



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 13 October 2022
6.00pm
Zoom Virtual Meeting Room**

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

Committee Members will be participating in the meeting by electronic (remote) means as provided for in legislation and the Committee's Terms of Reference.

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.

David Waters
Chief Executive Officer



CEO PERFORMANCE REVIEW PANEL

AGENDA FOR MEETING
Thursday 13 October 2022
6.00pm
Zoom Virtual Meeting Room

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
Mayor Jan-Claire Wisdom, 30 September to 23 October 2022, as approved by Council on 27 September 2022.
- 2.3. Absent

3. MINUTES OF PREVIOUS MEETINGS

CEO Performance Review Panel – 4 August 2022

That the minutes of the CEO Performance Review Panel meeting held on 4 August 2022 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. CEO Performance Targets 2022-23 - Update October 2022

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

8. MOTIONS WITHOUT NOTICE

9. QUESTIONS WITHOUT NOTICE

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

To be advised

12. CLOSE MEETING

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 4 AUGUST 2022
63 MT BARKER ROAD STIRLING**

In Attendance

Presiding Member: Cr Mark Osterstock

Members:

Ms Janet Miller	Independent Member
Mayor Jan-Claire Wisdom	
Cr Nathan Daniell	

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

Nil

2.2 Leave of Absence

Cr Chris Grant has a Leave of Absence from 29 July – 26 September 2022 approved by Council at the 26 July 2022 meeting.

2.3 Absent

Nil

Presiding Member _____ 13 October 2022

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 4 AUGUST 2022
63 MT BARKER ROAD STIRLING**

3. MINUTES OF PREVIOUS MEETINGS

3.1 CEO Performance Review Panel Meeting – 21 July 2022

Moved Janet Miller
S/- Cr Nathan Daniell

PRP13 /22

That the minutes of the CEO Performance Review Panel meeting held on 21 July 2022 as distributed, be confirmed as an accurate record of the proceedings of that meeting

Carried

4. PRESIDING MEMBER'S OPENING COMMENTS

It was with great sadness that we learned of the CEO's resignation. Andrew has been a wonderful asset for the community, the Council and is a good friend. He has been an excellent CEO, a great administrator who has provided outstanding advice and guidance to the elected body and has managed the human and financial resources of the organisations in a prudent and responsible manner. Andrew has been a member of many groups and committees, both within and outside the sector, and his contributions to these bodies have been much appreciated and will be sorely missed.

We extend out best wishes to Andrew for his future career and thank him for his service to Council and the community.

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 CEO Performance Targets Status Update

Moved Mayor Jan-Claire Wisdom
S/- Janet Miller

PRP14/22

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 4 AUGUST 2022
63 MT BARKER ROAD STIRLING

8. MOTIONS WITHOUT NOTICE

Nil

9. QUESTIONS WITHOUT NOTICE

Nil

10. CONFIDENTIAL ITEMS

RELEASED 07 SEPTEMBER 2022

10.1 CEO Performance & Remuneration Report – Exclusion of the Public

Moved Cr Nathan Daniell
S/- Mayor Jan-Claire Wisdom

PRP15/22

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:

- CEO, Andrew Aitken
- Executive Manager Governance & Performance, Lachlan Miller
- Executive Manager Organisational Development, Megan Sutherland

be excluded from attendance at the meeting for Agenda Item 10.1: (2022 CEO Performance and Remuneration Reviews) in confidence.

The Panel is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in 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), being the personal affairs of the Chief Executive Officer, in that details of his performance review will be discussed.

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.

