

**ADELAIDE HILLS COUNCIL  
ORDINARY COUNCIL MEETING  
Tuesday 24 August 2021  
CONFIDENTIAL AGENDA BUSINESS ITEM**

**Item:** 18.1

**Responsible Officer:** Megan Sutherland  
Executive Manager Organisational Development  
Corporate Services

**Subject:** 2021 CEO Performance and Remuneration Review

**For:** Decision

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**1. 2021 CEO Performance and Remuneration Review– Exclusion of the Public**

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

- Chief Executive Officer, Andrew Aitken
- Director Community Capacity, David Waters
- Director Corporate Services, Terry Crackett
- Acting Director Development & Regulatory Services, Mel Bright
- Director Infrastructure & Operations, Peter Bice
- Executive Manager Governance & Performance, Lachlan Miller
- Executive Manager Organisational Development, Megan Sutherland
- Governance & Risk Coordinator, Steven Watson
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 18.1: (2021 CEO Performance and Remuneration Review) in confidence.

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

Section 90(3)(a) of the *Local Government Act 1999*, 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 Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

## **2. 2021 CEO Performance and Remuneration Review – Confidential Item**

### **SUMMARY**

The Employment Agreement between Council and the Chief Executive Officer (CEO) provides the process for the review of performance and remuneration. The performance review assesses the CEO's performance against the CEO's position description and agreed performance targets.

The review process was undertaken internally via the CEO Performance Review Panel (the Panel). The review process was undertaken between July and August 2021 to assess performance against the eight (8) areas of key responsibility (specified in the position description).

The Panel has made recommendation to the Council regarding the CEO's overall performance rating to enable the performance review process to be finalised.

Following the consideration of the performance review the Panel have made recommendation to Council regarding changes to the Total Employment Cost (TEC) Package, with remuneration information provided through an external consultant.

### **RECOMMENDATION**

#### **Council resolves:**

- 1. That the report be received and noted.**
- 2. That the CEO 'exceeds expectations' in relation to the 2021 CEO Performance Review.**
- 3. With regard to the performance outcome, that no specific performance improvement plan is needed as the CEO is not underperforming.**
- 4. To increase the CEO's TEC Package from 1 July 2021 by 2.5% in recognition of the CEO's performance exceeding expectations plus 0.5% as a market adjustment.**

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### **1. GOVERNANCE**

*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 of Committee of Council under the *Local Government Act 1999* (the “LG Act”).

This process needs to be undertaken appropriately to ensure the CEO is provided with a fair and consistent approach to performance reviews. The process must stand up under scrutiny as the tool and the outcomes of the review directly affect decisions made in relation to the CEO, his performance and remuneration decisions.

In accordance with S120 of the LG Act the Executive Manager Organisational Development has registered a conflict of interest with the CEO, who has approved the officer to continue to work on the CEO performance and remuneration review process.

The *Statutes Amendment (Local Government Review) Act 2021* (“the Amendment Act”) has been passed and the new provisions relating to CEO remuneration (s99A) have been scheduled to commence in August/September 2021 in the LG Act. Under the transitional provisions of the Amendment Act, the remuneration of a CEO holding office at the commencement of 99A will not be affected during that term of office.

➤ **Risk Management Implications**

Undertaking regular review of the CEO’s performance is an important control 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**

The 2021-2022 Budget includes an organisational provision for salary increases related to enterprise agreements, as well as potential annual increments for years of service and review of manager contracts. If the Council adopts an increase to the CEO’s TEC package this will be funded from that provision.

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

There is a community expectation that the CEO will perform competently and meet expectations to achieve the required outcomes for the organisation.

➤ **Sustainability Implications**

Not applicable

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

Engagement and/or consultation on the development of this report was as follows:

*Council Committees:* Discussion occurred with the Panel's Presiding Member, the Mayor and the CEO on 4 August 2021. The Panel met on 12 August 2021 to discuss the report.

