

Notice of CEO Performance and Remuneration Review Committee

Wednesday 28 August 2019

MEMBERSHIP

Mayor Kevin Knight (*Presiding Member*)

Cr Alicia Schlueter
Cr Lucas Jones

Cr Brett Rankine
Cr Peter Field

NOTICE is given pursuant to Sections 87 and 88 of the Local Government Act 1999 that the next **CEO PERFORMANCE AND REMUNERATION REVIEW COMMITTEE** will be held in the Civic Centre, 571 Montague Road, Modbury on **WEDNESDAY 28 AUGUST 2019** commencing at **6.30 pm**.

A copy of the Agenda for the above meeting is supplied



ILONA COOPER
MANAGER GOVERNANCE & POLICY

Dated: 22 August 2019



Naturally Better

CITY OF TEA TREE GULLY
CEO PERFORMANCE AND REMUNERATION REVIEW COMMITTEE
28 AUGUST 2019

AGENDA

1. Opening and Welcome

Acknowledgement of Country Statement - to be read out as arranged by the Presiding Member

2. Attendance Record:

- 2.1 Present
- 2.2 Apologies
- 2.3 Record of Officers in Attendance
- 2.4 Record of Number of Persons in the Public Gallery
- 2.5 Record of Media in Attendance

3. Confirmation of Minutes to the Previous Meeting

That the Minutes of the CEO Performance and Remuneration Review Committee held on 14 August 2019 be confirmed as a true and accurate record of proceedings.

4. Public Forum

Available to the public to address the Committee on policy, strategic matters or items that are currently before the Committee. Total time 10 mins with maximum of 2 mins per speaker. For more information refer to Council's website www.teatreegully.sa.gov.au

5. Deputations

Requests from the public to address the meeting must be received in writing prior to the meeting and approved by the Mayor. For more information refer to Council's website www.teatreegully.sa.gov.au

6. Presentations

Requests to present to the meeting must be received in writing 5 days prior to the meeting and approved by the Mayor. For more information refer to Council's website www.teatreegully.sa.gov.au

7. Petitions - Nil

8. Declaration of Conflicts of Interest

Members are invited to declare any material, actual and/or perceived conflicts of interest in matters appearing before the Committee.

9. Motions Lying on the Table - Nil

10. Adjourned Business - Nil

11. Management Reports

Office of the Chief Executive Officer

*11.1 CEO Key Performance Indicators 2019-20 7

Assets & Environment - Nil

Organisational Services & Excellence - Nil

Community & Cultural Development - Nil

12. Notice(s) of Motions - Nil

13. Motions without Notice

14. Questions on Notice - Nil

15. Questions without Notice

16. Other Business

17. Status Report on Council and Committee Resolutions

17.1 Status Report on Committee Resolutions..... 17

18. Section 90(2) Local Government Act 1999 – Confidential Items

A record must be kept on the grounds that this decision is made.

18.1 **CONFIDENTIAL** - CEO Performance and Remuneration Review
Outcomes 2018-19 18

19. Date of Next Meeting – To be advised

20. Closure



REPORT FOR

**CEO PERFORMANCE AND
REMUNERATION REVIEW
COMMITTEE**

MEETING DATE

28 AUGUST 2019

Item 11.1

RECORD NO:
REPORT OF:
TITLE:

**D19/55092
OFFICE OF THE CHIEF EXECUTIVE OFFICER
CEO KEY PERFORMANCE INDICATORS 2019-20**

PURPOSE

To provide the Committee with an opportunity to consider and recommend to Council, the updated Chief Executive Officer's (CEO's) Key Performance Indicators (KPIs) for 2019-20 financial year.

RECOMMENDATION

That the CEO Performance & Remuneration Review Committee recommends to Council:

That Council adopt the Chief Executive Officer's Key Performance Indicators for the 2019-20 financial year provided in Attachment 1 to the report entitled "CEO Key Performance Indicators 2019-20" and dated 28 August 2019.

1. BACKGROUND

Performance on 2018-19 CEO KPIs

At the 3 July 2019 Committee meeting, Mr John Moyle provided an overview of performance against the Chief Executive Officer (CEO) Key Performance Indicators that were established for the 2018-19 financial year, with relevant documents tabled in the [minutes of the meeting](#). This information was presented to all Elected Members at a workshop on 2 July 2019.

