

Minutes

CEO Performance Review Committee

MEETING HELD ON TUESDAY 14 JULY 2009

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CITY OF JOONDALUP

MINUTES OF THE CHIEF EXECUTIVE OFFICER – PERFORMANCE REVIEW COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY 14 JULY 2009

ATTENDANCE

Committee Members:

Cr Russ Fishwick	<i>Presiding Person</i>	South Ward	
Cr Tom McLean		North Ward	
Cr Geoff Amphlett		Central Ward	
Cr Mike Norman		South-West Ward	<i>from 1740 hrs</i>
Cr Brian Corr		South-East Ward	

Officers:

Mr Mike Tidy	Director Corporate Services
Mrs Janet Foster	Administrative Services Coordinator

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 1736 hrs.

APOLOGIES/LEAVE OF ABSENCE

Nil.

CONFIRMATION OF MINUTES

MINUTES OF THE CHIEF EXECUTIVE OFFICER – PERFORMANCE REVIEW COMMITTEE MEETING HELD ON 9 MARCH 2009

MOVED Cr McLean, SECONDED Cr Amphlett that the minutes of the meeting of the Chief Executive Officer – Performance Review Committee held on 9 March 2009 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Crs Fishwick, McLean, Amphlett and Corr

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

DECLARATIONS OF INTEREST

Disclosure of Financial Interest

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision making process if they have disclosed their interest.

Name/Position	Mr Garry Hunt – Chief Executive Officer
Item No/Subject	Item 1 - CEO Annual Performance Review, Review of Key Performance Indicators and Annual Salary Review
Nature of interest	Financial
Extent of Interest	Mr Hunt holds the position of CEO.

Disclosure of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Mr Mike Tidy - Director Corporate Services
Item No/Subject	Item 1 - CEO Annual Performance Review, Review of Key Performance Indicators and Annual Salary Review
Nature of interest	Interest that may affect impartiality
Extent of Interest	Due to the nature of his employment relationship with the CEO.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS

ITEM 1 CEO ANNUAL PERFORMANCE REVIEW, REVIEW OF KEY PERFORMANCE INDICATORS AND ANNUAL SALARY REVIEW

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr. Mike Tidy
Corporate Services

FILE NUMBER: 74574

ATTACHMENTS: Attachment 1 Clauses 11 and 12.10 of the CEO's Contract of
Employment
Attachment 2 CEO Performance Review - Timetable
Attachment 3 CEO KPIs for 2008/09
Attachment 4 Proposed CEO KPI Review Process

PURPOSE

The purpose of this report is for the CEO Performance Review Committee (the Committee) to commence the CEO's annual performance review, the review of the key performance indicators (KPIs) and the annual salary review.

EXECUTIVE SUMMARY

There are two primary elements to commencing the annual performance review of the CEO. Firstly the annual performance review provisions of the Contract of Employment of the Chief Executive Officer of the City of Joondalup (the Contract) specify timelines in the process that are required to be met and a timetable therefore needs to be agreed. Secondly as part of the annual performance review process the Committee is required (clause 11.2(e)(i) of the Contract) to appoint an external and independent HR expert, or similar, to consult with and seek guidance from and to facilitate the review of the CEO's performance.

The experience of the last several annual performance reviews is that the review of the KPIs and the annual salary review have been incorporated into the annual performance review process. The KPIs are reviewed and discussed with the CEO at his performance review interview and the salary is reviewed at the Committee meeting that considers the final report of the CEO's performance.