*Council Workshops:* The CEO presented an overview of the year to Council on 13 July 2021 and the Executive Manager Organisational Development advised Council Members and Executive Members on the CEO performance review process and timeframes.

*Advisory Groups:* Not applicable.

*Administration:* Chief Executive Officer  
Director Corporate Services  
Executive Manager Organisational Development  
Executive Manager Governance and Performance

*External Agencies:* Remuneration Consultant

*Community:* Not applicable

## 2. BACKGROUND

### CEO Performance Review Panel (the Panel)

The role and specific function of the Panel, as described in the *Terms of Reference* (1 September 2017) are:

### 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.

### Internal Performance Review

At its 27 April 2021 meeting, Council resolved to undertake the 2021 CEO Performance Review process internally and to use an external consultant to provide a review of the Total Employment Cost package which is undertaken through a remuneration review report.

#### 12.8 2020-21 CEO Performance Review Process & Schedule

Moved Cr Mark Osterstock  
S/- Cr Linda Green

77/21

Council resolves:

1. That the report be received and noted
2. To undertake the 2021 CEO Performance Review using an internal process and utilise a consultant to undertake the remuneration package review.
3. To adopt the 2021 CEO Performance Review Panel Internal Process and Meeting Schedule as contained in Appendix 1 as it relates to Council meetings and workshops.

Carried Unanimously
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## CEO Employment Agreement

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.

A consideration from the performance review (as stipulated in Clause 12.5) is whether there are any particular aspects of the CEO's performance that require improvement due to underperformance and if so, the reasonable timeframes within which it is expected for those areas to be improved.

### Rating System

The Agreement (in Clause 12.4 above) requires a Personal Evaluation System which means the rating system by which the CEO's performance is assessed. The agreed rating system provides the following assessment:

5 Exceptional	Performance far exceeded expectations due to exceptionally high quality of work performed in all <i>essential</i> areas of responsibility, resulting in an overall quality of work that was superior
4 Exceeds expectations	Performance consistently exceeded expectations in all <i>essential</i> areas of responsibility, and the quality of work overall was excellent. Annual goals were met.
3 Meets expectations	Performance consistently met expectations in all <i>essential</i> areas of responsibility, at times possibly exceeding expectations, and the quality of work overall was very good. The most critical annual goals were met.
2 Improvement needed	Performance did not <i>consistently</i> meet expectations – performance failed to meet expectations in one or more <i>essential</i> areas of responsibility, and/or most critical goals were not met.
1 Unsatisfactory	Performance was consistently below expectations in most <i>essential</i> areas of responsibility, and/or reasonable progress toward critical goals was not made. Significant improvement is needed in one or more important areas.

### 2020-2021 Performance Targets

Council adopted a suite of CEO Performance Targets on 28 July 2020 covering the 2020-21 financial year (specifically point 3 in the recommendation below).

**ADELAIDE HILLS COUNCIL  
MINUTES OF ORDINARY COUNCIL MEETING  
TUESDAY 28 JULY 2020  
VIA AUDIO/VISUAL LINK**

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**12.11 CEO Performance Target Finalisation and Proposed 2020 – 2021 Performance Targets**

Moved Cr Mark Osterstock  
S/- Cr Pauline Gill

150/20

Council resolves:

1. That the report be received and noted
2. That the CEO has achieved the following outcomes in relation to the 2019-20 CEO Performance Targets:  
  
Target 1 – Completed  
Target 2 – Completed  
Target 3 – Completed  
Target 4 – Deferred by Council decision  
Target 5 – Completed  
Target 6 – Completed modified target by Council decision
3. To adopt the proposed 2020-2021 CEO Performance Targets recommended by the Panel as per *Appendix 2*.

Carried unanimously

These performance targets, in conjunction with the key responsibilities in the position description are used to assess the CEO's performance in accordance with Clause 12.4 of the Agreement.

