

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
2 April 2025**

Item: **10.1**

Responsible Officer: **Zoë Gill**
Executive Governance Officer
Office of the CEO

Subject: **CEO Review Report**

For: **Decision**

1. CEO Review Report – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the CEO Performance Review Panel (the Panel) orders that all members of the public, except:

- **Executive Governance Officer, Zoë Gill**
- **HR Consultant, Collette Ordish**
- **Qualified Independent Person, Michael Kelley**

be excluded from attendance at the meeting for Agenda Item 10.1: (CEO Review Report) in confidence.

The Panel is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in (a) above, be excluded to enable the Panel to consider the report at the meeting on the following grounds:

Section 90(3) (a) of the Local Government Act, the information to be received, discussed or considered in relation to this Agenda Item is Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)

Accordingly, on this basis the principle that meetings of the Panel should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

2. CEO Review Report – Confidential Item

SUMMARY

The CEO Performance Review Process was endorsed at the 24 September 2024 Council meeting. In line with this process the following has occurred.

KPI Progress Review – December 2024

The CEO presented a self-assessment presentation to the Panel at the 18 December 2024 CEO PRP meeting. Members completed an assessment matrix and the HR consultant summarised this data for a report to be presented to Council.

Full Performance Review – March 2025

In March 2025 the Full Performance Review commenced. The CEO presented to Elected Members and Direct Reports at the 3 March 2025 workshop. At this workshop the stakeholders utilised an assessment matrix to provide feedback on the CEO's performance. In the following days interviews were held by the HR Consultant to give key stakeholders a further opportunity to provide feedback.

The HR Consultant utilised this data to prepare the CEO Review Report and this document has been circulated to CEO PRP Members prior to the 2 April 2025 meeting for their review.

RECOMMENDATION

The CEO Performance Review Panel resolves:

- 1. To receive and note the CEO Review Report**
- 2. To note that the Panel has discussed the CEO Review Report**
- 3. To note that the Panel asked clarifying questions of the HR Consultant.**
- 4. To refer the CEO Review Report to Council for endorsement.**
- 5. To recommend to Council that the CEO has [to be completed by the Panel] his Key Performance Indicators and Key Result Areas.**
- 6. To recommend to Council that the CEO should incorporate the feedback in the CEO Review Report in the development of the updated CEO Key Performance Indicators.**
- 7. To recommend to Council that the Presiding Member of the CEO PRP provide the CEO Review Report to the CEO.**
- 8. To recommend to Council that, as per resolution 356/24 [24 September Council meeting], the Presiding Member of the CEO PRP and HR consultant provide the CEO with balanced feedback, including recognition of any outstanding achievements, as well as constructive feedback regarding any areas requiring improvement or further development.**
- 9. To recommend to Council that Council invite a response from the CEO should he wish to provide one.**

1. BACKGROUND

At the 12 August CEO PRP Meeting it was resolved by the panel to recommend to Council that the CEO Review Process prepared by Perks People Solutions be approved, with some amendments.

10.1.1. CEO Performance Review Process Recommendations – Confidential Item

Moved Ms Vanessa Godden
S/- Cr Kirsty Parkin

PRP 33/23

The CEO Performance Review Panel resolves:

1. **That the report be received and noted.**
2. **To recommend that Council approve the CEO Performance Review Process as supplied by Perks People Solutions with the following addition:**
 - (a) **Develop a mechanism for key stakeholder input into the CEO's performance**
3. **Council notes that the CEO PRP will continue to engage with the CEO on his progress against Key Performance Indicators on a quarterly basis**

Carried Unanimously

A report was prepared for Council to consider at the 10 September 2024 Council Meeting, which provided the CEO review process as amended in line with the CEO PRP resolution at the 12 August CEO PRP meeting. Due to feedback from the elected body this item was withdrawn and a report was developed for the 18 September 2024 CEO PRP to consider the proposed amendments to the process.

