract of Employment entered into between Council and the CEO; ▪ remuneration; ▪ the monitoring of the CEO’s performance; ▪ an annual review of the CEO’s performance; ▪ recommending professional development opportunities for the CEO; ▪ health, safety and wellbeing; and ▪ other terms and conditions of employment, including any requirements prescribed by the Act or Regulations. <p>Principles</p> <p>Council will carry out its functions relating to the selection, appointment, remuneration and performance review of the CEO in accordance with the following principles:</p> <ul style="list-style-type: none"> ▪ fairness, accessibility and consistency of decision-making processes ; ▪ relevance, objectivity and availability of decision-making criteria; ▪ documentation being sufficiently clear and comprehensive to render decisions transparent and capable of effective review; ▪ employment decisions being based on the proper assessment of the CEO’s work-related qualities, abilities and potential against the genuine requirements of the role; ▪ decisions to appoint a new CEO being based on competitive selection, transparent processes and objective criteria; and ▪ Committee communication with the CEO providing clear and honest role expectations and feedback.

<p>5. CEO Employment Matters Committee</p>	<p>Council will establish a CEO Employment Matters Committee (Committee).</p> <p>The Committee will be an advisory committee to Council. Its Terms of Reference are set out in the CEO Employment Matters Committee Charter.</p> <p>The purposes of the Committee are to consider, and make recommendations to Council with respect to, the:</p> <ul style="list-style-type: none"> ▪ selection and appointment of the Independent Chair; ▪ independent advice received from time to time from the Independent Chair; ▪ performance monitoring of the CEO, including with respect to achievement of the KPIs; ▪ annual review of the CEO's performance, including against the KPIs; ▪ the CEO's remuneration; ▪ recruitment and appointment of a CEO, if required; ▪ provisions to be included in the Contract of Employment from time to time; ▪ appointment of an Acting CEO; and ▪ implementation of this Policy.
<p>6. Recruitment of CEO</p>	<p>The Committee will establish and manage the process to recruit the CEO, designed to ensure that Council can select the best available candidate from a short list of preferred candidates.</p> <p>The Committee will determine, and make a recommendation to Council through a confidential report, as to:</p> <ul style="list-style-type: none"> ▪ whether there is a need to engage an Executive Recruitment Consultant to run the recruitment process; and, if so ▪ the Executive Recruitment Consultant to be appointed to run the recruitment process. <p>If an Executive Recruitment Consultant is appointed, their role will include;</p> <ul style="list-style-type: none"> ▪ taking a brief from Council on the role and the ideal candidate; ▪ preparing a detailed schedule outlining the recruitment process; ▪ developing an advertising strategy to attract suitable candidates; ▪ assisting Council to conduct interviews to determine a shortlist of candidates; ▪ arranging for any relevant psychometric testing; ▪ conducting reference checks on the preferred candidate; ▪ performing probity checks on the preferred candidate; ▪ working with the Chief People Officer to issue the Contract of Employment for the new CEO; and ▪ working with the General Manager Customer and Corporate and Chief People Officer to induct the new CEO. <p>Council must resolve to execute the Contract of Employment.</p> <p>When considering the recruitment of the CEO, the Committee must:</p> <ul style="list-style-type: none"> ▪ ensure that the recruitment decision is based on merit; ▪ support transparency in the recruitment process and the public advertising of the position; and ▪ ensure that regard is had to gender equity, diversity and