#### CEO Total Employment Cost Package

The Agreement contains the provisions for the review of the Total Employment Cost (TEC) Package in Clause 13 that must be used when considering any change in TEC as follows:

#### 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.
- 13.3 The review of the TEC Package will take into account the following:
  - 13.3.1 The agreed key performance indicators;
  - 13.3.2 The CEO's Position Description;
  - 13.3.3 Movements in the Consumer Price Index (all groups) Adelaide as issued by the Australian Bureau of Statistics for the year ending in the quarter immediately preceding the review;
  - 13.3.4 Remuneration paid to CEO's of councils in South Australia; and
  - 13.3.5 Any other factors the Council considers relevant.
- 13.4 Notwithstanding Clause 13.3, the parties acknowledge that, in undertaking any review of the TEC Package, the CEO is not, as a right, entitled to any annual increase of the TEC Package.

The current CEO Total Employment Cost Package is:

Annual base salary	\$233,952
Employer superannuation (10% of annual base salary)	\$23,395
Full and unrestricted use of fully maintained vehicle	\$10,000
<b>TOTAL TEC</b>	<b>\$267,348</b>



### 3. ANALYSIS

A requirement of the Performance Review (Clause 12.5 of the Agreement) stipulates a determination on the CEO's performance by way of a written report identifying whether competent performance (or better) has been achieved, and to identify any particular aspects of the CEO's performance that requires improvement, based on underperformance of the CEO. In determining whether the CEO has achieved competent performance, under the CEO's Employment Agreement (in 'Definitions') competent performance is defined in the following way:

**Competent Performance** means the achievement by the CEO of a performance rating at least equal to the mid point of the rating scale (ie CEO's performance met expectation).

The Panel's Presiding Member and the Mayor met with the CEO on 4 August 2021 to discuss the performance feedback from Council Members and Executive staff. Feedback covered the strengths and development opportunities in relation to the key responsibilities of the CEO in the position description, these being:

- Advice to and Relations with Council Members
- Leadership and Management of Councils Employees
- Stakeholder Management and Communication
- Financial and Asset Management
- Work Health and Safety
- Strategic Planning
- Human Resources Management and
- Operational Management, Governance and Major Projects.

The position description as contained in the Agreement is based on the requirements of s99 – Role of Chief Executive Officer and is a standard that is used across many councils within the local government sector.

#### 2021 CEO Performance Review

The outcome for this performance review is detailed in the Review (**Appendix 1**).

The Panel's Presiding Member and the Mayor considered if any specific performance improvements were required (as a result of underperformance) and the Panel recommend that no specific performance improvement plan is needed.

The CEO has indicated that he will consider the feedback received from participants as part of his ongoing personal and professional development.

The performance rating being recommended to the Council for the 2021 CEO Performance Review is that the CEO 'exceeds expectations' (a rating of 4 from the rating scale).

#### Performance Target Outcomes

At the Council meeting of 27 July 2021, the Council determined that the CEO had achieved the CEO's 2020-2021 Performance Targets (copy of the final outcomes attached as **Appendix 2**):

The minute of the Council meeting states:

**12.5 Finalisation of 2020-21 CEO Performance Review Targets**

Moved Cr Mark Osterstock  
S/- Cr Chris Grant

157/21

**Council resolves:**

1. That the report be received and noted
2. That the CEO has achieved the following status in relation to the CEO Performance Targets 2020-2021:

**Target 1 Community Perception & Engagement Survey - Completed**  
Undertake a community perception and engagement survey and present an action plan of identified improvement opportunities to Council Members.

**Target 2 Community & Recreation Facilities Framework - Completed**  
Develop a draft Community & Recreation Facilities Framework for final (Stage 3) consultation, for consideration by Council.

**Target 3 Kerbside Waste Audit and Education Program - Completed**  
Complete a kerbside waste audit to inform and develop an ongoing education program and present to Council Members.

**Target 4 Information System Cyber Security Plan - Completed**  
Undertake a Cyber Security Audit, and develop a Cyber Security Plan to address matters raised in the audit, to minimise the impact of cyber-attack to Council's network and systems.

