



AGENDA

FOR CEO REVIEW COMMITTEE MEETING TO BE HELD ON

17 JULY 2018 AT 6:30 PM

IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY

MEMBERS

Mayor G Aldridge (Chairman)
Cr S Bedford
Cr L Caruso (Deputy Chairman)
Cr D Pilkington
Cr G Reynolds
Cr Julie Woodman (Full member, and proxy in the absence of
Cr D Pilkington)
Cr R Zahra
Cr Robyn Cook (Proxy in the absence of Cr S Bedford)
Cr Shiralee Reardon (Proxy in the absence of Cr G Reynolds)
Cr Donna Proleta (Proxy in the absence of Cr J Woodman)
Cr Betty Gill (Proxy in the absence of Cr R Zahra)

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
Manager People and Culture, Ms G Page

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the CEO Review Committee Meeting held on 08 May 2018.

REPORTS

Reports

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CLOSE



**MINUTES OF CEO REVIEW COMMITTEE MEETING HELD IN COMMITTEE
ROOMS, 12 JAMES STREET, SALISBURY ON**

8 MAY 2018

MEMBERS PRESENT

Mayor G Aldridge (Chairman)
Cr L Caruso (Deputy Chairman)
Cr D Pilkington
Cr G Reynolds
Cr Julie Woodman
Cr R Zahra

OBSERVERS

Nil

STAFF

Chief Executive Officer, Mr J Harry
Manager People and Culture, Ms G Page

The meeting commenced at 6:30 pm

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

An apology was received from Cr S Bedford.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr L Caruso
Seconded Cr R Zahra

The Minutes of the CEO Review Committee Meeting held on 16 January
2018, be taken and read as confirmed.

CARRIED

REPORTS

Reports

8.1.1 Future Reports for the CEO Review Committee

Moved Cr L Caruso
Seconded J Woodman

1. The information be received.

CARRIED

8.1.2 CEO Annual Performance Review Process FY2018

Moved Cr L Caruso
Seconded J Woodman

1. The Performance Appraisal Survey be distributed to Elected Members, direct reports to the CEO and three external industry peers on 14 May 2018, to be completed by 28 May 2018.
2. The industry peers agreed are noted.
3. Hender Consulting will conduct interviews with each Elected Member during the period 29 May 2018 to 15 June 2018.
4. The results of the CEO Performance Appraisal Survey and the final CEO Key Performance Indicators Report be presented to the CEO Review Committee in July 2018, at which time the Committee determine the overall rating for the CEO Personal Evaluation System for 2017/2018.
5. The Hender Consulting Remuneration Advice Report be provided to the CEO Review Committee in July 2018, at which time the CEO Review Committee may determine, in accordance with the delegated authority it holds, any amendments to the CEO's employment arrangements and incentive payments as provided for within the contract of employment.

CARRIED

8.1.3 CEO Key Performance Indicators Status Update

Moved Cr R Zahra
Seconded Cr G Reynolds

1. Information be received.
2. Progress towards achievement of the 2017/2018 Key Performance Indicators be noted and endorsed.

CARRIED

The meeting closed at 7:30 pm.

CHAIRMAN.....

DATE.....

ITEM	8.1.1
	CEO REVIEW COMMITTEE
DATE	17 July 2018
HEADING	Future Reports for the CEO Review Committee
AUTHOR	Michelle Woods, Projects Officer Governance, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This item details reports to be presented to the CEO Review Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each standing committee for noting.
- 1.2 The administration will now also present a report indicating items that, as a result of a Council resolution, will be presented to the CEO Review Committee at a later date.

2. REPORT

- 2.1 At the time of preparing this report, there are currently no resolutions of Council requiring a further report to be presented to the CEO Review Committee.

3. CONCLUSION / PROPOSAL

- 3.1 Future reports for the CEO Review Committee have been reviewed and there are none that require a report to be presented at this point in time.

CO-ORDINATION

Officer:	Exec Group	MP&C
Date:		11/07/18

ITEM	8.1.2
	CEO REVIEW COMMITTEE
DATE	17 July 2018
HEADING	CEO Personal Evaluation System 2017/2018
AUTHOR	Gail Page, Manager People and Culture, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council’s performance. 4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
SUMMARY	This report provides details of the CEO Personal Evaluation System for 2017/2018

RECOMMENDATION

1. It be acknowledged that the CEO has, to the satisfaction of CEO Review Committee:
 - delivered the requirements of his position;
 - successfully achieved 2017/18 Key Performance Indicators;
 - for the seventh year achieved consistently positive results (in broad terms, performing in the “very good or above” category), in relation to the Performance Appraisal Survey; and as a result
 - achieved [Rating X] as a result of the assessment of CEO Performance according to the Personal Evaluation System.
2. The CEO Position Description as set out in Attachment 2 to this Report, remains unchanged.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. CEO Key Performance Indicators Report July 18
2. CEO Position Description

1. BACKGROUND

1.1. Council has delegated to the CEO Review Committee the power to:

- By agreement with the CEO, appoint an independent advisor to assist with the CEO performance appraisal process; and
- Determine any amendments to the CEO’s employment arrangements and incentive payments as provided for within the contract of employment.