	<p>inclusiveness.</p> <p>Appointment of an Executive Recruitment Consultant, appointment of an Acting CEO in excess of 28 days, and reappointment or appointment of a permanent CEO will be recommended to Council by the Committee through a confidential report and made by Resolution.</p> <p>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).</p> <p>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).</p>
<p>7. Appointment of CEO</p>	<p>Council will receive a report and recommendation from the Committee on the completion of its role in the recruitment 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.</p> <p>The Committee will provide a recommendation to Council on the provisions to be contained in the proposed Contract of Employment.</p> <p>The appointment of the CEO must be made by Resolution.</p>
<p>8. Reappointment of CEO</p>	<p>No more than nine months and no less than six months prior to the expiry of the current CEO's Contract of Employment, the Committee will provide a recommendation to Council, with regards to current legislation, on:</p> <ul style="list-style-type: none"> ▪ whether the CEO should be reappointed under a new Contract of Employment; ▪ if the recommendation is to reappoint the CEO, the proposed terms of the further Contract of Employment; or ▪ whether the position of CEO should be publicly advertised. <p>Where the Contract of Employment is for a term of 12 months or less, the period of months referred to above shall be no more than three months and no more less than two months.</p> <p>Any final decision on these matters must be made by Resolution.</p> <p>Any recommendations on these matters be made through a confidential report to Council with a recommendation outlining the recommended course of action.</p>
<p>9. Contract of Employment</p>	<p>The Contract of Employment is to be read in conjunction with this Policy (but the terms of this Policy are not incorporated into the Contract of Employment).</p> <p>With agreement from the CEO, their full contract or at least key contract terms (with appropriately redacted personal details) will be made public and published on Council's website.</p> <p>The Contract of Employment will, at a minimum, outline the following:</p> <ul style="list-style-type: none"> ▪ to the employment term, which must not exceed five years in accordance with Section 44(2) of the Act; ▪ the responsibilities and duties of the position, including compliance with the Act and the Code of Conduct for Council staff; ▪ how conflicts of interest will be managed; ▪ that the CEO is eligible to be reappointed under a new contract of

	<p>employment;</p> <ul style="list-style-type: none"> ▪ the CEO's Remuneration Package and other entitlements; legislative and contractual obligations, including those during and continuing after employment; ▪ the CEO's leave entitlements; ▪ processes for managing unsatisfactory performance; ▪ processes for early termination, including notice (or payment in lieu) provisions, with notice of termination by Council being restricted to a maximum of three months' notice; and ▪ any other matters required to be contained in the Contract of Employment by the Regulations.
<p>10. Remuneration and expenses</p>	<p>The Remuneration Package provided to the CEO will form part of the Committee's annual review, having regard to matters including but not limited to:</p> <ul style="list-style-type: none"> ▪ any statement of policy issued by Government of Victoria which is in force with respect to its wages policy (or equivalent); ▪ any Public Sector Wages Determination; and ▪ any enterprise bargaining agreement in place between Council and its employees from time to time. <p>Following the annual formal performance review of the CEO, the Independent Chair will support the Committee to review the CEO's remuneration.</p> <p>The Committee will make a recommendation to Council as to the Remuneration Package through a confidential report, which will then be approved by formal Resolution.</p> <p>Council will provide the CEO with a corporate credit card to use in transactions related to the role of CEO. All corporate card expenditure will be reviewed and approved by the Chief Financial Officer, in conjunction with the General Manager Customer and Corporate for payment purposes.</p> <p>The independent Audit & Risk Committee will receive bi-annual reports on all CEO corporate card transactions for oversight.</p> <p>Council will also receive bi-annual reports on corporate card transactions and any claims for reimbursements. Credit card transactions not approved by Council will be reimbursed by the CEO to Council.</p> <p>Council will meet certain expenses incurred by the CEO as outlined in the Contract of Employment from time to time, which may include but are not limited to:</p> <ul style="list-style-type: none"> ▪ membership and subscription fees payable to professional associations which are necessary or desirable in connection with the performance of the CEO's duties; ▪ reasonable costs incurred by the CEO from attending conferences, seminars or undertaking professional development activities; and ▪ reasonable costs incurred otherwise in the general performance of duties.