**Target 5 Carbon Inventory - Completed**  
Complete and present to Council Members an updated carbon inventory based on Climate Active (formerly National Carbon Offset Standard) emissions boundaries to support the implementation of the Corporate Carbon Management Plan.

**Target 6 Recovery Action Plan - Completed**  
Provide quarterly progress reports to Council on the implementation of the Council's Bushfire Recovery Action Plan and initiatives supporting recovery from the COVID-19 pandemic.

**Target 7 Social and Economic Recovery – Community Ready - Completed**  
Actively pursue opportunities to work with government and non-government partners on programs to assist communities and businesses develop resilience and readiness for future disasters. Include regular updates to Council as part of the quarterly Recovery Action Plan reporting.

**Target 8 Social, Economic and Environmental Recovery - Completed**  
Engage with local communities and businesses in developing a Lobethal Bushland Park Masterplan. Present the draft masterplan to Council for its consideration.

Carried Unanimously
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Considering both the Performance Review and the decision of Council on the completion of the Performance Targets, the Panel has made the following recommendation to Council at its meeting of 12 August 2021.

### 10.1.1 2021 CEO Performance and Remuneration Review – Confidential Item

**Moved Mayor Jan-Claire Wisdom**

**S/- Cr Chris Grant**

**PRP12/21**

**The CEO Performance Review Panel resolves:**

- 1. That the report be received and noted.**
- 2. To recommend to Council that the CEO ‘exceeds expectations’ in relation to the 2021 CEO Performance Review.**
- 3. To recommend to Council with regard to the performance outcome, that no specific performance improvement plan is needed as the CEO is not underperforming.**

<b>Carried</b>
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#### Remuneration Review Report

Following the consideration of the performance review the Council will need to decide on any changes to the Total Employment Cost (TEC) Package, with any recommended changes to take effect from the anniversary of the current Employment Agreement or as agreed with the CEO.

The following information is provided from the consultant’s CEO Remuneration Review Report (the Report) for the Council’s consideration.

#### **Consumer Price Index (CPI)**

A common baseline factor that is considered for remuneration reviews is the movement in the annual Consumer Price Index (CPI). The most recent report from the Australian Bureau of Statistics (ABS) shows the following movements in the CPI. We have shown the most recent national and SA CPI figures released for March 2021. The next release of data from the ABS is scheduled for 28 July, at which time they will report the annual CPI movements to June 2021.

<b>Quarter</b>	<b>National CPI</b>	<b>SA CPI</b>
March 2021	1.1%	1.2%

As discussed at the Panel meeting, the ABS Adelaide June CPI figure was 2.8%.

#### **Wage Price Index (WPI)**

In conducting remuneration reviews of this kind, we also generally provide the annual Wage Price Index (WPI) movements. The WPI measures annual movements in remuneration nationally and the March 2021 quarter report showed annual movements of 1.5% across all sectors which is lower than the same period last year (2.1%). The June figures are not yet available.

#### **Minimum Wage**

We have also included the annual movement in the minimum wage for an additional reference point. Given the low CPI, many employers are considering the annual adjustment in the minimum wage in determining their annual salary increases. An increase from 1 July 2021 of 2.5% was announced and will flow through to various Awards from that date or over coming months.

### Benchmarking other Councils

We have also conducted some benchmarking with other Councils. We have provided data for the Group 2 Councils, with which AHC is grouped by the S.A. Remuneration Tribunal for the purposes of determining Councillor Allowances. We have provided data for CEO remuneration in the table below:

Council	2020 Remuneration
Alexandrina Council	\$ 289,170
Campbelltown	\$ 306,805
Holdfast Bay	\$ 274,326
Mount Gambier	\$ 260,000
Prospect	\$ 260,656
Unley	\$ 286,923
Mount Barker	\$ 250,591
Barossa	\$ 270,702
Burnside	\$ 275,000
Norwood Payneham, St Peters	\$ 287,920
Murray Bridge	\$ 280,742
Gawler	\$ 268,643
Average	\$ 275,957