As part of providing this overview, due to the timing of the reporting on KPI 9 'Operating Budget', full financial figures were not available. The progress update provided at the time for this KPI was that Council were on track to meet the target in comparison to the Q3 budget review. Although the final audit and sign off are yet to be finalised, the end of year financial results are now nearing being finalised and at this stage, operating results for 2018-19 reveal on expenditure of -0.67% of Operating Expenditure which is a variation of \$549,000 out of an \$88.7 million budget. This falls well within the target range of -1% to +2% for Operating Expenditure (which was the CEO KPI target). This was offset by a greater increase in Operating Income which has resulted in a slightly higher surplus at the end of the year than was forecasted.

Establishing 2019-20 CEO KPIs

As part of the 3 July 2019 Committee meeting, the Committee also held discussions regarding draft CEO KPIs for 2019-20 financial year and formally noted the draft CEO KPIs while recommending some amendments. It was intended that the draft CEO KPIs be brought back to the Committee and further amended if required as part of the finalisation of the 2018-19 appraisal process.

At the Committee meeting on 14 August 2019, the draft CEO KPIs for 2019-20 were also given further consideration in line with feedback received through the performance appraisal process. This feedback was provided to the CEO for further consideration at the next Committee meeting.

2. DISCUSSION

As part of the Review process, all Elected Members and direct reports of the CEO have been given the opportunity to provide confidential input into KPI themes that could be applied to the CEO over the 2019-20 financial year. As a result of this feedback and the Committee's comments from the 14 August 2019 meeting, the CEO has revised the proposed KPIs for 2019-20 which is provided as Attachment 1 to the report. The KPI topics proposed are as follows:

KPIs linked to the Strategic Plan 2020

- Street Lighting Review
- Disability Inclusion Action Plan
- Planning Reform
- Capital Works Budget and Program
- Capital Works Schedule

KPIs linked to the Organisation Plan 2025

- Customer Experience
- Project Management and Contract Management
- Continuous Improvement
- Operating Budget
- Work Health & Safety
- People and Leadership

These revised KPIs have been provided for the Committee's consideration and approval (subject to any final amendments that the Committee may choose to make), with the intention that the Committee then resolves to recommend the CEO KPIs for 2019-20 to Council for adoption at the meeting on 10 September 2019.

3. STRATEGIC OBJECTIVES

Strategic Plan

The review of the CEO's performance and remuneration is closely aligned to the delivery of Council's strategic management plans, including the Strategic Plan, Long Term Financial Plan and the Annual Business Plan.

The CEO's KPIs have been drafted with reference to each theme in Council's Strategic Plan 2020 and Organisation Plan 2025. Specific references are noted within Attachment 1.

4. LEGAL

The CEO's Employment Agreement contains specific clauses regarding a review of performance and remuneration which must be undertaken each year. The employment agreement requires the establishment of KPIs on which part of the performance review is based.

Given this item is considering the establishment of CEO KPIs for 2019-20 and does not propose to consider the personal affairs or prior performance of the CEO for the 2018-19 performance cycle, it has been not proposed to consider this matter in confidence. It is anticipated that the CEO and any other staff in attendance, along with representatives from Hender Consulting, will be present for the discussion of this item.

5. RISK – IDENTIFICATION AND MITIGATION

There is a risk that CEO KPIs could be established that are inconsistent with previous resolutions, strategies or business plans already adopted by Council. The Committee should consider this when determining any new CEO KPI's for the 2019-20 financial year.

6. PEOPLE AND WORK PLANS

Key Performance Indicators are a measurement tool used to determine how well an organisation or person meets set operational and strategic goals and objectives. Establishing CEO KPIs assists the Committee (and subsequently Council) in establishing clear direction and priorities for the year, and provides a tool to define and measure the CEO's progress in leading the organisation to meet these specific goals and objectives. The CEO's KPIs are delivered through the work of staff throughout the organisation and therefore are likely to have a direct impact on staff work plans and priorities.

7. FINANCIAL

The CEO KPIs established for 2019-20 will need to be able to be delivered within the parameters of the 2019-20 financial year budget and Annual Business Plan endorsed by the Council in June 2019. Any new KPIs or shift in priorities that may result in variations to the budget or Annual Business Plan will require consideration by Council as part of a budget review.