<p>11. Performance monitoring</p>	<p>Council will adopt an annual Performance Plan for the CEO, which will include KPIs. The Performance Plan must be developed by the Committee in consultation with the CEO and confirmed by a Resolution.</p> <p>As part of the process for performance monitoring, performance principles will be developed by the Committee, in consultation with the CEO.</p> <p>The CEO is to provide progress reports against the Performance Plan to the Committee on a bi-annual basis.</p> <p>The Committee will meet with the CEO following each progress report to discuss the matters contained in the progress report and any feedback from Council.</p>
<p>12. Annual review</p>	<p>The Independent Chair is responsible for leading the CEO's annual review process with the Committee and facilitating the input from all Councillors to inform the Committee's assessment. The Independent Chair will support the Committee with assessing the CEO's performance against the Performance Plan and the development of new KPIs and objectives (if any) for the following performance year.</p> <p>Annual reviews will include the opportunity to provide the CEO with performance-related feedback in person and input into the CEO's Performance Plan. The CEO will also provide feedback on Council through a review process facilitated by the Independent Chair.</p> <p>The performance review will be completed annually following the end of the financial year, with the performance year being from 1 July to the next 30 June (or as otherwise agreed between Council and the CEO).</p> <p>The Committee, led by the Independent Chair, will conduct an informal mid-term performance review within 6 months of the formal annual review each year thereafter. The informal review will provide the CEO with feedback and the opportunity to adjust any of the objectives set in the Performance Plan, in consultation with the Committee.</p> <p>Outcomes of the performance review, future performance plans and KPIs will be recommended by the Committee to Council through a confidential report and formal Resolution.</p> <p>Nothing in this Policy prevents the Committee and/or Council from monitoring the CEO's performance on an ongoing basis.</p>

<p>13. Acting CEO</p>	<p>Council must appoint an Acting CEO when there is an unplanned 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.</p> <p>The appointment of the Acting CEO must be made by a Resolution 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.</p> <p>Where applicable, the Committee may advise Council on:</p> <ul style="list-style-type: none"> ▪ the selection and appointment of an Acting CEO, including whether it is appropriate to: <ul style="list-style-type: none"> ○ recruit an external candidate who is not currently employed by Council; or ○ appoint an internal candidate who is a current employee of Council; ▪ the terms of the Acting CEO's contract of employment (to the extent that the required terms of the Contract of Employment set out in this Policy are inappropriate for an Acting appointment); and ▪ 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.
<p>14. Independent professional advice</p>	<p>The Independent Chair 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.</p> <p>The Independent Chair will be appointed on the recommendation of the Committee following a process to seek experienced and suitably qualified persons but must not be the Executive Recruitment Consultant appointed by Council to assist in the recruitment process.</p> <p>Council will determine the:</p> <ul style="list-style-type: none"> ▪ term of appointment of the Independent Chair; and ▪ remuneration of the Independent Chair, <p>and ensure that it is a term of the Independent Chair's engagement that the Independent Chair keep confidential all information which the Independent Chair acquires by virtue of the engagement.</p> <p>Council, or the Committee with the approval of a Resolution, can, on an as needed basis, obtain additional independent advice in relation to the matters dealt with under this Policy.</p>
<p>15. Interaction with Act and Regulations</p>	<p>This Policy applies subject to any inconsistent obligations in the Act or Regulations.</p>
<p>16. Confidentiality</p>	<p>Council is not required to, and will not, disclose any personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs, unless otherwise required by law.</p>
<p>17. Delegations</p>	<p>Council must not delegate the power to appoint the CEO, whether on a permanent or acting basis, but may delegate to the CEO the power to appoint an Acting CEO or a period not exceeding 28 days (Sections 11(2)(d) and 11(3) of the Act).</p>

