

## 7.4.2 CHIEF EXECUTIVE OFFICER (CEO) EMPLOYMENT AND REMUNERATION POLICY

<b>Responsible Manager:</b>	Not applicable
<b>Responsible Director:</b>	Jarrold Doake, Director City Services

### RECOMMENDATION

**That Council adopts the reviewed Policy as attached to this report**

### INTRODUCTION

Under section 45 of the *Local Government Act 2020* (the Act), a Council is required to maintain a Chief Executive Officer (CEO) Employment and Remuneration Policy.

### COUNCIL PLAN STRATEGIC OBJECTIVES

**A council with good governance, strong leadership and community involvement in decision making**

A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making and action.

### BACKGROUND

The CEO Employment and Remuneration Policy was first adopted in 2021 and is due for review.

### DISCUSSION

The reviewed policy provides for, amongst other things, the function and support of the CEO Employment and Remuneration Committee, establishment of recruitment principles, the ongoing performance planning and monitoring of the Chief Executive Officer's performance, as well as the engagement of an independent advisor to assist the Committee in its role and responsibilities.

### FINANCIAL IMPLICATIONS

There are no budget implications, other than those relating to the remuneration of the independent advisor. Those costs can be met from within the existing Budget.

### POLICY IMPLICATIONS

The reviewed policy provides the requirements and processes to continue a transparent, fair and objective process in the renewal, recruitment and appointment of the Chief Executive Officer and in the on-going performance review of the position.

## **CONSULTATION**

Community consultation was not required.

## **SOCIAL IMPLICATIONS**

There are no social implications to this report.

## **HUMAN RIGHTS CONSIDERATIONS**

There are no human rights implications to this report.

## **GENDER IMPACT ASSESSMENT**

A GIA was not completed because this policy/program/service does not have a 'direct' and 'significant' impact on the community.

## **CONCLUSION**

This report seeks endorsement of the reviewed CEO Employment and Remuneration Policy.

## **ATTACHMENT LIST**

1. CEO Employment and Remuneration Policy 2026 [7.4.2.1 - 15 pages]
2. CEO Employment and Remuneration Policy Clean Copy [7.4.2.2 - 14 pages]



# CEO Employment and Remuneration Policy

*Corporate Services (Governance and Legal)*

**OVERVIEW:**

This policy outlines guidelines and procedures for managing the appointment, recruitment and performance management of the Chief Executive Officer. It is essential for Council to have this policy in place to ensure compliance with the *Local Government Act 2020*.

RESPONSIBLE MANAGER:	The Manager Corporate Governance and Legal for the corporate implementation, review, and interpretation of this policy.
RESPONSIBLE DEPARTMENT:	Governance and Legal

APPROVED or RESOLVED BY:	COUNCIL
DATE:	[insert date approved/adopted]
EDNA NO:	[insert EDNA reference number]
REVIEW DATE:	[insert review date]

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## 1. Introduction

Monash City Council (Council) recognises the importance of implementing a transparent and merit-based process for the recruitment, appointment and remuneration of the Chief Executive Officer (CEO) position.

The CEO employment process is a core responsibility of the elected Council (with secretariat support provided by the Director City Services) and this [Chief Executive Officer Employment and Remuneration Policy](#) (Policy) outlines key requirements to support Council fulfilling its obligations.

This Policy is ~~also~~ a requirement under section 45 of the *Local Government Act 2020* ([Vic](#)) (Act) and outlines the way in which Council will manage the recruitment, appointment and remuneration of its CEO to meet legislative obligations including:

- [1.1](#) The recruitment and appointment of the CEO, [ensuring that](#)
  - [1.1.1](#) [the recruitment is based on merit;](#)
  - [1.1.2](#) [the recruitment processes support transparency in the recruitment process and, subject to Council's discretion to offer re-appointment in accordance with s 44\(3\) of the Act, the public advertising of the position; and](#)
  - ~~1-11.1.3~~ [regard is had to gender equity, diversity and inclusiveness;](#)
- [1.2](#) Contract management and approving the Employment Contract entered into between Council and the CEO;
  - ~~1-21.3~~ [The appointment of an Acting CEO;](#)
  - ~~1-31.4~~ [The provision of independent professional advice in relation to the matters dealt with in the Policy;](#)
  - ~~1-41.5~~ [Ongoing performance planning and monitoring of the CEO's performance; and](#)
  - ~~1-51.6~~ [The implementation of an effective annual performance and remuneration review process](#)

## 2. Scope

This Policy applies to key activities and decisions associated with the recruitment, appointment and employment of the CEO.

## 3. Legislative Context and Governance Statement

*Local Government Act 2020* ([Vic](#)), section 45.

*Fair Work Act 2009* (Cth)

*Gender Equality Act 2020* ([Vic](#))

*Occupational Health and Safety Act 2004* ([Vic](#))

*Privacy and Data Protection Act 2014* ([Vic](#))

Victorian Government Public Entity Remuneration Policy



**Responsible officer Statement:**

*In generating this Policy, Council confirms that its development, implementation, and review comply with the overarching governance principles outlined in the Act. This Policy has considered the importance of engagement, strategic planning, financial management, transparency, and service performance.*