8. ASSETS

N/A

9. ENVIRONMENTAL

N/A

10. COMMUNITY AND STAKEHOLDER IMPACT

The community are impacted by the majority of decisions made by Council and its Committees, as well as through the overall performance of Council and the CEO in meeting specific objectives, however, there is no direct impact to the community or stakeholders (other than the CEO) as a result of this particular report.

11. COMMUNITY AND STAKEHOLDER ENGAGEMENT

Based on the feedback received and in discussion with Hender Consulting, the CEO has provided a set of refined draft KPIs for the Committee to consider in establishing his KPIs for the 2019-20 financial year. These are provided as Attachment 1.

12. PROMOTION AND COMMUNICATIONS OF COUNCIL DECISION AND OPERATIONAL IMPACTS

The CEO will be kept informed of any decision regarding this matter.

13. INTERNAL REPORT CONSULTATION

No formal report consultation has been undertaken in relation to this report, however relevant staff have been consulted in the preparation of the draft CEO Key Performance Indicators for 2019-20 (in Attachment 1).

Attachments

- 1. Chief Executive Officer Key Performance ~ presented to 28 August 2019 CEOP&RR Committee meeting..... 12

Report Authorisers

Ilona Cooper Manager Governance & Policy	8397 7310
John Moyle Chief Executive Officer	8397 7201



Chief Executive Officer Key Performance Indicators (KPIs) – 2019-20

The following KPIs and focus areas are in addition to the general major responsibilities set out in the adopted Position Description for the Chief Executive Officer of Council

KPIs linked to the Strategic Plan 2020

Strategic Plan Theme & Aspiration	Ref	CEO KPI
Healthy & Safe Our community is healthy and safe	1.	Street Lighting Review Undertake a comprehensive service review on the management of street lighting assets (including public car parks), including but not limited to: <ul style="list-style-type: none"> • LED options and payback period versus risks associated with conversion • Management of network provider contracts • Management of service requests for new lighting • Report to be presented to Council no later than February 2020
Prosperous & connected Our local economy prospers and people feel a sense of purpose and belonging	2.	Disability Inclusion Action Plan Commence the development of a diversity inclusion action plan, with a particular focus for 2019-20 being ensuring Council is prepared for the implementation of the Disability Inclusion Act 2018
Vibrant & Liveable Our City is a desirable and sustainable place to live	3.	Planning Reform Ensure Council is ready to transition to the Planning and Design Code and implementation of the Planning, Development & Infrastructure Act 2012
	4.	Capital Works Budget and Program Ensure that the capital works program as set out in Council’s Annual Business Plan for 2019-20 is delivered. This will be evidenced by reporting on projects completed by project, with a focus of a 90% completion rate (and 98% commenced by 30 June 2020) and within a negative 5% to positive 5% range of Council’s third quarter budget review based on budget category. Progress to be reported to Council at the end of each quarter.



Chief Executive Officer Key Performance Indicators (KPIs) – 2019-20

	5.	<p>Capital Works Schedule</p> <p>Develop a draft rolling 3 year Capital Works schedules for key asset areas such as:</p> <ul style="list-style-type: none">• Road Construction• Road Reseals• Footpaths• Play Spaces• Building Upgrades• Community Wastewater Management System• Tree Screens• Information Technology
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Ref: D19/55066



Chief Executive Officer Key Performance Indicators (KPIs) – 2019-20

KPIs to be linked to the Organisation Plan 2025

Organisation Plan Theme & Aspiration	Ref	CEO KPI
<p>Customer Care</p> <p>We are a high performing, customer focussed organisation</p>	6.	<p>Customer Experience</p> <p>Continue to leverage off of Customer First approach focusing on process and systems improvements to improve customer experience across key services. Measure success through a Voice of the Customer program key metrics with quarterly reporting to Council.</p>
<p>Learning and Growth</p> <p>We are a learning organisation and our people are developing skills for their future and the community's benefit</p>	7.	<p>Project Management and Contract Management</p> <p>Undertake a review of project management and contract management frameworks including the development of a training needs analysis.</p>
<p>Future Capability</p> <p>We are building the capacity and capability of our people, the community and businesses through the continuous improvement of our services and operations</p>	8.	<p>Continuous Improvement</p> <p>Complete at least 25 Continuous Improvement initiatives for 2019-20 reporting a summary of the outcomes to Elected Members throughout the year. In addition to these initiatives:</p> <ul style="list-style-type: none"> • Continue to evolve the Assets & Environment portfolio work practices to ensure that the investment in the new Service Centre and the Customer First Solution be realised with the benefits being reported to Council quarterly. • Complete a review of Councils waste management approach with a report being presented to Council's Audit Committee by December 2019.