<p>18. Other Matters</p>	<p>Integrity processes</p> <p>All information relating to the recruitment, selection and review processes in this Policy must be kept confidential. Councillors, the Independent Chair and advisors and staff involved in the recruitment and selection processes will be required to declare any conflicts of interest to Council, and take all reasonable steps to maintain confidentiality and respect the privacy of all persons involved.</p> <p>Any failure to keep information relating to recruitment, selection or review processes may constitute a breach of the Act, the Councillor Code of Conduct and/or the Employee Code of Conduct.</p> <p>Reporting</p> <p>Disclosure of the Remuneration Package will only be by way of information included in Council’s annual report and subject to and in accordance with any other legislative requirements, including the pay secrecy provisions in the <i>Fair Work Act 2009</i> (Cath).</p> <p>Health, safety and wellbeing obligations</p> <p>Councillors have an obligation to manage the employment of the CEO and any interactions with the CEO with consideration of the Model Councillor Code of Conduct and any relevant Council policies, which includes matters such as, but not limited to:</p> <ul style="list-style-type: none"> ▪ adherence to their duty of care under the OHS Act to ensure, so far as is reasonably practicable, the health and safety of the CEO (including psychological safety); ▪ refraining from behaving in a manner that exposes employees to psychological risk, physical risk or any other risk which could compromise the health and safety of employees, including the CEO; and ▪ participation where required in the resolution of safety issues or complaints relating to OHS issues. <p>Council will provide the CEO with confidential support and assistance through matters relating to health, safety and wellbeing.</p> <p>The CEO has the ability to report OHS incidents of health, safety and wellbeing concerns to the Mayor in the first instance or otherwise to the CEO Employment Matters Committee.</p>
<p>19. Responsibilities</p>	<p>How is Council responsible for the success of this Policy?</p> <p>Council is responsible for the success of this Policy by:</p> <ul style="list-style-type: none"> ▪ recruiting, appointing, reappointing and managing the CEO, including an Acting CEO, where required; ▪ appointing the members of the Committee – including the Mayor, Deputy Mayor and some or all of the Councillors; ▪ appointing the Independent Chair; ▪ appointing independent consultants when required; ▪ adopting, overseeing and monitoring the implementation of this Policy; and ▪ undertaking a review of the Policy within six (6) months of each Council election and at such other intervals as Council determines. <p>Councillors must also have regard to the Model Councillor Code of Conduct in overseeing and administering this Policy.</p>

	<p>How is the Audit & Risk Committee responsible for the success of this Policy?</p> <p>The Audit and Risk Committee is responsible for the success of this Policy by overseeing adherence to Council's Credit Card Policy for expenses incurred by the CEO.</p> <p>How is the Chief Executive Officer responsible for the success of this Policy?</p> <p>The Chief Executive Officer is responsible for the success of this Policy by providing support to the Committee in carrying out its functions, independent of influence.</p> <p>How is the Chief People Officer responsible for the success of this Policy?</p> <p>The Chief People Officer is responsible for the success of this Policy by:</p> <ul style="list-style-type: none"> ▪ providing support to Council and the Committee which facilitates the reports and documentation required under this Policy; ▪ leading the relationship with the Independent Chair; ▪ arranging legal advice as necessary and appropriate; ▪ Council reporting on performance and contract reviews; and ▪ supporting the arrangements for professional development opportunities for the CEO. <p>How is the Committee responsible for the success of this Policy?</p> <p>The Committee is responsible for the success of this Policy by undertaking the responsibilities of the Committee as set out in this Policy, the Committee Charter and the Act.</p> <p>How is the Independent Chair responsible for the success of this Policy?</p> <p>The Independent Chair is responsible for the success of this Policy by undertaking the responsibilities of the Independent Chair as set out in this Policy, the Committee Charter and the Act.</p>
<p>20. Breach of Policy</p>	<p>Breaches of policies are treated seriously. Any concerns about non-compliance should be reported immediately to the owner of this Policy.</p>
<p>21. Consultation</p>	<p>The CEO will be consulted regarding any proposed changes to this Policy, providing an opportunity for the CEO to convey their views regarding any effects on their rights. These views will be considered by the Committee and Council in recommendations and decisions made.</p>

GOVERNANCE

<p>Parent Strategy/ Plan</p>	<p>Council Plan</p>
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Supporting Procedures and Guidelines	This policy is enabled and supported by: <ul style="list-style-type: none"> • Victorian Independent Remuneration Tribunal (VIRT) Determination • CEO Employment Matters Committee Charter • CEO Performance Agreement • Model Councillor Code of Conduct
Legislation/ Regulation	<i>Local Government Act 2020</i> Local Government Planning and Reporting Regulations Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019
Author	Chief People Officer
Policy Owner/ Sponsor	General Manager, Customer & Corporate
Date Effective	25 February 2025
Review Date	This policy shall thereafter be reviewed, in consultation with the CEO Employment Matters Committee, after each election
Version Number	2.0 adopted by Council on 24 February 2025 1.0 adopted by Council on 15 December 2021, with administrative changes made by Council on 28 February 2022 and 21 July 2022 and 5 February 2023.
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