



CEO PERFORMANCE REVIEW PANEL

NOTICE OF MEETING

To: **Members**

Cr Mark Osterstock, Presiding Member

Mayor Jan-Claire Wisdom

Cr Nathan Daniell

Cr Chris Grant

Ms Janet Miller, Independent Member

Notice is given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the CEO Performance Review Panel will be held on:

Thursday 17 February 2022

6.00pm

63 Mt Barker Road Stirling

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend. Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

Andrew Aitken
Chief Executive Officer



CEO PERFORMANCE REVIEW PANEL

AGENDA FOR MEETING
Thursday 17 February 2022
6.00pm
63 Mt Barker Road Stirling

ORDER OF BUSINESS

1. COMMENCEMENT

- 1.1. Acknowledgement of Country

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kurna people. We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land. Together we will care for this country for the generations to come.

2. APOLOGIES/LEAVE OF ABSENCE

- 2.1. Apology
Apologies were received from
- 2.2. Leave of Absence
- 2.3. Absent

3. MINUTES OF PREVIOUS MEETINGS

CEO Performance Review Panel – 11 November 2021

That the minutes of the CEO Performance Review Panel meeting held on 11 November 2021 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

4. PRESIDING MEMBER'S OPENING REMARKS

5. DELEGATION OF AUTHORITY

The CEO Performance Review panel operates in accordance with the relevant sections of the *Local Government Act 1999*, and its Terms of Reference.

6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE PANEL

7. OFFICER REPORTS – DECISION ITEMS

7.1. Status of 2021-22 CEO Performance Targets

The CEO Performance Review Panel resolves that the report be received and noted.

7.2. CEO Performance Review Process and Schedule 2022

1. *That the report be received and noted.*
2. *To recommend to Council to undertake the 2022 CEO Performance Review and Remuneration Review using an external consultant.*
3. *To recommend to Council that the 2022 CEO Performance Review Panel Meeting and Process Schedule – External (Caretaker Period) as contained in Appendix 2, be adopted and the CEOPRP Presiding Member be delegated to amend the Process Schedule meeting/workshop dates as required in consultation with the Administration.*

7.3. Remuneration Tribunal Submission on CEO Remuneration (late paper to be distributed seperately)

1. *That the report be received and noted*
2. *To suspend formal meeting procedure for the purposes of workshopping matters to be incorporated into the Council's submission to the Remuneration Tribunal of South Australia's 2022 Review of Local Government CEO Minimum and Maximum Remuneration.*

8. MOTIONS WITHOUT NOTICE

9. QUESTIONS WITHOUT NOTICE

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next CEO Performance Review Panel meeting will be held on 12 May 2022 , from 6.00pm at 63 Mt Barker Road, Stirling

12. CLOSE MEETING

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 11 NOVEMBER 2021
63 MT BARKER ROAD STIRLING**

In Attendance

Presiding Member: Cr Mark Osterstock

Members:

Ms Janet Miller	Independent Member
Cr Nathan Daniell	
Cr Chris Grant	

In Attendance:

Andrew Aitken	Chief Executive Officer
Lachlan Miller	Executive Manager Governance & Performance
Megan Sutherland	Executive Manager Organisational Development

1. COMMENCEMENT

The meeting commenced at 6.00pm

1.1. Acknowledgement of Country

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kaurna people. We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land. Together we will care for this country for the generations to come.

2. APOLOGIES/LEAVE OF ABSENCE

2.1 Apology

Mayor Jan-Claire Wisdom

2.2 Leave of Absence

Nil

2.3 Absent

Nil

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 11 NOVEMBER 2021
63 MT BARKER ROAD STIRLING**

3. MINUTES OF PREVIOUS MEETINGS

3.1 CEO Performance Review Panel Meeting – 12 August 2021

Moved Cr Chris Grant
S/- Cr Nathan Daniell

PRP15 /21

That the minutes of the CEO Performance Review Panel meeting held on 12 August 2021 as distributed, be confirmed as an accurate record of the proceedings of that meeting

Carried

4. PRESIDING MEMBER'S OPENING COMMENTS

Cr Mark Osterstock welcomed Members.

5. DELEGATION OF AUTHORITY

The CEO Performance Review Panel operates in accordance with the relevant sections of the *Local Government Act 1999*, and its Terms of Reference.

6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE COMMITTEE

Nil

7. OFFICER REPORTS – DECISION ITEMS

7.1 Local Government Reform: CEO-related Legislative Changes

Moved Janet Miller
S/- Cr Nathan Daniell

PRP16/21

The CEO Performance Review Panel resolves that the report be received and noted.

Carried

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 11 NOVEMBER 2021
63 MT BARKER ROAD STIRLING**

7.2 CEO Performance Targets 2021-2022 update

Moved Cr Chris Grant
S/- Janet Miller

PRP17/21

The CEO Performance Review Panel resolves that the report be received and noted.

Carried

8. MOTIONS WITHOUT NOTICE

Nil

9. QUESTIONS WITHOUT NOTICE

Cr Osterstock - Council funding programs

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next ordinary meeting of the CEO Performance Review Panel will be held on Thursday 17 February 2022 from 6.00pm at 63 Mt Barker Road Stirling.

12. CLOSE MEETING

The meeting closed at 6.33pm.

ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday, 17 February 2022
AGENDA BUSINESS ITEM

Item: 7.1

Responsible Officer: Andrew Aitken
Chief Executive Officer
Office of the Chief Executive

Subject: 2021-2022 CEO Performance Targets Update

For: Information

SUMMARY

The role of the Chief Executive Officer (CEO) Performance Review Panel (the Panel) includes reviewing the performance of the CEO against the agreed Performance Targets. This activity is defined in the Panel's *Terms of Reference* contained in the Specific Functions clauses and specifically Clause 3.1.2.

Council adopted the suite of CEO Performance Targets on 22 June 2021 covering the 2021-2022 financial year. In assessing the performance against these targets, the Panel should also consider that the targets remain relevant, achievable and aligned to Council's strategic objectives across the year.

The purpose of this report is to provide an update to the Panel on the work achieved and still intended against each of the CEO's Performance Targets, provided in **Appendix 1**.

RECOMMENDATION

The CEO Performance Review Panel resolves that the report be received and noted.