We make the following comments about the data shown on the table above:

- The CEO for Mount Gambier only recently commenced in the role.
- The CEO for Prospect has just finished in the role. We understand that Prospect are expecting to pay remuneration at a similar level for a new CEO but are prepared to increase remuneration to a higher level for the right candidate.
- The Burnside CEO started in the role 18 months ago and is due to have his first remuneration review, which will be effective from 1 July 2021.
- Only Gawler provided an increase over the last year to their CEO and he has advised he will not receive any increase in 2021. The CEOs for other Councils received chose to receive no increase in 2020 and are currently working through the process for 2021.

It is clear from the table above that the current remuneration of the CEO at **\$267,348** is about 3.1% below the average of the Group 2 Councils. In our 2020 review we noted remuneration was about 4.6% below the average. The data shows an improvement of relativity for AHC given the majority of Councils did not provide any increase in remuneration in 2020. Given the small increment provided at AHC, the relativity has not changed significantly.

It is common for organisations to use performance as a driver for annual remuneration increases. We have provided the following table for AHC should they want to provide an annual increase based on performance. Option 1 aligns a rating of “3” with the annual CPI movement. While we see that as the minimum position, we have also included a second option based on our view that many organisations will provide an increase in 2021 of around 2.5% using the increase in the minimum wage as a baseline. While this is greater than CPI and the WPI, it aligns with the increase that all Award-covered employees will receive.

AHC use a five-point rating scale in their performance reviews. We have reflected that scale in the table below:

Performance Rating	Performance Description	% Increase	
		Option 1	Option 2
5	CEO's performance is exceptional	3.5%	4.5%
4	CEO's performance exceeds expectations	2.5%	3.5%
3	CEO's performance meets expectations	1.2%	2.5%
2	CEO's performance needs improvement	0%	0%
1	CEO's performance is unsatisfactory	0%	0%

AHC are not required to provide any increase as outlined in Clause 13.4. It is our experience in CEO remuneration reviews in Local Government that Councils have historically been providing at least an annual increment that aligns with CPI. While we have outlined above that many CEOs across Local Government did not receive any increase in 2020, we expect increases in 2021 to be around 2.5%.

The data presented above would indicate that the CEO is just below the market for remuneration when considering Group 2 Councils. We are not aware of the outcomes from the CEO performance review for 2021 but, it is our view the CEO's increment should be 2.5% as a minimum, subject to having a satisfactory performance review outcome and could be higher based on performance being at level 4 or level 5.

It is important to add some comments and observations about the labour market in 2021. It is our view that the market is buoyant and the demand for people is strong. We are seeing this impact remuneration in many roles across the market. With strong demand for people and with many employees not receiving any increase in 2020 due to the impact of Covid-19, we are expecting larger increases in the market in 2021. We also note the City of Adelaide and the City of Prospect are currently recruiting new CEOs.

#### Remuneration Recommendation:

We note the following:

- The CEO's remuneration is currently just below the average for the Group 2 Councils (3.1%).
- The annual CPI for Adelaide at March 2021 was 1.2%.
- The WPI movement for 2021 at March 2021 was 1.5%.
- An increase of 2.5% was announced for the minimum wage.
- There is strong demand for people across the labour market.

Although, as stated above, there is no requirement to provide an increase to the CEO's TEC (Clause 13.4 of the Agreement), the Council must decide on whether to maintain the current TEC package or improve the TEC package in real terms by giving consideration to the elements of the TEC, Clause 13.3 (above), the comparative information on remuneration data (provided above), the performance review report outcome and the Council decision on the completion of the 2020-2021 Performance Targets.

The Panel have included a recommendation to the Council on the Total Employment Cost Package at the meeting on 12 August 2021.

