



Chief Executive Officer Employment and Remuneration Policy

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| Responsible Officer | Adoption Date | November 2021 |
| Governance and Reporting Advisor | Approved By | Council |
| Authorising Officer | Review Date | November 2025 |
| Director Corporate Services | Policy Type | Council Policy |

Statement and Purpose

The purpose of this policy is to set out council's approach to employment and remuneration of the Chief Executive Officer including provisions for the recruitment and appointment process, matters to be included in the contract of employment, performance monitoring, and an annual review.

The policy is required by section 45 of the *Local Government Act 2020*.

Scope

The policy applies to CEO employment and remuneration matters.

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Policy

1. Independent professional advice

Council may obtain independent professional advice in relation to the conduct of any of the matters dealt with in this policy.

2. Total remuneration package and remuneration reviews

Council must have regard to the following principles in determining the amount of, and changes to, remuneration for the CEO:

- (a) The amount of remuneration should be a fair and reasonable recompense for performing the role.
- (b) Remuneration should be set at a competitive level for the relevant market and sector, so as to attract and retain talented people.
- (c) Remuneration decisions should be robust and based on a consideration of all relevant factors including:
 - (i) council's financial performance and financial plan; and
 - (ii) current and projected economic conditions and trends; and
 - (iii) any statement of policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent); and
 - (iv) 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.
- (d) In calculating the superannuation component of the CEO total remuneration package, an increase to superannuation payable caused by an increase to the Superannuation Guarantee will be added to the existing total remuneration package and form the new base upon which any future annual review is applied. The purpose of this clause is to ensure the intent of the Superannuation Guarantee is preserved.

3. Recruitment and appointment

Council may engage an independent and suitably qualified recruitment firm to support it in all aspects of the recruitment and appointment of a CEO including establishing proposed remuneration and a contract of employment.

The recruitment process should be initiated six months prior to expiry date of current CEO contract.

4. Contract of employment provisions

CEO contracts of employment negotiated and agreed after adoption of this policy must include the following matters:

- (a) Remuneration amount and remuneration reviews.
- (b) The term of employment, which may be for a period of up to 5 years.
- (c) An incumbent being eligible to be reappointed under a new contract of employment.
- (d) A process to manage performance including annual performance reviews.
- (e) A process to manage disputes.
- (f) A process to manage termination by either party.
- (g) Council termination of a contract of employment:
 - (i) where it is an immediate termination, for example due to findings of corruption or misconduct, will be by providing no payment in lieu of notice; or
 - (ii) in circumstances other than sub-clause (i) above, will be by providing the lesser of 6 months remuneration in lieu of notice or the remaining value of the total remuneration package had the officer continued in employment until the end of the contract term.

5. Annual review

- (1) Council must engage an independent and suitably qualified person to support it in establishing and reviewing annual performance objectives, key performance indicators, and changes in remuneration.
- (2) The annual review process must include consultation with all councillors.
- (3) Annual performance objectives and key performance indicators must be developed in consultation with the CEO.
- (4) The annual review must allow for council to provide the CEO with performance related feedback and to have input into the CEO's development plan.
- (5) The annual review, annual performance objectives, key performance indicators, and any change to remuneration must be approved by council resolution.

6. Performance monitoring

- (1) The CEO must submit a quarterly report to councillors on progress against the annual performance objectives and key performance indicators.
- (2) Annual performance objectives and key performance indicators may be changed if circumstances warrant.

- (3) Changes to annual performance objectives and key performance indicators arising from a quarterly progress report must be approved by council resolution.

Monitoring and review

A periodic review of this policy will be undertaken to ensure any changes required to strengthen or update the policy are made in a timely manner.

Definitions

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| Chief Executive Officer - CEO | The person occupying the office of Chief Executive Officer of the council and includes a person acting in that office. |
| Contract of employment | Employment contract between the council and a person appointed as CEO |
| Council | The Wangaratta Rural City Council comprised of elected councillors and led by the Mayor. |
| Councillor | A councillor of the council. |
| Mayor | The Mayor of the council and any person appointed by the council to be acting as Mayor. |
| Organisation | The Rural City of Wangaratta organisation, led by the Chief Executive Officer. |

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| Remuneration | <p>The total remuneration package comprised of the following elements:</p> <ul style="list-style-type: none">• base salary (including any post-tax employee superannuation contributions or other post-tax deductibles)• employer superannuation contributions (compulsory employer contributions and pre-tax salary sacrifice contributions directed by the employee)• employment benefits (i.e., non-salary benefits such as the cost of a motor vehicle to an employer but excluding general business expenses such as laptop computers, mobile phones, or study leave)• the annual cost to council of providing non-monetary benefits, including any fringe benefits tax payable. |
| Total remuneration package | Refer to the definition of remuneration |

References

Legislation

- *Local Government Act 2020*

Review

The policy may be amended by the council at any time. It must be reviewed, and amended if necessary, at least once in each council term.