1. GOVERNANCE

➤ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2020-24 – A brighter future

Goal Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community.

Priority O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

The requirement for the Panel to undertake regular review of performance against the agreed CEO Performance Targets 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*.

This report summarises progress against the established and agreed Performance Targets for 2021-2022, and forms part of the performance review process to ensure the CEO is provided with a fair and consistent performance review process that would stand up under scrutiny.

The Performance Targets are part of the CEO Performance Review process. Recent 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**

Regular reporting and monitoring of progress against the CEO Performance Targets via the panel is one 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)

Note: there are many other controls that also assist in managing this risk.

➤ **Financial and Resource Implications**

There are no financial or resource implications in reporting on projects against the CEO Performance Targets.

➤ **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 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 directly applicable.

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

Consultation on the development of this report was as follows:

Council Committees: Not applicable

Council Workshops: Not applicable

Advisory Groups: Not applicable

External Agencies: Not applicable

Community: Not applicable

2. BACKGROUND

The purpose of this report is to provide an update to the Panel on the work achieved against each of the CEO's Performance Targets. This activity is defined in the Panel's *Terms of Reference* contained in the Specific Functions clauses and specifically Clause 3.1.2.

3. SPECIFIC FUNCTIONS

- 3.1 The function of the Panel is to provide advice to Council on the CEO's performance and development, including the following matters:
 - 3.1.1 Determining the Performance Targets for the forthcoming 12 month performance period;
 - 3.1.2 Monitoring the progress on the CEO's agreed Performance Targets for the current 12 month performance period;
 - 3.1.3 Reviewing the CEO's performance over the preceding 12 month performance period, in particular the performance against the agreed Performance Targets and position description requirements;
 - 3.1.4 Identifying development opportunities for the CEO; and
 - 3.1.5 Reviewing the remuneration and conditions of employment of the CEO.

Council adopted a new suite of CEO Performance Targets on 22 June 2021 covering the 2021-2022 financial year.

17.3.1 Proposed CEO Performance Targets 2021-2022

Moved Cr Mark Osterstock
S/- Cr Chris Grant

141/21

Council resolves:

1. That the report be received and noted
2. To adopt the CEO Performance Targets 2021-2022 as per *Appendix 1*.

Carried Unanimously

3. ANALYSIS

This item provides the opportunity for the CEO to update the Panel on the progress against the 2021-2022 CEO Performance Targets to date and identify any issues for consideration

This enables the Panel to undertake an interim analysis of the CEO Performance Targets with a view to reviewing priorities and existing timeframes, if required.

A summary of the targets and updates are provided in **Appendix 1**.

4. OPTIONS

The Panel has the following options:

- I. That the report be received and noted (*Recommended*).
- II. That the Panel makes alternative/additional recommendations to Council relating to the status of the 2021-2022 CEO Performance Targets. (*Not Recommended*)

5. APPENDICES

- (1) CEO Performance Targets 2021-22 Update – February 2022

Appendix 1

*CEO Performance Targets 2021-22 Update
– February 2022*

	Project ID	Performance Target	Strategic Link	February Update
1	O2001	<p>New Council website and e-services Review and renew Council’s website with a focus on customer experience, content management and contemporary technology solutions. Present renewed website features and functionality to Council Members.</p>	<p><i>Strategic Priority O2.1 – Develop our digital channels to better meet customers’ current and future needs.</i></p> <p><i>Strategic Priority O2.2 – Modernise our services and enhance the customer experience by making service delivery faster, more convenient and more proactive.</i></p>	<p>Project timelines and milestones have been determined with a workshop planned with Council Members to present renewed functionality and features in mid April 2022.</p>
2	O5001	<p>Service Review Using the Service Review Framework (currently under development) complete an external service review.</p> <p>Present the service review report, recommendations, management responses and draft action plan to Council for its consideration.</p>	<p><i>Strategic Priority O2.4 – Continuously strive to measure and improve performance and service delivery across all functions.</i></p>	<p>The Framework was adopted at the 26 October 2021 Council meeting, including the service area scoring methodology.</p> <p>Council resolved at its 25 January 2022 meeting for the 2022 Service Review to focus on the Civil Services Maintenance service area. The Review brief has been finalised and is currently in the procurement phase.</p> <p>Fieldwork is forecast to commence in March with reporting in April/May 2022.</p>
3	C6001	<p>Fabrik Activation Complete working drawings/schedules and final designs to enable the preparation of the CAP development application and tender documentation.</p> <p>Submit the development application to CAP.</p> <p>Provide an update on these completed tasks to Council Members and the community.</p>	<p><i>Strategic Priority C6.1 – Develop Fabrik as a vibrant cultural hub for the Adelaide Hills, fostering community connections and creativity and presenting the significant history of the Woollen Mill site.</i></p>	<p>All planning documentation was submitted for approval in December 2021, with Heritage approval given in January 2022, following some minor amendments to the plans.</p> <p>Community consultation is underway on this application with final approval to be considered by the Council Assessment Panel (CAP) in April 2022. The detailed construction drawings would then likely be submitted for Building Rules Consent approval in the first week of March 2022, at the same time the tender is advertised.</p> <p>Tender submissions are expected to be received in mid-April 2022 and a contractor/contractors engaged and on-site prior to 30 June 2022.</p>