## 4. Definitions

Word	Definition
Act	The <i>Local Government Act 2020</i>
<u>Acting CEO</u>	<u>The person appointed by Council in accordance with clause 16 of the Policy and section 44(4) of the Act.</u>
<u>Annual Development Plan</u>	<u>Means aA plan developed in accordance with clause 14.</u>
<u>Annual Review Report</u>	<u>Means aA report submitted annually to the Council from the Committee in accordance with clause 15.</u>
Chief Executive Officer or CEO	The Chief Executive Officer of Council
Committee	The CEO Employment and Remuneration Committee <u>as established under this Policy</u> <del>(formerly known as the CEO Performance Review Committee)</del>
Committee Member	Any <del>individual</del> <u>Councillor</u> who is from time to time appointed as a member of the Committee
<u>Council</u> <del>or Monash City Council</del> <u>or Council</u>	<u>Has the same meaning as Council in the Act</u> <del>means the Monash City Council</del>
Council meeting	Has the same meaning as in the Act
Councillor	A Councillor of <u>the</u> Council
Duties	The responsibilities, duties and functions of the CEO and/or the Committee under the Act, this Policy and in any related instrument of Council adopted pursuant to the Act
Employment Contract	The contract of employment between the CEO and Council, including any schedules



Independent Advisor (and Facilitator)	<u>An appropriately qualified person, who has been appointed by Council and is capable of providing independent professional advice in relation to the matters in this Policy that is not a Councillor or a Council Officer, in accordance with section 45(2)(a) of the Act. The independent advisor (external) of the Committee appointed by Council from time to time</u>
KPIs	The Key Performance Indicators or performance criteria for the CEO however described
Mayor	The Mayor of <u>the</u> Council
<u>Performance Appraisal</u>	<u>Means the process of appraising the CEO against the Performance Plan.</u>
Performance Plan	The Performance (and Development) Plan which sets out the KPIs, deliverables and development objectives <u>for the CEO</u>
Policy	This CEO Employment and Remuneration Policy adopted in accordance with section 45 of the Act
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
<u>Regulations</u>	<u>Any regulations made pursuant to Division 7 of Part 2 of the Act</u>
Remuneration Package	The total gross remuneration package paid to the CEO pursuant to the Employment Contract

## 5. Responsibilities and Roles

Who	Role
<u>Manager Governance and Legal</u>	<u>Ensuring that the Policy remains in accordance with the requirements of the Act.</u>
<u>Director City Service</u>	<u>Is responsible for providing administrative support to the Committee and ensuring the Committee can perform its role.</u>
<u>Mayor</u>	<u>Ensuring that the Councillors understand and comply with this Policy and ensuring that the Committee carries out their responsibilities under the Act and this Policy.</u>
<u>CEO Employment and Remuneration</u>	<u>Ensuring they are aware of and comply with this Policy.</u>



[Committee](#)  
[members](#)

## 6. Principles of Recruitment, Appointment and Remuneration

6.1 The following principles will support the processes associated with the recruitment, appointment and remuneration of the CEO:

6.1.1 Transparency of relevant processes associated with the recruitment, appointment and employment of the CEO.

6.1.2 Decision making processes that are fair, [accessible](#) and applied consistently.

6.1.3 Documentation that meets legislative and organisational obligations and is clear and comprehensive.

6.1.4 Recruitment principles that include:

- a) Job advertisement transparency when a CEO vacancy should occur
- b) Mitigation of unconscious bias
- c) Respect for inclusivity and diversity
- d) Consideration of Council's reputation and values
- e) Employment decisions underpinned by merit and equal opportunity to ensure recruitment decisions are not based on sex, race, disability, age, sexuality or other personal biases
- f) Disclosure and management of conflicts of interest or perceived ~~im~~partiality
- g) Candidate confidentiality and privacy
- h) Effective recruitment processes guided by [Council policy](#)~~this Policy~~.



6.2 This Policy outlines the mechanisms which support Council in fulfilling its obligations relating to the CEO's employment and under the Act, having regard to the principles outlined above.

6.3 The expectations on the CEO in relation to this Policy are to:

6.3.1 Work collaboratively with the Committee in determining the Performance Plan on an annual basis.

6.3.2 Actively participate in the Performance Appraisal process as required by the Committee.

6.3.3 Make use of constructive feedback from Councillors and Committee Members in relation to Performance Appraisals.

6.3.4 Undertake professional development on an as needed basis, and/or as part of the Performance Plan.

6.3.5 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.

6.4 The responsibilities of Council (including via the Committee) in relation to this Policy are to:

6.4.1 Establish the Committee (refer to section 5.7, below).

6.4.2 Provide processes for the recruitment of a natural person, and their appointment, to the position of CEO.

6.4.3 Draft and approve the Contract of Employment entered into between Council and the CEO.

6.4.4 Seek and be guided by independent professional advice in relation to the matters dealt with in the Policy.

6.4.5 Provide processes for determining and reviewing the CEO's Remuneration Package.

6.4.6 Provide processes for the monitoring of the CEO's performance including setting the Performance Plan and conducting an annual Performance Appraisal review.

6.4.7 Determine, on an as needed basis, whether any variations to the Remuneration Package and terms and conditions of employment of the CEO are required.