Carried

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 4 AUGUST 2022
63 MT BARKER ROAD STIRLING**

RELEASED 07 SEPTEMBER 2022

10.1.1 CEO Performance & Remuneration Report – Confidential Item

Moved Mayor Jan-Claire Wisdom

S/- Cr Nathan Daniell

PRP16/22

The CEO Performance Review Panel resolves:

- 1. That the report be received and noted**
- 2. To recommend to Council that the CEO ‘meets expectations’ in relation to the 2022 CEO Performance Review.**
- 3. To acknowledge that the CEO has recently tendered his resignation and that his performance over the 10 years of tenure has been exceptional and has regularly exceeded expectations in terms of his performance reviews.**
- 4. To recommend to Council with regard to the performance outcome, that no specific performance improvement plan is needed.**
- 5. To recommend to Council to increase the CEO’s TEC Package by 2.5% to commence from 1 July 2022.**

Carried

ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 4 AUGUST 2022
63 MT BARKER ROAD STIRLING

RELEASED 07 SEPTEMBER 2022

10.1.2 CEO Performance & Remuneration Report – Duration of Confidentiality

Moved Cr Nathan Daniell

S/- Janet Miller

PRP17/22

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing the Panel's decision(s) in this matter in the performance of the duties and responsibilities of office, the Panel, having considered at Agenda Item 10.1 in confidence under sections 90(2) and 90(3)(a) of the *Local Government Act 1999*, 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 the matter has been decided by Council and the CEO has been advised in writing of the decision.
Related Attachments	Until the matter has been decided by Council and the CEO has been advised in writing of the decision.
Minutes	Until the matter has been decided by Council and the CEO has been advised in writing of the decision.
Other (CEO Performance Review)	Until the matter has been decided by Council and the CEO has been advised in writing of the decision.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Panel delegates the power to revoke the confidentiality order either partially or in full to the Executive Manager Governance and Performance.

Carried

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 4 AUGUST 2022
63 MT BARKER ROAD STIRLING**

11. NEXT MEETING

The next ordinary meeting of the CEO Performance Review Panel will be held on Thursday 13 October 2022 from 6.00pm at 63 Mt Barker Road Stirling.

12. CLOSE MEETING

The meeting closed at 6.23pm.

ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday, 13 October 2022
AGENDA BUSINESS ITEM

Item: 7.1

Responsible Officer: David Waters
Chief Executive Officer
Office of the Chief Executive

Subject: CEO Performance Targets 2022-23 – Update October 2022

For: Decision

SUMMARY

At its 26 July 2022 meeting, Council adopted the suite of CEO Performance Targets covering the 2022-2023 financial year.

On 20 September 2022, Council appointed David Waters as Acting Chief Executive Officer (the ‘CEO’) following Andrew Aitken’s resignation.

The role of the 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.

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 a status 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. BACKGROUND

Panel Functions

The Panel has specific functions in relation to the CEO’s Performance Targets as set out in clauses 3.1.2 and 3.3.3, as follows:

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.

2022-23 CEO Performance Targets

Council adopted a new suite of CEO Performance Targets on 26 July 2022 covering the 2022-2023 financial year.

12.9 Proposed CEO Performance Targets 2022-2023

**Moved Cr Chris Grant
S/- Cr Mark Osterstock**

191/22

Council resolves:

- 1. That the report be received and noted**
- 2. To adopt the 2022-23 CEO Performance Targets as per *Appendix 1* and summarised below.**

Target 1 – Fabrik Redevelopment

Target 2 – User Pays Bin Collection Study

Target 3 – Savings Strategies

Target 4 – Gumeracha Library Upgrade

Target 5 – New Dog and Cat Facility

Target 6 – Central Irrigation System

Target 7 – Unformed Roads Review

Carried unanimously

Acting Chief Executive Officer

On 26 July 2022, the current CEO, Andrew Aitken provided the Principal Member, Mayor Jan-Claire Wisdom, with a notice of resignation. A termination (settlement) date was to be negotiated and resolved by the Council under the provisions of the Employment Agreement.

At its 23 August 2022 meeting, Council resolved (226/22) in relation to the current CEO's termination (separation date):

2. To determine that, as a result of negotiation in accordance with clause 14.3.2 of the Employment Agreement, the termination (separation) date for Chief Executive Officer, Andrew Aitken, will be 4.00pm, Friday, the 30th day of September 2022.

At the same meeting, Council resolved to commence a recruitment process for the Acting CEO position utilising an internal recruitment process.

