



POLICY

TITLE:	CHIEF EXECUTIVE OFFICER – PERFORMANCE AND SALARY REVIEW	CODE:	AD.04
PURPOSE or OBJECTIVE:	To define a consistent Chief Executive Officer performance and salary review process.		
REFERENCE DOCUMENTS:	Local Government Act 1995, Part 5, Division 4, Section 5.38. Local Government (Administration) Regulations 1996, Regulation 18D. Salaries and Allowances Act 1975 (Salary and Allowances Tribunal) Contract of Employment – Chief Executive Officer City of Canning Policy CM146 – Employee – Probationary Period		

POLICY STATEMENT

To ensure the City of Canning complies with Section 5.38 of the Local Government Act 1995, (*the Act*) which requires that the performance of the Chief Executive Officer be reviewed at least once in relation to every year of employment.

1. Scope

The process of undertaking a performance and salary review of the Chief Executive Officer must be formalised to ensure equity in assessment against Key Performance Indicators (KPIs) established in the Chief Executive Officer’s Contract of Employment, and/or in the immediately previous performance assessment.

Adoption of this process by Council ensures a consistent approach to the City of Canning’s Chief Executive Officer performance and salary review.

This Policy ensures a collaborative, constructive process, designed to enhance performance and to provide guidance for the forthcoming review period.

Elected Members should take a corporate view and regard the process as an opportunity to build relationships, increase the effectiveness of individuals, systems and processes, whilst offering improved performance and profile of the City of Canning.

2. Definitions

Term	Definition
<i>Act</i>	Means the Local Government Act 1995 (as amended) and associated Regulations.
<i>Chief Executive Officer</i>	The person employed as the Chief Executive Officer of the City of Canning as defined under Sections 1.4 and 5.41 of the Local Government Act 1995.
<i>Committee</i>	Means a committee of the Council of the City of Canning, as defined under Section 5.1 of the Local Government Act 1995.
<i>Deputy Mayor</i>	Elected Member holding the Office of Deputy Mayor of the City of Canning.
<i>Elected Member</i>	Means a person who holds the Office of Councillor on the City of Canning Council, as defined under Section 1.4 of the Local Government Act 1995.
<i>Key Performance Indicators (KPIs)</i>	Agreed objectives against which performance may be monitored and measured.
<i>Mayor</i>	Elected Member holding the Office of Mayor of the City of Canning.

Term	Definition
<i>Performance and Salary Review</i>	Means a review of the Chief Executive Officer's performance and salary conducted in accordance with Part 5, Division 4, Section 5.38 of the Local Government Act 1995, Regulation 18D of the Local Government (Administration) Regulations 1996, the Salary and Allowances Tribunal, the Chief Executive Officer's Contract of Employment, and Key Performance Indicators set in agreement between Council and the Chief Executive Officer.
Suitably Qualified External Professional	A person who is not employed by the City of Canning, who is professionally qualified and/or has expertise in executive employment, assessment and evaluation, and who is competent to facilitate a performance and salary review of the Chief Executive Officer.

3. Details

3.1 **Statutory Requirements**

- 3.1.1 It is a statutory requirement that the Chief Executive Officer's performance and salary is reviewed annually.

3.2 **Performance and Salary Review Committee**

- 3.2.1 Council will establish a committee to be titled the "*Chief Executive Officer - Performance and Salary Review Committee*" (*the Committee*) for the purpose of undertaking the probationary, and annual performance and salary review of the City's Chief Executive Officer.
- 3.2.2 Establishment of the Committee will be in accordance with Part 5, Division 2, Subdivision 2 of the Local Government Act 1995.
- 3.2.3 Part 5, Division 2, Section 5.9(4) of the Act determines that if Council were to form such a Committee, and the Mayor informs Elected Members of his/her wish to be a member of that Committee, the local government is to appoint the Mayor to the Committee.
- 3.2.4 The undertaking of performance and salary reviews will be in accordance with the Local Government Act 1995, the Local Government (Administration) Regulations 1996, Salaries and Allowances Act 1975 (*Salary and Allowances Tribunal*), and the Chief Executive Officer's Contract of Employment.
- 3.2.5 The Committee will comprise the Mayor, Deputy Mayor and two Elected Members.
- 3.2.6 All Elected Members seeking appointment to the Committee must undertake the relevant Chief Executive Officer Performance Review training provided by the Western Australian Local Government Association (WALGA) within six months of appointment.
- 3.2.7 The City is authorised to source a suitably qualified external professional to facilitate the review process.

3.3 **Probationary and Annual Reviews**

- 3.3.1 An initial review will be undertaken following completion of the designated probationary period.
- 3.3.2 Annual reviews will be undertaken in July each year.
- 3.3.3 A Strategic Issues Briefing may be scheduled to provide all Elected Members with the opportunity to provide input to the review process.
- 3.3.4 The Committee will report and make recommendation(s) to Council following each review.

3.4 Key Performance Indicators

- 3.4.1 KPIs must refer to the Chief Executive Officer's Contract of Employment, the Corporate Business Plan and/or the Strategic Community Plan.
- 3.4.2 KPIs must contain a balance of both tactical and strategic indicators, define realistic milestones and reporting requirements, mirror expectations of Council and the community, and acknowledge leadership.
- 3.4.3 KPIs are reviewed annually and are to be agreed upon by the Chief Executive Officer and the Council after each review period.
- 3.4.4 The Chief Executive Officer will provide a self-assessment to the Committee of his/her performance against the relevant KPIs prior to the commencement of each review.

3.5 Interim Reviews

- 3.5.1 In the event that Council has concerns about the performance of the Chief Executive Officer, at Council's request, the Mayor will ask the Committee to undertake an interim performance review.
- 3.5.2 The Chief Executive Officer is to be advised in writing by the Mayor if there is to be an interim review, advising the areas of concern, and providing a minimum of one week's notice of the timing of the review.

GOVERNANCE REFERENCES

Statutory Compliance	Local Government Act 1995, Part 5, Division 4, Section 5.38. Local Government (Administration) Regulations 1996, Regulation 18D. Salaries and Allowances Act 1975 (Salary and Allowances Tribunal).
Process Links	

POLICY ADMINISTRATION

Directorate	Officer Title	Authority to Approve	
Office of the Chief Executive	Chief Executive Officer	Council	
Version	Decision Reference	Synopsis	Delegation No
1	CR-033-16 OCM 20 December 2016	New Policy Adopted.	Nil.