



Authorisation Details

EFFECTIVE DATE	1 December 2021
REVIEW DATE	December 2024
AUTHOR	Manager People and Culture
DIRECTORATE	Corporate Services
APPLICABLE TO	Council, Chief Executive Officer, Director Corporate Services, Manager People & Culture
AUTHORISATION	Council resolution of 23 November 2021

1. Purpose

The *Yarra Ranges Council Chief Executive Officer (CEO) Employment and Remuneration Policy* sets out Council's approach to managing the employment relationship with its CEO in accordance with Section 45 of the *Local Government Act 2020* ("LG Act 2020").

2. Scope

The policy sets out a process and framework for managing the CEO employment relationship. It therefore impacts:

- a) The Council acting through its Councillors as they discharge their responsibilities under the LG Act 2020 regarding the CEO;
- b) The CEO;
- c) The Director Corporate Services and Manager People & Culture who support and administer the CEO employment relationship and give effect to Council's decisions under this policy.

3. Policy Statement

3.1 CONTRACT OF EMPLOYMENT

The CEO employment relationship must be governed by a written contract of employment offered by the Council and accepted by the incumbent CEO ("the contract").

3.2 SETTING REMUNERATION

The following principles guide how the Council sets the CEO's remuneration in the contract:

Principle 1: CEO remuneration should be fair and reasonable recompense for performing the inherent requirements of the role.

Principle 2: Decisions about the CEO's remuneration should have regard to:

- Council's fiscal and economic conditions;
- Any relevant statement of policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent); and
- 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.

Principle 3: Chief Executive remuneration should be competitive. Remuneration should be set at a competitive level for the relevant market and sector in order to attract and retain talent.

Principle 4: Chief Executive remuneration should reflect the non-financial benefits of local government employment.

Principle 5: Chief Executive remuneration arrangements and decisions should be robust, transparent and based on rigorous analysis of all relevant factors including these principles.

3.3 ANNUAL REVIEW

The contract must contain an annual review mechanism. The annual review process will include:

- a) An assessment of the CEO's performance;
- b) A determination whether or not it is appropriate to change the CEO's remuneration.

The principles set out in section 3.2 apply to the review of the CEO's remuneration.

3.4 INDEPENDENT ADVICE

Council may obtain independent professional advice in relation to any matters dealt with in the CEO employment relationship, including but not limited to the CEO performance review.

3.5 EXERCISING COUNCIL'S DECISION-MAKING RESPONSIBILITY

The requirement for Council to appoint a CEO, and to make decisions in accordance with this policy, will be exercised by Council resolution or delegated committee under section [59](#) or [63](#) of the LG Act 2020 respectively, as Council sees fit.

4. Mandatory Contract Terms

The contract must contain the following terms and conditions:

- a) A contract of employment is to be offered for a period of up to five years;
- b) A CEO is eligible to be reappointed under a new contract of employment;
- c) If there is a vacancy in the office of the CEO or the CEO is unable to perform the duties of the office of the CEO, the Council must appoint a person to be the Acting CEO;
- d) The total remuneration package (TRP) includes salary, superannuation, the cost of other employment benefits and associated fringe benefits tax, but excludes general business expenses such as laptop computers, mobile phones or study leave;
- e) The quantum and arrangements for taking leave;
- f) An annual review and performance monitoring mechanism;
- g) A dispute resolution mechanism; and
- h) Termination of contract provisions.

5. CEO Recruitment

The Council will appoint a specialist recruitment consultant to manage the end to end process of CEO recruitment. This will include:

- Taking a detailed brief from the Council on the role and the ideal candidate;
- Developing an advertising strategy to attract suitable candidates;
- Assisting the Council to determine a shortlist of candidates;
- Conducting the necessary selection process steps, including interviews, testing, reference checks, probity checks, as required, to determine best fit;
- Requiring Council's Manager People & Culture to issue the contract for the new CEO;
- Preparing the communications for the Council to announce the appointment of the new CEO; and
- Requiring Council's Manager People & Culture to induct the new CEO.

6. Casual or temporary vacancies

Where a casual or temporary vacancy arises in the position of CEO, owing to:

- a) The leave or temporary incapacity of the incumbent CEO; or
- b) The cessation of an incumbent CEO's employment relationship (enlivening section 5 of this policy);

That vacancy must be filled by the Appointment of an Acting CEO.

6.1 WHO IS RESPONSIBLE FOR MAKING AN ACTING CEO APPOINTMENT?

Where the vacancy is caused by:	Then the vacancy is filled by:
The leave or temporary incapacity of the incumbent CEO...	...the CEO
The cessation of an incumbent CEO's employment relationship...	...the Council

6.2 HOW IS THE ACTING CEO APPOINTMENT GOVERNED?

Where the vacancy is filled by:	Then the acting CEO arrangement is governed by:
An existing employee of the Council...	...the employee's existing contract of employment, and Council policies, including this one.
Someone who was not already employed by the Council...	...a contract issued in accordance with this policy.

7. Document Control

Version #	Date	Comment
D0.1	August 2021	A collation of research, LG Act requirements, etc. synthesized into one document
D0.2	30 September 2021	Refined into a draft, editable policy for consultation purposes
V1	1 November 2021	Refined into a properly formatted policy for Council approval at meeting of 23 November 2021