

Governance 12: CEO Performance and Salary Review

1. Purpose

The purpose of this policy is to set out the principles and criteria under which the Council will review the Chief Executive Officer's Performance and Salary, in compliance with the *Local Government Act 1995*, *Salaries and Allowances Act 1975* requirements and the relevant employment contract.

2. Policy Statement

The City of Kalamunda (City) recognises that Council holds statutory and contractual obligations to review the performance and salary of the Chief Executive Officer (CEO) on an annual basis.

Through the timely and smooth operation of the performance and salary review processes, Council ensures the CEO's performance objectives are aligned to the delivery of the City's Corporate Strategic Plan.

As an employee of the City, the CEO's performance and salary review is an important opportunity for Council to motivate and encourage excellent work performance, while providing feedback for areas of change or improvement.

Council will constitute the CEO Performance Review Committee (CEOPRC) to facilitate the timely and effective oversight of the performance and salary review processes.

2.1 Principles of Performance Management

All parties agree to the following principles:

- (a) Confidential – The CEO's employment contract stipulates that he/she is entitled to have performance and salary discussions be treated in confidence;
- (b) Courteous – All parties agree that the performance and salary reviews will be conducted in a respectful and courteous manner;
- (c) Constructive – Where opportunities for change or improvement are identified for the CEO, Elected Members will provide constructive feedback and will provide examples of a preferred approach from the CEO;
- (d) Procedurally Fair - Council will ensure the CEO has the right to review and respond to any feedback provided in the course of the performance review. The CEO will have the opportunity to ask clarifying questions and respond to constructive feedback.
- (e) Absence of bias – Councillors agree –
 - (i) to actively consider whether they or any other Councillor who is a member of the CEOPRC, has, or could reasonably be perceived to have, an interest in any matter for consideration before the CEOPRC that could adversely affect their impartiality, or cause their decisions to be tainted by actual or perceived bias; and

- (ii) should any Councillor consider that they may have any such interest, or bias in any matter that comes before the CEOPRC, or if any third party, including any Councillor, informs the CEOPRC in writing of their reasonable apprehension of the same, that Councillor shall immediately declare an impartiality interest and thereafter withdraw from the CEOPRC, and not vote on any part of the CEO Performance and Salary Review Process.

2.2 Setting and Evaluating Performance

The CEOPRC will facilitate the performance review process as follows:

- (a) Council will ensure the CEO has clear and objective standards of performance defined at the beginning of the financial year;
- (b) Performance Standards will reflect the CEO's role, responsibilities and strategic priorities;
- (c) Feedback and evaluation of performance will reference the performance standards set out at the beginning of the financial year under review.
- (d) Performance evaluations will be supported by relevant data, evidence and examples.

2.3 Salary Review

The CEO's employment contract requires that the review of salary and other benefits must occur annually and must have regard to:

- (a) The CEO's performance, as determined in the performance review;
- (b) Any changes to the work value or responsibilities of the CEO's position;
- (c) The hours of work, including hours worked outside normal working hours;
- (d) The condition of the market and economy generally;
- (e) The relevant determination from time to time made under the *Salaries and Allowances Act 1975*; and
- (f) The capacity of the City to pay an increase.

The Council is not obliged to increase the amount of salary or benefits but must not, other than with the CEO's consent, reduce the amount of the total salary and benefits package (also called 'Remuneration Package').

Status	Council and Statutory Requirement		
Related Local Law	N/A		
Related Council Policies	N/A		
Relevant Delegation	N/A		
Related Internal Procedures	N/A		
Related Budget Schedule	N/A		
Legislation	Section 5.38 <i>Local Government Act 1995 WA</i>		
Notes and Conditions	N/A		
Authority	Council		
Adopted	27 August 2019	Next Review Date	27 August 2021