6.4.8 Provide processes for the appointment of an Acting CEO.

6.4.9 Have regard to all legal, contractual and statutory obligations owed to the CEO.

~~6.4.7-~~



## 7. CEO Employment and Remuneration Committee

- 7.1 The Council will establish ~~a CEO Employment and Remuneration Committee (the Committee), as an advisory committee of Council,~~ for the purposes of implementing this Policy and, in particular, obtaining independent professional advice in accordance with ~~s~~Section 45(2)(a) of the Act.
- 7.2 The purpose of the Committee is to consider and make recommendations to Council with respect to the:
- 7.1.1. Selection and appointment of the Independent Advisor;
- ~~7.1.1.7.1.2.~~ Independent advice received from time to time from the Independent Advisor.
- ~~7.1.2.7.1.3.~~ Performance monitoring of the CEO, including with respect to achievement of the KPIs.
- ~~7.1.3.7.1.4.~~ Annual ~~Performance Appraisal~~ review of the CEO’s performance, including against the KPIs.
- ~~7.1.4.7.1.5.~~ CEO’s remuneration.
- ~~7.1.5.7.1.6.~~ Recruitment and appointment of a CEO, if required.
- 7.1.7. Provisions to be included in the Contract of Employment from time to time.
- ~~7.1.6.7.1.8.~~ Appointment of an Acting CEO, if required.
- ~~7.1.7.7.1.9.~~ Implementation of this Policy, including achievement of the ~~p~~Principles ~~and Aims~~ set out in Part ~~6~~4.
- 7.5. Councillors to be appointed to the Committee will be appointed by resolution of Council ~~annually, no less frequently than annually.~~
- 7.6. ~~The~~ Committee will comprise at least the Mayor and ~~threetwo~~ additional Councillors, and such additional ~~Councillors~~ members as Council may appoint by resolution from time to time.
- 7.3 The Council will determine and adopt the Terms of Reference for the Committee.
- 7.4 The Committee is to hold meetings as often as is necessary to:
- 7.4.1 prepare documentation relevant to the CEO’s employment and remuneration, including reports, recommendations and contractual documents, for the approval of Council;
- 7.4.2 conduct and maintain appropriate records regarding Performance Appraisal Reviews of the CEO; and



7.4.3 review the Remuneration Package and conditions of employment of the CEO,

provided that the The Committee will meet at least ~~once twice~~ a year, but which may include a may still conduct a mid-year review, to fulfil its purpose.

~~7.37.5~~ A quorum of the Committee is the Mayor and at least two ~~(2) other~~ Councillor members of the Committee or, if the Mayor is absent, three Councillor members of the Committee.

~~7.47.6~~ The Committee will provide a report to Council following each meeting describing its activities and making recommendations about any action to be taken by Council. At its first meeting the Committee will determine, consistent with the Terms of Reference:

- a) 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;
- b) how often the Committee will meet, provided that the Committee meets at least twice in each year;
- a)c) means of attendance at Committee meetings (e.g. in person or online); and
- d) how minutes of the Committee meetings will be kept, and will communicate the procedures to Council.

7.7. The Director City Services will provide secretariat support to the Committee including:

- 7.7.1. Coordinating meetings of the Committee.
- 7.7.2. Preparing relevant documentation including reports to Council.
- 7.7.3. Maintaining appropriate records regarding performance reviews.
- 7.7.4. Providing relevant governance advice.

## 8. Independent Advisor:

~~8.1~~ The Committee will be supported by an Independent Advisor who will be a suitably qualified person appointed by Council from time to time to provide independent professional advice in relation to the matters dealt with under this Policy in accordance with section 45(2)(a) of the Act. and no less frequently than annually.

~~8.28.3~~ The Independent Advisor will be engaged and paid in accordance with a consultancy agreement and in alignment with Council's procurement requirements.

~~8.38.4~~ The Independent Advisor will actively facilitate ~~the any~~ half year and ~~each the~~ annual Performance Appraisal year reviews of the CEO's Performance Plan, including the assessment of each KPI.

~~8.48.5~~ The Independent Advisor will provide advice and guidance to the Committee on any matter pertaining to the CEO's employment with Council as needed.



## 9. Recruitment and Appointment of CEO

- 9.1 In the instance of a vacant CEO position, or when the employment contract of the CEO is not renewed, Council will engage an independent and suitably qualified executive recruitment agency to support the Committee in the end- to-end recruitment process, including a candidate search, short-listing, interview and probity processes.
- 9.2 The Committee will seek and table relevant proposals for Council approval to appoint an executive recruitment agency to support the recruitment process for a replacement CEO.
- 9.3 The executive recruitment agency will align with principles outlined in this Policy, the Council Recruitment Policy and provide Council with a CEO Recruitment Strategy that articulates:
- 9.3.1 Executive recruitment agency fees and charges
- 9.3.2 The candidate search approach including:
- The recruitment decision is to be based on merit
  - Transparency is to be supported in the recruitment process and the public advertising of the position
  - Regard is to be had to gender equity, diversity and inclusiveness
  - Job advertising strategies to attract high calibre candidates in alignment with Council's key selection criteria and a culture of inclusivity and diversity
  - Candidate assessment methodology
  - Short listing approach
  - Interview and probity processes including police and reference checking
  - Timing of key decision points.
- 9.4 The Committee must ensure the executive recruitment agency publicly advertises the CEO role.
- 9.5 The Committee will liaise with the [Director City Services](#) with respect to the appointment of the CEO in ensuring that it aligns with Council policy requirements and the Act.
- 9.6 The Committee, in consultation with Council and the [Director City Services and the Executive Manager People and Safety](#), will develop a thorough CEO induction program.
- 9.7 [Council will receive reports and recommendations from the Committee at each decision point in the recruitment process, including the decision on a preferred candidate and the terms and conditions of their employment.](#)
- 9-69.8 [For the avoidance of doubt, the appointment of the CEO must be made by resolution.](#)

## 10. Employment Contract

- 10.1 The Employment Contract is to be read in conjunction with this Policy (but the terms of the Policy are not incorporated into the Employment Contract).