	ABP ID	Performance Target	Strategic Link	February Update
4	E1003	<p>EOI: Development of 'Free' Camping Sites Prepare and complete an Expression of Interest (EOI) process as part of a proposed pilot to establish 'free' camping sites within Council's district.</p> <p>Present the outcomes of the EOI to Council Members.</p>	<p><i>Strategic Priority E1.1 – Support and encourage local and international tourists to visit the Adelaide Hills.</i></p> <p><i>Strategic Priority E3.3 – Works with our local communities and businesses to create active attractive and vibrant places.</i></p>	<p>The Expression of Interest (EOI) process commenced in December 2021.</p> <p>Representatives from three Recreation Ground committees plus an individual from a fourth community attended an information session and indicated interest in submitting an EOI.</p> <p>Follow up calls have been made to the attendees. It is anticipated that at least one community will submit an EOI by the 28 February 2022 deadline.</p>
5	n/a	<p>Cat Confinement Community Education Complete the implementation of the community education plan on the proposed cat confinement rules in preparation for the 1 January 2022 By-law No.6 - Cats implementation.</p> <p>Present the completed plan to Council Members.</p>	<p><i>Strategic Priority N2.2 – Explore opportunities and take appropriate actions to monitor current and emerging threats to biodiversity including feral cats and Phytophthora</i></p>	<p>The community education program is continuing with a social media ad campaign, e-newsletters, print media and signage around the Council area. A message on Council's rates notice has also been included to alert residents to changes in cat laws.</p> <p>Social media included 15 campaigns that focused on "happy indoor cats", pet enclosures, and promoting the "Hills Cattery" where owners can read and discuss cat related information. Council also finalised the "Happy Cat" competition with the winner being reported in the Adelaide Hills Herald. Engagement with all campaigns has been high and quite positive.</p> <p>Since the start of this education program Council's cat registrations have increased from approx. 450 to over 1100, allowing Council Rangers to return more cats if cats are found wandering.</p>
6	n/a	<p>Library Services Strategic Plan Develop a Library Services Strategic Plan which will help to guide the future development and programs related to our library services and staff. Present the strategy to Council for its consideration.</p>	<p><i>Strategic Objective C1 – A community for everyone – that is inclusive, welcoming and accessible</i></p>	<p>The various Friends of the Library groups were directly engaged and had input to the draft strategy in October/November 2021.</p> <p>A workshop with Council Members is planned for March 2022, prior to the draft Strategy being endorsed for community consultation at the March Council Meeting. Finalisation of the strategy and adoption by Council is planned to occur in May 2022.</p>

ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
17 February 2022
AGENDA BUSINESS ITEM

Item: 7.2

Responsible Officer: Megan Sutherland
Executive Manager Organisational Development
Corporate Services

Subject: CEO Performance Review Process and Schedule 2022

For: Decision

SUMMARY

The role of the CEO Performance Review Panel (the Panel) is to provide advice to Council on matters relating to the performance and development of the CEO. This report outlines the process options for determination and provides an approximate schedule of work and timeframes for 2022.

The agreement of the year's process and meeting schedule enables required work to be undertaken in preparation for the Panel meetings and to manage the process for the review of the CEO's performance.

RECOMMENDATION

The CEO Performance Review Panel resolves:

1. That the report be received and noted.
 2. To recommend to Council to undertake the 2022 CEO Performance Review and Remuneration Review using an external consultant.
 3. To recommend to Council that the 2022 CEO Performance Review Panel Meeting and Process Schedule – External (Caretaker Period) as contained in Appendix 2, be adopted and the CEO PRP Presiding Member be delegated to amend the Process Schedule meeting/workshop dates as required in consultation with the Administration.
-

1. GOVERNANCE

➤ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2020-24 – A brighter future

Goal

Organisation

Objective O1

We have the right people with the right knowledge and skills in the right jobs and they are supported and developed

Priority O1.4 Continue to support all staff through training, mentoring, coaching and development to enable the achievement of organisational and community goals

The requirement for the Panel to undertake regular review of performance enables accountability to be demonstrated and any recommendations on performance and development of the CEO to be identified, supported and managed.

➤ **Legal Implications**

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

The regular review of the CEO's performance needs to be undertaken appropriately to ensure the CEO is provided with a procedurally fair and consistent approach to performance reviews. The process needs to stand up under scrutiny, as the process, review tool and outcomes of the review directly affect decisions made in relation to the CEO, his performance, remuneration and employment agreement, the industrial provisions under which the CEO is employed.

Section 87 of the Act sets out the provisions for the calling and timing of Council Committee meetings.

Section 88 of the Act sets out the provisions relating to public notice of Council Committee meetings.

CEO performance review – s102A

The *Statutes Amendment (Local Government Review) Bill 2020*, has undergone many changes, as discussed in the report to the Panel in 11 November 2021.

Specific legislation change related to the CEO's employment are contained in Chapter 7 – Council staff, Part 1 – Chief Executive Officer of the LG Act.

Section 102A is a new section which provides that a council must review the performance of its CEO:

- (a) at least once on each year
- (b) if relevant, before reappointment of the CEO

Further the council must obtain and consider the advice of a qualified independent person on the above review.

Remuneration of the chief executive officer – s99A

CEO remuneration is one of the specific functions of the Panel under clause 3.1.5 of the Terms of Reference. In relation to the current CEO, s147(5) means that the Council and therefore the Panel are not bound by any determination issued by the Remuneration Tribunal during his current term of office which is due to conclude on 30 June 2024.

Caretaker Period

Importantly, the Caretaker Period for the 2022 Local Government Election is from 6 September 2022 to the conclusion of the election (no later than 18 November 2022).

During the ‘Caretaker Period’ the *Local Government (Elections) Act 1999* prohibits ‘designated decisions’ from being made. Under the Act (s91A), designated decisions affecting the CEO Performance Review process are defined as those:

- (a) relating to the employment or remuneration of the Chief Executive Officer, other than a decision to appoint an acting Chief Executive Officer; or
- (b) to terminate the appointment of the Chief Executive Officer;

Therefore, the schedules have all decisions regarding the Panel’s recommendations and Council’s decisions being managed before the Caretaker Period commences.

Risk Management Implications

Undertaking regular review of the CEO’s performance 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)

Note: there are many other controls that also assist in managing these risks.

➤ **Financial and Resource Implications**

Under the Panel’s Terms of Reference, the Panel shall:

- 4.1 *Have access to reasonable resources in order to carry out its duties, recognising the constraints within Council’s budget;*

If the Panel recommends to Council to use an internal performance review and external remuneration review, costs associated with an external consultant to undertake the remuneration review will be included within the draft 2022-2023 budget.

Should the Panel choose to recommend to Council to undertake the CEO performance and remuneration reviews using an external consultant, all costs associated with this process will be included in the draft 2022-23 budget. The estimated cost of any consultancy has not been disclosed in this report to avoid prejudicing any procurement process.

The costs associated with the operations of the Panel are contained in the current and draft budgets.

➤ **Customer Service and Community/Cultural Implications**

There is an expectation that the performance of the CEO is reviewed in a sound, fair and comprehensive manner.

