

Appointment of Independent Advisor

Strategic Alignment - Enabling Priorities

Public

Monday, 24 April 2023
CEO Performance Review
Panel

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Approving Officer:
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EXECUTIVE SUMMARY

On the 14 March 2023 Council resolved to delegate to the CEO Performance Review Panel (the Panel) the power to appoint an independent advisor. This report outlines the role of an independent advisor in providing the Panel with advice on the CEO's performance, and recommends a suitable person to undertake the work.

Andrew Reed from Hender Consulting is recommended to the Panel given the experience both Andrew and Hender have as a provider of CEO performance appraisals in the local government sector, and demonstrated understanding of the strategic challenges and opportunities facing the sector.

RECOMMENDATION

THAT THE CEO PERFORMANCE REVIEW PANEL

1. Appoints Andrew Reed from Hender Consulting as an independent advisor the CEO Performance Panel for the purposes of Section 102A of the *Local Government Act 1999*.
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IMPLICATIONS AND FINANCIALS

CEO Contract	The Terms of Reference (as adopted by Council) require the CEO to agree on the advisor (who is not a member of the Panel)
Consultation	The CEO is aware of, and has agreed to, the use of Andrew Reed from Hender Consulting.
22/23 Budget Allocation	The use of the consultant is within the existing consultant budget.

DISCUSSION

Background

1. On the 14 March 2023 Council resolved to delegate to the CEO Performance Review Panel (the Panel) the power to appoint an independent advisor. ([Link One](#))
2. The primary purpose of the Panel is to develop, monitor and assess key performance indicators and establish a process by which CEO performance is measured.
3. In undertaking this review, Section 102A *Local Government Act 1999* (Act) requires Council to obtain and consider the advice of a qualified independent person for the purposes of any review.
4. For each of the circumstances outlined above, the definition of a qualified independent person is a person who is:
 - 4.1. not a member or employee of the council; and
 - 4.2. determined by the Panel have the appropriate qualifications or experience in human resource management.

Advisor's Role

5. Without engaging an independent advisor, the recommended composition of the Panel still meets the requirements of 102A of the Act to the extent that an independent member should have the appropriate qualifications or experience in human resources management.
6. However, it is recommended to the Panel that an independent advisor separate to the Panel Members with skills and expertise in the Local Government Sector and CEO performance appraisal processes is engaged to support undertaking the review.
7. In accordance with Part Two of the Panel's Terms of Reference ([Link Two](#)) an Independent Advisor will provide the Panel with information, support and advice on:
 - 7.1. modern and best practice processes to set, inform and deliver the CEO performance review.
 - 7.2. the performance of the CEO in relation to the Key Performance Indicators and other comparable CEO performances and position responsibilities.
 - 7.3. any assistance and/or professional development activities to support the CEO to be successful in their position and in the achievement of Key Performance Indicators, including the provision of any resources required to access these.

Hender Consulting Proposal

8. The proposal from Hender Consulting has previously been provided to members.
9. Andrew Reed from Hender Consulting has been invited to present to the Committee and discuss the methodology and overview of the proposed process for the CEO performance review.

10. Hender Consulting is a regular provider of CEO performance appraisal and remuneration advice to the local government sector and demonstrate a good understanding of the strategic challenges and opportunities facing the sector.
11. Hender Consulting can provide a best practice process that ensures consistency with other similar appraisals, providing relevant and meaningful reporting of results while offering independent and objective advice.
12. Andrew Reed joined Hender Consulting in 2002 and was appointed as General Manager in late 2016. Mr Reed has facilitated well over 2,000 consulting assignments with a particular focus on executive and non-executive director search and recruitment, CEO and GM appraisals, remuneration reviews and organisational structure advice. During his time with the firm, Andrew has been entrusted by a diverse range of public and private entities to assist with appointing the most pivotal roles in the organisation.
13. It is recommended that the Panel appoint Andrew Reed from Hender Consulting as a qualified independent person for the purposes of Section 102A of the *Local Government Act 1999*

DATA AND SUPPORTING INFORMATION

Link 1 - Council Meeting 14 March 2023 Minutes

Link 2 - CEO Performance Review Panel Terms of Reference.

ATTACHMENTS

Nil

- END OF REPORT -