

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