10.2 The Employment Contract will at a minimum outline:

- a) Commencement and end date
- b) Contract term and extension of term details, provided that the contract term must not exceed five (5) years, in accordance with section 44(2) of the Act.
- c) Advertisement and re-appointment processes
- d) Probationary period information no greater than six (6) months (for new appointees)
- e) Performance Appraisal review arrangements at half and end year
- f) KPIs
- g) Position requirements and a position variation process outline
- h) Responsibilities and duties of the position including compliance with the Act and the Code of Conduct
- i) Any legislative and contractual obligations, including those during and continuing after appointment
- j) Any disclosures and conflict of interest requirements (warranties)
- k) Remuneration Package and other relevant benefits
- l) Allowable expenses
- m) Leave entitlements
- n) Intellectual property and moral rights information
- o) Performance matters including unsatisfactory performance and termination processes
- p) Notice period/s requirements which will generally be in the range of 6-12 months
- q) Associated attachments including the position objectives and position criteria
- r) A Remuneration Statement that articulates allowable salary sacrifice deductions such as taxes, superannuation and a motor vehicle (as applicable).

10.3 Additional contract clauses will be at the discretion of Council either of its own initiation or on the advice and recommendation of the Committee and Council approval via the appointment process and in alignment with applicable legislation ~~including the Regulations~~.

10.4 The Contract of Employment may only be varied with the agreement of the CEO by a resolution of the Council ~~and accepted by the CEO~~, recorded in a deed of variation.

## 11. Employment Contract Expiry

~~11.1~~ The Committee must provide a recommendation to Council regarding the following options no later than 12 months prior to the expiration of the CEO contract, and not less than 6 months before its expiry. The Committee must make a recommendation to Council six months prior to the expiry of the CEO contract with regard to the following options:

- a) Whether the CEO should be reappointed under a new Employment Contract, and, if so, the proposed provisions of the further Employment Contract; or
- b) Advertise for recruitment of the CEO role.

~~11.2~~11.1 Both options will require the Committee's adherence to the Employment Contract terms, the Act and require a resolution of Council.



## 12. Remuneration Package and Expenses

- 12.1 The CEO total Remuneration Package will be commensurate with knowledge, skills and experience and align with principles of the Victorian Government Public Entity Executive Remuneration Policy (or equivalent) and any Public Sector Wages Determinations, [in accordance with section 45\(3\) of the Act](#).
- 12.2 Relevant industry benchmarking will support the Committee's recommendation for a final remuneration determination by resolution of Council made (confidentially) at a relevant Council meeting.
- 12.3 The total remuneration package will be subject to an annual Committee review in accordance with CEO performance outcomes, the KPIs and other contractual requirements. The Committee will make a recommendation to Council with respect to any proposed adjustments to be made to the total remuneration package (if any) for final approval by resolution of Council.
- 12.4 The Council will meet expenses incurred by the CEO in relation to:
- Membership and subscription fees payable to professional associations which are reasonably necessary in order to carry out duties.
  - Reasonable costs incurred where attending conferences, seminars or other networking functions.
  - Reasonable costs incurred in performance of required duties.

## 13. CEO Performance Plan

- 13.1 Council will approve, by resolution, an annual Performance Plan for the CEO which will include KPIs. The Plan will be developed by the Committee in conjunction with the CEO, before being referred to Council for input and approval by resolution.
- 13.2 The Performance Plan will document agreed deliverables and KPIs within the annual performance cycle that will be used to measure and assess the CEO's performance.
- 13.3 The CEO will provide progress reports to the Committee and Council at the half year and end year milestones. The performance review outcomes will align with the review process of the Remuneration Package.
- 13.4 The CEO will have an opportunity to provide the Committee with a self-assessment of their performance against the Performance Plan and KPIs as part of the ~~review~~ [Performance Appraisal cycle](#).
- 13.5 Nothing in this Policy prevents the Committee and/or Council from monitoring the CEO's performance on an ongoing basis.



## 14. CEO Development Plan

- 14.3 Council will also approve an ~~a~~Annual ~~d~~Development ~~P~~lan for the CEO as part of the performance planning process. The ~~Annual D~~evelopment ~~P~~lan will be developed by the Committee in conjunction with the CEO, before being referred to Council for input and approval by resolution.

## 15. Annual review

- 15.1 In preparation for Council's review, the Committee is required to submit an ~~A~~nnual ~~R~~eview ~~R~~eport (~~Annual Review Report~~) to Council which includes recommendations on the following:
- 15.1.1 Whether, and to what extent, the CEO has met the KPIs under the Performance Plan.
  - 15.1.2 Whether any KPIs or other criteria ought to be varied under the Performance Plan.
  - 15.1.3 Whether the Remuneration Package ought ~~to~~ be varied.
  - 15.1.4 Any other necessary matters.
- 15.2 The Committee will submit the Annual Review Report to Council only after meeting with the CEO to discuss the Committee's proposed recommendations.
- 15.3 Council shall, after receipt of the Annual Review Report, review the recommendations in the Annual Review Report and advise the CEO of the outcomes of the review process.

## 16. Acting CEO

- 16.1 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.
- 16.2 The appointment of the Acting 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.
- 16.3 Where applicable, the Committee may advise Council on:
- 16.3.1 the selection and appointment of an Acting CEO, including whether it is appropriate to:
    - 16.3.1.1 recruit an external candidate who is not currently employed by Council; or
    - 16.3.1.2 appoint an internal candidate who is a current employee of Council;
  - 16.3.2 the terms of the Acting CEO's contract of employment; and

16.3.3 performance monitoring and reviewing processes. ~~Performance and review processes may have, if applicable, which are to be determined by reference to the length of the Acting CEO's term of appointment.~~

## 16. Confidentiality

~~16.1 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.~~

## 17. Delegations

17.1 Council must not delegate the power to appoint the CEO whether on a permanent or acting basis, however, Council may delegate to the CEO the power to appoint an Acting CEO for a period not exceeding 28 days (see ~~s~~Sections 11(2)(d) and 11(3) of the Act).