At the 20 September 2022 Special meeting, Council considered a report on the outcomes of the recruitment process and resolved:

8.1.2 Appointment of Acting CEO – Confidential Item

Moved Cr Ian Bailey
S/- Cr Leith Mudge

246/22

Council resolves:

1. That the report be received and noted
2. To appoint David Waters to the position of Acting Chief Executive Officer of the Adelaide Hills Council for a period commencing 4.01pm Friday 30 September 2022 and concluding upon the commencement of the successful candidate in the (substantive) Chief Executive Officer Recruitment process.
3. To authorise the Mayor to negotiate the final terms and conditions of the Acting Chief Executive Officer's Employment Agreement being materially similar to the draft Employment Agreement in Appendix 1 and with a Total Remuneration Package value of no greater than \$269,582.00.

Carried Unanimously

The Employment Agreement (the "Agreement") between Council and the Acting CEO was executed on 21 September 2022. The Agreement provides for a performance review process. The Agreement requires the review of the CEO's performance against the position description and any performance indicator(s).

The default position is that the 2022-23 CEO Performance Targets adopted on 26 July 2022 will now apply to the Acting CEO, albeit the panel can only properly review the Acting CEO's performance based on progressing achievement of the targets during his time in the role.

2. ANALYSIS

➤ 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*.

The Performance Targets 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 annually updating the CEO Performance Targets through Council decision and then reporting and monitoring them throughout the year via the Panel 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**

There are no financial or resource implications in reporting on projects against the 2022-23 CEO Performance Targets.

Any specific financial or resource implications have been addressed in the *2022-23 Annual Business Plan* or will be dealt with in budget reviews, as required.

➤ **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>	Not Applicable
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Discussion**

This item provides the opportunity for the CEO to update the Panel on the progress against the 2022-2023 CEO Performance Targets to date and identify any issues for consideration.

The performance targets were adopted by Council for the former CEO. The Acting CEO has indicated that he is comfortable with the same suite of targets applying to his tenure in the role, recognising that achieving those targets are only one part of the CEO's role and that there are a range of other priority areas of focus for the Acting CEO over the next 3 – 6 months.

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

3. 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 2022-2023 CEO Performance Targets. (*Not Recommended*)

4. APPENDIX

- (1) CEO Performance Targets 2022-23 – Update October 2022

Appendix 1

CEO Performance Targets 2022-23

Update – October 2022

	Project ID	Performance Target (as per Initiatives and brief description)	Strategic Link	Status
1	C6001	<p>Fabrik Redevelopment Progress the construction of the Fabrik Arts and Heritage Hub redevelopment. Report on progress against key construction milestones through the quarterly corporate performance report. Key Construction Milestones:</p> <ul style="list-style-type: none"> Re-locate Council staff, secure the site, and complete the demolition of building 12 – Estimated 30 September 2022 Complete the re-development of Building 21 – Estimated 31 December 2022 Complete the re-development of Building 14 – Estimated 31 March 2023 Complete the construction of the new Pavilion Building attached to building 14 – Estimated 30 June 2023 	<p>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.</p>	<p>Status: On Track</p> <p>Building works have commenced on Building 21 with the internal works well underway with the electrical, plumbing, internal walls and ramp installed.</p> <p>Demolition of Building 12 scheduled for late October.</p> <p>Contracts are being finalised for the other buildings. Materials for the whole project are in the process of being procured to minimise any potential delays resulting from shortages.</p>
2	N4001	<p>User Pays Bin Collection Study Complete the following high level studies by November 2022 which considers:</p> <ol style="list-style-type: none"> introducing a fee incentive for use of the kerbside bin service benefits of providing a weekly green organic bin collection, and voluntary fortnightly waste collection. <p>Outcomes from the studies are to inform November 2022 LTFP and subsequent budget considerations.</p>	<p>Strategic Priority N4.1 We will work with partners to analyse the benefits and feasibility of introducing a fee incentive to property owners to produce less waste in relation to the kerbside bin service</p>	<p>Status: On Track</p> <p>A consultant has been engaged and work has commenced on the high level studies, including workshops with key stakeholders.</p> <p>An initial workshop with Council Members on preliminary findings and options to be modelled was held on 13 September 2022.</p> <p>Modelling of several kerbside bin options is now underway and the results will inform the next iteration of the LTFP.</p>



