

PR017: CHIEF EXECUTIVE PERFORMANCE REVIEW

Proponent / Owner	: City of Albany
Attachments	: Confidential CEO Annual Appraisal Report prepared by Learning Horizons Chief Executive Officer KPIs for 2025-26
Report Prepared By	: Manager Governance and Risk Personal Assistant to Mayor and Councillors
Authorising Officer:	: Manager Governance and Risk

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
 - **Pillar:** 5. Leadership. A well-governed city that uses resources wisely to meet local needs.
 - **Outcomes:** 5.1 Provide strong, accountable leadership.

In Brief:

- Council is requested to consider and endorse the CEO Performance Review Committee's recommended Key Performance Indicators for the 2025-26 review period, as part of the outcomes of the Chief Executive Officer's annual performance review.

RECOMMENDATION

PR017: COMMITTEE RECOMMENDATION VOTING REQUIREMENT: ABSOLUTE MAJORITY

THAT Council:

1. **NOTE** that Mr Andrew Sharpe's Annual Performance Review as Chief Executive Officer of the City of Albany for the 2024-25 period has been completed in accordance with the City's adopted CEO Performance Review Process Policy and relevant legislative requirements.
2. **ADOPT** the CEO Performance Review Committee's recommendations, including the proposed Key Performance Indicators for the 2025-26 review period, as detailed in the Confidential CEO Annual Appraisal Report.

BACKGROUND

2. The Chief Executive Officer's (CEO) performance review was conducted in accordance with the Model Standards for CEO Recruitment, Performance and Termination, as mandated under Section 5.39A of the *Local Government Act 1995*.
3. These Model Standards prescribe mandatory requirements for:
 - a. CEO recruitment and selection;
 - b. Annual performance review; and
 - c. Termination of employment.
4. The City of Albany's CEO Performance Review Process Policy and Clause 8 – Performance Criteria and Review of Performance in the CEO's employment contract are aligned with these standards. These documents:
 - a. Require an annual review of the CEO's performance;
 - b. Define the review process, including performance criteria and independent assessment; and
 - c. Ensure the process is conducted with fairness, integrity and transparency.
5. Further legislative reforms were introduced via the *Local Government Amendment Act 2024* (No. 47 of 2024), assented to on 06 December 2024. These reforms:
 - a. Reinforced the Model Standards under Section 5.39A;
 - b. Introduced Sections 5.39BA to 5.39BC, enhancing procedural clarity; and
 - c. Strengthened provisions for performance related termination, requiring evidence based reviews and procedural fairness.
6. Additionally, the *Local Government Regulations Amendment Regulations (No. 2) 2025*, effective from 01 February 2025, updated the *Local Government (Administration) Regulations 1996*, clarifying administrative procedures relevant to CEO oversight.

DISCUSSION

Councillor Obligations

7. Under the *Local Government Act 1995*, Council is responsible for the employment of the CEO, who manages the operations and functions of the local government. Councillors, as elected members, have a statutory obligation to ensure the CEO's performance review is conducted in accordance with the Model Standards (Schedule 2 of the Regulations). This obligation is fundamental to maintaining good governance, transparency and accountability.

Process Requirements

8. Council must confirm that the following requirements were met:
 - a. The review process was agreed to in writing between Council and the CEO (Clause 16(3)).
 - b. Performance criteria were included in the CEO's contract, with any additional criteria agreed to in writing (Clauses 16(1)(b) and 16(3));
 - c. The review was conducted impartially and transparently, with an independent consultant or observer engaged (Clause 17(1));
 - d. Evidence of performance was collected thoroughly (Clause 17(2)(a)); and
 - e. The CEO's performance was assessed based on the collected evidence (Clause 17(2)(b)).

Endorsement of the Review

9. Council must also ensure:
 - a. The review was endorsed by Absolute Majority (Clause 18);
 - b. The CEO was informed in writing of the review outcome (Clause 19(a)); and
 - c. The CEO was advised of how Council intends to address any identified performance issues (Clause 19(b)).
10. These requirements uphold the integrity of the review process and promote alignment between Council and the CEO on expectations and continuous improvement.

REVIEW PROCESS

Review Panel

11. The CEO Performance Review Panel, as defined in the City's policy, comprises the Mayor and three Councillors appointed by Council resolution. For the 2024-25 review period, the panel consisted of:
 - a. Mayor Stocks;
 - b. Deputy Mayor Terry;
 - c. Councillor Traill; and
 - d. Councillor McKinley.

Independent Facilitator

12. In accordance with policy and procurement requirements, a Request for Quotation was issued for independent facilitation services.
13. Following evaluation, Learning Horizons was appointed at the Ordinary Council Meeting held 27 May 2025. Their services included:
 - a. Facilitating meetings of the CEO Performance Review Committee;
 - b. Distributing the appraisal questionnaire to Councillors;
 - c. Collating responses; and
 - d. Preparing the confidential report to Council.

Key Milestones

Date	Action
14 July 2025	CEO completed self-assessment and provided it to Elected Members
15 July 2025	CEO delivered "Year in Review" presentation to Councillors consisting of a high-level overview of organisational performance and performance against the CEO's KPIs
16 July 2025	Questionnaire distributed to Councillors seeking feedback on CEO performance and KPIs for 2025-26
01 August 2025	Questionnaire closed, consultant prepared report
14 August 2025	CEO Performance Review Committee reviewed the report and discussed KPIs
19 August 2025	CEO Performance Review Committee briefed Council at Strategic Workshop
26 August 2025	Final report presented to Council for endorsement

Review Outcomes

14. The CEO Performance Review Committee's full recommendations are provided in the confidential attachment to this report.