17.2 Council must not delegate the power to make any decision in relation to the employment, dismissal or removal of the CEO (see ~~s~~Section 11(2)(e) of the Act).

## 18. Gender Impact Assessment

Council has a legislative responsibility under the *Gender Equality Act 2020* to conduct a Gender Impact Assessment (GIA) on all new policies, programs and services (and those that are up for formal review) which have a direct and significant impact on the community.

A GIA has not ~~been~~ undertaken as this Policy does not have a direct and significant impact on the community.

## 19. Human Rights Considerations

Council must give proper consideration to human rights when making decisions. Proper consideration to human rights must be undertaken before a decision is made and may impact on people's rights.

~~Council~~We confirms that this policy has been carefully reviewed to ensure it does not affect human rights. ~~We are~~Council is committed to respecting human rights and will continue to monitor the policy to ensure it remains compliant.

## 20. Administrative Amendments

From time to time, circumstance may require minor amendments be made to this Policy. Where this does not materially alter the Policy, such amendments may be made administratively by the Chief Executive Officer.

Any amendment which materially alters the Policy must be approved by the Committee and Council. ~~[insert approval process, i.e. approved by Council].~~



## 21. Review

This policy will be reviewed by the Manager Corporate Governance and Legal and presented to the ~~CEO Employment and Remuneration~~ Committee and the Council every three years.


## 22. Document Version

Version Number	Date	Author	Reviewed By	Approved By	Comments
1.0	20/02/2025	Amanda Sapolu	Jarrod Doake	Council	Adoption of the [year] policy onto the new template and minor changes made.
1.1	25/02/2025	John Smith	Jane Doe	Mark Johnson	

## 23. Contact

If you have any questions about this Policy, please contact Council:

 By emailing: [mail@monash.vic.gov.au](mailto:mail@monash.vic.gov.au)

 By calling [Manager Governance and Legal, 9518 3622](tel:95183622) ~~[insert responsible officer title and Department]~~, on ~~[phone number]~~.



# CEO Employment and Remuneration Policy

*Corporate Services (Governance and Legal)*

**OVERVIEW:**

This policy outlines guidelines and procedures for managing the appointment, recruitment and performance management of the Chief Executive Officer. It is essential for Council to have this policy in place to ensure compliance with the *Local Government Act 2020*.

**RESPONSIBLE MANAGER:**

The Manager Corporate Governance and Legal for the corporate implementation, review, and interpretation of this policy.

**RESPONSIBLE DEPARTMENT:**

Governance and Legal

**APPROVED or RESOLVED BY:**

COUNCIL

**DATE:**

[insert date approved/adopted]

**EDNA NO:**

[insert EDNA reference number]

**REVIEW DATE:**

[insert review date]

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## 1. Introduction

Monash City Council (Council) recognises the importance of implementing a transparent and merit-based process for the recruitment, appointment and remuneration of the Chief Executive Officer (CEO) position.

The CEO employment process is a core responsibility of the elected Council (with secretariat support provided by the Director City Services) and this Chief Executive Officer Employment and Remuneration Policy (Policy) outlines key requirements to support Council fulfilling its obligations.

This Policy is a requirement under section 45 of the *Local Government Act 2020* (Vic) (Act) and outlines the way in which Council will manage the recruitment, appointment and remuneration of its CEO to meet legislative obligations including:

- 1.1 The recruitment and appointment of the CEO, ensuring that
  - 1.1.1 the recruitment is based on merit;
  - 1.1.2 the recruitment processes support transparency in the recruitment process and, subject to Council's discretion to offer re-appointment in accordance with s 44(3) of the Act, the public advertising of the position; and
  - 1.1.3 regard is had to gender equity, diversity and inclusiveness;
- 1.2 Contract management and approving the Employment Contract entered into between Council and the CEO;
- 1.3 The appointment of an Acting CEO;
- 1.4 The provision of independent professional advice in relation to the matters dealt with in the Policy;
- 1.5 Ongoing performance planning and monitoring of the CEO's performance; and
- 1.6 The implementation of an effective annual performance and remuneration review process

## 2. Scope

This Policy applies to key activities and decisions associated with the recruitment, appointment and employment of the CEO.

## 3. Legislative Context and Governance Statement

*Local Government Act 2020* (Vic), section 45.

*Fair Work Act 2009* (Cth)

*Gender Equality Act 2020* (Vic)

*Occupational Health and Safety Act 2004* (Vic)

*Privacy and Data Protection Act 2014* (Vic)

Victorian Government Public Entity Remuneration Policy



**Responsible officer Statement:**

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*In generating this Policy, Council confirms that its development, implementation, and review comply with the overarching governance principles outlined in the Act. This Policy has considered the importance of engagement, strategic planning, financial management, transparency, and service performance.*

