



DILLINGER

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Mr Tim Clynch
Chief Executive Officer
Shire of Bridgetown-Greenbushes
PO Box 271
Bridgetown WA 6255

ADDENDUM INFORMATION – CEO PERFORMANCE REVIEW

In response to your email dated the 20th September 2016 that seeks to obtain further information, the following is provided.

Phase 1 would be limited to a single meeting with the CEO Performance Review Committee. No external consultation will be undertaken. I do believe the leadership aspect is important and to this extent would welcome discussions with the committee about ways in which information could be obtained that relates to this performance objective.

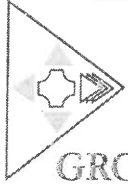
Making the above change does make a significant difference to the time allocated to the consultation part of the process and preparation of the report. To this extent it is estimated this change would reduce the time allocated to the assignment by approximately 8.00 hours. The change would also likely reduce the requirement for an overnight stay.

This being the case the quotation would be based on 44.00 hours. Based on \$154.00 per hour the consultancy costs will be **\$6776.00 including GST.**

The travel and accommodation costs would be **\$600.00.**

If you require any further information, please do not hesitate to contact me.

Joe Radici
Managing Director
22nd September, 2016



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REQUEST FOR QUOTATION/PROPOSAL – CEO PERFORMANCE REVIEW

INTRODUCTION:

This proposal outlines Dillinger Group Development's approach to facilitating the performance review for the position you occupy at the Shire of Bridgetown-Greenbushes.

OUR UNDERSTANDING OF YOUR REQUIREMENTS:

From information provided, it is my understanding you require a proposal be developed that will enable the facilitation and administration of the performance review of the Chief Executive Officer to be undertaken. This process to be undertaken as determined by the CEO Performance Review Committee.

EXPERIENCE, QUALIFICATIONS & TRACK RECORD:

Dillinger Group Development is a Human Resource Consultancy that specialises in:

- ◆ Functional and structural reviews;
- ◆ Restructuring;
- ◆ Job Design and Classification (Salary Assessment);
- ◆ Recruitment Management;
- ◆ Performance Management;
- ◆ Training & Development;
- ◆ Employer/Employee Advocacy;
- ◆ Career Transition Management;
- ◆ General Human Resource Management; and,
- ◆ Management Consulting.

We have previously and continue to provide a range of human resource management services to public and private sector clients some of which are detailed as follows:

- ◆ Department of Health (including metropolitan teaching and general hospital together with country regions);
- ◆ Department of Transport;
- ◆ Department of Planning;
- ◆ WA Police;
- ◆ National Trust of Australia (WA);
- ◆ Department of Education;
- ◆ Department of Education Services;
- ◆ Mental Health Commission;
- ◆ Potato Marketing Corporation;

- ◆ Department of Sport & Recreation;
- ◆ Department of Corrective Services;
- ◆ Department of Environment & Conservation;
- ◆ Department of the Attorney General;
- ◆ Department of Aboriginal Affairs;
- ◆ Department of State Development;
- ◆ Housing Authority;
- ◆ Department of Regional Development;
- ◆ Department of Fire & Emergency Services;
- ◆ Pilbara College;
- ◆ Port Hedland Port Authority;
- ◆ City Of Subiaco;
- ◆ City of Wanneroo;
- ◆ City Of Stirling; and
- ◆ Shire of Mundaring;

Private sector and not for profit organisations include but are not limited to:

- ◆ TheBumpWA;
- ◆ KeyStart Homeloans;
- ◆ Metropolitan Migrant Resource Centre;
- ◆ Manjimup Community Centre;
- ◆ CommunityWest Pty Ltd;
- ◆ Sudbury Community House Association Incorporated;
- ◆ Link West Community Learning and Development;
- ◆ Loftus Community Centre;
- ◆ Industrial Foundation for Accident Prevention;
- ◆ Bidyadanga Aboriginal Corporation;
- ◆ ASG;
- ◆ Triangle Energy Global;
- ◆ Ord River Resources; and,
- ◆ New Guinea Energy.

Some of these activities have centred on facilitating the performance review of Chief Executive Officers together with functional, business and organisational reviews that have covered a broad range of issues.

As an example we have recently completed a review that placed an organisation in a position to respond to challenging financial and other resourcing issues now and into the future. Part of the review was to establish a new position of General Manager that now has a range of performance outcomes attached to the role.

As previously indicated we have facilitated the review of Chief Executive Officer (CEO) positions within the public and private sectors. This has entailed a review of the performance as compared to outcomes required. In the case of the public sector this entailed facilitating the review and developing a performance agreement between the departmental head and the minister.

In the private sector an agreement was developed between the Board of Directors and Chief Executive Officer of a company with a turnover of in excess of \$2b per annum. At the time of facilitating this discussion we also reviewed the remuneration package paid to the CEO. The process and recommendations provided were accepted by the Board and the review process has now been in place for the past two years and is well accepted by all parties.