There is an expectation that the requirements of the Terms of Reference will be adhered to and the CEO Performance Review Panel will have nominated meetings to undertake the work of the Panel and make recommendations to Council.

As a s41 Committee, the schedule of meetings will be posted on Council’s website and meetings are open to the public unless the provisions of s90 (Meetings to be held in public except in special circumstances) apply to specific agenda items.

➤ **Sustainability Implications**

Not applicable.

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

Consultation on the development of this report was as follows:

Council Committees: Not applicable

Council Workshops: Not applicable

Advisory Groups: Not applicable

External Agencies: Not applicable

Community: Not applicable

2. BACKGROUND

Proposed Schedule and Meetings

Establishing the CEO Performance Review Panel process and meeting schedule for 2022 enables the required planning to be undertaken by the Administration in preparation for the meetings.

Setting meeting dates enables Panel Members to prioritise the meetings or notify in advance if they will be unable to attend. Setting the schedule enables Council to meet its legislative obligations under s87 and s88 of the Act.

History of Performance Reviews

Over the years the CEO’s performance reviews have been undertaken using both external and internal processes.

Most recently, the Panel has decided to undertake the review processes using alternate internal/ external processes.

The table below shows the year and process undertaken.

Year	Internal vs External
2021	Internal performance review External remuneration review
2020	External Performance and remuneration reviews
2019	Internal performance review External remuneration review
2018	External Performance and remuneration reviews
2017	Internal performance review (no remuneration review new contract negotiated)
2016	External Performance and remuneration reviews
2015	External Performance and remuneration reviews
2014	External Performance and remuneration reviews
2013	External Performance and remuneration reviews

Performance Review Requirements

Since the last performance review was undertaken, legal requirements have changed, as discussed above. This means, to meet Section 102A provisions, advice must be obtained on the performance review from a qualified independent person, that being someone with appropriate qualifications or experience in human resource management who is not an employee or member of Council.

The CEO's current Employment Agreement commenced on 1 July 2019.

Clause 12 of the Agreement contains the provisions for a performance review process with the following key features:

12. PERFORMANCE REVIEW

- 12.1 The parties agree that the CEO will undergo no less than one annual performance review in accordance with the Council requirements for the Term of this Agreement. The CEO must also participate if directed in any other performance review required by the Council.
- 12.2 The performance review shall be conducted on an annual basis.
- 12.3 The CEO's performance will be assessed by reference to the Personal Evaluation System measured against the CEO's Duties as outlined in this Agreement, Position Description and any other factors considered relevant by agreement with the CEO. Evaluation will include the extent to which the CEO has discharged the CEO's goals, objectives, responsibilities and Duties outlined in Schedule 1.
- 12.4 The performance review will review the CEO's Position Description and any key performance indicators.
- 12.5 A written report shall be compiled with respect to the performance review and a copy provided to the CEO. The report shall set out in detail where Competent Performance (or better) has been achieved, and any particular aspects of the CEO's performance that require improvement, together with reasonable time frames within which it is expected those areas of performance to be improved to a specified standard.
- 12.6 The Council must provide whatever counselling, advice and assistance are reasonably necessary to enable the CEO to improve his performance during that period.
- 12.7 At the conclusion of the time frames referred to in Clause 12.5 and after taking into account the written report referred to in that Clause (and such other matters as the Council considers relevant), the CEO will either:
 - 12.7.1 be informed that performance has improved to the satisfaction of the Council or reached Competent Performance (or better) and that no further action will be taken; or
 - 12.7.2 be provided with further written notice, providing final warning that unless the CEO's performance improves in the same stipulated areas, once again within a time frame, the Council will terminate this Agreement pursuant to Clause 14.3.1.
- 12.8 The CEO's Personal Evaluation System must be reviewed and, if necessary, amended by agreement within two months after each performance review.

Personal Evaluation System (PES)

Before undertaking any review process, the PES must be agreed with the CEO.

Competent Performance, as defined in Clause 1 'Definitions' of the Employment Agreement states:

Competent Performance means the achievement by the CEO of a performance rating at least equal to the midpoint of the rating scale (i.e. CEO's performance met expectation).

Remuneration (TEC) Package Review

The TEC package must also be reviewed under the Employment Agreement, specifically:

13. TEC PACKAGE REVIEW

13.1 The TEC Package specified in Clause 10 and Schedule 2 shall be reviewed annually in conjunction with the performance review process and outcomes.

13.2 The TEC Package review will be conducted each year following the performance review set out in Clause 12 (if reasonably practicable), and any change to the TEC

Package shall take effect from the anniversary of the Commencement Date or as agreed.

The Remuneration Tribunal requirements in relation to CEO remuneration do not apply to the CEO under the current contract and therefore the process to determine the CEO's remuneration continues as before (s99A).

Since the inception of the remuneration review process, an external consultant has been used to provide independent remuneration advice.

3. ANALYSIS

For the current year, the Panel must decide on whether to use an internal or external CEO Performance Review and Remuneration Review process. Each of the proposed alternative processes is set out below.

Internal Review Process

If this process is used the performance review would be undertaken internally and a consultant would be used for the remuneration review. Advice would be received on the performance review via a consultant to meet those requirements.

An internal process would require the use of a tool to assess the CEO against the position description. As the internal process has been undertaken previously, it is recommended the tool used would be the same or similar. The Council Members and Executive Leaders would complete the tool. Collated feedback is discussed with the CEO by the Review Team, being the Mayor and Panel Presiding Member. The Executive Manager Organisational Development (OD) provides process management and administrative support. The final performance report would be agreed with the CEO by the Review Team.

The performance report would be discussed through the Panel and the final report and recommendation taken to Council.

There is a greater potential conflict of interest with a member of the Administration coordinating the internal performance review of the CEO. These risks need to be managed if this approach is undertaken.

Internal Review - Report Format

It is proposed that the following components would be included for consideration in the process if undertaken internally:

- Position specification – Key Responsibilities

- Position specification - Key Capabilities
- Performance Targets

If this process is recommended, the schedule containing all the decisions regarding the Panel's recommendations and Council's decisions being managed before the Caretaker Period commences (as amended), would be followed (**Appendix 1**).