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## 4. Definitions

Word	Definition
Act	The <i>Local Government Act 2020</i>
Acting CEO	The person appointed by Council in accordance with clause 16 of the Policy and section 44(4) of the Act.
Annual Development Plan	A plan developed in accordance with clause 14.
Annual Review Report	A report submitted annually to the Council from the Committee in accordance with clause 15.
Chief Executive Officer or CEO	The Chief Executive Officer of Council
Committee	The CEO Employment and Remuneration Committee as established under this Policy
Committee Member	Any Councillor who is from time to time appointed as a member of the Committee
Council or Monash City Council	means the Monash City Council
Council meeting	Has the same meaning as in the Act
Councillor	A Councillor of the Council
Duties	The responsibilities, duties and functions of the CEO and/or the Committee under the Act, this Policy and in any related instrument of Council adopted pursuant to the Act
Employment Contract	The contract of employment between the CEO and Council, including any schedules
Independent Advisor <i>(and</i>	An appropriately qualified person, who has been appointed by Council and is capable of providing independent professional advice in relation to the matters in this Policy



<i>Facilitator</i> )	that is not a Councillor or a Council Officer, in accordance with section 45(2)(a) of the Act.
KPIs	The Key Performance Indicators or performance criteria for the CEO however described
Mayor	The Mayor of the Council
Performance Appraisal	Means the process of appraising the CEO against the Performance Plan.
Performance Plan	The Performance (and Development) Plan which sets out the KPIs, deliverables and development objectives for the CEO
Policy	This CEO Employment and Remuneration Policy adopted in accordance with section 45 of the Act
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
Remuneration Package	The total gross remuneration package paid to the CEO pursuant to the Employment Contract

## 5. Responsibilities and Roles

Who	Role
Manager Governance and Legal	Ensuring that the Policy remains in accordance with the requirements of the Act.
Director City Service	Providing administrative support to the Committee and ensuring the Committee can perform its role.
Mayor	Ensuring that the Councillors understand and comply with this Policy and ensuring that the Committee carries out its responsibilities under the Act and this Policy.
CEO Employment and Remuneration Committee members	Ensuring they are aware of and comply with this Policy.



## 6. Principles of Recruitment, Appointment and Remuneration

- 6.1 The following principles will support the processes associated with the recruitment, appointment and remuneration of the CEO:
- 6.1.1 Transparency of relevant processes associated with the recruitment, appointment and employment of the CEO.
  - 6.1.2 Decision making processes that are fair, accessible and applied consistently.
  - 6.1.3 Documentation that meets legislative and organisational obligations and is clear and comprehensive.
  - 6.1.4 Recruitment principles that include:
    - a) Job advertisement transparency when a CEO vacancy should occur
    - b) Mitigation of unconscious bias
    - c) Respect for inclusivity and diversity
    - d) Consideration of Council's reputation and values
    - e) Employment decisions underpinned by merit and equal opportunity to ensure recruitment decisions are not based on sex, race, disability, age, sexuality or other personal biases
    - f) Disclosure and management of conflicts of interest or perceived partiality
    - g) Candidate confidentiality and privacy
    - h) Effective recruitment processes guided by Council policy.
- 6.2 This Policy outlines the mechanisms which support Council in fulfilling its obligations relating to the CEO's employment and under the Act, having regard to the principles outlined above.
- 6.3 The expectations on the CEO in relation to this Policy are to:
- 6.3.1 Work collaboratively with the Committee in determining the Performance Plan on an annual basis.
  - 6.3.2 Actively participate in the Performance Appraisal process as required by the Committee.
  - 6.3.3 Make use of constructive feedback from Councillors and Committee Members in relation to Performance Appraisals.
  - 6.3.4 Undertake professional development on an as needed basis, and/or as part of the Performance Plan.
  - 6.3.5 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.
- 6.4 The responsibilities of Council (including via the Committee) in relation to this Policy are to:



- 6.4.1 Establish the Committee. (refer to section 7, below).
- 6.4.2 Provide processes for the recruitment of a natural person, and their appointment, to the position of CEO.
- 6.4.3 Draft and approve the Contract of Employment entered into between Council and the CEO.
- 6.4.4 Seek and be guided by independent professional advice in relation to the matters dealt with in the Policy.
- 6.4.5 Provide processes for determining and reviewing the CEO's Remuneration Package.
- 6.4.6 Provide processes for the monitoring of the CEO's performance including setting the Performance Plan and conducting an annual Performance Appraisal review.
- 6.4.7 Determine, on an as needed basis, whether any variations to the Remuneration Package and terms and conditions of employment of the CEO are required.
- 6.4.8 Provide processes for the appointment of an Acting CEO.
- 6.4.9 Have regard to all legal, contractual and statutory obligations owed to the CEO.

## **7. CEO Employment and Remuneration Committee**

- 7.1 The Council will establish the Committee for the purposes of implementing this Policy and, in particular, obtaining independent professional advice in accordance with section 45(2)(a) of the Act.
- 7.2 The purpose of the Committee is to consider and make recommendations to Council with respect to the:
  - 7.1.1. Selection and appointment of the Independent Advisor;
  - 7.1.2. Independent advice received from time to time from the Independent Advisor.
  - 7.1.3. Performance monitoring of the CEO, including with respect to achievement of the KPIs.
  - 7.1.4. Annual Performance Appraisal review of the CEO's performance, including against the KPIs.
  - 7.1.5. CEO's remuneration.
  - 7.1.6. Recruitment and appointment of a CEO, if required.
  - 7.1.7. Provisions to be included in the Contract of Employment from time to time.
  - 7.1.8. Appointment of an Acting CEO, if required.
  - 7.1.9. Implementation of this Policy, including achievement of the principles set out in Part 6.