Ref: D19/55066



Chief Executive Officer Key Performance Indicators (KPIs) – 2019-20

Organisation Plan Theme & Aspiration	Ref	CEO KPI
<p>Sustainable Operations</p> <p>Our management practices contribute to the long-term sustainability and adaptability of our services and operations</p>	9.	<p>Operating Budget</p> <p>Deliver robust and accurate financial planning and reporting that incorporates a balanced budget delivery where operating expenditure is within a negative 1% - positive 2% range of Council's third quarter budget review</p>
	10.	<p>Work Health & Safety</p> <p>Sponsor continued implementation of Council's Work Health & Safety Plan and the achievement of the associated plan targets focussing on the CEO showing Council's Executives Commitment to providing a safe work environment to all employees and providing an annual reports to Council on Council's achievements in this area. <i>Note: The above focus is on internal safety which contributes to community safety. Community safety is also addressed as an objective through delivery of the capital works program (refer KPI 4)</i></p>
	11.	<p>People and Leadership</p> <p>Continue to drive positive people and culture outcomes in the key areas of organisation structure, leadership development, culture, attraction of high quality employee candidates so CTTG is an employer of choice, retention of high performing employees, including succession planning, employee wellbeing and safety.</p>

Ref: D19/55066

Status Report on Committee Resolutions 28 AUGUST 2019



Item 17.1

Note: This report is provided as information only. Actions relating to confidential minutes may not be included in the Status Report.

Note: This report will be present on a monthly basis, to the first meeting each month.

Pending Actions

Nil

Completed Actions

Minute No.	Meeting Date	Officer	Subject	Estimated Completion Completed
5	14/08/2019	Cooper, Ilona	Draft CEO Performance and Remuneration Review Outcomes 2018-19	22/08/2019
D19/53549				
22/08/2019 1:55:21 PM - Ilona Cooper				
Action completed by: Cooper, Ilona				
Hender presented feedback to CEO and obtained CEO views				

City of Tea Tree Gully

CEO PERFORMANCE AND REMUNERATION REVIEW COMMITTEE

28 August 2019

Confidential Subject: CEO Performance and Remuneration Review Outcomes 2018-19 (D19/54859)

It is the recommendation of the Chief Executive Officer that the CEO Performance and Remuneration Review Outcomes 2018-19 be received, discussed and considered in confidence. The CEO Performance and Remuneration Review Committee should determine whether it is necessary and appropriate for the matter to be discussed in confidence as provided for by the provisions of Sections 90 and 91 of the *Local Government Act 1999* (with a recommendation provided as follows):

Recommendation for Moving into Camera

1. *That pursuant to Section 90(2) of the Local Government Act 1999 the CEO Performance and Remuneration Review Committee orders that the public with the exception of representatives from Hender Consulting and staff on duty, be excluded from the meeting to enable discussion on the CEO Performance and Remuneration Review Outcomes 2018-19.*
2. *That the CEO Performance and Remuneration Review Committee is satisfied that pursuant to section 90(3) a of the Act, the information be received, discussed or considered in relation to this item:*
 - o *relates to information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of the Chief Executive Officer, in that details of his performance and remuneration review will be discussed, which are sensitive and are personal details that should only be known to those who have participated in the review process.*
3. *In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in the public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances, on the basis that details of the CEO's performance and remuneration may be prematurely disclosed before the details of the review have been discussed with the Chief Executive Officer or Council, and could therefore result in the release of inaccurate or misleading information.*

Note: The meeting should pause to allow members of the public to leave the meeting room and the doors should be closed behind as the last person leaves. Discussion on the matter can then proceed. The meeting automatically moves out of confidentiality at the end of consideration of the matter, and the public should then be invited to attend the meeting.