INDEX OF REPORTS OF THE BLAYNEY SHIRE COUNCIL MEETING HELD ON TUESDAY 22 JULY 2025

20) Mayoral Minute - Performance Review Panel for the General Manager's Performance Review 2

20) MAYORAL MINUTE - PERFORMANCE REVIEW PANEL FOR THE GENERAL MANAGER'S PERFORMANCE REVIEW

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File No: PE.PA.3

Recommendation:
That:
1. A Performance Review Panel consistent with the Office of Local Government Guidelines under Section 23A of the Local Government Act be established.
2. The Performance Review Panel include The Mayor, Deputy Mayor, and the five other Councillors, subject to their availability.
3. Council engages the services of Sinc Solutions to implement a training program for the Performance Review Committee members and facilitate the Performance Review Process on Tuesday 19th August 2025.
4. Council delegate all tasks necessary for the completion of the Performance Review.
5. The Mayor be delegated authority to finalise all arrangements for the Performance Review Panel to convene on Tuesday 19th August 2025.

Reason for Report:
The purpose of this Mayoral Minute is to establish a Performance Review Panel of Councillors to undertake the annual performance review for the General Manager, Mark Dicker.

Item:
Council executed a 5 year contract with the General Manager, Mark Dicker which commenced in August 2022.

This contract is based upon the Standard Contract for the Employment of General Managers as per the Guidelines issued under s23A of the Local Government Act (1993).

In accordance with the *Local Government Act 1993* and the *Standard Contract of Employment for General Managers*, Council must undertake an annual review of the General Manager's performance. The *Guidelines for the Appointment and Oversight of General Managers (2022)* state that a Performance Review Panel must be established to lead this process.

In summary Council's requirements are to:
- Ensure that performance is reviewed at least annually.
- Establish a Performance Review Panel.
- Ensure that panel members are trained in performance management of General Managers.

- Delegate the role of conducting the performance review, reporting findings and recommendations to Council and developing the Performance Agreement, to the Panel.

Council may also choose to include an independent observer on the panel and may engage an external facilitator (e.g. human resources specialist) to support the performance review process. The Mayor and General Manager have agreed to engage Sinc Solutions as an external facilitator of the performance review.

Given Blayney Shire Council only comprises 7 councillors, all councillors are invited to participate and form the Review Panel. (No independent observer is proposed as all 7 Councillors are invited to comprise the review panel.)

Role and Responsibilities of the Panel
The Panel will be delegated the responsibility to:

- Conduct annual and any interim performance reviews of the General Manager
- Prepare reports with findings and recommendations for Council
- Develop and finalise the annual Performance Agreement
- Ensure that performance management is conducted in accordance with the Standard Contract and the principles of natural justice and confidentiality

The NSW Office of Local Government, *Guidelines for the Appointment and Oversight of General Managers (2022)* is enclosed to this report, pages 11 to 13 detail guidance on performance management.

Enclosures (following report)

1 Guidelines for the Appointment and Oversight of General Managers 20 Pages

Attachments (separate document)

Nil

Guidelines for the Appointment and Oversight of General Managers

2022



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INTRODUCTION

The *Local Government Act 1993* (the Act) requires councils to appoint a person to be the council's general manager (section 334).

One of the prescribed functions of the governing body of a council is to determine the process for the appointment of the general manager and to monitor their performance (section 223).

These Guidelines have been developed to assist councillors when performing their functions under the Act relating to the appointment of general managers and overseeing their performance. They provide guidance on:

- the role of the general manager and the importance of a good working relationship between councillors and the general manager
- the recruitment process and the appointment of a general manager
- day to day oversight of and liaison with the general manager
- the performance review process
- separation, and
- renewal of the general manager's contract.

These Guidelines are issued under section 23A of the Act and must be taken into consideration by councils when exercising their functions in relation to the recruitment and oversight of general managers. They should be read in conjunction with the relevant provisions of the Act and the *Local Government (General) Regulation 2021* (the Regulation) and the standard contract of employment for general managers approved by the Departmental Chief Executive of the Office of Local Government under section 338 of the Act (the approved standard contract).