At this 18 September 2024 meeting the CEO PRP resolved to recommend to Council the amended process:

Moved Cr Melanie Selwood
S/- Cr Lucy Huxter

PRP41/24

The Committee resolves:

1. That the report be received and noted.
2. To recommend that Council adopts the CEO Performance Review Process (*Appendix 1*) and Performance Criteria (*Appendix 2*), with the following amendment:
 - i. In relation to the CEO Performance Review Process (*Appendix 1*), point 2 of the 'KPI Progress Review – December 2024', removing the words 'and will include data and insights in addition to verbal commentary' on the last line and inserting 'evidentiary based' between the words 'provide' and 'insight' on the second line.
3. That the Administration develop a remuneration review process report for consideration at the next CEO PRP Meeting, noting the current delay is due to this remuneration review being connected to the performance review process.

Carried Unanimously

The CEO PRP recommendations were brought to Council at the 24 September 2024 meeting and Council endorsed the proposed CEO Performance Review process:

19.1.1 CEO Performance Review Panel Recommendations to Council – CEO Review Process
Confidential Item

Moved Cr Chris Grant
S/- Cr Kirsty Parkin

356/24

Council resolves:

1. That the report be received and noted.
2. To approve the proposed CEO Performance Review Process in *Appendix 1*.
3. To approve the proposed CEO Performance Review Performance Criteria in *Appendix 2*.
4. To note that the CEO PRP will continue to engage with the CEO on his progress against Key Performance Indicators on a quarterly basis.
5. To note that the Administration will develop a remuneration review process report for consideration at the next CEO PRP Meeting and that the current delay is due to this remuneration review being connected to the performance review process.

Carried Unanimously

KPI Progress Review – December 2024

To complete the first part of the process the CEO presented a self-assessment presentation to the Panel at the 18 December 2024 CEO PRP meeting. Members completed an assessment matrix and the HR consultant summarised this data for a report to be presented to Council:

10.1.1 CEO Key Performance Indicators – Confidential Item

The CEO provided a self-assessment presentation to the Panel to provide evidentiary based insights into progress towards achievements against each of the KPIs.

At the end of the presentation, the CEO left the meeting, and the Panel had a robust discussion to collectively evaluate the CEO's progress towards performance against each of the KPIs.

The CEO was invited to return to the meeting and Deputy Mayor Selwood and the HR consultant led the Panel in providing a summary of the feedback from the Panel.

Moved Cr Lucy Huxter
S/- Cr Adrian Cheater

PRP 45/24

The Committee resolves:

- 1. That the report be received and noted.**
- 2. That the KPI Progress Review – December 2024 report be provided to Council.**

Carried Unanimously

Council received the KPI Progress Report at the 28 January 2025 meeting:

19.6.1 CEO PRP Recommendations to Council – CEO Key Performance Indicators – Confidential Item

Moved Cr Chris Grant
S/- Cr Lucy Huxter

41/25

Council resolves:

- 1. That the report be received and noted.**
- 2. To receive and note the CEO KPI Progress Review – December 2024**
- 3. That the CEO :**
 - a. is unlikely to achieve KPI#1 due to identified financial anomalies outside the CEO's control.**
 - b. is on track to meet KPI's #2, #3, #4, #5 and #6.**

Carried Unanimously

Full Performance Review – March 2025

The second part of the process commenced with the Full Performance Review in March. The CEO presented to Elected Members and Direct Reports at the 3 March 2025 workshop. At this workshop the stakeholders utilised an assessment matrix to provide feedback on the CEO's performance and in the following days interviews were held by the HR Consultant to give key stakeholders a further opportunity to provide feedback.

The HR Consultant utilised this data to prepare the CEO Review Report and this document has been circulated to CEO PRP Members prior to the 2 April 2025 meeting for their review.

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2024 – Your Place, Your Space

Goal 4	Organisation
Objective O2	Operate with integrity using best practice governance processes.
Priority O2.1	Demonstrate accountable and transparent decision making.
Objective O3	Support and develop a skilled organisation that is aligned to Council's priorities

The requirement for the Panel to undertake regular review of performance enables accountability to be demonstrated and any decisions on changes to performance targets to be actively managed.

➤ Legal Implications

The CEO Performance Review Panel is a Section 41 Committee of Council under the *Local Government Act 1999*.

The Key Performance Indicators are part of the CEO Performance Review process. Amendments to the *Local Government Act 1999*, via the inclusion of s102A on 10 November 2021, have formalised the requirement for an annual review.