	ABP ID	Performance Target	Strategic Link	Additional Notes/Context
3	No ID	Savings Strategies Achieve the agreed savings and efficiencies measures captured within the 2022/23 Annual Business Plan by 30 June 2023. Report on progress against these through the quarterly corporate performance report.	Strategic Priority O3.1 Ensure the delivery of agreed strategic plan requirements whilst meeting endorsed long-term targets for a sustainable operating surplus and level of debt.	Status: On Track Budget adjustments were made to a large number of accounts to remove CPI escalation where it could be handled within existing budgets providing \$231k out of the overall saving target of \$650k. Procedures for the capture of savings related to vacancy and leave management have been developed. Monthly reporting to Executive on all initiatives has commenced and has also been incorporated into the quarterly reporting process. Further investigation of the credit surcharging option has highlighted technical issues between the key payment channels and Open Office, which may impact the ability to implement a viable and economical solution.
4	C1004	Gumeracha Library Upgrade Upgrade the Gumeracha Library with a new layout configuration to make a more welcoming and functional space for the local community. Report on the progress of this project through the quarterly corporate performance report.	Strategic Priority C1.1 Provide welcoming spaces and places for the community through our libraries, community centres, and Council and community facilities	Status: On Track Draft concept plans were prepared which included a revamped children's space, refreshed reading and sitting areas, an updated service desk with accessible options and new shelving and furniture. Community engagement was undertaken in August, prior to the commencement of the caretaker period, to seek feedback on the draft plans. Feedback has been analysed by staff and appropriate suggestions are being incorporated in the final design.
5	N2011	New Dog and Cat Facility Complete Scoping Study and present options to Council Members for impounding dogs and cats, including the option of upgrading the current holding facility at Heathfield. Outcomes from the studies are to inform November 2022 LTFP and subsequent budget considerations.	Strategic Priority O5.2 Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.	Status: On Track Options and costings for animal detention have been completed. Submissions for an external consultant to assist develop a revised Animal Management Plan are currently being reviewed. The preferred animal detention option will be determined through that process.

	ABP ID	Performance Target	Strategic Link	Additional Notes/Context
6	B3002	<p>Central Irrigation System Investigate and implement the central irrigation control system. Report on the progress of this project through the quarterly corporate performance report.</p>	<p>Strategic Priority B3.1 <i>Improve water security by maximising water reuse opportunities, reducing reliance on ground water and improving water efficiencies for open space irrigation and building facilities</i></p> <p>Strategic Priority N1.2 <i>Manage reserves and open space to support the community, whilst balancing biodiversity conservation, resource use and environmental impacts</i></p>	<p>Status: On Track</p> <p>A suitable and cost effective system has been identified and is currently being implemented.</p> <p>Upskilling of staff in the operation of the new system will be commencing in October.</p> <p>Installation of new systems will occur later in the financial year following the completion of the irrigation system audits.</p>
7	N2004	<p>Unformed Public Roads Review Complete a review of Unformed Public Roads to ascertain connectivity potential and habitat value. Present the outcomes of this review to Council Members.</p> <p>Deliverables include a robust and accessible dataset and GIS layer (SSA) for Council staff to use to inform Unformed Public Roads queries from the public and internally. This will include the determination of values such as biodiversity, conservation, landscape context, recreational, cultural, heritage, trail condition/slope and other land features such as watercourses, broad vegetation association, species of conservation significance, etc.</p>	<p>Strategic Priority N2.1 <i>Monitor and manage areas of high biodiversity or habitat value on Council reserves and Native Vegetation Marker Scheme (NVMS) sites using best practice Methodologies.</i></p> <p>AHC Biodiversity Strategy 2018-2023 Goal 1: Protect highlights the need to <i>Proactively review Unformed Public Roads to ascertain connectivity potential and habitat value. Prioritise biodiversity value /connectivity potential for future management.</i></p>	<p>Status: On track</p> <p>Project brief has been prepared and a Request for Quote was issued in August 2022 for a suitably qualified consultant to assist in undertaking the works.</p> <p>Submissions have been received from Consultants and currently being reviewed.</p>