ROLE OF THE GENERAL MANAGER

Councillors comprise the governing body of a council and make decisions by passing resolutions. It is the general manager's role to implement the lawful decisions of the council and to carry out the functions conferred on them by the Act and Regulation and other legislation.

General managers also perform other functions delegated to them by the governing body.

The governing body monitors the implementation of its decisions through the general manager's reports to council meetings.

Key functions of the general manager

The Act confers certain functions on general managers of councils (section 335). Key aspects of the general manager's role are set out below:

Management of the council

The general manager is responsible for conducting the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies approved by the governing body of the council and implementing without undue delay, lawful decisions of the governing body.

Assisting the governing body to set the strategic direction

The general manager also plays a key role in assisting the governing body to develop the council's strategic direction. The general manager is responsible for guiding the preparation of the community strategic plan and the council's response to it via the delivery program and operational plans. The general manager is also responsible for implementing the delivery program and operational plans and reports to the governing body on their implementation. More information on this is available on the Office of Local Government's website.

Determining the organisation structure

The general manager is responsible for determining the organisation structure of the council (other than senior staff positions) following consultation with the governing body and in accordance with the budget approved by the governing body (section 332). The positions within the organisation structure of the council must be determined to give effect to the priorities set out in the council's strategic plans, including the community strategic plan and delivery program.

Appointment and direction of staff

The general manager is responsible for the appointment and direction of staff and their dismissal. The general manager must consult with the governing body before appointing or dismissing senior staff.

Supporting councillors

The general manager is also responsible for ensuring councillors are provided with the information and the advice they require to make informed decisions and to carry out their civic duties.

The general manager should ensure that council meeting business papers contain sufficient information to allow councillors to make informed decisions and to allow them to effectively monitor and review the council's operations and performance. This will assist councils in ensuring they are complying with statutory requirements, keeping within the budget approved by the council, and achieving the strategic goals set by the council in its delivery program and operational Plan.

The governing body may direct the general manager to provide councillors with advice but

cannot direct them as to the content of that advice.

Requests by councillors for assistance or information outside of meetings should be made to the general manager unless the general manager has authorised another staff member to receive such requests. The *Model Code of Conduct for Local Councils in NSW* contemplates that councils should adopt a policy to provide guidance on interactions between councillors and staff. The policy should be agreed to by both the governing body and the general manager. To assist councils, the Office of Local Government has prepared a model councillor and staff interaction policy which reflects best practice. This is available on the Office of Local Government's website.

The delegation of functions to the general manager

A governing body may delegate certain functions of the council to the general manager but cannot delegate the functions set out in section 377(1) of the Act. The delegation of a council's functions must be made by resolution and be evidenced in writing. Delegations must be reviewed during the first 12 months of each term of the council (section 380).

The general manager may sub-delegate a function delegated to them by the governing body (section 378). However, the general manager still retains responsibility to ensure that any sub-delegated function is carried out appropriately.

The importance of a good working relationship with the general manager

The position of general manager is pivotal in a council. It is the interface between the governing body which sets the strategic direction of the council and monitors its performance, and the administrative body of the council, headed by the general manager, which implements the decisions of the governing body. A good working relationship between the general manager and the councillors is therefore critical for good governance and a well-functioning council. Where this relationship breaks down, this can quickly lead to dysfunction.

The Centre for Local Government at the University of Technology in Sydney has identified the following as key components of a good working relationship between councillors and the general manager:

- mutual trust and respect
- councillors publicly supporting the work of the general manager
- councillors dealing with any performance concerns through appropriate channels e.g., not the media or council meetings
- councillors not getting involved in the day-to-day operational matters of the council (which makes it difficult for the general manager to do their job)
- councillors having a clear understanding of how and when to approach the general manager or other staff for information or support and following agreed protocols
- regular meetings between the general manager, mayor and councillors to ask questions and share information and advice
- respect of confidentiality, and
- any conflict is dealt with professionally and quickly and where it can't be addressed informally, proper processes are followed.

RECRUITMENT AND SELECTION

Requirements of the *Local Government Act 1993*

One of the prescribed functions of the governing body of a council is to determine the process for the appointment of the general manager (section 223).

When recruiting a new general manager, the position must be advertised in a manner sufficient to enable suitably qualified persons to apply for the position (section 348).

