TERMS OF REFERENCE

CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE

1. Name

The name of the Committee shall be the Town of Port Hedland CEO Performance Review Committee (CEOPRC).

2. Head of Power

The Committee is established by Council under Section 5.8 of the *Local Government Act 1995*.

3. Definitions

Act means the Local Government Act 1995.

Administrative Support includes using these Terms of Reference as the scope to schedule Committee meetings, coordinate agendas and minutes, provide advice on processes, request quotes from suitably qualified consultants to undertake the review, facilitate procurement of approved consultants.

Committee means the Town of Port Hedland CEO Performance Review Committee as stipulated in this document.

Council means the Council of the Town of Port Hedland.

Chief Executive Officer (CEO) means the Chief Executive Officer of the Town of Port Hedland.

Elected Member means the Mayor or a Councillor of the Town of Port Hedland Council.

Independent Consultant means the person appointed to assist with the performance review process and who is acceptable to both parties, i.e. CEO and Committee.

Independent Observer means a person appointed in accordance with guidelines within Standard 2 (Performance Review) as prescribed in the Local Government (Administration) Amendment Regulations 2021, and who is acceptable to both parties,
i.e. CEO and Committee.

KRAs means Key Result Areas and Performance Criteria as agreed between the CEO and Committee to deliver the key priorities of the Town of Port Hedland Corporate Business Plan.

Salaries and Allowances Determination means the determination provided by the Salaries and Allowances Tribunal under Section 7A of the *Salaries and Allowances Act 1975* which requires the Tribunal at intervals of not more than 12 months, to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments".

4. Objectives

4.1 The Committee is established to fulfil the following functions:

4.1.1 Undertake an annual assessment of the CEO's performance in accordance with the provisions of the CEO's contract of employment as well as relevant statutory requirements, standards and guidelines;

4.1.2 In conjunction with the CEO, develop key result areas to deliver Council's strategic priorities including those reflected in the Town's Corporate Business Plan;

4.1.3 Review the CEO's Total Reward Package annually and make recommendations to Council in relation to remuneration in accordance with the relevant terms of the contract of employment, taking into consideration the CEO's performance, the existing level of remuneration, and the applicable Salaries and Allowances Tribunal Determination.

4.1.4 Undertake quarterly informal reviews of performance against the endorsed performance criteria between each annual review and recommend any updates that may be required to the performance criteria.

4.1.5 Provide positive communication opportunities between Council and the CEO;

4.1.6 Provide guidance to Council in assessing the CEO's performance; and,

4.1.7 Ensure oversight of an objective and fair process, and affords natural justice to the CEO.

5. Committee Structure

5.1 The Committee shall consist of the Mayor and three (3) elected members. All Committee members will be required to complete appropriate training in undertaking CEO performance reviews;

5.2 An independent observer, who is not a member of the Committee, may be appointed under delegation to the Committee by Council to observe and monitor the performance review process. Any such appointment will be in accordance with the Local Government (Administration) Amendment Regulations 2021, Standard 2 and associated guidelines;

5.3 An independent consultant, who is not a member of the Committee, may be appointed under delegation to the Committee by Council to assist with the performance review process. Any such appointment will be in accordance with the Local Government (Administration) Amendment Regulations 2021, Standard 2 and associated guidelines; and, 5.4 A quorum will be two (2) members and for the sake of clarity this does not include an independent observer appointed in accordance with 5.2 or the independent consultant appointed in accordance with 5.3.

Administrative support for the Committee will be provided by the Manager Human Resources.

6. Terms of Appointment

6.1 Appointment to the Committee shall be determined by the Council following ordinary local government elections, for a term to expire on the date of the subsequent ordinary local government elections.

6.2 If a member of the Committee resigns prior to an ordinary local government election, the Council will appoint a replacement.

7. Presiding Member

7.1 The Committee is to determine the Presiding Member of the Committee at the first meeting of the Committee immediately following the establishment of the Committee or following each biennial local government election, whichever is applicable;

7.2 Following the appointment of the Presiding Member, the Committee is to determine a Deputy Presiding Member of the Committee at the first meeting of the Committee immediately following the establishment of the Committee or following each biennial local government election, whichever is applicable;

7.3 If the Presiding Member is absent from a meeting, the Deputy Presiding Member is to preside at that meeting.

7.4 The role of the Presiding Member includes:

7.4.1 overseeing and facilitating the conduct of meetings in accordance with the Act and the Town of Port Hedland Standing Orders Local Law;

7.4.2 ensuring all Committee members have an opportunity to participate in discussions in an open and encouraging manner; and,

7.4.3 where a matter has been debated significantly and no new information is being discussed, to call the meeting to order and ask for the debate to be finalised and the matter resolved.

8. Meetings of the Committee

8.1 The Committee will meet as required to facilitate an annual assessment of the CEO's performance in accordance with section 12 ('Timetable').

8.2 A meeting of the Committee is to be held:

8.2.1 if called for by either the Presiding Member or at least two Committee members in a notice to the CEO setting out the date and purpose of the proposed meeting; or

8.2.2 if so decided by the Committee; or

8.2.3 if called for by Council.

