Policy G17 – CEO Performance Review

Policy Intent

To strengthen the structure of the Chief Executive Officer (**CEO**) Performance Review process and give Council options in which to undertake a statutorily compliant performance review.

Policy Statement

Council acknowledges its obligations under the *Local Government Act 1995* (**Act**), as follows:

- Statutory requirement: the Act requires an annual performance review for the CEO.
- Performance criteria: A written performance agreement outlining criteria is negotiated and agreed upon by the council and the CEO.
- Evidence-based assessment: The review must be based on thorough and comprehensive evidence, not subjective opinion.
- Impartial and transparent: The process must be conducted in an impartial and transparent manner.
- Council endorsement: The final review must be endorsed by an absolute majority of the Council (*Local Government (Administration) Regulations 1996* (**Regulations**), clause 18).
- Written notification: The CEO must be informed in writing of the review results (clause 19(a)) of the Regulations.
- Addressing issues: If the review identifies performance issues, the local government must inform the CEO in writing of how these issues will be addressed (clause 19(b)) of the Regulations.
- Interim review: If the council has concerns, an interim review can be requested, with a minimum one-week notice period for the CEO.

1. Additional considerations

- Remuneration: The annual review is also used to review the CEO's remuneration package.
- Strategic alignment: The review period is aligned with the local government's strategic planning and financial year (July to June).
- External facilitation: Council may use an external consultant to assist with the review process, who are also bound by the evidence-based requirements.

2. Process requirements that must be met under the Regulations

A council must ensure that the:

- process by which the CEO's performance will be reviewed has been agreed to between the council and the CEO in writing (clause 16(3)).
- performance criteria to be assessed is part of the CEO's contract and any additional criteria agreed to in writing (clause 16(1)(b) and 16(3)).
- review is carried out in an impartial and transparent manner (for example by using an

independent consultant and/or a panel with an independent observer) (clause 17(1)).

- evidence of the CEO's performance being collected in a thorough and comprehensive manner (clause 17(2)(a)).
- CEO's performance reviewed based on the evidence collected (clause 17(2)(b)), based on
    - Successful completion or progress of Key Performance Indicators (KPI's) set by the Council;
    - Achievements outside the KPI's that provide significant benefit to the Shire; and
    - The performance criteria agreed in the Chief Executive Officer Employment Contract, including;
        - Provide accurate and timely advice to Council;
        - Work in collaboration with Council;
        - Provide innovative and visionary leadership;
        - Maintains a work environment that facilitates the development of people and encourages them to perform at a high level.

3. Form of Performance Review

There are 2 methods of undertaking a performance review

3.1. By way of external consultant; or

3.2. By mutual written agreement between the Shire President and CEO, the review to be undertaken internally and co-ordinated by the Manager People Development (Human Resources).

Legislation

Local Government Act 1995
Local Government (Administration) Regulations 1996

Related Documents

Nil

Policy Detail		
Responsible Directorate	Office of the CEO	
Responsible Department	People Development	
Responsible Officer	Manager People Development	
Next Policy Review / Schedule	2028 - (3-yearly)	
Council Adoption	Date / Resolution	27 November 2025 (OCM25/143)
Amendment Record	Date / Resolution	