As with the appointment of all council staff, councils must ensure that the appointment of the general manager is made using merit selection principles (section 349). Recruitment using merit selection is a competitive process where the applicant who demonstrates that they have the best qualifications and experience relevant to the role is appointed. Equal employment opportunity principles also apply to the recruitment of general managers (sections 349 and 344).

The recruitment process must be open and transparent, but the confidentiality of individual applicants must be maintained. A failure to maintain appropriate confidentiality may constitute a breach of the Act, the council's code of conduct and the *Privacy and Personal Information Protection Act 1998*.

Councils should engage an external recruitment consultant to assist them with the recruitment process and that person should have a role in verifying that proper processes and procedures are followed in the appointment of the general manager.

There are a range of possible approaches to undertaking the recruitment of the general manager. The guidance contained in these Guidelines reflects what the Office of Local Government considers to be best practice.

The pre-interview phase

As noted above, the council's governing body is responsible for determining the process for recruiting the general manager.

The governing body should delegate the task of recruitment to a selection panel led by the mayor and approve the recruitment process. The panel will report back to the governing body on the process and recommend the most meritorious applicant for appointment by the council.

The selection panel should consist of at least the mayor, the deputy mayor, another councillor and a suitably qualified person independent of the council. Where practicable, the selection panel membership should remain the same throughout the entire recruitment process.

Selection panels should, where possible, have a mix of genders.

The council's governing body should delegate to one person (generally the mayor) the task of ensuring:

- the selection panel is established
- the general manager's position description is current and evaluated in terms of salary to reflect the responsibilities of the position
- the proposed salary range reflects the responsibilities and duties of the position
- the position is advertised according to the requirements of the Act
- information packages are prepared, and
- applicants selected for interview are notified.

The mayor, or another person independent of council staff, should be the contact person for the position and should maintain confidentiality with respect to contact by potential applicants.

Interview phase

Interviews should be held as soon as possible after candidates are short listed.

Questions should be designed to reflect the selection criteria for the position and assist the selection panel to assess the suitability of the candidate for the position.

Interviews should be kept confidential.

All written references must be checked. The selection panel must delegate the task of contacting referees to one panel member. Other panel members should not contact referees.

If contact with someone other than a nominated referee is required, the applicant's permission must be sought.

At least 2 referees must be contacted and asked questions about the candidate relevant to the selection criteria.

Where tertiary qualifications are relied on, they should be produced for inspection and if necessary, for verification.

Appropriate background checks must be undertaken, for example, bankruptcy and criminal records checks and whether the candidate has been disqualified from managing a corporation by the Australian Securities and Investments Commission. For guidance on better practice recruitment background checks, see the Australian Standard AS 4811:2022 Workforce Screening and the Independent Commission Against Corruption's publication, *Strengthening employment screening practices in the NSW public sector* which is available on its website.

Selection panel report

The selection panel is responsible for preparing a report to the council's governing body that:

- outlines the selection process
- recommends the most meritorious applicant with reasons
- recommends an eligibility list if appropriate
- recommends that no appointment is made if the outcome of interviews is that there are no suitable applicants.

This report should be confidential and reported to a closed meeting of the council.

The appointment of a general manager is a non-delegable function of the council under section 377 of the Act and a general manager cannot be appointed without a formal resolution of the council.

The council's governing body must by resolution approve the position of the general manager being offered to the successful candidate before the position is offered to the candidate.

Finalising the appointment

The mayor makes the offer of employment after the governing body has resolved to appoint the successful candidate. The initial offer can be made by telephone.

Conditions such as term of the contract (1-5 years) and remuneration package (within the range approved by the governing body of the council) can be discussed by telephone but must be confirmed in writing.

The standard contract of employment for general managers approved by the Departmental Chief Executive of the Office of Local Government under section 338 of the Act must be used. The approved standard contract is available on the Office's website. The terms of the approved standard contract must not be varied. Only the term of the contract and the schedules to the approved standard contract can be adapted by councils.

General managers must be employed for 1–5 years.

The contract governs:

- the duties and functions of general managers
- performance agreements
- the process for renewal of employment contracts
- termination of employment and termination payments
- salary increases, and
- leave entitlements.