Key Performance Indicators

15. Discussion of KPIs for the 2025-26 period occurred during the Strategic Briefing on 14 August 2025.
16. All Councillors contributed to the prioritisation of outcomes for the next review period. The Committee incorporated this feedback into the proposed KPIs, which are included in the confidential attachment.
17. Progress against KPIs will be reported through the Quarterly Corporate Scorecard Report presented to Council.

GOVERNMENT & PUBLIC CONSULTATION

18. In accordance with the City of Albany's governance framework and the requirements of the *Local Government Act 1995*, no public or government consultation is required for the Chief Executive Officer's performance review.
19. The CEO performance review is an internal governance process conducted between the CEO and Elected Members. It is facilitated by an independent consultant appointed by Council to ensure impartiality, transparency and procedural integrity.
20. The process is guided by the City's CEO Performance Review Process Policy and the Model Standards for CEO Recruitment, Performance and Termination, and is not subject to external consultation or public engagement.

STATUTORY IMPLICATIONS

21. The CEO Performance Review has been conducted in accordance with Section 5.39A of the *Local Government Act 1995*, which mandates compliance with the Model Standards for CEO Performance, Recruitment and Termination.
22. These standards are embedded in the *Local Government (Administration) Regulations 1996*, as amended by the *Local Government (Administration) Amendment Regulations 2021*.
23. Further legislative context is provided by the *Local Government Amendment Act 2024 (no. 47 of 2024)*, which introduced additional provisions under Sections 5.39BA to 5.39BC, reinforcing procedural clarity and fairness in CEO performance reviews and employment matters.
24. The voting requirement for Council's endorsement of the CEO Performance Review is **Absolute Majority**.

POLICY IMPLICATIONS

25. The CEO Performance Review 2025 has been conducted in full alignment with the City of Albany's CEO Performance Review Process Policy.
26. This policy outlines the procedural requirements for conducting the annual review, including:
 - a. The establishment of a Performance Review Committee comprising of the Mayor and three Councillors appointed by Council resolution;
 - b. The engagement of an independent facilitator through a formal recruitment process;
 - c. The use of structured performance criteria and assessment tools; and
 - d. The requirement for fairness, transparency and integrity throughout the review process.

27. The review process described in this report adheres to all provisions of the adopted policy.
28. No amendments to the policy are proposed or required as a result of this review. The policy continues to provide a robust framework for CEO performance management and supports Council's statutory and governance obligations.

RISK IDENTIFICATION & MITIGATION

29. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Legal. <i>The statutory and contractual process is compromised.</i>	<i>Unlikely</i>	<i>Major</i>	<i>High</i>	<i>Ensure Council is fully informed of statutory and contractual obligations. Engage an independent performance specialist to guide the process and ensure compliance with legislative and policy requirements.</i>

30. This mitigation strategy ensures that the CEO performance review is conducted in accordance with the relevant legislative provisions and adopted policy, thereby reducing the likelihood of procedural errors or governance risks.

FINANCIAL IMPLICATIONS

31. The Chief Executive Officer's remuneration package is incorporated within the adopted 2025-26 Annual Budget.
32. The City of Albany is classified as a Band 1 Local Government under the Salaries and Allowances Tribunal Determination for Local Government CEOs. This classification informs the remuneration framework applicable to the CEO role, including salary banding, allowances and benefits.
33. The CEO's remuneration is reviewed annual in accordance with the CEO's employment contract and the City's CEO Performance Review Process Policy.

LEGAL IMPLICATIONS

34. The CEO Performance Review has been conducted in accordance with the statutory requirements outlined in the Local Government Act 1995.
35. This section should be read in conjunction with the Risk Identification & Mitigation section of this report, which outlines the legal risks and corresponding mitigation strategies associated with the review process

ENVIRONMENTAL CONSIDERATIONS

36. There are no direct environmental implications associated with the conduct of the CEO Performance Review.

ALTERNATE OPTIONS

37. Council may consider the following options in relation to the CEO Performance Review:
 - a. Endorse the review as presented, including the recommendations of the CEO Performance Review Committee;
 - b. Endorse the review with modifications, subject to further discussion or clarification of specific elements; or
 - c. Reject the recommendations of the CEO Performance Review Committee and request an alternative approach or further review.

38. These options are available to Council in exercising its governance responsibilities under the *Local Government Act 1995* and the City's adopted CEO Performance Review Process Policy.

CONCLUSION

39. It is recommended that Council notes the CEO Performance Review Committee's report and endorses all recommendations, including the proposed Key Performance Indicators for the 2025-26 review period.
40. This endorsement reflects Council's commitment to transparent governance, continuous improvement and alignment with the City's strategic objectives.

Consulted References	:	<ul style="list-style-type: none">• <i>Local Government Act 1995</i>• <i>Local Government (Administration) Regulations 1996</i>• Council's adopted Policy-1.10 CEO Performance Review Process Policy
File Number	:	Personnel File PE.PAP.9
Previous Reference	:	<ul style="list-style-type: none">• Report PR016: OCM 27/05/2025• Report PR015: OCM 27/08/2024