



24 August 2018

NOTICE OF MEETING

Dear Committee Member,

The next CEO Performance Review Committee meeting will be held at 4.30pm on Tuesday, 28 August 2018 in the Weir Room, Shire of Mundaring Administration Centre.

The attached agenda is presented for your consideration.

Yours sincerely

Jonathan Throssell
CHIEF EXECUTIVE OFFICER

Please Note

If an Elected Member has a query regarding a report item or requires additional information in relation to a report item, please contact the senior employee (noted in the report) prior to the meeting.



AGENDA
CEO PERFORMANCE REVIEW COMMITTEE MEETING
28 AUGUST 2018

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or Employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Employee, or the content of any discussion occurring during the course of the Committee Meeting.

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**CEO PERFORMANCE REVIEW COMMITTEE MEETING
WEIR ROOM, SHIRE OF MUNDARING ADMINISTRATION CENTRE – 4.30PM**

1.0 OPENING PROCEDURES

1.1 Announcement of Visitors

1.2 Attendance/Apologies

Staff	Jonathan Throssell Paul O'Connor Anna Italiano	Chief Executive Officer Director Corporate Services Minute Secretary
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Apologies

Guests	John Phillips	John Phillips Consulting
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2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Elected Members must disclose the nature of their interest in matters to be discussed at the meeting (*Part 5 Division 6 of the Local Government Act 1995*).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (*Sections 5.70 and 5.71 of the Local Government Act 1995*).

3.2 Declaration of Interest Affecting Impartiality

An Elected Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest (*Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C*).

4.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

RECOMMENDATION

That the Minutes of the CEO Performance Review Committee Meeting held 20 August 2018 be confirmed.

5.0 PRESENTATIONS

Nil

6.0 REPORTS OF EMPLOYEES

6.1 CEO Annual Performance Review 2017/18

File Code	OR.MTG 6/2/3
Author	Paul O'Connor, Director Corporate Services
Senior Employee	Paul O'Connor, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Shire of Mundaring CEO Review (confidential) (under separate cover)

SUMMARY

The CEO Performance Review Committee (CEOPRC) is to complete the performance review of the Chief Executive Officer (CEO) for the 2017/18 financial year through consideration of the final feedback report and distribution of ratings on the CEO's key focus areas for the 2017/18 period.

BACKGROUND

The employment contract between the Council and CEO provides for an annual performance review.

Council established CEOPRC to fulfil the following functions:

1. Undertake an annual assessment of the CEO's performance in accordance with the provisions of the CEO's contract of employment;
 2. In conjunction with the CEO, develop key result areas to deliver the key priorities of the Corporate Business Plan, and other methods that will be used to assess the CEO's future performance and to meet the expectation of Council;
 3. Review the CEO's remuneration package annually and make recommendations to Council in relation to remuneration, in accordance with the CEO's contract of employment, having consideration to the CEO's performance, current level of remuneration, and the Salaries and Allowances Determination;
 4. Provide positive communication opportunities between Council and the CEO; and
 5. Provide guidance to Council in assessing the CEO's performance. The CEOPRC is therefore responsible to:
 - compile the consensus response for each of the agreed key result areas - COMPLETED – see **Confidential Attachment 1** "CEO Annual Review – CEO Appraisal report" (pages 7 – 12).
 - conduct a performance review feedback session with the CEO (**Completed 20 August 2018**)
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- prepare and submit for Council approval, a report describing the assessment developed during the performance review, changes to be made, special tasks to be done, or decisions to follow as a result of the evaluation
- prepare and submit for Council approval any variations to the CEO's conditions of employment.

STATUTORY / LEGAL IMPLICATIONS

Local Government Act 1995 (Act)

5.38. Annual review of certain employees' performances

The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment.

Additionally in accordance with s5.39 (3)(b) of the Act, it is a requirement that the contract of employment specifies performance criteria for the purpose of measuring the CEO's performance.

The process needs to be undertaken appropriately to ensure the CEO is provided with a fair and consistent approach to performance reviews. The process must stand up under scrutiny as the tool and the outcomes of the review directly affect decisions made in relation to the CEO, his performance and remuneration decisions.

The review of the CEO's performance is not only a statutory requirement, but also a critical component in monitoring the delivery of the strategic objectives of the Shire, as the CEO has responsibility for the Shire's strategic plan.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.1 – A fiscally responsible Shire that prioritises spending appropriately

Strategy 1.1.4 – Practice effective governance and financial risk management

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Deficient CEO performance review practices may result in a lack of accountability and loss of stakeholder confidence in the Shire.		
Likelihood	Consequence	Rating
Possible	Moderate	Moderate
Action / Strategy		
Failure to undertake the review will result in a breach of legislative requirements and CEO contractual arrangements.		

CONSULTATION

Feedback received from Shire of Mundaring elected members and the draft review report were discussed at CEOPRC on 13 August 2018 and then directly with the CEO on 20 August 2018.

COMMENT

A review of the CEO's performance in key focus areas for the review period 2017/18 financial year has been carried out in accordance with Council's statutory and CEO contractual obligations.

Mr John Phillips, John Phillips Consulting was engaged to assist with the appraisal process. This included consulting with CEOPRC, compiling and distributing a questionnaire to elected members, interviewing those elected members who availed of the opportunity to meet with the facilitator, as well as preparing and presenting the appraisal feedback report.

A consistent performance appraisal has been used over the past years by Mr Phillips which enables for comparison of the CEO's performance over time.

The CEO Appraisal Report dated 20 August 2018 is attached and indicates an overall rating for the CEO as "meets the agreed performance requirements" – see **Confidential Attachment 1** "CEO Annual Review".