It should be noted that the Departmental Chief Executive of the Office of Local Government cannot approve individual variations to the standard terms of the contract.

Candidates who are placed on the eligibility list and unsuccessful applicants should be advised of the outcome of the recruitment process before the successful applicant's details are made public.

Record keeping

Councils should retain all records created as part of the recruitment process including the advertisement, position description, selection criteria, questions asked at interview, interview panel notes, selection panel reports and notes of any discussions with the selected candidate. These records are required to be stored and disposed of in accordance with the *State Records Act 1998*.

DAY-TO-DAY OVERSIGHT AND LIAISON WITH THE GENERAL MANAGER

While one of the prescribed functions of the governing body is to monitor the general manager's performance, day-to-day oversight of and liaison with the general manager should be undertaken by the mayor.

The mayor's role in the day-to-day management of the general manager should include:

- approving leave
- approving expenses incurred, and
- receiving and managing complaints about the general manager in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*.

The council's governing body should ensure there are adequate and appropriate policies in place to guide the mayor in the day-to-day oversight of and liaison with the general manager and keep those policies under regular review.

Some of the key policies the governing body should ensure are in place are those relating to:

- leave
- travel
- credit cards
- purchasing and procurement
- expenses and facilities
- petty cash, and
- financial and non-financial delegations of authority.

The governing body should also ensure there are appropriate policies in place with respect to the expenditure of council funds and reporting requirements in relation to that expenditure.

The council's governing body should satisfy itself that any policy governing the conferral of a benefit on the general manager, such as use of a motor vehicle, allows the actual dollar value of that benefit to be quantified so it can be accurately reflected in the general manager's salary package in Schedule C to the approved standard contract.

PERFORMANCE MANAGEMENT

Managing the performance of the general manager

The general manager is made accountable to the council for their performance principally through their contract of employment.

The role of the governing body is to monitor the general manager's performance in accordance with their contract of employment.

The performance of the general manager must be reviewed at least annually against the agreed performance criteria for the position. Councils may also choose to undertake more frequent interim reviews of the general manager's performance.

The agreed performance criteria must be set out in an agreement that is signed within three months of the commencement of the contract. Development of the performance agreement is discussed below.

Establishing a performance review panel

The governing body must establish a performance review panel led by the mayor, and delegate the task of undertaking the general manager's performance reviews to the panel. The extent of the delegation should be clear.

It is recommended that full responsibility for performance management be delegated to the performance review panel, including discussions about performance, any actions that should be taken and the determination of the new performance agreement.

Performance review panels should comprise of the mayor, the deputy mayor, another councillor nominated by council and a councillor nominated by the general manager.

The council's governing body may also consider including an independent observer on the panel. Panel members should be trained in the performance management of general managers.

The role of the review panel includes:

- conducting performance reviews
- reporting the findings and recommendations of reviews to the council, and
- development of the performance agreement.

The governing body and the general manager may agree on the involvement of a suitably qualified external facilitator such as a human resources professional to assist with the performance review process and the development of a new performance agreement. That person may be selected by the governing body or the performance review panel.

Councillors who are not members of the performance review panel may be invited to contribute to the performance review process by providing feedback to the mayor on the general manager's performance relevant to the agreed performance criteria.

All councillors should be notified of relevant dates in the performance review cycle and be kept advised of the panel's findings and recommendations.

The panel should report back to the governing body of the council in a closed session on the findings and recommendations of performance reviews as soon as practicable following any performance review. This should not be an opportunity to debate the results or revisit the general manager's performance review. The general manager should not be present when the matter is considered.

The performance agreement, action plan and any associated records that contain specific information about the work performance or conduct of the general manager are to remain confidential unless otherwise agreed to by the general manager or are required to be disclosed by law. The unauthorised disclosure of this information may constitute a breach of the Act, the council's code of conduct and the *Privacy and Personal Information Protection Act 1998*.

Establishing the performance agreement

The performance agreement is the most important component of successful performance management. The performance agreement should include clearly defined and measurable performance indicators against which the general manager's performance can be measured.

As one of the general manager's key responsibilities is to oversee the implementation of the council's strategic direction, it is important to align the general manager's performance criteria to the goals contained in the community strategic plan, and the council's delivery program and operational plans.