**10.1.2 2021 CEO Performance and Remuneration Review – Confidential Item**

**Moved Mayor Jan-Claire Wisdom  
S/- Cr Chris Grant**

**PRP13/21**

**The CEO Performance Review Panel resolves to recommend to Council to increase the CEO's TEC Package from 1 July 2021 by 2.5% in recognition of the CEO's performance exceeding expectations plus 0.5% as a market adjustment.**

<b>Carried</b>
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**4. OPTIONS**

The Council has the following options regarding the Performance Review Report:

- I. Having consideration to the '2021 CEO Performance Review' any other matters related to the performance review, conclude that there are no grounds to establish a performance improvement plan as there is no underperformance and resolve that the CEO has achieved a competent performance outcome (or greater) in relation to the 2021 CEO Performance Review Report. **(Recommended)**
- II. Having consideration to the '2021 CEO Performance Review' and any other matters related to the performance review, determine any areas of the CEO's performance that require improvement due to underperformance, together with the timeframes within which the Council expects those areas of performance to be improved. **(Not Recommended)**

The Council has the following options regarding the Remuneration Review:

- I. Having considered the factors listed in Clause 13 of the Agreement in relation to the review of the TEC Package, the Council may resolve to increase the TEC Package by a recommended percentage. **(Recommended)**
- II. Having considered the factors listed in Clause 13 of the Agreement in relation to the review of the TEC Package, the Council may resolve to increase the TEC Package by a different percentage than detailed in this report or by the provision of some other employment flexibilities. **(For Consideration)**
- III. Having considered the factors listed in Clause 13 of the Agreement in relation to the review of the TEC Package, the Council may resolve to retain the current TEC Package. **(For Consideration)**

**5. APPENDIX**

- (1) 2021 CEO Performance Review Report
- (2) 2020-2021 CEO Performance Targets - Final

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# **Appendix 1**

*2021 CEO Performance Review Report*

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# CEO PERFORMANCE REVIEW JUNE 2020-JULY 2021

**Employee:** Andrew Aitken

**Date completed:** 3 August 2021

**Review undertaken by:** Presiding Member of the CEO Performance Review Panel, Mark Osterstock and Mayor, Jan-Claire Wisdom

<b>POSITION DESCRIPTION - KEY RESPONSIBILITIES</b>	<b>STRENGTHS</b>
Advice to and Relationship with Council Members	Good working relationships and communication with Council Members and invests in these relationships Provides timely support and advice Makes time to meet with Council members on a 6 monthly basis
Leadership and Management of Councils Employees	Good working relationships and communication with staff Encourages staff development through acting in higher positions, taking on additional responsibilities, projects and stakeholder communication. displays professionalism, empathy and fairness A firm but fair leader who makes expectations clear
Stakeholder Management and Communication	Provides excellent reports to relevant committees Builds working relationships with other sectors Well known and highly regarded for his availability and considered and thoughtful opinion and advice
Financial and Asset Management	Well managed finances, in line with Long Term Financial Plan and Asset Management plans Continues to secure external funding
Work Health and Safety	Continues to place a high priority on staff safety and welfare Continually reminds staff it is an organisational priority and ensures that it is always front of mind Supports and directs WHS management and action as a priority for all across the organisation
Strategic Planning	Current Strategic Plan in place and referred to in discussions and reports Applies a strategic lens to all aspects of Council
Human Resources Management	Managed staff to ensure the delivery of services to the community Ensures appropriate delegation to senior leadership team Managed staff well through COVID lockdowns
Operational Management, Governance and Major Projects	Provides quality Council reports Provides updates to Council Members Provides a voice in key forums and decision making
Personal Attributes	Personal and accessible An intelligent person and leader who provides considered advice, guidance and direction Encourages robust debate in Council Chamber Leads by example Invests in relationships at all levels internally and externally Recognises performance and shares praise Conducts himself without bias or self interest