Note: the dates are indicative of the timeframes and guide the process. The Panel's delegation to the Presiding Member is sought to enable flexibility in meeting timings as the process progresses.

External Review Process

If this process is used the performance review and remuneration review would be undertaken by a consultant.

The engagement of a consultant would be undertaken by the Executive Manager OD. Establishing the process would require the use of a tool to assess the CEO against the position description and personal attributes. The tool would be agreed, under advisement from the consultant, between the CEO, the Panel's Presiding Member (if available), and Executive Manager OD. The Council Members and Executive Leaders would complete the tool.

If this process is recommended, the schedule containing all the decisions regarding the Panel's recommendations and Council's decisions being managed before the Caretaker Period commences (as amended), would be followed (**Appendix 2**).

Note: the dates are indicative of the timeframes and guide the process. They may change to meet changing needs in consultation with the Panel's Presiding Member.

The CEO Performance Report completed by the consultant would be discussed through the Panel and the final report and recommendation taken to Council.

External Process - Report Format

It is proposed that the following components are included in the survey tool and final report if an external consultant is contracted.

Survey Tool	Report
Position specification – Key Responsibilities	Individual rating by the following respondent groups CEO, Council Members and Executive Leadership Team
Position specification - Key Capabilities	Overall table of results / graphed data
To provide general feedback on strengths	A summary of results and what they mean
To provide general feedback on possible improvements	A summary of the strengths and areas for improvement with a focus on the CEO's development

It is important that confidentiality of respondents is maintained.

A final CEO Performance Review report from the consultant would be provided for the Council record.

CEO Performance Targets

Determination of the outcome of the Performance Targets is taken as a separate report discussed through the Panel, with the recommendation taken to Council. The Performance Targets outcome is taken into account as part of the overall performance review of the CEO.

4. OPTIONS

1. That the Panel recommends to undertake the performance review and remuneration review using an external consultant. (Recommended)
2. That the Panel recommends to undertake a review using an internal process and utilise a consultant to undertake the remuneration review and general performance review advice. (Not Recommended)
3. That the Panel recommends to adopt the proposed external meeting and process schedule for 2022 (**Appendix 2**). (Recommended)
4. That the Panel recommends to change or amend the proposed meeting and process schedule for 2022. (Not Recommended)
5. That the Panel recommends a different meeting and process schedule for 2022. (Not Recommended)

5. APPENDICES

1. *2022 CEO PRP Process and Meeting Schedule – Internal (Caretaker Period)*
2. *2022 CEO PRP Process and Meeting Schedule – External (Caretaker Period)*

Appendix 1

*2022 CEO PRP Process and Meeting Schedule – Internal
(Caretaker Period)*

2022 CEO PERFORMANCE REVIEW PANEL MEETING AND PROCESS SCHEDULE – INTERNAL (Caretaker Period)

Proposed dates to guide the review with amendments to timeframes to be made as needed in conjunction with the Panel's Presiding Member.

Target date	Subject	Actions
17/2/2022	CEO PRP meeting (formal public meeting)	<ul style="list-style-type: none"> Update from CEO on 2021-2022 Performance Targets Consider and recommend to Council the CEO Performance Review Process (Internal/External) and Meeting Schedule 2022
22/3/2022	Report to Council	<ul style="list-style-type: none"> Determine the CEO Performance Review Process and Meeting Schedule 2022
By 30/4/2022	Remuneration Review sourced	<ul style="list-style-type: none"> Seek and evaluate quotes for CEO Remuneration Review consultancy
12/5/2022	CEO PRP meeting (formal public meeting)	<ul style="list-style-type: none"> Update from CEO on 2021-2022 Performance Targets Consider proposed CEO 2022-2023 Performance Targets
By 18/5/2022	Appoint consultant and survey preparation	<ul style="list-style-type: none"> External-Executive Manager Organisational Development (Megan Sutherland) to advise responders of procurement decision and appoint consultant Survey tool prepared
14/6/2022	Council Workshop	<ul style="list-style-type: none"> Discuss proposed CEO Performance Targets for July 2022- June 2023 (report to Council for decision in July)
14/6/2022	Council Workshop CEO workshop with Council Members and Executive Leaders	<ul style="list-style-type: none"> CEO provides a verbal report on performance against the Performance Targets and position objectives for 2021-22 to the Council Members and Executive Leadership Team CEO Performance review process explained by Executive Manager Organisational Development
15/6/2022	CEO Feedback opens	<ul style="list-style-type: none"> Council Members and Executive Leadership Team complete review tool
30/6/2022	Due date for responses to survey	<ul style="list-style-type: none"> All responses using the Performance Review Tool due to Executive Manager Organisational Development and report collation begins
7/7/2022	CEO PRP meeting (formal public meeting)	<ul style="list-style-type: none"> Consider and recommend to Council an outcome on each of the CEO 2021-22 Performance Targets
18/7/2022	Performance Report draft complete	<ul style="list-style-type: none"> Draft report ready for discussion with CEO

2022 CEO PERFORMANCE REVIEW PANEL MEETING AND PROCESS SCHEDULE – INTERNAL (Caretaker Period)

Proposed dates to guide the review with amendments to timeframes to be made as needed in conjunction with the Panel's Presiding Member.

Target date	Subject	Actions
20/7/-27/7/2022	Review discussion with CEO	<ul style="list-style-type: none"> Review discussion held between, CEO, Panel Presiding Member, Mayor and Executive Manager OD (advice and administrative support)
28/7/2022	Performance Review Report finalised	<ul style="list-style-type: none"> Executive Manager OD finalises Performance Review Report
26/7/2022	Report to Council	<ul style="list-style-type: none"> Determine final outcome on CEO Performance Targets 2021-22 Determine the CEO Performance Targets 2022-2023
28/7/2022	CEO PRP workshop (Confidential)	<ul style="list-style-type: none"> Consultant briefs the Panel on the Remuneration Review Report CEO discusses with Panel the Performance Review Report <i>(CEO and Consultant attend Panel workshop)</i>
4/8/2022	CEO PRP meeting	<ul style="list-style-type: none"> CEO advice on remuneration review expectation and any other related matters Consider and recommend to Council CEO performance outcome and remuneration (confidential)
23/8/2022	Report to Council	<ul style="list-style-type: none"> Determine CEO performance rating and remuneration (confidential)
PROPOSED DATES AFTER THE COUNCIL ELECTION AND FOR THE FIRST MEETING IN 2023		
To be determined	CEO PRP meeting	<ul style="list-style-type: none"> Update from CEO on 2022-23 Performance Targets
To be determined	CEO PRP meeting	<ul style="list-style-type: none"> Update from CEO on 2022-23 Performance Targets Consider process to be undertaken this year (internal or external) Discuss CEO Performance Review Panel Meeting and Process Schedule for 2023

Appendix 2

*2022 CEO PRP Process and Meeting Schedule – External
(Caretaker Period)*

2022 CEO PERFORMANCE REVIEW PANEL MEETING AND PROCESS SCHEDULE - EXTERNAL (Caretaker Period)

Proposed dates to guide the review with amendments to timeframes to be made as needed in conjunction with the Panel's Presiding Member.