The performance agreement should also include indicators relevant to the general manager's personal contribution to the council's key achievements and their core capabilities, including leadership qualities.

The performance agreement should also include indicators related to promoting and maintaining an ethical culture within the council. These could include the conduct and measurement of the outcomes from staff surveys and the promotion of whistleblowing procedures under the *Public Interest Disclosures Act 1994* and the reporting of suspected wrongdoing to appropriate oversight agencies including the Independent Commission Against Corruption and the Office of Local Government.

The performance agreement should contain but not be limited to key indicators that measure how well the general manager has met the council's expectations with respect to:

- service delivery targets in the council's delivery program and operational plans
- budget compliance
- organisational capability
- timeliness and accuracy of information and advice to councillors
- timely implementation of council resolutions
- management of organisational risks
- promotion of an ethical culture
- ensuring a safe workplace and facilitating compliance with the *Work Health and Safety Act 2011*, and
- leadership and providing a consultative and supportive working environment for staff etc.

Performance review process

The approved standard contract requires that the performance of the general manager must be formally reviewed at least annually. The governing body of the council may also undertake interim performance reviews as appropriate.

The assessment should include:

- a self-assessment by the general manager, and
- an assessment by the review panel of the general manager's performance against the performance agreement.

The performance review meeting should be scheduled with sufficient notice to all parties in accordance with clauses 7.6 and 7.7 of the approved standard contract. These require:

- the general manager to give the council 21 days' written notice that an annual performance review is due, and
- the council to give the general manager at least 10 days' written notice that the performance review is to be conducted.

The meeting should concentrate on constructive dialogue about the general manager's performance against all sections of the performance agreement.

The meeting should identify any areas of concern and agreed actions to address those concerns.

In undertaking the performance review, care must be taken to ensure that the review is conducted fairly and in accordance with the principles of natural justice. The appointment by the council, in agreement with the general manager, of a suitably qualified external facilitator to advise on the process (see above) should assist councils to comply with these requirements.

The council's governing body must advise the general manager, in writing, in clear terms, the outcome of any performance review.

The new performance agreement for the next period should be prepared as soon as possible after the completion of the previous period. The agreement should be presented to the governing body of the council for discussion in a closed meeting together with the outcomes of the previous review period.

REMUNERATION AND REWARD

Under the approved standard contract, general managers are entitled to an annual increase in their salary package on each anniversary of the contract, equivalent to the latest percentage increase in remuneration for NSW public sector senior executive office holders as determined by the Statutory and Other Offices Remuneration Tribunal.

Councils may also approve discretionary increases to the general manager's total remuneration package under the approved standard contract as a reward for good performance. Discretionary increases may only be approved after a formal review of the general manager's performance has been undertaken and the general manager's performance has been assessed as being better than satisfactory.

Any discretionary increases should be modest and in line with community expectations and only apply for one year unless the council determines that it is to apply for the balance of the contract. All discretionary increases in remuneration, together with the reasons for the increase, must be reported to an open meeting of the council.

Councils may also on one occasion during the term of the contract approve the payment of a retention bonus to the general manager as an incentive for them to serve out their contract. If approved, the retention bonus is to be accrued on an annual, pro-rata basis for the remainder of the contract and is to be paid at the end of the contract period.

SEPARATION

Termination of the general manager's employment

The approved standard contract sets out how the general manager's employment contract can be terminated before its expiry date by either the governing body or the general manager (see clause 10 of the approved standard contract). The circumstances in which the general manager's employment contract may be terminated are set out below:

By agreement

The contract may be terminated at any time by written agreement between the council and the general manager.

Resignation

The general manager may terminate the contract by giving 4 weeks written notice to the governing body of the council.

Incapacity

A council may terminate the general manager's contract by giving them 4 weeks written notice or by paying the equivalent of 4 weeks' remuneration calculated in accordance with Schedule C of the approved standard contract where:

- the general manager has become incapacitated for 12 weeks or more
- they have exhausted their sick leave, and
- the duration of the incapacity is either indefinite or for a period that would make it unreasonable for the contract to be continued.

Poor performance

A council may terminate the general manager's contract by giving them 13 weeks written notice or by paying the equivalent of 13 weeks' remuneration calculated in accordance with Schedule C of the approved standard contract on grounds of poor performance.