It is recommended that the CEO Performance Review Committee:

- 1 *APPROVES the timetable for the performance review of the Chief Executive Officer and sets the date for the formal performance review interview as Tuesday 25 August 2009.*
- 2 *REQUESTS Workplace Solutions (John Phillips) be appointed as the external and independent HR expert for the committee to consult with and seek guidance from and to facilitate the review of the CEO's performance.*

- 3 *ENDORSES the process of seeking input into the CEO's KPIs from Elected Members at the same time as feedback is provided in relation to the CEO's performance review and that the review of the CEO's KPIs be undertaken at the interview with the CEO in relation to his annual performance.*
- 4 *ENDORSES the process of undertaking the annual salary review at the same meeting as its consideration of the Concluded Annual Performance Review Report.*

BACKGROUND

The CEO commenced employment with the City of Joondalup on 31 January 2005. In March 2009 the City and the CEO entered into a new contract of employment for a term of five (5) years commencing on 18 March 2009. The new contract was modelled on the previous one however, there are some changes and in some cases while the content of clauses may not have changed clause numbering has changed.

Clause 11 (copy of the full text of clause 11 is at attachment 1) of the Contract sets out the requirements for performance development and review. This encompasses the annual performance review related to the period expired and a review of the KPIs for the next review period. Clause 12.10 (copy also included at attachment 1) sets out the requirements for the annual salary review.

The Contract does not make any specific requirements for the process of reviewing the CEO's KPIs. A proposed KPI review process is set out in attachment 4.

DETAILS

Issues and options considered:

Consultant

In essence the performance review process requires the Committee to conduct a formal interview with the CEO, (clause 11.2(b)). The Committee is required to consult with other Elected Members and the CEO is required to submit a report on his performance all prior to the interview and within certain designated timeframes and periods of notice.

Critically clause 11.2(d) provides that *“neither the Council nor the Executive is entitled to attend the scheduled interview with a support person or representative (legal or otherwise)”*. At the same time clause 11.2(e)(i) provides that *“In conducting the review, the Performance Review Committee must appoint and consult with and seek guidance from an external and independent human resources expert, or similar, to facilitate the review of the Executive’s performance”*.

For the last three (3) reviews Workplace Solutions (John Phillips) has been used. The outcome of the last three (3) reviews in terms of the assistance and support provided by the consultant appears to have been successful and well received by the Committee. With this in mind it is therefore felt that the Committee might consider using the same consultant again.

John Phillips has been approached to determine availability and likely cost. A formal quote has not been requested but the advice received is that it will be very similar to last year (this was \$3,818 exc GST). This proposal includes, if requested by Elected

Members, being able to meet with the consultant one on one in order to assist them in putting their comments together.

Timetable for Review

The process for conducting the CEO's performance review, as set out in clause 11.2, provides not only for the various tasks and issues that need to be considered but also very specific timeframes.

The key element that drives all of the timeframes is the formal scheduled interview by the Committee with the CEO. With this in mind the critical timeframes are:

- The CEO is to be given at least fifteen (15) working days' notice of the scheduled interview
- The CEO is required to prepare a self-evaluation report and submit it to the Committee not less than five (5) working days prior to the scheduled interview
- The Committee is required to invite written comments from all individual Elected Members addressing their views on the CEO's performance at least fifteen (15) working days prior to the scheduled interview and the responses which must be dated and signed must be received back by the Committee at least five (5) working days prior to the scheduled interview.
- The Committee must prepare a report within thirty (30) days of the conclusion of the review
- As soon as the report is completed the Committee must provide a copy to the CEO and give him up to five (5) working days to provide any written comments he may have on matters addressed in the report to the Committee
- Following the five (5) working day response period for the CEO the Committee is required to submit its report and any comments of the CEO to the next meeting of Council provided that next meeting is at least five (5) working days away.

A timetable has been drawn up (attachment 2). The timetable provides for a final report to be considered by Council at its meeting on Tuesday 15 September 2009.

Review and Setting of KPIs for 2009/10

The Contract provides that the review of the KPIs (clause 11.1) may be done at or immediately after the CEO's annual performance review. The recent experience has been that this has been done at the same time as the performance review and the intention for this review is to follow this recent experience. A copy of the agreed 2008/09 CEO KPIs is at attachment 3.