➤ Risk Management Implications

The process of the Panel undertaking an annual CEO Performance Review are some of the controls that will assist in mitigating the risk of:

Deficient CEO performance review practices resulting in a lack of accountability and loss of stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
Medium (3C)	Low (2D)	Low (2D)

Non-achievement of CEO Performance Targets resulting in loss of community benefit and/or opportunities and/or stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
High (3B)	Medium (3C)	Medium (3C)

➤ Financial and Resource Implications

No financial or resource implications in receiving the report.

The CEO review process is estimated to cost \$2000 -\$3000. This is funded through the CEO's budget.

➤ Customer Service and Community/Cultural Implications

There is a community expectation that the CEO will manage the organisation's human, financial and physical resources to ensure they are utilised for the best outcomes for the community.

There is a community expectation that the CEO is accountable for, and performs against, the agreed Performance Targets.

➤ **Sustainability Implications**

Not Applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	CEO Performance Review Panel
<i>Council Workshops:</i>	3 March 2025 – CEO Review Process
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Perks People Solutions
<i>Community:</i>	Not Applicable

3. OPTIONS

For Panel discussion

4. APPENDICES

- (1) CEO Performance Review Process
- (2) CEO Review Report (to be circulated)

Appendix 1

CEO Performance Review Process

Recommended Process for Adelaide Hills Council CEO Performance Review

After full consultation with the Adelaide Hills Council CEO Performance Review Committee, this paper provides recommendation for the method of conducting the CEO performance review for the Adelaide Hills Council for the 2024 review period.

This process has been designed as a two-part series and meets the requirements of the *Local Government Act (1999)* and the CEO's employment contract and is subject to the review and oversight of the Qualified, Independent Person (QIP), being Mr Michael Kelledy, Director of Kelledy Jones Lawyers.

KPI Progress Review – December 2024

The process for the KPI review involves the utilisation of an assessment matrix designed by the HR Consultant, to guide the Performance Review panel (the panel) in assessing the CEO's progress towards achievement of the pre-determined KPIs endorsed by Council.

The process will involve the following steps:

1. A date to review the CEO's progress towards achievement of KPIs is scheduled for December 2024 (date TBA);
2. During this December meeting, the CEO provides a self-assessment presentation to the panel to provide evidentiary based insights into progress towards achievements against each of the KPIs, ideally, this presentation should flow in the same order as the performance criteria set out within the pre-designed Assessment Matrix utilised by the panel;
3. During the CEO's presentation, panel members utilise the Assessment Matrix document to objectively rate the CEO against each of the performance criteria and to document any relevant notes/feedback (which can later be used to guide verbal feedback provided to the CEO);
4. Once the self-assessment presentation concludes, the CEO departs the meeting, allowing the HR Consultant to facilitate a robust discussion by the panel to collectively evaluate the CEO's progress towards performance against each of the KPIs;
5. At the conclusion of the meeting, the Chair of the panel and the HR Consultant provide immediate, balanced feedback to the CEO, including recognition of any outstanding achievements, as well as constructive feedback regarding any areas requiring improvement or further development (this can either be undertaken privately, or with the panel present).
6. The HR Consultant summarises the outcomes and recommendations from the process in a report that is submitted to Council.

It is also highly recommended that quarterly review 'check-in' meetings are held with the panel to ensure the elimination of any recency bias. This strategy will help the panel develop a full picture of the CEO's performance and development over time.

Full Performance Review – March 2025

Further to the KPI Progress Review held in December 2024, a full review against the CEO's achievement against all performance criteria will be undertaken in March 2025.

This process will also involve the utilisation of an assessment matrix designed by the HR Consultant, to guide the key internal stakeholders (as defined below) in assessing the performance of the CEO.

This process will involve the following steps:

