

## Terms of Reference: Chief Executive Performance Committee

The purpose of the Chief Executive Performance Committee is to review the performance of the Chief Executive annually and undertake the legislative requirements in relation to the Chief Executive's performance. The legislative basis for this committee is Schedule 7 clause 30 (1) (a), Local Government Act 2002.

### 1.1 Terms of Reference

The committee's role is to:

1. In May of each year:
  - a. Review the performance of the Chief Executive against the performance targets for the preceding year.
  - b. In conjunction with the Chief Executive Officer, set and confirm the performance targets for the upcoming year.
2. In December of each year:
  - a. Undertake a mid-year performance review; and
  - b. In conjunction with the Chief Executive Officer, set or amend, where appropriate, the key performance indicators for the remainder of the performance year.
3. In August of each year, the committee will, in consultation with the Chief Executive Officer, undertake a review of the terms, conditions and term of employment agreement in accordance with the following:
  - a. As a good employer, any amendments or alterations to the terms and conditions will be made in mutual agreement of the Committee and Chief Executive Officer, in good faith, providing fair and proper treatment in all aspects of employment.
  - b. The Committee is committed to applying fair and equitable remuneration and reward practices, taking into account internal and external relativities, Local Government practices and the ability to achieve the Mackenzie District Council strategic objectives.
  - c. As part of the Remuneration considerations, individual performance as well as internal and external relativities will be taken into account regarding any Chief Executive Officer remuneration-based decisions, balanced by the organisational context, performance and affordability.
4. Undertake a performance review at end of first term of appointment as required by Schedule 7, clause 35 of the Local Government Act 2002, which currently provides:
  - (1) *A local authority must, not less than 6 months before the date on which the chief executive's contract of employment for the first term expires, conduct and complete a review of the employment of the chief executive.*
  - (2) *The review must assess –*
    - (a) *The performance of the chief executive; and*
    - (b) *The mix of skills and attributes possessed by the chief executive, and the degree to which they are consistent with the skills and attributes that the*

- local authority considers necessary for the future; and*
- (c) Any other factors that the local authority considers relevant.*
- (3) To avoid doubt, responsibility for determining the degree to which any factors in subclause (2)(a) and (b) apply to a review, and the relevance of any additional factors under subclause (2)(c), rests solely with the local authority.*

*Subclause (1) does not apply if the incumbent chief executive declares in writing to the local authority that he or she does not wish to be considered for appointment to a second term.*

## **1.2 The scope of this committee includes:**

Considering matters relating to the performance of the Chief Executive Officer, including annual performance review.

The Committee shall have delegated authority to make decisions for and on behalf of the Council.

<b>Membership</b>	The Chief Executive Performance Committee will be a standing committee of all Councillors and the Mayor. The Committee may appoint an additional person to the committee where it considers that person has skills, attributes, or knowledge that will assist the work of the committee.
<b>Quorum</b>	The quorum shall be five members.
<b>Chair</b>	The Chair will be appointed by the Mayor.
<b>Meetings</b>	The Committee will meet at least twice a year (May and December) to review performance and once per year to review employment arrangements (August), and six months before the expiry date of the Chief Executive's contract of employment.