8.3 The Committee shall also meet with the CEO at least six monthly on such dates and at such times as the Committee determines to receive and discuss an update on the progress of KRAs or other matters.

8.4 The Committee may invite Town employees, appointed facilitator or others to attend meetings and provide pertinent information, where necessary.

9. Powers of the Committee

9.1 The Committee is a formally appointed committee of Council and is responsible to that body.

9.2 The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility.

9.3 The Committee does not have any delegated authority.

9.4 The Committee recommendations are to be referred to Council for consideration and decision before implementation.

10. Voting

10.1 Each member of the Committee at a meeting will have one vote. For the sake of clarity this does not include an independent observer appointed in accordance with 5.2.

10.2 The Presiding Member, in the event of an equality of votes, will have a casting vote.

11. Review Process

The review process comprises the following steps:

11.1 Council may appoint an independent facilitator to assist the Committee with the performance review process. The facilitator is to be acceptable to both parties, i.e. CEO and Council.

11.2 Council may appoint an independent observer to observe and monitor the performance review process. The observer is to be acceptable to both parties, i.e. CEO and Council.

11.3 Committee meets to confirm process with independent facilitator;

11.4 CEO provides a written report and self-rating to the Committee against the Key Result Areas (KRAs);

11.5 All elected members will participate in the performance review process;

11.6 All elected members shall individually and independently rate and comment on the performance of the CEO against each of the KRAs and provide such assessment directly and confidentially to the independent facilitator;

11.7 The independent facilitator will consolidate all scores and comments so as to present an 'reviewer report' to the Committee to discuss and validate overall ratings;

11.8 The CEO meets with the Committee and independent facilitator for feedback and discussion;

11.9 The Committee determines final ratings;

11.10 The Committee and CEO determine KRAs for the forthcoming review period;

11.11 The independent facilitator completes the final report, with final ratings and specific comments against each KRA;

11.12 The CEO meets with the Committee and independent facilitator for discussion of the remuneration package in accordance with the contract of employment; and

11.13 The final report, new KRAs and any remuneration packages recommendations are provided to Council for consideration prior to May in each year in accordance with the CEO contract of employment.

12. Two-year timetable

ACTION	TIMING	RESPONSIBILITY
Year 1 – Commences immediately following the Local Government Elections		
Appointment of CEO Performance Review Committee members	October/ November	Council
Elected Member: Training Session on CEO Appraisal process as a part of the induction program	October/ November	Governance
Schedule meetings for the forward two years until the Committee renews	November	Committee Chair / Administrative Support
Mid-year informal check-in. Includes: • CEO develops a brief report of progress against the endorsed performance criteria • The Committee obtains feedback from Council on the above • Committee meets with the CEO to discuss progress, Council feedback, agree any actions required and review the appropriateness of the endorsed performance criteria • Chair of Committee updates Council at a Briefing	December	Committee
Quarterly informal check-in. Includes: • CEO develops a brief report of progress against the endorsed performance criteria • The Committee obtains feedback from Council on the above • Committee meets with the CEO to discuss Council feedback, agree any actions required and review the appropriateness of the endorsed performance criteria for the next year • Chair of Committee updates Council at a Briefing	March	Committee
Appoint Independent Facilitator and Independent Observer (if required)	May	Council
Annual Performance Review. Includes: • Briefing of elected members • CEO self-assessment • Obtaining feedback on performance criteria from elected members • Committee meets with the CEO to discuss outcomes, Council feedback, agree any actions required and establish new performance criteria for Council endorsement • A Performance Appraisal Report for the CEO's Employee Management File • A report to Council.	End June - August	Committee / Independent Consultant
Quarterly informal check-in. Includes: • **CEO develops a brief** report of progress against the endorsed performance criteria • The Committee obtains feedback from Council on the above • Committee meets with the CEO to discuss progress, Council feedback, agree any actions required and review the appropriateness of the endorsed performance criteria • Chair of Committee updates Council at a Briefing	September/ October	Committee

<table>
<tr><th>ACTION</th><th>TIMING</th><th>RESPONSIBILITY</th></tr>
<tr><td colspan="3">Year 2</td></tr>
<tr><td>Mid-year informal check-in. Includes:
CEO develops a brief report of progress against the endorsed performance criteria
The Committee obtains feedback from Council on the above
Committee meets with the CEO to discuss progress, Council feedback, agree any actions required and review the appropriateness of the endorsed performance criteria
Chair of Committee updates Council at a Briefing</td><td>December</td><td>Committee</td></tr>
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13. Dispute

Where the CEO disagrees with the feedback he/she is entitled to request Council to reconsider the rating.

14. Reporting Requirements

Recommendations arising from the Committee's deliberations shall be presented to the earliest available ordinary meeting of Council.

15. Alteration to Rules of Procedure

The Committee is to conduct a review of its terms of reference providing Council with recommendations for any changes every two years.

16. Termination of Committee

Termination of the Committee shall be in accordance with the Act.

END