# CEO PERFORMANCE REVIEW JUNE 2020-JULY 2021

POSITION DESCRIPTION - KEY RESPONSIBILITIES	OPPORTUNITIES FOR DEVELOPMENT
Advice to and Relationship with Council Members	Consider information that could be provided to Council Members to enhance decision making
Leadership and Management of Councils Employees	Consider where further delegation to relevant staff could provide even more space for CEO to attend to strategic work
Stakeholder Management and Communication	Consider more proactive press releases after Council meetings
Strategic Planning	Continue to communicate our strategic direction to staff
Human Resources Management	Consider areas in human resources where CEO would like to see greater impact
Personal Attributes	Make sure manages his own workload and takes time for himself and his family

<b>Particular aspects of the CEO's performance that requires an Improvement Plan.</b>	No specific performance improvement plan is needed as the CEO is not underperforming.
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## Rating Scale

5 Exceptional	Performance far exceeded expectations due to exceptionally high quality of work performed in all <i>essential</i> areas of responsibility, resulting in an overall quality of work that was superior	<b>Overall, the CEO's performance for the 2020-2021 year has been rated as:</b>  <div style="text-align: center; font-size: 2em;">4</div>
4 Exceeds expectations	Performance consistently exceeded expectations in all <i>essential</i> areas of responsibility, and the quality of work overall was excellent. Annual goals were met.	
3 Meets expectations	Performance consistently met expectations in all <i>essential</i> areas of responsibility, at times possibly exceeding expectations, and the quality of work overall was very good. The most critical annual goals were met.	
2 Improvement needed	Performance did not <i>consistently</i> meet expectations – performance failed to meet expectations in one or more <i>essential</i> areas of responsibility, and/or most critical goals were not met.	
1 Unsatisfactory	Performance was consistently below expectations in most <i>essential</i> areas of responsibility, and/or reasonable progress toward critical goals was not made. Significant improvement is needed in one or more important areas.	

<p><b>Completed</b></p> <p>Signed: ..... Date:.....</p> <p>Presiding Member – Mark Osterstock CEO Performance Review Panel</p>	<p><b>Completed</b></p> <p>Signed: ..... Date: .....</p> <p>Chief Executive Officer – Andrew Aitken</p>
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## **Appendix 2**

*2020-2021 CEO Performance Targets - Final*

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## 2020-2021 CEO PERFORMANCE TARGETS UPDATE – FINAL

	Strategic Plan Priority	Performance Target	Comment/Update
1.	<p>C2.1 – Work with community to provide a range of programs and opportunities to connect and engage around shared interests.</p> <p>C2.4 – Increase participation from the broadest range of our community and engage with them to shape policies, places and decisions that affect them.</p>	<p>Community Perception &amp; Engagement Survey</p> <p>Undertake a community perception and engagement survey and present an action plan of identified improvement opportunities to Council Members. The survey will seek input from a range of community members (including those who normally engage with us and those who don't) to identify how Council is perceived and how our community prefers to engage with us. It will also inform the development of wellbeing and engagement related performance measures. Incentives to encourage community members to participate will also be explored. Also consider opportunities to use the survey to educate people on how Council functions.</p>	<p>COMPLETED</p> <p>The community perception and engagement survey was undertaken in late 2020 with the results subsequently analysed and presented, with an action plan, to Council Members at a workshop in March 2021. A public summary document is currently being finalised and will be provided to survey participants and made available on Council's website.</p>
2.	<p>C4.4 – Support clubs and groups to continue to provide sport and recreation activities to the community.</p>	<p>Community &amp; Recreation Facilities Framework</p> <p>Develop a draft Community &amp; Recreation Facilities Framework for final (Stage 3) consultation, for consideration by Council. The draft framework is to be based on an approach that has consistency, equity and shared responsibility.</p>	<p>COMPLETED</p> <p>Draft policy positions and framework documents were presented and endorsed for consultation at the June 2021 Council Meeting.</p>
3.	<p>N5.1 – Encourage and educate the community to help minimise the generation of household waste by advocating the principles of the Waste Management Hierarchy to avoid, reduce and reuse.</p>	<p>Kerbside Waste Audit and Education Program</p> <p>Complete a kerbside waste audit to inform and develop an ongoing education program and present to Council Members, with the aim of reducing recycling contamination levels and reducing waste to landfill.</p>	<p>COMPLETED</p> <p>Waste audits have been undertaken and a waste education program created to align with the audit findings. The education program was presented to the Council Members at a workshop in May 2021.</p>