Annual Salary Review

The Contract provides that the annual salary review is to be done after the completion of the annual performance review. The recent experience has been that this has been done at the same meeting and following consideration of the Concluded Annual Performance Review Report. A separate report is presented to the Committee in relation to this. The intention for this review is to follow this recent experience.

Legislation/Strategic Plan/Policy Implications

Legislation

Section 5.38 of the Local Government Act 1995 provides:

“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.”

Strategic Plan

Key Focus Area: Leadership and Governance

Objective: 1.1 OBJECTIVE: To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.
1.3 OBJECTIVE: To lead and manage the City effectively.

Policy

Not applicable

Risk Management considerations:

The performance review process is designed to evaluate and assess the CEO's performance against KPIs on a periodic basis and the Committee is required to refer its concluded report to the Council for consideration and actioning.

Financial/Budget Implications:

In conducting the performance review under the Contract, the Committee is required to appoint and consult with and seek guidance from an external and independent human resources expert, or similar, to facilitate the review of the CEO's performance (Clause 11.2(e)(i)). Provision has been made in the 2009/10 budget for this cost.

It should be noted that the Committee does not have delegated power to appoint the consultant. The formal appointment of the consultant will be by the Director Corporate Services under delegated authority.

Regional Significance:

Not applicable.

Sustainability implications:

Not applicable.

Consultation:

As part of the review process, under clause 11.2(e)(ii), the Committee is required to seek written comments in relation to the CEO's performance from all individual Elected Members.

COMMENT

This review is the first annual review since the new Contract commenced on 18 March 2009. There have however, been three annual reviews under the previous Contract in which the process and format was almost the same. These previous reviews have been conducted successfully in terms of process and format. This report does not propose any significant change.

VOTING REQUIREMENTS

Simple majority.

OFFICER'S RECOMMENDATION

That the CEO Performance Review Committee:

- 1 APPROVES the timetable for the performance review of the Chief Executive Officer and sets the date for the formal performance review interview as Tuesday 25 August 2009;
- 2 REQUESTS Workplace Solutions (John Phillips) be appointed as the external and independent HR expert for the committee to consult with and seek guidance from and to facilitate the review of the CEO's performance;
- 3 ENDORSES the process of seeking input into the CEO's KPIs from Elected Members at the same time as feedback is provided in relation to the CEO's performance review and that the review of the CEO's KPIs be undertaken at the interview with the CEO in relation to his annual performance;
- 4 ENDORSES the process of undertaking the annual salary review at the same meeting as its consideration of the Concluded Annual Performance Review Report.

The Director Corporate Services advised of the need to modify the timetable for the performance review of the Chief Executive Officer (under ID1 to ID6 inclusive).

Cr Norman entered the Room at 1740 hrs.

MOVED Cr McLean SECONDED Cr Amphlett that the CEO Performance Review Committee:

- 1 **APPROVES the revised timetable for the performance review of the Chief Executive Officer, forming Attachment 1 to these Minutes, and sets the date for the formal performance review interview as Tuesday 25 August 2009;**
- 2 **REQUESTS Workplace Solutions (John Phillips) be appointed as the external and independent HR expert for the committee to consult with and seek guidance from and to facilitate the review of the CEO's performance;**

- 3 **ENDORSES** the process of seeking input into the CEO's KPIs from Elected Members at the same time as feedback is provided in relation to the CEO's performance review and that the review of the CEO's KPIs be undertaken at the interview with the CEO in relation to his annual performance;
- 4 **ENDORSES** the process of undertaking the annual salary review at the same meeting as its consideration of the Concluded Annual Performance Review Report.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, McLean, Amphlett, Norman and Corr

Attachment 1 refers

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 1742 hrs; the following Elected Members being present at that time:

Cr Russ Fishwick
Cr Tom McLean
Cr Geoff Amphlett
Cr Mike Norman
Cr Brian Corr