

**HOBSONS**  
**BAY CITY**  
COUNCIL



# Hobsons Bay Chief Executive Officer Employment and Remuneration Policy

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2021 Version 0.1

## **Acknowledgment of Country**

Council acknowledges the Bunurong People of the Kulin Nation as the Traditional Owners of these municipal lands and waterways, and pay our respects to Elders past, present and emerging.

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## 1. Purpose

The **Hobsons Bay Chief Executive Officer Employment and Remuneration Policy** (this policy) seeks to outline Council's approach to employment, management and remuneration of the Chief Executive Officer (CEO) in accordance with section 45 of the *Local Government Act 2020* (the Act) and seeks to ensure Council meets its obligations to support the ongoing high performance of the CEO through recruitment, professional development, performance planning and management and appropriate recognition and remuneration.

This policy aims to foster transparency, fairness and demonstrate Council's commitment to good governance.

## 2. Scope

The employment cycle of a CEO is a core responsibility of the elected Council. This policy outlines the mechanisms which will support Council in fulfilling its obligations regarding the CEO's employment and remuneration.

## 3. Definitions

<b>Act</b>	Refers to the <i>Local Government Act 2020</i>
<b>Annual Review</b>	An annual performance review is the formal discussion and evaluation of the progress of the CEO with an opportunity to discuss future research goals and any problems being experienced
<b>Annual Review Period</b>	The annual review period of the CEO will run from 1 July to 30 June each year
<b>Chief Executive Officer (CEO)</b>	Means the Chief Executive Officer at Hobsons Bay City Council.
<b>Committee</b>	Refers to the CEO Employment and Remuneration Committee
<b>Contract</b>	Means the CEO's contract of employment
<b>Council</b>	Means Hobsons Bay City Council
<b>Councillors</b>	Means the individuals holding the office of a member of Hobsons Bay City Council
<b>KPIs</b>	Key Performance Indicators are a set of quantifiable measures that are used to gauge performance over time
<b>Independent member</b>	Suitably qualified and experienced HR professional, capable of providing independent professional advice in relation to the matters in this policy, who is not a Councillor or a member of Council staff
<b>Remuneration</b>	Salary and salary equivalents

<b>Terms of appointment</b>	Means the CEO's contract of employment, which must not exceed (5) years in accordance with the Act (section 44)
<b>Vacancy</b>	Means the office of CEO is vacant as a result of the resignation, retirement, termination, including the end of the term of appointment, or death of the incumbent

## 4. Policy objectives

This policy seeks to meet the following objectives:

- the requirements under section 45 of the Act
- to provide a fair, transparent and consistent framework in all matters relating to the employment, performance planning and management, professional development and remuneration of the CEO
- to outline Council's approach in relation to managing the recruitment and appointment of its CEO.

## 5. Policy

### 5.1. CEO Employment and Remuneration Committee

5.1.1. Group Councillors and an independent, appropriately skilled professional person will form the **CEO Employment and Remuneration Committee** (the Committee) and oversee all matters relating to CEO's employment and remuneration.

5.1.2. The Committee will meet a minimum of twice during the appraisal period.

5.1.3. The Committee will:

- a) make recommendations regarding employment matters relating to the CEO
- b) monitor and make recommendations regarding performance matters relating to the CEO
- c) perform any other functions or responsibilities prescribed by the Act or specified by any other legislation

5.1.4. The Committee has the responsibility to communicate on a formal and regular basis with the CEO. These conversations should provide clear and honest role expectations and feedback and help identify improvement, development, and career issues. Noting the CEO has a responsibility to participate fully in these conversations, to make sure the role, responsibilities and expectations are understood, and communicate any obstacles or training needed in order to perform the role at an optimum level.

5.1.5. The Committee is chaired by an independent member who is a full member of the Committee.

5.1.6. The independent member will be remunerated for their work at a rate to be determined by Council.

- 5.1.7. The independent member will be appointed for up to four (4) years, or the term of the CEO's contract, whichever is the lesser period.
- 5.1.8. The independent member will be appointed by Council following a public process seeking Expressions of Interest from suitably qualified and experienced candidates to fill the position of independent member of the Committee.
- 5.1.9. Council's Manager Corporate Integrity (Legal Counsel) will be appointed by Council to provide support to the Committee.

