

Chief Executive Officer Performance Review

Responsible Directorate:	<i>Office of the CEO</i>
Responsible Service Unit:	<i>Governance & Legal</i>
Date of Approval:	16 July 2024
Council Resolution No:	CR01-07/24

1. POLICY STATEMENT

To ensure compliance with s.5.38(1) of the *Local Government Act 1995 (the Act)* a local government must review the performance of the Chief Executive Officer (**CEO**) if the CEO is employed for a term of more than one year. The Standards for CEO Recruitment, Performance and Termination for review of performance of CEO's are contained within the *Local Government (Administration) Regulations 1996* and detail the statutory requirements for undertaking a CEO Performance Appraisals.

2. OBJECTIVE AND PURPOSE

Objective

To establish a documented agreement, in accordance with the City of Wanneroo CEO Model Standards that guides Council's annual performance and remuneration review process for the City's CEO.

3. KEY DEFINITIONS

<i>DEFINITIONS: Any definitions listed in the following table apply to this document only.</i>	
Council	<i>The Council of the City of Wanneroo.</i>
Contractual performance criteria	<i>The performance criteria specified in the CEO's contract of employment as referred to in section 5.39(3)(b) of the Act;</i>
Key Performance Indicators (KPIs)	<i>The outcomes by which the CEO's performance criteria are assessed.</i>
KPI Review Period	<i>The 12-month period that applies to each annual performance review.</i>

4. SCOPE

This policy applies to any CEO employed by the City of Wanneroo.

5. IMPLICATIONS

The objective of this Policy is to review CEO performance, manage CEO performance expectations, develop an opportunity to build relationships and to increase the effectiveness of individuals, systems and processes.

The City is committed to ensuring that each performance process is:

- Transparent and impartial
- Planned and structured
- Objective, based on facts and evidence
- Relevant, ensuring feedback is contained to performance within the review period
- Based on agreed performance criteria
- Inclusive of input from all Council Members
- Balanced, recognising achievements and supporting performance improvement
- Guides the CEO's professional development
- Recorded in writing.

6. IMPLEMENTATION

The City will ensure sound administration and facilitation of the annual CEO performance review process, including:

6.1 Appointment of a Consultant

Council shall appoint a suitably qualified and experienced consultant to assist with the conduct of the performance review process in an independent and equitable fashion.

To ensure the review process is commenced in a timely manner, Council will make the decision to appoint a consultant by no later than one month before the CEO's 12 month anniversary date falls due.

6.2 Performance Review Process

The appointed consultant shall, as a minimum, undertake the following as part of the performance review process:

- a) Prepare and distribute a questionnaire to all current Council Members, Directors and Managers by agreement between the Council and CEO, on the extent to which the CEO is considered to have achieved their contractual performance criteria and the KPIs and measurements that applied during the review period;
- b) Collect evidence regarding the CEO's performance in respect of the contractual performance criteria and KPIs in a thorough and comprehensive manner;
- c) Review the CEO's performance against the contractual performance criteria and KPIs, based on the evidence collected;
- d) Provide all current Council Members with the opportunity to provide verbal feedback on:
 - i. the CEO's responsibilities during the review period;
 - ii. the extent to which the CEO is considered to have achieved the KPIs and measurements that applied during the review period; and

- iii. any suggestions relating to professional development.
- e) Collate all feedback and provide a report to Council.
- f) Facilitate a workshop with Council to obtain a consensus decision on the CEO's performance and potential areas of development.
- g) Prepare the CEO for the formal performance review meeting by sharing the Council's consensus feedback, providing an objective view regarding any performance-related issues.
- h) Facilitate the formal performance review meeting between Council and the CEO, to share the review outcomes and agree upon any professional development. Formulate plans to support improvement (if necessary).
- i) Provide to the Council and the CEO an Annual Performance Review report incorporating the results of the review exercise and the CEO's response.
- j) Prepare a report for Council with recommendations related to the outcome of the performance review, including any agreed professional development.

6.3 Review of the CEO's Remuneration Package

The appointed consultant shall:

- a) Provide to the Council and the CEO a report to guide decision making regarding the annual remuneration review, including details of the CEO's current total remuneration package in line with the Salaries and Allowances Tribunal (SAT), SAT's latest determination and current economic indicators (e.g. CPI).
- b) Facilitate a recommendation related to any change to the CEO's remuneration, including the value, inclusions, deletions and effective date of changes.
- c) Report the recommendations to Council.

6.4 Conduct a Review of the CEO's Key Performance Indicators (KPIs)

The appointed consultant shall:

- a) Liaise with the Council and the CEO on potential draft KPIs and measurements for the upcoming review period.
- b) Report the proposed KPIs to Council.

7. ROLES AND RESPONSIBILITIES

The **Executive Manager Governance and Legal** will be responsible for:

- a) Coordinating the activities of the Council throughout the review process; and
- b) Two months prior to the completion of the KPI review year falling due, initiating liaise with the Executive Manager Corporate Strategy and Governance to initiate the Request for Quotation (RFQ) process to appoint a consultant in accordance with Council's Purchasing Policy and relevant corporate procedures.

No later than four weeks following the completion of the KPI review year, **the CEO** shall provide to Council's appointed consultant a written self-assessment of the CEO's own performance against the KPIs and measurements that applied during the review period.

Council's appointed consultant will be responsible for coordinating objective feedback on the CEO's self-assessment against KPIs.

Council Members are responsible for overseeing the performance review process and ensuring that a final review report is presented to Council to conclude the process within 3 months of the completion of the former KPI review period. If a local government election, or another extraordinary event, falls within this 3 month period, the Council shall establish revised timeframes for the review process in liaison with the CEO.

Council and the CEO will be responsible for presenting the draft KPIs and measurements in Council for determination within 3 months of the completion of the former KPI review period.

It is incumbent upon **Council Members, Directors and Managers** to actively participate in the CEO Performance Review process and to provide feedback in accordance with the provisions of this policy.

DISPUTE RESOLUTION (if applicable)

Disputes in regard to this policy will be referred to the Mayor in the first instance. Where the Mayor is involved in the dispute, it will be referred to the Deputy Mayor for a determination.

8. EVALUATION AND REVIEW

This policy will be reviewed annually.

9. RELATED DOCUMENTS

City of Wanneroo CEO Model Standards

10. REFERENCES

Local Government Act 1995

The Standards for CEO Recruitment, Performance and Termination for review of performance of CEO's are contained within the *Local Government (Administration) Regulations 1996*

11. RESPONSIBILITY FOR IMPLEMENTATION

Executive Manager Governance and Legal

REVISION HISTORY

Version	Next Review	Record No.
July 2024 - CR01-07/24	July 2025	24/228839