



POLICY – 3.12 – Annual Performance Review- Chief Executive Officer

Relevant Delegation
N/A

Objective

To ensure the Shire (the Shire of Menzies) complies with:

- a. Section 5.38 of the *Local Government Act 1995*, which requires that the performance of the CEO (Chief Executive Officer), is to be reviewed at least once in relation to every year of employment and
- b. Section 5.39AA of the Act which provides the opportunity for the CEO to respond to a report prepared by the local government relating to the CEO's performance criteria and the requirement to publish certain details relating to the review.

Policy Statement

The performance of the Chief Executive Officer will be reviewed annually by the Council and responsibility for this task shall sit with the full council. To ensure that the review is conducted with the required transparency and independence, the Council will engage the services of an appropriate independent consultant.

Administrative responsibility for the review will be allocated to the consultant. The performance of the Chief Executive Officer will be assessed each financial year against the following criteria:

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

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

The Chief Executive Officer will ensure the following process is implemented:

1. Expressions of interest to conduct the review, in line with the Council's purchasing policy will be sought from appropriately qualified and experienced consultants by March each year.
2. Following consultation with the Council and the Chief Executive Officer, the Council will appoint an independent consultant to conduct the review.

3. A formal report on the Shire's achievements for the year is provided by the Chief Executive Officer against the listed criteria (1-7 above).
4. The consultant shall seek feedback from Elected Members and the Leadership Team in relation to the determined criteria above. The Chief Executive Officer and Council may agree on the appropriateness of seeking feedback from other people. Whilst nominated people are requested to provide feedback, they are not required to do so.
5. The Council will consider the report provided by the consultant in sufficient time to allow recommendations to be considered by the Council at its July meeting each year and for the publication of the report.
6. The Council will consider a recommendation that includes:
 - a. Endorsement of the Chief Executive Officer's performance for the period under review.
 - b. The Chief Executive Officer's remuneration for the next 12 months, having regard to the relevant determination of the Salaries and Allowances Tribunal for Local Government Chief Executive Officer's.
 - c. If required, the extension or renewal of the Chief Executive Officer's contract.

Determination of appropriate Key Performance Indicators for the next 12 months.

– End of Policy

ADOPTED: 25 MAY 2017

LAST REVIEWED: 27 JULY 2023