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That:

1. CEOPRC receives and endorses the CEO Appraisal Report dated 11 September 2018 prepared by John Phillips Consulting (refer **Confidential Attachment 1** “CEO Annual Review” - provided under separate confidential cover); and
2. Council:
 - i. Notes that the Chief Executive Officer’s annual appraisal for the 2017/18 period has been undertaken (refer **Confidential Attachment 1** “CEO Annual Review” - provided under separate confidential cover); and
 - ii. Endorses the Committee’s finding that Mr Throssell’s performance has met agreed performance requirements as the Chief Executive Officer.

6.2 CEO Key Focus Areas 2018/19

File Code	OR.MTG 6/2/3
Author	Paul O'Connor, Director Corporate Services
Senior Employee	Paul O'Connor, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Shire of Mundaring CEO Review (confidential) (under separate cover)

SUMMARY

The CEO Performance Review Committee (CEOPRC) following completion of its review of the Chief Executive Officer's (CEO) KFAs for the 2017/18 financial year need to consider in conjunction with the CEO, the development of key result areas and objectives for 2018/19 to deliver the key priorities of the Council's Strategic and Corporate Business Plan to assess the CEO's performance in meeting the expectations of Council.

BACKGROUND

The employment contract between the Council and CEO provides for an annual performance review.

Council established CEOPRC to fulfil the following functions:

1. Undertake an annual assessment of the CEO's performance in accordance with the provisions of the CEO's contract of employment;
2. In conjunction with the CEO, develop key result areas to deliver the key priorities of the Corporate Business Plan, and other methods that will be used to assess the CEO's future performance and to meet the expectation of Council;
3. Review the CEO's remuneration package annually and make recommendations to Council in relation to remuneration, in accordance with the CEO's contract of employment, having consideration to the CEO's performance, current level of remuneration, and the Salaries and Allowances Determination;
4. Provide positive communication opportunities between Council and the CEO; and
5. Provide guidance to Council in assessing the CEO's performance.

The CEOPRC is therefore responsible to:

- compile the consensus response for each of the agreed key result areas (COMPLETED)
- conduct a performance review feedback session with the CEO (COMPLETED)

- prepare and submit for Council approval, a report describing the assessment developed during the performance review, changes to be made, special tasks to be done, or decisions to follow as a result of the evaluation
- prepare and submit for Council approval any variations to the CEO's conditions of employment.

STATUTORY / LEGAL IMPLICATIONS

Local Government Act 1995 (Act)

5.38. Annual review of certain employees' performances

The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment.

Additionally in accordance with s5.39 (3)(b) of the Act, it is a requirement that the contract of employment specifies performance criteria for the purpose of measuring the CEO's performance.

The process needs to be undertaken appropriately to ensure the CEO is provided with a fair and consistent approach to performance reviews. The process must stand up under scrutiny, as the tool and the outcomes of the review directly affect decisions made in relation to the CEO, his performance and remuneration decisions.

The review of the CEO's performance is not only a statutory requirement, but also a critical component in monitoring the delivery of the strategic objectives of the Shire, as the CEO has responsibility for the delivery of Shire's strategic community plan.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.1 – A fiscally responsible Shire that prioritises spending appropriately

Strategy 1.1.4 – Practice effective governance and financial risk management

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Deficient CEO performance review practices may result in a lack of accountability and loss of stakeholder confidence in the Shire.		
Likelihood	Consequence	Rating
Possible	Moderate	Moderate
Action / Strategy		
Failure to undertake the review will result in a breach of legislative requirements and CEO contractual arrangements.		

CONSULTATION

Feedback received from Shire of Mundaring elected members and the draft review report were discussed at CEOPRC on 13 August 2018 and then directly with the CEO on 20 August 2018.

COMMENT

The employment contract between Council and CEO provides for a performance review process. The review is to assess the CEO's performance against CEO Key Focus Areas (KFAs).

The role of the CEOPRC includes reviewing the performance of the CEO, in particular, his performance against the agreed KPIs and to undertake a review of the CEO's KFAs to ensure they remain relevant and aligned to Council's strategic objectives.

A review of the CEO's performance in key focus areas for the review period 2017/18 financial year has been carried out in accordance with Council's statutory and CEO contractual obligations.

Mr John Phillips, John Phillips Consulting was engaged to assist with the appraisal process. This included consulting with CEOPRC, compiling and distributing a questionnaire to elected members, interviewing those elected members who availed of the opportunity to meet with the facilitator, as well as preparing and presenting the appraisal feedback report.

Key Focus Areas 2018/19

Preliminary work has been undertaken to develop an appropriate suite of KFAs for the CEO in the 2018/19 period. The KFAs has been considered to ensure alignment with Council's Strategic and Corporate Business Plans.

The proposed suite of KFAs and objectives for 2018/19, timeframes for completion and their Strategic/Corporate Plan references are to be determined by CEOPRC in conjunction with the CEO - see **Confidential Attachment 1**, pages 7 - 12).

Important actions/projects have been identified based on the Strategic Plan and Corporate Business Plan following input from elected members during the CEO appraisal process.

The KFAs do not include 'day to day' operational activities, which are captured under the obligations of the CEO position description.

The focus of matters included in the KFAs are issues considered to be of strategic importance and critical to the success of the delivery of the Shire's Strategic and Corporate Business Plans.

CEOPRC are asked to finalise the CEO's proposed KFAs for 2018/19.

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That Council endorses the CEO's Key Focus Areas for 2018/19 (**Confidential Attachment 1**, pages 5 - 10) (provided under separate confidential cover).

7.0 URGENT BUSINESS (LATE REPORTS)

8.0 CLOSING PROCEDURES

8.1 Date, Time and Place of the Next Meeting

To be determined.

8.2 Closure of the Meeting