Target date	Subject	Actions
17/2/2022	CEO PRP meeting (formal public meeting)	<ul style="list-style-type: none"> Update from CEO on 2021-2022 Performance Targets Consider and recommend to Council the CEO Performance Review Process (Internal/External) and Meeting Schedule 2022
22/3/2022	Report to Council	<ul style="list-style-type: none"> Determine the CEO Performance Review Process and Meeting Schedule 2022
By 30/4/2022	Consultant Procurement	<ul style="list-style-type: none"> Seek and evaluate quotes for CEO Performance Review consultancy
12/5/2022	CEO PRP meeting (formal public meeting)	<ul style="list-style-type: none"> Update from CEO on 2021-2022 Performance Targets Consider proposed CEO 2022-2023 Performance Targets Determine consultant to facilitate CEO Performance and Remuneration Review for 2022 (confidential report)
By 18/5/2022	Appoint consultant	<ul style="list-style-type: none"> Executive Manager Organisational Development (Megan Sutherland) to advise responders of procurement decision and appoint consultant
By 31/5/2022	Discuss with consultant	<ul style="list-style-type: none"> Executive Manager Organisational Development and if possible, Presiding Member (Cr Mark Osterstock) discuss process and requirements with consultant Performance Review tool (covering position description objectives) to be discussed and agreed under advisement from the consultant, between the CEO (Andrew Aitken), the Presiding Member, and Executive Manager Organisational Development Discuss the CEO Workshop and briefing of Council and Executive Leadership Team members Consultant to discuss the draft Performance Review Tool with the CEO prior to finalising
14/6/2022	Council Workshop	<ul style="list-style-type: none"> Discuss proposed CEO Performance Targets for July 2022- June 2023 (report to Council for decision in July)
14/6/2022	Council Workshop CEO workshop with Council Members and Executive Leaders	<p><i>(CEO, Consultant and Executive Leaders attend Workshop)</i></p> <ul style="list-style-type: none"> CEO provides a verbal report on performance against the Performance Targets and position objectives for 2021-2022 to the Council Members and Executive Leaders Consultant introduced to Council Members and Executive Leaders Consultant provides brief on Performance Review Process and timeframes

2022 CEO PERFORMANCE REVIEW PANEL MEETING AND PROCESS SCHEDULE - EXTERNAL (Caretaker Period)

Proposed dates to guide the review with amendments to timeframes to be made as needed in conjunction with the Panel's Presiding Member.

Target date	Subject	Actions
30/6/2022	Due date for responses to survey	<ul style="list-style-type: none"> All responses using the Performance Review Tool due to consultant and draft report commenced.
7/7/2022	CEO PRP meeting (formal public meeting)	<ul style="list-style-type: none"> Consider and recommend to Council an outcome on each of the CEO 2021-22 Performance Targets
By 18/7/2022	Report completed by Consultant	<ul style="list-style-type: none"> Draft performance report provided to Executive Manager Organisational Development
20/7-26/7/2022	CEO Debriefed	<ul style="list-style-type: none"> Consultant discusses and briefs CEO on draft performance report CEO provides feedback on the draft report to consultant
26/7/2022	Report to Council	<ul style="list-style-type: none"> Determine final outcome on CEO Performance Targets 2021-22 Determine the CEO Performance Targets 2022-2023
28/7/2022	CEO PRP workshop (Confidential)	<ul style="list-style-type: none"> Consultant briefs the Panel on the draft Performance Review Report and Remuneration Review Report CEO discusses with Panel the draft Performance Review Report <i>(CEO and Consultant attend Panel workshop)</i>
4/8/2022	CEO PRP meeting	<ul style="list-style-type: none"> CEO advice on remuneration review expectation and any other related matters Consider and recommend to Council CEO performance outcome and remuneration (confidential)
23/8/2022	Report to Council	<ul style="list-style-type: none"> Determine CEO performance rating and remuneration (confidential)
PROPOSED DATES AFTER THE COUNCIL ELECTION AND FOR THE FIRST MEETING IN 2023		
To be determined	CEO PRP meeting	<ul style="list-style-type: none"> Update from CEO on 2022-23 Performance Targets
To be determined	CEO PRP meeting	<ul style="list-style-type: none"> Update from CEO on 2022-23 Performance Targets Consider process to be undertaken this year (internal or external) Discuss CEO Performance Review Panel Meeting and Process Schedule for 2023

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 17 February 2022**

Item: 7.3

Responsible Officer: Lachlan Miller
Executive Manager Governance & Performance
Office of the Chief Executive

Subject: Submission to the Remuneration Tribunal on CEO
Remuneration

For: Decision

SUMMARY

The Remuneration Tribunal of South Australia (RTSA) has been given powers as part of the local government reform program to establish a remuneration scheme for council Chief Executive Officers (CEO).

The scheme, in broad terms, will involve the determination of minimum and maximum bands within which councils can set their CEO's remuneration.

RTSA is seeking submissions in relation to the determination of these remuneration bands.

The purpose of this report is for the Panel to consider preliminary matters that will form the Council's submission and to provide feedback and suggestions to be incorporated into the final submission for lodgement.

RECOMMENDATION

The CEO Performance Review Panel resolves:

1. That the report be received and noted
2. To suspend formal meeting procedure for the purposes of workshopping matters to be incorporated into the Council's submission to the Remuneration Tribunal of South Australia's 2022 Review of Local Government CEO Minimum and Maximum Remuneration.