A council may only terminate the general manager's contract on the grounds of poor performance where:

- a performance review has been conducted, and
- the council has concluded that the general manager's performance falls short of the performance criteria or the terms of their performance agreement, and
- the general manager has been afforded a reasonable opportunity to utilise dispute resolution under clause 17 of the contract (see below).

No fault termination

A council may terminate the general manager's contract at any time by giving them 38 weeks written notice or paying the equivalent of 38 weeks remuneration calculated in accordance with Schedule C of the approved standard contract. If there are less than 38 weeks left to run in the term of the general manager's contract, the council can pay out the balance of the contract in lieu of notice.

Where the council proposes to terminate the general manager's contract on these grounds, if either party requests it and both parties agree, they may participate in mediation in relation to the proposed decision to terminate the contract. If the council does not agree to participate in mediation, it must give the general manager reasons for its decision where the general manager requests them.

Where a council terminates the contract on these grounds, it must give the general manager reasons for its decision to terminate their employment where the general manager requests it.

Summary dismissal

Councils may summarily dismiss the general manager on the grounds set out under clause 10.4 of the approved standard contract. These include:

- serious or persistent breach of the employment contract
- serious and wilful disobedience of any reasonable and lawful instruction or direction given by the council,
- serious and wilful misconduct, dishonesty, insubordination or neglect in the discharge of the general manager's duties and functions under their contract,
- failure to comply with any law or council policy concerning sexual harassment or racial or religious vilification
- serious or persistent breach of the council's code of conduct
- commission of a crime, resulting in conviction and sentencing (whether or not by way of periodic detention), which affects the general manager's ability to perform their duties and functions satisfactorily, or that brings the council into disrepute
- absence without approval for a period of 3 or more consecutive business days.

Automatic termination

The general manager's contract of employment is automatically terminated where the general manager becomes bankrupt, or they are disqualified from managing a corporation under Part 2D.6 of the *Corporations Act 2001*.

Where this occurs, the general manager's employment with the council automatically ends without the need for a decision by the council to terminate their contract of employment.

Suspension of the general manager

Councils may suspend the general manager, for example while allegations against them are being investigated. Suspension should be on full pay for a clearly defined period. Councils should not suspend a general manager's employment without first seeking expert legal advice. It would not be appropriate to seek advice from council human resources staff on the proposed suspension of the general manager.

Any decision to suspend a general manager should be made at a closed council meeting, having first carefully considered the expert legal advice received in relation to the specific matter.

The principals of procedural fairness apply to any decision to suspend a general manager, i.e., the general manager must be advised of the circumstances leading to their suspension, the reasons for the suspension, the period of the suspension and be given a right to respond to the decision to suspend.

Dispute resolution

The approved standard contract contains a dispute resolution clause at clause 17. These provisions are designed to encourage councils and general managers to attempt to resolve disputes when they arise.

Councils are required to offer the general manager an opportunity to utilise dispute resolution before they can terminate their employment for poor performance.

Where it is proposed to terminate the contract on the "no fault" grounds (clause 10.3.1(e)), if either party requests it and both parties agree, they may participate in mediation under clause 17 in relation to the proposed decision to terminate. If the council does not agree to participate in mediation, it must give the general manager reasons for its decision where the general manager requests them.

The governing body of the council should ideally resolve to delegate this function to the mayor or a panel of 3 councillors including the mayor.

If the dispute involves the mayor, then the deputy mayor should take the mayor's place. If there is no deputy mayor then the governing body should resolve to appoint another councillor to take the mayor's place.

The governing body of the council and the general manager should agree on an independent mediator to mediate the dispute. The approved standard contract allows the Departmental Chief Executive of the Office of Local Government to appoint a mediator where the parties cannot agree on one.

Councils and general managers may also agree on a mediator when the contract is made.