I am unable, because of confidentiality agreements, disclose the identity of the respective organisations.

We have not undertaken performance reviews for Chief Executive Officer positions' within the Local Government Sector. We do not believe this is an impediment as the principles are the same regardless of whether the position is in the public or private sectors.

We have a number of experienced staff and in this case the person assigned to this project will be Joe Radici. His experience is summarised as follows:

Joe Radici

Joe holds a Diploma in Business Administration. Joe is an Associate Fellow of the Australian Human Resources Institute (AHRI), and has worked within the human resource management environment for a period in excess of thirty years.

Joe worked for the Office of Public Sector Management for two years as the Senior Personnel Officer where his main responsibilities were managing the recruitment of base level staff to the public sector, general recruitment, salary determination and development of policies for implementation across the public sector.

He subsequently spent eight years with the Water Corporation initially as a Senior Personnel Officer and then Human Resource Manager for one of the Perth Regions. Joe was responsible for all aspects of human resource management including organisation reviews, recruitment, industrial relations, succession planning, human resource planning, policy development, payroll, remuneration reviews, safety & health and training of workforce of approximately 740 staff.

In 1995, Joe had a significant role in two major change processes within the Water Corporation. Namely outsourcing the operational workforce (approx 230 staff) and then managing issues associated with the corporatisation of the Water Corporation.

In 1996, he established Dillinger Group Development which is a Human Resource Management Consultancy company covering areas such as general HR Consulting, recruitment & selection, remuneration, performance management, business and organisational reviews, industrial advocacy and assistance in the preparation of resume's. Under Joe's leadership the company has expanded to where Dillinger Group Development has six (6) employees and provides human resource management and general consulting services across the public and private sector.

PROPOSED METHODOLOGY IN UNDERTAKING THIS REVIEW:

In undertaking this assignment we have taken a view that the performance review of the CEO is one of the most important aspects that Council needs to undertake. To have in place a robust performance management process that is contemporary in design and provides a process of conversation between the CEO and Council on key objectives is an essential requirement. On this basis we have designed a process that will enable the CEO and Council to have confidence that the process can stand the rigour of any external enquires. In addition the process and methodology has the capacity to be adapted depending upon any internal and external pressures.

We would propose the assignment be carried out in four (4) phases detailed as follows.

Phase 1

Meet with yourself and the CEO Performance Review Committee to determine the framework that is to be used to undertake the review. In this context I am referring to the methodology previously used where a performance review template has been developed and divided in to two sections. While not seeking to be critical, having what appears to be only two sources of information and from this performance is assessed, is not considered broad enough to cover all aspects. I acknowledge that the document used covers a range of issues, None the less it is my view that a performance review could focus on five key subjects. From the five the key subjects a "what" and "how" methodology be designed that will enable a broad range of factors to be assessed. I would

be proposing that the Performance Review Committee consider using the following five (5) key performance objectives as the basis of assessment. These are:

1. Whole of Community Leadership that is aimed at better outcomes for communities.

This could include issues such as active engagement with business, community and other sectors, peer collaboration and partnerships to affect value to the community in line with Council Business and Community Plans.

It is anticipated the performance of the CEO in this area could be gathered from stakeholder, customer, peer and community insights feedback and satisfaction. This would primarily focus on the community value created and outcomes achieved.

2. Financial Perspective

This could include information to determine if services are delivered within overall budget including revenue, operating expenses and FTE management and expenditure of capital budgets. Other aspects that could be included are financial resources being redirected to improve services and outcomes across communities through robust and efficient financial resource governance, policy, systems and management.

In this area performance could be assessed against approved budget, service delivery requirements, capital budget and audited financial statements.

3. Stakeholder and Outcomes Delivered

This could include policy development together with programs and services that reflect community and stakeholder needs and achieve social and economic outcomes. I would also be suggesting that services are co-designed and co-produced for the community good. The organisation also uses innovation and digital technologies that deliver enhanced services to the community that lead to improved customer satisfaction and service delivery outcomes

In this area reporting on council commitments, stakeholder, and community insights, feedback and satisfaction could be used as measures of success.

4. Efficient and Effective Organisation

This could include internal process and productivity improvements that enable the release of resources to deliver better services and outcomes for the community. Internal business operations are streamlined and "red tape" is reduced to support a high performing organisation. Sharing information with other organisations, delegating embedding and championing frameworks and processes that support business improvement are areas that could be assessed. Enhancing decisions and productivity through a safe and inclusive workplace and having a workforce that is drawn from diverse backgrounds and experiences are areas the organisation should be aiming to improve.

In this area information drawn from strategic and supporting plans could be used. Organisational design, governance and delegations could be used as are employee opinion surveys, innovation collaboration, job empowerment and workload and health factors. Metrics such as health, safety, absenteeism and leave balance information could be used to support performance.

5. Learning and Growth

This could include a workplace culture that is constructive and inclusive and based around ethical behaviour, integrity and accountability. Employees are engaged, performing to