## 5.2. Independent Member and Independent Professional Advice

- 5.2.1. The independent member appointed to the Committee is responsible for providing independent professional advice on matters relating to the CEO employment and performance matters.
- 5.2.2. The independent member is responsible for preparing the summary documentation and is ultimately responsible for the CEO Performance Review including the scheduling of meetings, developing the meeting agenda, ensuring the self-assessment is completed by the CEO and circulated, ensuring a Councillor survey is conducted, facilitating a 360 degree assessment and ensuring the Performance Plan is prepared.
- 5.2.3. The independent member will also assist the CEO to complete the self-assessment and will arrange for delivery to the Mayor and Committee members. The independent members will also direct the entire process and assist the Committee to bring together a united view. The independent member maintains a record of the meetings, prepares the Performance Plan and the draft report to enable the Mayor to present it to Council.
- 5.2.4. Council or the Committee may obtain independent professional advice in relation to any matters relating to this policy.

## 5.3. Remuneration and Expenses

### 5.3.1. Remuneration

- 5.3.1.1. The remuneration package provided to the CEO will be subject to a review by the Committee.
- 5.3.1.2. The remuneration package will be consistent with benchmarking against other similar-sized councils and relevant/similar executive types of roles.
- 5.3.1.3. The total remuneration package (TRP) for the CEO includes salary, superannuation, the cost of a motor vehicle to an employer and the cost of other employment benefits.

5.3.1.4. Remuneration will be reviewed annually in accordance with the terms of the contract and the CEO's annual review. The annual review will take into consideration:

- increases in CPI in the preceding twelve-month period
- the CEO's achievement against the performance objectives
- market rates for comparable positions
- the acquisition of new or enhanced skills by the CEO if beneficial to, or required by, the Council
- any increase will be paid from the anniversary date

## 5.3.2. Expenses

5.3.2.1. The Council will meet reasonable expenses incurred by the CEO.

5.3.2.2. The Council will meet expenses incurred by the CEO including:

- membership and subscription fees payable to professional associations which are reasonably necessary or desirable in performing duties
- reasonable costs incurred where attending conferences, seminars or undertaking study
- reasonable costs incurred in the performance of duties

5.3.2.3. The CEO will be provided a Council-issued credit card to use in transactions related to the role. Credit card expenditure will be approved by the Director Corporate Services with oversight by the Chief Financial Officer to ensure that payment is made.

## 5.4. CEO Performance Plan and Review

5.4.1. The CEO's annual review period will run from 1 July to 30 June each year. Where this is not practicable in the first year of appointment, an informal review will be held for the period from appointment to 30 June. Each year after that the review period will run from 1 July to 30 June.

5.4.2. Council will adopt an annual Performance Plan for the CEO, which will include KPIs. The Performance Plan must be developed collaboratively between the CEO and the Committee. The Performance Plan will document agreed objectives and outcomes to be delivered over a (12) twelve-month period from 1 July to 30 June each year.

5.4.3. An informal review will occur at the six (6) month mark to ensure that objectives and actions are progressing and to discuss any challenges that may impact outcomes. The informal review will provide the CEO and Council with the opportunity to adjust any of the objectives set, by agreement, if required.

5.4.4. A formal review of the CEO's performance, benchmarked against the Performance Plan, will be held annually by the Committee.

5.4.5. In preparation for Council's review, the Committee is required to submit an annual review report to the Council which includes recommendations on the following:

- whether, and to what extent, the CEO has met the KPIs under the Performance Plan
- whether any KPIs or other criteria ought to be varied under the Performance Plan
- whether the Remuneration Package should be varied
- any other necessary matters.

## 5.5. Appointment of a CEO

### 5.5.1. CEO Recruitment

- 5.5.1.1. The appointment of a CEO must be made by a resolution of the Council.
- 5.5.1.2. Council will engage an independent and suitably qualified recruitment firm to manage the end-to-end process of CEO recruitment. The Committee will make recommendations to the Council when appointing a recruitment firm, determining the selection criteria for the CEO position and position requirements and developing the CEO's contract.
- 5.5.1.3. Council will receive a report from the Committee on the completion of its role in the recruitment process, and Council will proceed to decide on a preferred candidate and to negotiate and finalise a draft Contract of Employment.

### 5.5.2. Contractual Requirements

- 5.5.2.1. A CEO will be appointed on a maximum term contract of employment for a period of up to five years as per section 44(2) of the Act.
- 5.5.2.2. The CEO contract will, at minimum, outline the following:
  - a) The employment term
  - b) The responsibilities and duties of the position including compliance with the Act and the Code of Conduct
  - c) Conflict of interest management requirements
  - d) The CEO's Remuneration Package and other entitlements
  - e) Any legislative and obligations, including those during and continuing after appointment
  - f) The CEO's leave entitlements
  - g) Dispute resolution procedures



- h) Processes for managing unsatisfactory performance or early termination
- i) Any other matters required to be contained in the Contract of Employment by the Regulations.