- 7.5. Councillors to be appointed to the Committee will be appointed by resolution of Council annually.
- 7.6. The Committee will comprise at least the Mayor and three additional Councillors, and such additional Councillors as Council may appoint by resolution from time to time.
- 7.3 The Council will determine and adopt the Terms of Reference for the Committee.
- 7.4 The Committee is to hold meetings as often as is necessary to:
  - 7.4.1 prepare documentation relevant to the CEO's employment and remuneration, including reports, recommendations and contractual documents, for the approval of Council;
  - 7.4.2 conduct and maintain appropriate records regarding Performance Appraisal Reviews of the CEO; and
  - 7.4.3 review the Remuneration Package and conditions of employment of the CEO,  
  
provided that the Committee will meet at least twice a year, which may include a mid-year review.
- 7.5 A quorum of the Committee is the Mayor and at least two Councillor members of the Committee or, if the Mayor is absent, three Councillor members of the Committee,
- 7.6 The Committee will provide a report to Council following each meeting describing its activities and making recommendations about any action to be taken by Council. At its first meeting the Committee will determine, consistent with the Terms of Reference:
  - a) 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;
  - b) how often the Committee will meet, provided that the Committee meets at least twice in each year;
  - c) means of attendance at Committee meetings (e.g. in person or online); and
  - d) how minutes of the Committee meetings will be kept, and will communicate the procedures to Council.



7.7. The Director City Services will provide secretariat support to the Committee including:

7.7.1.Coordinating meetings of the Committee.

7.7.2.Preparing relevant documentation including reports to Council.

7.7.3.Maintaining appropriate records regarding performance reviews.

7.7.4.Providing relevant governance advice.

## 8. Independent Advisor:

8.3 The Committee will be supported by an Independent Advisor who will be a suitably qualified person appointed by Council from time to time to provide independent professional advice in relation to the matters dealt with under this Policy in accordance with section 45(2)(a) of the Act. The Independent Advisor will be engaged and paid in accordance with a consultancy agreement and in alignment with Council's procurement requirements.

8.4 The Independent Advisor will actively facilitate any half year and each annual Performance Appraisal review of the CEO's Performance Plan..

8.5 The Independent Advisor will provide advice and guidance to the Committee on any matter pertaining to the CEO's employment with Council as needed.

## 9. Recruitment and Appointment of CEO

9.1 In the instance of a vacant CEO position, or when the employment contract of the CEO is not renewed, Council will engage an independent and suitably qualified executive recruitment agency to support the Committee in the end- to-end recruitment process, including a candidate search, short-listing, interview and probity processes.

9.2 The Committee will seek and table relevant proposals for Council approval to appoint an executive recruitment agency to support the recruitment process for a replacement CEO.

9.3 The executive recruitment agency will align with principles outlined in this Policy, the Council Recruitment Policy and provide Council with a CEO Recruitment Strategy that articulates:

9.3.1 Executive recruitment agency fees and charges

9.3.2 The candidate search approach including:

- a) The recruitment decision is to be based on merit
- b) Transparency is to be supported in the recruitment process and the public advertising of the position
- c) Regard is to be had to gender equity, diversity and inclusiveness



- d) Job advertising strategies to attract high calibre candidates in alignment with Council's key selection criteria and a culture of inclusivity and diversity
- e) Candidate assessment methodology
- f) Short listing approach
- g) Interview and probity processes including police and reference checking
- h) Timing of key decision points.

- 9.4 The Committee must ensure the executive recruitment agency publicly advertises the CEO role.
- 9.5 The Committee will liaise with the Director City Services with respect to the appointment of the CEO in ensuring that it aligns with Council policy requirements and the Act.
- 9.6 The Committee, in consultation with Council and the Director City Services and the Executive Manager People and Safety, will develop a thorough CEO induction program.
- 9.7 Council will receive reports and recommendations from the Committee at each decision point in the recruitment process, including the decision on a preferred candidate and the terms and conditions of their employment.
- 9.8 For the avoidance of doubt, the appointment of the CEO must be made by resolution.

## 10. Employment Contract

- 10.1 The Employment Contract is to be read in conjunction with this Policy (but the terms of the Policy are not incorporated into the Employment Contract).
- 10.2 The Employment Contract will at a minimum outline:
- a) Commencement and end date
  - b) Contract term and extension of term details, provided that the contract term must not exceed five (5) years, in accordance with section 44(2) of the Act.
  - c) Advertisement and re-appointment processes
  - d) Probationary period information no greater than six (6) months (for new appointees)
  - e) Performance Appraisal review arrangements at half and end year
  - f) KPIs
  - g) Position requirements and a position variation process outline
  - h) Responsibilities and duties of the position including compliance with the Act and the Code of Conduct
  - i) Any legislative and contractual obligations, including those during and continuing after appointment
  - j) Any disclosures and conflict of interest requirements (warranties)
  - k) Remuneration Package and other relevant benefits
  - l) Allowable expenses
  - m) Leave entitlements
  - n) Intellectual property and moral rights information
  - o) Performance matters including unsatisfactory performance and termination processes
  - p) Notice period/s requirements which will generally be in the range of 6-12 months



- q) Associated attachments including the position objectives and position criteria
- r) A Remuneration Statement that articulates allowable salary sacrifice deductions such as taxes, superannuation and a motor vehicle (as applicable).

- 10.3 Additional contract clauses will be at the discretion of Council either of its own initiation or on the advice and recommendation of the Committee via the appointment process and in alignment with applicable legislation.
- 10.4 The Contract of Employment may only be varied with the agreement of the CEO by a resolution of the Council, recorded in a deed of variation.

## 11. Employment Contract Expiry

The Committee must provide a recommendation to Council regarding the following options no earlier than 12 months prior to the expiration of the CEO contract, and not less than 6 months before its expiry.

