

Annual Performance Review - Chief Executive Officer Policy

POL-HRM 06



Objective

To ensure the City of Mandurah (the 'City') complies with section 5.38 of the *Local Government Act 1995* (the Act) which requires that the performance of each employee who is employed for a term of more than one year, including the Chief Executive Officer (CEO), is to be reviewed at least once in relation to every year of the employment.

Statement

This Policy has been developed in accordance with section 5.38 of the Act and *Division 3 of the Local Government (Administration) Regulations 1996* which sets out the process for completing a performance review. The performance of the CEO will be reviewed annually by Council. To ensure that the review is conducted with the required principles of fairness, integrity and impartiality, Council will engage the services of an appropriate independent consultant. *Regulation*.

Administrative responsibility for the review will be allocated to the Manager People and Culture.

The performance of the CEO will be assessed each financial year against the following criteria:

- 1) Successful completion of Key Performance Indicators previously set by Council.
- 2) Achievements which do not relate to set Key Performance Indicators but are of significant benefit to the City.
- 3) Prudent financial management.
- 4) Delivery of objectives set in of the City's Strategic and Corporate Plans.
- 5) Implementation of appropriate risk management strategies.
- 6) The CEO's advocacy on behalf of the City.
- 7) Management of the organisational culture and the recognition of the City as an employer of choice.

All matters in relation to the CEO's performance and remuneration will be dealt with as confidential items by Council.

The following is the annual performance review:

- 1) Expressions of interest to conduct the review, in line with POL-CPM02 Procurement of Goods and Services, will be sought from appropriately qualified and experienced consultants.
- 2) Following consultation with the Council and the CEO the Manager People and Culture will appoint an independent consultant to conduct the review.
- 3) A formal report on the City's achievements for the year is provided by the CEO against the criteria listed above.
- 4) The consultant shall seek feedback from Elected Members in relation to the criteria determined above. The CEO and the Council may agree on the appropriateness of feedback being sought from other people including the Executive Leadership Team. Whilst nominated people are requested to provide feedback, they are not required to do so. Note only factual information that is supported by evidence will be included in the report.
- 5) The consultant will provide the draft to Council to ensure it reflects the responses that were received and to ensure there are no modifications required.
- 6) The draft report will be provided to the CEO for review and to provide an opportunity to respond to any points raised.
- 7) After considering the CEO's responses, the consultant will modify the report accordingly and provide the final report to the Manager People and Culture.
- 8) The Manager People and Culture present the final report to Council, considering the following:

Annual Performance Review - Chief Executive Officer Policy

POL-HRM 06



- a. Endorsement of the CEO's performance for the period under review.
- b. The CEO's remuneration for the next 12 months, having regard to the relevant determination of the Salaries and Allowances Tribunal determination for Local Government CEO's.
- c. If required, the extension or renewal of the CEO's contract.
- d. Determination of appropriate Key Performance Indicators for the next 12 months.

Legislative Context

Local Government Act 1995

Division 3 of the Local Government (Administration) Regulations 1996

Salaries & Allowances Act 1975

Related Documents

Procedure: Chief Executive Officer – Performance and Remuneration Review
Guidelines for Local Government CEO Recruitment and Selection, Performance Review and Termination, Department of Local Government, Sport and Cultural Industries, February 2021

Responsible Directorate:	Business Services
Responsible Department:	N/A
Reviewer:	Director Business Services
Creation date and reference:	Minute G.56/8/13, 27 August 2013
Last Review:	24 February 2021, Minute G.11/2/21

Amendments			
Version #	Council Approval Date, Reference	Date Document In force	Date Document Ceased
2	Minute G.35/2/15	25/02/2015	23/07/2019
3	Minute G.12/7/19	24/07/2019	23/02/2021
4	Minute G.11/2/21	24/02/2021	-