1. A date to review the CEO's performance is scheduled for March 2025 (date TBA);
2. The Chair of the panel to provide 25 working days' notice in writing that the CEO is required to undertake a performance review, including a self-assessment presentation to be provided on the scheduled date in March 2025 (as required by the CEO contract of employment);
3. CEO provides a self-assessment presentation to all Elected Members and Direct Reports to the CEO (key internal stakeholders) to provide insight into performance and achievements against each of the performance criteria. Ideally, this presentation should flow in the same order as the performance criteria set out within the pre-designed Assessment Matrix;
4. During the CEO's presentation, key internal stakeholders will utilise the Assessment Matrix document to objectively assess the CEO against each of the performance criteria and to document any relevant notes/feedback (which may later be used to guide verbal feedback provided to the CEO);
5. Once the self-assessment presentation concludes, the Consultant will collect all completed Assessment Matrix documents and key stakeholders will be invited to participate in interviews with the Consultant, to provide further context to the assessments provided. It may take a period of approximately one month to complete the process of undertaking stakeholder interviews.
6. Some key external stakeholders may also be included in the interview process to assess relevant criteria (for example, to test that the performance criteria for the Stakeholder Management and Communications Key Result Area has been met).
7. Once all stakeholder interviews are completed, the HR Consultant summarises the outcomes and recommendations from the process in a report to be submitted to the Panel and then to Council.
8. At the conclusion of the entire process, the Chair of the panel and the HR Consultant provide timely, balanced feedback to the CEO, including recognition of any outstanding achievements, as well as constructive feedback regarding any areas requiring improvement or further development. The Chair of the panel and the HR Consultant can provide immediate feedback after the report is discussed by the Panel if required.

Performance Criteria:

The following performance criteria is utilised to undertake the CEO's performance review:

- KPIs - The CEO's pre-determined Key Performance Indicators
- KRAs – Defined questions that represent the Key Result Areas from the CEO Position Description

Performance Criteria Rating Scale:

To ensure consistent and objective ratings against the performance criteria, it is recommended that the panel adopt the following performance rating scale in assessing the CEO's performance. Assessors will be provided with an opportunity to provide further context to their rating by way of free text comments and/or feedback to be provided during the interview with the HR consultant:

Rating	Definition
5	<p>Exceptional Performance</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that far exceeds overall requirements • Ability, initiative and creativity far beyond the normal requirements for the job • Achievement and influence goes beyond the immediate job • Behaviour always exemplifies commitment to constructive culture • Role models the organisational values
4	<p>Exceeds Expectations</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that clearly exceeds the overall requirements • Achievement goes beyond the immediate job • Looks for opportunities and shows initiative and creativity • Behaviour consistently demonstrates commitment to constructive cultures and sets an example for others • Actively demonstrates and role-models the organisational values
3	<p>Meets Expectations</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that meets the requirements • Developing within the position • Behaviour demonstrates commitment to constructive culture • Consistently demonstrates the organisational values
2	<p>Needs Improvement</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that meets the minimum requirements • Performance improvement is required in some areas (could be new to role) • Behaviour often falls below the expected standards of a constructive approach • Organisational values are not consistently demonstrated or role-modelled

1	<p>Serious Concerns</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that requires significant improvement • Behaviour rarely demonstrates constructive approach • Performance is below acceptable levels and improvement is essential • Has demonstrated some behaviour that is not aligned with organisational values
U	<p>Unable to Assess</p> <ul style="list-style-type: none"> • Where you don't feel you are in a position to provide a rating

Advantages of the Recommended Process:

1. **Objectivity and Alignment:** The use of specific, predefined criteria as well as an objective rating scale, ensures that the process is objective and directly linked to the set performance criteria and organisational priorities.
2. **Clarity and Focus:** The CEO's self-assessment presentation removes risk of ambiguity and subjective biases which can often appear in Performance 360 processes where participants may not have the full picture of the CEO's performance against each of the criteria.
3. **Feedback for Development:** Specific and meaningful feedback derived from the facilitated discussion can guide professional development and leadership growth of the CEO.
4. **Thorough and Robust:** This comprehensive and multi-faceted approach, ensures a well-rounded evaluation including setting clear and measurable objectives at the outset, gathering diverse feedback from key stakeholders and encouraging open and honest dialogue about achievements, challenges, and areas for development.

Conclusion:

In conclusion, the recommended process is compliant and aligns with best practice performance review processes and stands out as the preferred method for the CEO performance review process for Adelaide Hills Council.

Collette Ordish
Principal Consultant
Perks People Solutions

Appendix 2

CEO Review Report

3. **CEO Review Report – Duration of Confidentiality**

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 10.1 in confidence under sections 90(2) and 90(3)(a) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

Item	Duration of Confidentiality
	NB: Item to be reviewed every 12 months if not released
Report	Until further order
Related Attachments	Until further order
Minutes	Until further order
Other (presentation, documents, or similar)	Until further order

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.