- a) Whether the CEO should be reappointed under a new Employment Contract, and, if so, the proposed provisions of the further Employment Contract; or
- b) Advertise for recruitment of the CEO role.

- 11.1 Both options will require the Committee's adherence to the Employment Contract terms, the Act and require a resolution of Council.

## 12. Remuneration Package and Expenses

- 12.1 The CEO total Remuneration Package will be commensurate with knowledge, skills and experience and align with principles of the Victorian Government Public Entity Executive Remuneration Policy (or equivalent) and any Public Sector Wages Determinations, in accordance with section 45(3) of the Act.
- 12.2 Relevant industry benchmarking will support the Committee's recommendation for a final remuneration determination by resolution of Council made (confidentially) at a relevant Council meeting.
- 12.3 The total remuneration package will be subject to an annual Committee review in accordance with CEO performance outcomes, the KPIs and other contractual requirements. The Committee will make a recommendation to Council with respect to any proposed adjustments to be made to the total remuneration package (if any) for final approval by resolution of Council.
- 12.4 Council will meet expenses incurred by the CEO in relation to:
- a) Membership and subscription fees payable to professional associations which are reasonably necessary in order to carry out duties.
  - b) Reasonable costs incurred where attending conferences, seminars or other networking functions.
  - c) Reasonable costs incurred in performance of required duties.



### **13. CEO Performance Plan**

- 13.1 Council will approve, by resolution, an annual Performance Plan for the CEO which will include KPIs. The Plan will be developed by the Committee in conjunction with the CEO, before being referred to Council for input and approval by resolution.
- 13.2 The Performance Plan will document agreed deliverables and KPIs within the annual performance cycle that will be used to measure and assess the CEO's performance.
- 13.3 The CEO will provide progress reports to the Committee and Council at the half year and end year milestones. The performance review outcomes will align with the review process of the Remuneration Package.
- 13.4 The CEO will have an opportunity to provide the Committee with a self-assessment of their performance against the Performance Plan and KPIs as part of the Performance Appraisal.
- 13.5 Nothing in this Policy prevents the Committee and/or Council from monitoring the CEO's performance on an ongoing basis.

### **14. CEO Development Plan**

- 14.3 Council will also approve an Annual Development Plan for the CEO as part of the performance planning process. The Annual Development Plan will be developed by the Committee in conjunction with the CEO, before being referred to Council for input and approval by resolution.

### **15. Annual review**

- 15.1 In preparation for Council's review, the Committee is required to submit an Annual Review Report to Council which includes recommendations on the following:
  - 15.1.1 Whether, and to what extent, the CEO has met the KPIs under the Performance Plan.
  - 15.1.2 Whether any KPIs or other criteria ought to be varied under the Performance Plan.
  - 15.1.3 Whether the Remuneration Package ought to be varied.
  - 15.1.4 Any other necessary matters.
- 15.2 The Committee will submit the Annual Review Report to Council only after meeting with the CEO to discuss the Committee's proposed recommendations.
- 15.3 Council shall, after receipt of the Annual Review Report, review the recommendations in the Annual Review Report and advise the CEO of the outcomes of the review process.



## 16. Acting CEO

- 16.1 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.
- 16.2 The appointment of the Acting 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.
- 16.3 Where applicable, the Committee may advise Council on:
  - 16.3.1 the selection and appointment of an Acting CEO, including whether it is appropriate to:
    - 16.3.1.1 recruit an external candidate who is not currently employed by Council; or
    - 16.3.1.2 appoint an internal candidate who is a current employee of Council;
  - 16.3.2 the terms of the Acting CEO's contract of employment; and
  - 16.3.3 performance monitoring and reviewing processes. Performance and review processes may have reference to the length of the Acting CEO's term of appointment.

## 17. Delegations

- 17.1 Council must not delegate the power to appoint the CEO whether on a permanent or acting basis, however, Council may delegate to the CEO the power to appoint an Acting CEO for a period not exceeding 28 days (see sections 11(2)(d) and 11(3) of the Act).
- 17.2 Council must not delegate the power to make any decision in relation to the employment, dismissal or removal of the CEO (see section 11(2)(e) of the Act).

## 18. Gender Impact Assessment

Council has a legislative responsibility under the *Gender Equality Act 2020* to conduct a Gender Impact Assessment (GIA) on all new policies, programs and services (and those that are up for formal review) which have a direct and significant impact on the community.

A GIA has not been undertaken as this Policy does not have a direct and significant impact on the community.

## 19. Human Rights Considerations

Council must give proper consideration to human rights when making decisions. Proper consideration to human rights must be undertaken before a decision is made and may impact on people's rights.



Council confirms that this policy has been carefully reviewed to ensure it does not affect human rights. Council is committed to respecting human rights and will continue to monitor the policy to ensure it remains compliant.

## 20. Administrative Amendments

From time to time, circumstance may require minor amendments be made to this Policy. Where this does not materially alter the Policy, such amendments may be made administratively by the Chief Executive Officer.

Any amendment which materially alters the Policy must be approved by the Committee and Council.

## 21. Review

This policy will be reviewed by the Manager Corporate Governance and Legal and presented to the Committee and the Council every three years.

## 22. Document Version

Version Number	Date	Author	Reviewed By	Approved By	Comments
1.0	20/02/2025	Amanda Sapolu	Jarrod Doake	Council	Adoption of the [year] policy onto the new template and minor changes made.

## 23. Contact

If you have any questions about this Policy, please contact Council:

 By emailing: [mail@monash.vic.gov.au](mailto:mail@monash.vic.gov.au)

 By calling Manager Governance and Legal, 9518 3622