1. GOVERNANCE

- **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Strategic Plan 2020-24 – A brighter future

Goal 5 A Progressive ORGANISATION

- Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community
- Priority O5.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

The CEO Performance Review Panel (CEOPRP) Terms of reference set out the specific functions of the Panel. One of these functions (clause 3.1.5) relates to reviewing the remuneration and conditions of employment of the CEO.

➤ **Legal Implications**

As previously advised to the Panel, the *Statute Amendment (Local Government Review) Act 2021* contains a number of new and revised provisions relating to the appointment, performance review, remuneration and termination of the council CEO.

Under the *Local Government Act 1999* (the Act), the remuneration of the CEO was determined by the council. Under the new provisions, section 99A has been created which still provides [s99A(1)] that the council determines the CEO’s remuneration however it must now ensure that the remuneration is within the relevant maximum and minimum remuneration determined by the Remuneration Tribunal [s99a(10)].

To give effect to these arrangement, sub-sections ss99A(2) – (4) provide as follows:

- (2) The Remuneration Tribunal will determine (from time to time) the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils.
- (3) In making a determination under subsection (2), the Remuneration Tribunal must have regard to any matter prescribed by the regulations.
- (4) A determination under subsection (2)—
 - (a) may differ based on any factor including, for example, the geographical location of a council or group of councils (such that different minimum and maximum remuneration may be paid or provided to chief executive officers from different councils); and
 - (b) may provide for minimum and maximum remuneration that may be paid or provided to chief executive officers to be indexed in accordance with the determination.

Currently, for the purposes of s99A(3), there are no matters prescribed by regulations.

➤ **Risk Management Implications**

Making a fair and balanced submission in relation to the RTSA Remuneration Review will assist in mitigating the risk of:

Failure to engage in sector-wide reform initiatives leading to the Adelaide Hills community not being adequately represented.

Inherent Risk	Residual Risk	Target Risk
High (3B)	Low (2E)	

Council contributes regularly to sector-wide consultations and has had success in facilitating perspectives being incorporated in consultation outcomes.

➤ **Financial and Resource Implications**

The CEO remuneration is incorporated into each annual budget.

The resources associated with the preparation and lodgement of the submission to the RTSA will be sourced from within the Governance and Performance Department.

➤ **Customer Service and Community/Cultural Implications**

There is a community expectation that CEOs are reasonably and fairly remunerated for their role however media commentary on the disparity between different council CEO remuneration and, in some cases, the quantum has caused concern in some quarters.

The setting of minimum and maximum remuneration bands for CEOs is likely to partially address these concerns.

➤ **Sustainability Implications**

Not applicable.

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

Consultation on the development of this report was as follows:

Council Committees: At the request of the Local Government Association (LGA) in preparation for an upcoming LGA Board meeting item in January 2022 on the subject of CEO remuneration, the Mayor and CEOPRP Presiding Member's views were obtained and provided to the LGA.

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

External Agencies: Remuneration Tribunal of South Australia
Local Government Association

Community: Not Applicable

2. **BACKGROUND**

In order to fulfil its new powers under s99A, the RTSA is seeking submissions from 'affected persons' (this is interpreted to include councils and members of the public) on matters to be considered in forming and making the Local Government CEO Minimum and Maximum Remuneration Determination (see **Appendix 1** for the Guidelines for Submissions). Submissions are due by 5pm Friday 11 March 2022.

The concept of remuneration banding (i.e. minimum and maximum) is ubiquitous across the federal, state/territory and local government sectors for most general, technical and senior officer classifications but somewhat less present at the CEO level.

Notwithstanding the above, a number of jurisdictions have set CEO remuneration banding for their local government sector. The author is familiar with the scheme used in Western Australia which considers a number of factors to determine a series of bands including council revenue, district population, and remoteness (as a proxy for cost of living). Remuneration bands are set on a four year cycle with CPI increases annually.

3. ANALYSIS

The RTSA’s Guidelines for Submissions (**Appendix 1**) set out a non-exhaustive list of potential considerations that could be addressed in submissions. As identified above, input to the LGA Board paper on CEO remuneration was prepared in January and is reproduced below.

It is intended that the Panel’s consideration of this item can be workshop-based in that Members may be able to suggest considerations and factors that can be captured in the submission due on 11 March 2022.

Component of the remuneration packages

In relation to the composition of the Total Remuneration Packages (TRP), the following is proposed.

TRP Inclusions (* = flexibility for CEO and Council to include/exclude as applicable to circumstances)	Professional Convenience (not part of TRP and managed through Policy provisions, not unlike all other staff)	TRP Exclusions
Base Salary	Tools of Trade – Phone, laptop, tablet, internet	Health Insurance
Annual Leave Loading	Work related Professional Memberships	Golf Club or similar Membership (e.g. gym)
Superannuation – Mandatory Contributions	Fringe Benefits Tax	School Fees and/or Child uniform
Allowance for Out of Hours / Additional Hours	Work related Travel and Accommodation	Unrestricted entertainment allowance
*Housing - Contributions at full market rental rate	Training and Development – Where it is mutually beneficial	Grooming/clothing allowance
*Motor Vehicle – inc. Private Use or Cash in lieu	Relocation Expenses	Travel for spouse or any other family member
*Utilities – at cost	Expenses to be Reimbursed – Mayoral (as CEO people leader) approval required	Cash Bonuses

Principles that should inform the Remuneration Tribunal’s deliberations

- We are conscious of the many reporting obligations upon local government and do not wish to impose additional reporting requirements for RTSA needs.
- We suggest using existing data sources (such as the Grant Commission Return), especially data that is specific and measurable equally by all councils.
- We support the use of minimal metrics for ease of calculation and have highlighted the most desirable metrics (in green) for consideration in the table below:

Number (in no particular order)	Principle	Data Source (needs to be specific and measurable equally by all councils)	Comment
1	The role of Local Government CEOs generally, including the diversity and complexity of the functions and duties performed by CEOs.	<i>Local Government Act 1999, s99</i> <i>Role of chief executive officer</i>	Discretionary duties and obligations placed upon a CEO should not be considered as part of the review process.
2	Any factors that demonstrate effective service delivery and responsible expenditure of public resources, including, but not limited to, any observations on the significance of this consideration	Annual Report	
3	The impact of Council elected member code of conduct issues on the role of Local Government CEOs.	Elected Member Code of Conduct – complaints / reports Ombudsman SA data	
4	The impact of any mergers or amalgamations of Local Government Councils on the role of the CEO.	Boundaries Commission data	
5	Any regional issues, for example, housing entitlements or remote locality entitlements in regional Local Government areas.	Grant Commission Return	
6	The geographical size (area) of the Council.	Km2	
7	The revenue (\$) of the Council.	Rates User Charges Grants	

Number (in no particular order)	Principle	Data Source (needs to be specific and measurable equally by all councils)	Comment
		Other	
8	Number of electors (persons) of the Council.	Combination of the Electoral and Supplementary Rolls	
9	The impact of council staff numbers (FTE) on the role of the CEO and the extent to which CEOs of smaller councils undertake a diversity of roles.	Organisational FTE staff numbers	Caution is required due to some Councils using contractors in lieu of FTEs or alternately using contractors in the FTE count.
10	The methodology by which any determination of minimum and maximum CEO remuneration bands should be indexed (CPI for example), and the frequency of further reviews of the remuneration bands by the Tribunal (4 yearly cycle as per elected members, for example).	RTSA review cycle and CPI for the March quarter annually	
11	Environment Impacts and Climate Change	Increased cost of Infrastructure	
12	Emergency Management	Bureau of Meteorology data Emergency Services Data – CFS, SES SAPOL, MFS, SAAS	Occurrences and potential for significant events for LG area e.g. flooding, bushfire, storm
13	Any other relevant information for the Tribunal's consideration.		
14	Major growth and development	Number and value of Development Applications	
15	strategic planning, including risk management	Strategic Risk Register	
16	Infrastructure development and asset management;	Asset Management Plans	Includes the extent (for example road network),

Number (in no particular order)	Principle	Data Source (needs to be specific and measurable equally by all councils)	Comment
			value and diversity of assets
17	Significant social/economic/environmental issues	Grants Commission Return	SEIFA index ,social, economy.id data (economic) and extent of council conservation/ biodiversity areas – see also emergency management (environmental)
18	Significant demand to service and support non-resident needs	Events – Patrons, Economic Benefit Tourism data – Visitor Numbers	
19	Diversity of services	Quarterly Performance Reporting Annual Report	
20	Community involvement and advocacy	Council Meeting attendance CAP Meeting attendance Your Say website / Forums – Number of respondents Interaction with State or Fed Gov – Number of Interactions / Enquires	
21	State or national negotiations	Grant Funding	
22	Operational and managerial requirements	See 11 above Numbers of Directors / Managers	
23	Capacity to pay	See 7 above	
24	Total expenditure	Annual Report	
25	Number of FTEs	See 9 above	

Following feedback being provided by Panel Members, the Council’s submission to the RTSA will be progressed, distributed to Panel and Council Members for final comment and lodged.

4. OPTIONS

The Panel has the following options:

- I. To participate in a workshop discussion regarding potential inclusions for the RTSA submission (Recommended)
- II. Determine an alternative course of action regarding the development of the RTSA submission (Not Recommended)

5. APPENDICES

- (1) *Remuneration Tribunal - 2022 Review of Local Government CEO Minimum and Maximum Remuneration – Guidelines for Submissions*

Appendix 1

*Remuneration Tribunal - 2022 Review of Local
Government CEO Minimum and Maximum
Remuneration – Guidelines for Submissions*



Remuneration Tribunal

2022 Review of Local Government CEO Minimum and Maximum Remuneration – Guidelines for Submissions

Scope of the review and Determination

- Section 99A(2) of the *Local Government Act 1999* (“the LG Act”) requires the Remuneration Tribunal (“the Tribunal”) to determine the minimum and maximum remuneration that may be paid or provided to Chief Executive Officers (“CEOs”) of Local Government Councils.
- Section 99A(1) and 99A(10) provide that the remuneration of each CEO will be determined by the relevant council, provided that the remuneration is set by the Council within the minimum and maximum remuneration bands fixed by the Tribunal from time to time.
- Section 99A(4) provides that a determination of remuneration made by the Tribunal:
 - may differ based on any factor including, for example, the geographical location of a council or group of councils (such that different minimum and maximum remuneration may be paid or provided to chief executive officers from different councils); and
 - may provide for minimum and maximum remuneration that may be paid or provided to chief executive officers to be indexed in accordance with the determination.
- Section 3 of the *Remuneration Act 1990* defines *remuneration* as salary, allowances, expenses, fees, and any other benefit of a pecuniary nature.

Guidelines for written submissions

The Tribunal invites submissions from affected persons which addresses, among any other relevant consideration, the following information:

- The role of Local Government CEOs generally, including the diversity and complexity of the functions and duties performed by CEOs.
- Any factors that demonstrate effective service delivery and responsible expenditure of public resources, including, but not limited to, any observations on the significance of this consideration.
- The impact of Council elected member code of conduct issues on the role of Local Government CEOs.
- The impact of any mergers or amalgamations of Local Government Councils on the role of the CEO.
- Any regional issues, for example, housing entitlements or remote locality entitlements in regional Local Government areas.

- The geographical size (area) of the Council.
- The revenue (\$) of the Council.
- Number of electors (persons) of the Council.
- The impact of council staff numbers (FTE) on the role of the CEO and the extent to which CEOs of smaller councils undertake a diversity of roles.
- The methodology by which any determination of minimum and maximum CEO remuneration bands should be indexed (CPI for example), and the frequency of further reviews of the remuneration bands by the Tribunal (4 yearly cycle as per elected members, for example).
- Any other relevant information for the Tribunal's consideration.

Making a submission

Further information on making a submission to the Tribunal is available on the Tribunal's website at <https://www.remtribunal.sa.gov.au/making-a-submission>

Submissions and requests to make oral submissions must be received by **5pm Friday, 11 March 2022** and can be sent to to RemunerationTribunal@sa.gov.au

The *Local Government Act 1999* (SA) is available at: www.legislation.sa.gov.au