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	N5.2 – Support and assist the community to prevent valuable resources going to landfill and reduce contamination in kerbside recycling bins.		
4.	O6.1 – Progressively strengthen Council’s systems security to minimise the impact of cyber attack.	Information System Cyber Security Plan Undertake a Cyber Security Audit, and develop a Cyber Security Plan to address matters raised in the audit, to minimise the impact of cyber-attack to Council’s network and systems.	COMPLETED The audit has been undertaken and the development of the Cyber Security Plan has now been completed and was presented to the Audit Committee at its meeting on 24 May 2021. It was also presented to Council at its June 2021 meeting.
5.	B3.2 – Aim to achieve 100% renewable energy use for our corporate operations and strive towards carbon neutrality.	Carbon Inventory Complete and present to Council Members an updated carbon inventory based on Climate Active (formerly National Carbon Offset Standard) emissions boundaries to support the implementation of the Corporate Carbon Management Plan.	COMPLETED A Carbon Inventory report and a template suitable for the collection of Scope 3 carbon emissions have been completed and this information was presented to Council Members at a workshop in April 2021.
6.	O5.3 – Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.	Recovery Action Plan Provide quarterly progress reports to Council on the implementation of the Council’s Bushfire Recovery Action Plan and initiatives supporting recovery from the COVID-19 pandemic.	COMPLETED Reports have been received by the Council at its September 2020, December 2020, March 2021 and June 2021 meetings.
7.	C2.5 – Continue to work with government agencies and non-governmental organisations to support the community	Social and Economic Recovery – Community Ready Actively pursue opportunities to work with government and non-government partners on	COMPLETED Following a range of agency discussions and a subsequent successful application for Commonwealth Funding, a Community Resilience Program has been established.

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	recovery from natural disasters and the COVID-19 pandemic.	programs to assist communities and businesses develop resilience and readiness for future disasters. Include regular updates to Council as part of the quarterly Recovery Action Plan reporting.	<p>The program’s primary government partner is the Country SA Primary Health Network. Two staff (1.6FTE) have been appointed to June 2022 in line with the funding and the program is now being rolled out with the assistance of other partners including Wellbeing SA, Australian Red Cross and child mental health not-for-profit, Emerging Minds. Council staff initiated and convened the Adelaide Hills Business Support Network to encourage a targeted and more coordinated approach to business recovery. Key initiatives arising from that included BizWeek Learning from Setbacks event and ongoing State Government business support services in the district beyond the formal recovery phase. Key partners include Department for Innovation and Skills and Rural Business Support.</p> <p>Further detail of the initiatives described herein is contained in the quarterly recovery reports to Council.</p>
8.	E3.3 – Work with our local communities and businesses to create active, attractive and vibrant places.	Social, Economic and Environmental Recovery Engage with local communities and businesses in developing a Lobethal Bushland Park Masterplan. Present the draft masterplan to Council for its consideration.	<p>COMPLETED</p> <p>The results of the Stage 1 engagement and initial draft masterplan were presented to Council for its consideration at the April 2021 Council Meeting. The results of the Stage 2 Engagement Outcomes Report and revised Draft Lobethal Bushland Park Masterplan were presented to Council for its consideration at the June 2021 Council Meeting. An additional targeted consultation will be undertaken prior to the masterplan being tabled for Council’s further consideration at the August 2021 meeting.</p>

**3. 2021 CEO Performance and Remuneration Review – Period 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 18.1 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* that the report, related attachments and the minutes of Council and the discussion and considerations of the subject matter be retained in confidence until the CEO has been advised in writing, but not longer than one month from the date of the decision of Council.

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