5.5.2.3. The Contract of Employment may only be varied by a resolution of the Council and if accepted by the CEO, recorded in a deed of variation.

## 5.6. Confidentiality

5.6.1. The Council will not disclose any personal information, being information, which released would result in the unreasonable disclosure of information about any person or their personal affairs.

## 5.7. Conflicts of Interest

5.7.1. If a member of the Committee has a conflict of interest relating to any item on the Agenda, the member must disclose to the Chair (being the independent member), the type and nature of the interest immediately before consideration of the matter in question.

## 5.8. Contract Expiry

5.8.1. The Committee must make recommendations to Council six months prior to the expiry of the CEO contract and with regard to current legislation to either:

- reappoint the CEO under a new contract of employment
- cease the employment of the CEO due to the expiry of the contract

## 5.9. Protocols for leave requests by the CEO

5.9.1. An application for annual leave, long service leave, personal leave or an extended absence is to be approved by the Mayor on behalf of Council and administered by the Director Corporate Services. Approval by the Mayor removes the requirement for a report to Council and a formal resolution.

5.9.2. Any application for leave made by the CEO will be considered and would not be unreasonably denied.

5.9.3. For leave requests of greater than 28 continuous days, a resolution of Council is required for the appointment of the Acting CEO.

## 5.10. Protocols for the appointment of an Acting CEO

5.10.1. The Council must appoint an Acting CEO when there is a vacancy in the office of the CEO of greater than 28 days or the CEO is unable to perform the duties of the office of Chief Executive Officer pursuant to section 44(4) of the Act.

- 5.10.2. Where the appointment is for a period not exceeding 28 continuous days, the CEO may appoint an Acting CEO under delegation from Council pursuant to section 11(3) of the Act.
- 5.10.3. The Committee must advise the Council on the selection and appointment of an Acting CEO (is this in all instances or only if greater than 28 days)

## 6. Roles and Responsibilities

### **Chief Executive Officer**

- participating in regular performance reviews
- providing relevant information to the Committee in a timely manner
- advising the Council in instances where an Acting CEO is to be appointed

### **Director Corporate Services**

- approving the credit card expenses of the CEO and Acting CEO
- administering leave requests by the CEO and approved by the Mayor on behalf of Council

### **Manager Governance (Corporate Integrity)**

- providing secretariat support to Council which facilitates the reports and documentation required under this Policy
- ensuring that the Committee adheres to statutory obligations and Council's policies and procedures, including equity and fairness

### **Council**

- appointing independent member to chair the CEO Employment and Remuneration Committee
- conducting CEO performance reviews in line with adopted CEO Employment and Remuneration Policy

### **Mayor**

- approving leave requests by the CEO on behalf of Council

### **Independent Member**

- attending meetings of the Committee
- assisting in developing performance criteria and undertaking the annual review of the CEO
- performing other functions as required in supporting the CEO's performance reviews and performance development, providing advice on appropriate development opportunities for the CEO
- providing independent advice on the CEO's Total Remuneration Package and remuneration reviews
- advising of conflicts of interest

## 7. Supporting Documents

### 7.1.1. Related Legislation and Governance

*Charter of Human Rights and Responsibilities Act 2006*

*Equal Opportunity Act 2010*

*Fair Work Act 2009*

*Gender Equality Act 2020*

*Local Government Act 1989* to the extent it continues to apply

*Local Government Act 2020*

Local Government (Governance and Integrity) Regulations 2020

Victorian Government Public Entity Executive Remuneration Policy

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

## 8. Review date

This policy will be reviewed three years from the date of endorsement by Council on 14 December 2021, unless it is required to be updated sooner.

## 9. Further information

For further information concerning this policy please contact Manager Corporate Integrity (Legal Counsel) on 9932 1000 and/or [governance@hobsonsbay.vic.gov.au](mailto:governance@hobsonsbay.vic.gov.au).

## 10. Document control

<b>Policy Name</b>	CEO Employment and Remuneration Policy
<b>Object ID</b>	A
<b>Agility Document Number</b>	
<b>Responsible Directorate</b>	Corporate Services
<b>Policy Owner</b>	Manager Corporate Integrity (Legal Counsel)
<b>Policy Type</b>	Council Endorsed Policy
<b>Date Adopted by Council</b>	14 December 2021
<b>Review Date</b>	14 December 2024

## 11. Version history

<b>Version Number</b>	<b>Date</b>	<b>Authorised by</b>