

7 March 2022

Chair  
Remuneration Tribunal of South Australia

By email: RemunerationTribunal@sa.gov.au

Dear Chair

**2022 Review of Local Government CEO minimum and Maximum Remuneration – Adelaide Hill Council Submission**

I refer to above request for submissions in relation to the new powers granted to the Tribunal under s99A(2) of the *Local Government Act 1999*.

The Adelaide Hills Council (AHC) was supportive of the proposal for a CEO remuneration determination during the Local Government Reform process and is thankful of the opportunity to make a submission to the Tribunal.

AHC has a CEO Performance Review Panel (the Panel) which, amongst other functions, considers the remuneration for the CEO. The Panel considered a report on the Request for Submissions and has prepared the attached information for the Tribunal's consideration.

If you have any queries in relation to the submission, please contact the undersigned on 8408 0516.

Thank you for the opportunity to make a submission and we look forward to the making of the determination.

Yours sincerely



Lachlan Miller  
Executive Manager Governance & Performance

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	
Additional annual leave provisions (in excess of the 20 standard days)		
Performance bonus (within the applicable remuneration band)		

Principles that should inform the Remuneration Tribunal’s deliberations

- There are a large number of factors that can affect the difficulty and complexity of a specific council CEO’s role however these are largely qualitative and not easily given to quantification and comparison between councils for the purposes of remuneration bands (i.e. code of conduct complaints, community advocacy, etc.). These matters are best left for negotiation between the prospective CEO and the council within the bounds of the (broad) remuneration bands set by the Tribunal.
- For those matters which can be quantified, the AHC is conscious of the many reporting obligations upon local government and do not wish to impose additional reporting requirements for RTSA needs. AHC suggest using existing data sources (such as the Grant Commission Returns, Annual reports, etc.), especially data that is specific and measurable equally by all councils.
- Similar to the structure of the Council Member Allowance Determination, it is proposed that the CEO Determination has a three to four year span with annual indexation.
- The table below sets out a series of core factors that AHC believes should form the basis of the remuneration bands. Following this there are a number of ancillary factors which, where present, could attract a form of loading:

Number (in no particular order)	Principle	Data Source (needs to specific and measurable equally by all councils)	Comment
<b>Core Factors</b>			
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	The geographical size (area) of the council.	Km2	This is a proxy for the travel the CEO is likely to encounter to attend to organisational and community matters.

Number (in no particular order)	Principle	Data Source (needs to be specific and measurable equally by all councils)	Comment
3	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.
4	The revenue (\$) of the council.	Annual reports	This is proxy for capacity to pay.
5	Geographic location of the council (i.e. remoteness, access to key service centres)		This can significantly affect the cost of living and spousal employment prospects.
<b>Ancillary Factors</b>			
6	The impact of any mergers or amalgamations of Local Government Councils on the role of the CEO.	Boundaries Commission data	
7	Frequency and impact of natural disasters on Council business		These add significantly to complexity of workload and hours worked.
8	Significant social/economic/environmental issues	Grants Commission Return	SEIFA index, social, economy.id data (economic) and extent of council conservation/biodiversity areas.
9	Diversity of services	Annual Report	Outside the realm of 'normal' council services (such as utility provision).