RENEWING THE GENERAL MANAGER'S CONTRACT

Clause 5 of the approved standard contract sets out the process for renewing the general manager's contract of employment. The key steps in the process are as follows:

- At least 9 months before the contract expires (or 6 months if the term of employment is for less than 3 years), the general manager must apply to the council in writing if seeking re-appointment to the position
- At least 6 months before the contract expires (or 3 months if the term of employment is for less than 3 years), the council must respond to the general manager's application by notifying the general manager in writing of its decision to either offer the general manager a new contract of employment (and on what terms) or to decline their application for re-appointment
- At least 3 months before the contract expires (or 1 month if the term of employment is for less than 3 years) the general manager must notify the council in writing of their decision to either accept or decline the offer made by the council.

Approval may be sought from the Departmental Chief Executive of the Office of Local Government to vary these timeframes in exceptional or unforeseen circumstances.

The terms of the new contract of employment, and in particular the schedules to the new contract, should be set out in the letter of offer. Before offering a new contract, the council should carefully review the terms of the schedules to the new contract.

The governing body should ensure that the performance criteria of the new performance agreement adequately reflect its expectations of the general manager's performance.

The governing body should also consider previous performance reviews conducted under previous contracts.

The process of deciding whether to offer the general manager a new contract should be as follows:

- a performance review is conducted
- findings and recommendations are reported to a closed council meeting in the absence of the general manager
- the closed meeting considers and decides whether to offer a new contract of employment to the general manager and on what terms as set out in the schedules to the contract
- the mayor informs the general manager of the council's decision.

Details of the decision to offer a new contract and a salary package should be reported to an open council meeting.

Appendix 1 – Performance management timelines

Timeline	Activity	Responsibility
At commencement of each new council	Provide induction training on performance management of the general manager	Council
Within 3 months of the commencement date of the contract	A performance agreement setting out agreed performance criteria must be signed between the general manager and the council	Council or council panel General Manager
Within 2 months of the signing of the performance agreement	The general manager must prepare and submit to the council an action plan which sets out how the performance criteria are to be met	General Manager
21 days' notice (before annual review)	The general manager gives the council written notice that an annual performance review is due	General Manager
At least 10 days' notice	The council must give the general manager written notice that the performance review is to be conducted	Council or council panel
After 6 months	The council may also decide, with the agreement of the general manager, to provide interim feedback to the general manager midway through the annual review period	Council or council panel General Manager
Prior to the annual review	Ensure all councillors on the review panel have been trained in performance management of general managers	Council
Prior to the annual performance review	The general manager may submit to council a self-assessment of their performance	General Manager
Annually	The general manager's performance must be reviewed having regard to the performance criteria in the agreement	Council or council panel General Manager
Annually	The performance agreement must be reviewed and varied by agreement	Council or council panel General Manager
Within 6 weeks of the conclusion of the performance review	Council will prepare and send to the general manager a written statement with council's conclusions on the general manager's performance during the performance review period	Council or council panel
As soon as possible after receipt of the statement	The general manager and the council will agree on any variation to the performance agreement for the next period of review	Council or council panel General Manager

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Appendix 2 – Stages of performance management

STAGE	ACTION	PROCESS
1. Developing performance agreement	▪ Examine the position description and contract ▪ List all position responsibilities from the position description ▪ Identify stakeholder expectations ▪ List the key strategic objectives from the delivery program and operational plans ▪ Develop performance measures (identify indicators - set standards)	▪ Good planning ▪ Direct and effective communication ▪ Open negotiation ▪ Joint goal setting
2. Action planning	▪ Develop specific strategies to meet strategic objectives ▪ Identify resources ▪ Delegate tasks (e.g., put these delegated tasks into the performance agreements for other senior staff)	▪ Detailed analysis ▪ Two-way communication ▪ Detailed documentation
3. Monitoring progress (feedback halfway through the review period)	▪ Assess performance ▪ Give constructive feedback ▪ Adjust priorities and reset performance measures if appropriate	▪ Communication ▪ Avoid bias ▪ Counselling ▪ Coaching ▪ Joint problem solving
4. Annual	▪ Assess performance against measures ▪ Give constructive feedback ▪ Identify poor performance and necessary corrective action ▪ Identify outstanding performance and show appreciation	▪ Evaluation of the reasons behind performance being as assessed ▪ Open, straightforward communication (as bias free as possible) ▪ negotiation ▪ Counselling, support, training ▪ Documenting ▪ Decision making
5. Developing revised agreement	See stage 1	See Stage 1