1.2 Personal Evaluation System

- 1.2.1 In accordance with Clause 12 of the Employment Agreement, the Chief Executive Officer (CEO) is required to participate in a performance review in May each year, in accordance with the Personal Evaluation System.
- 1.2.2 The Personal Evaluation System to apply to the CEO for the 2017/2018 review period was endorsed by the CEO Review Committee on 15 August 2017 in relation to Key Performance Indicators; and the Performance Appraisal Survey endorsed on 14 November 2017 to be revised as follows:
 - a. Executive Behaviours are aligned to Key Result Areas;
 - b. 360 degree feedback is incorporated into the survey, which includes direct reports to the Chief Executive Officer and three external industry peers who are to be agreed by the Chief Executive Officer and the CEO Review Committee; and
 - c. Revised Corporate Values are included in the Survey.
- 1.2.3 The Personal Evaluation System was to comprise of a set of agreed Key Performance Indicators and a Performance Appraisal Survey.
- 1.2.4 As part of the Personal Evaluation System, Key Performance Indicators are to be formally rated by the CEO Review Committee at the end of the review period, with an overall performance rating applied, based on the results of the Performance Appraisal Survey and the achievement of Key Performance Indicators.
- 1.2.5 The CEO Review Committee endorsed on 14 November 2017 the recommendation relating to the CEO Personal Evaluation System Rating (which informs the remuneration review) is not confidential. The Performance Appraisal Report remains confidential (Resolution 2201/2017).
- 1.2.6 The Agreement also provides for the appointment of at least one person who is qualified to assist in the performance review. Hender Consulting were appointed to support the CEO Review Committee with the Performance Review process for 2017/18.
- 1.2.7 The Agreement requires a written report is compiled with respect to the performance review and a copy provided to the CEO.
- 1.2.8 Hender Consulting distributed a copy of the endorsed Performance Appraisal Survey to all Elected Members for completion by 28 May 2018. Hender Consulting conducted interviews with Elected Members during the period 29 May 2018 to 15 June 2018. At the close off of submissions 11 responses of a total 17 distributed to Elected Members were received. 6 out of 6 staff completed the survey and 3 out of 3 external stakeholders completed the survey. These responses form the basis of the survey results.

- 1.2.9 The Employment Agreement provides a rating scale for the Personal Evaluation System which includes:
- Rating 1 – CEO’s performance did not meet expectation
 - Rating 2 – CEO’s performance was below expectation
 - Rating 3 – CEO’s performance met expectation
 - Rating 4 – CEO’s performance was above expectation
 - Rating 5 – CEO’s performance exceeded expectation
- 1.2.10 The Employment Agreement defines “Competent Performance” as the achievement by the CEO of a performance equal or better than Rating 3 (CEO’s performance met expectation).
- 1.2.11 The CEO received a Rating 4 in 2016/2017 Personal Evaluation System assessment.
- 1.3 Position Description
- 1.3.1 The Employment Agreement indicates that “the performance review will review the CEO’s Position Description and key performance indicators through the Personal Evaluation System”.
- 1.3.2 The Position Description forms Schedule One of the Employment Agreement.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 No internal communication or consultation has occurred.

2.2 External

- 2.2.1 Hender Consulting conducted a survey of Elected members, direct reports to the Chief Executive Officer and three external industry peers who were agreed by the Chief Executive Officer and the CEO Review Committee. Hender Consulting then collated the results of the Performance Appraisal survey.

3. REPORT

- 3.1 The final Key Performance Indicators Report forms Attachment 1.
- 3.2 Hender Consulting have collated the Performance Review Survey results and Andrew Reed from Hender Consulting will be in attendance at the CEO Review Committee to discuss the results.
- 3.3 The role of the Chief Executive Officer has remained unchanged therefore no change is proposed for the Position Description which forms Attachment 2.

4. CONCLUSION / PROPOSAL

- 4.1 Having considered the report setting out the results of the CEO Review Survey, the status report of Key Performance Indicators provided, the CEO Review Committee needs to make a decision as to the overall performance rating for the CEO.
- 4.2 The overall performance rating should be aligned to the rating definitions set out in the Employment Agreement. Refer Paragraph 1.2.9.

CO-ORDINATION

Officer:

Date:



CEO PERFORMANCE APPRAISAL 2017/18

CEO – Key Organisational Performance

Financial and Asset Management Sustainability	
	Current
Operating Surplus Ratio: 0.5%	On target Forecast higher operating surplus \$
Net Financial Liabilities Ratio: < 40%	Forecast (5.7%)
Asset Sustainability Ratio: 90-110%	On target
Delivery of Capital Works >85%	Target for EOFY in place – risk being managed
People	
	Current
Retention Rate: > 85%	84.34%
Lost Time Injury Frequency Rate: <5	3.0 as at 30 June 2018
Customer Service Focus	June 2018 - Re-survey as part of overall change program
Organisational Level Quality	June 2018 - Re-survey as part of overall change program
External Adaptability	June 2018 - Re-survey as part of overall change program
Stakeholder & Customer Relations	
<u>Strategic Interfaces & Partnerships</u>	
Advice to Elected Members	
• Response rate to outstanding reports	June 2018
• Quality of Reports - reports rejected	0%
• Quality of Responses (feedback)	Discuss - Refer Elected Member Survey responses
• Value & Frequency of Strategic Briefings & one-on-one interfaces	Discuss - Refer Elected Member Survey responses



City Plan – Key Actions/Initiatives (More detailed scope follows these pages)	
Key Direction 1 – Prosperous City	
Community Hub Development	Ongoing – As per Council Decision
Salisbury Oval – Master Plan Delivery	Ongoing – As per Council Decision
City Centre Revitalisation	Ongoing – As per Council Decision
Transport Plan	Ongoing – As per Council Decision
Strategic Property Development – Tranche 2/3	Ongoing – As per Council Decision
Implementation of Growth and Investment Strategy	Ongoing – As per Council Decision
Continued Implementation of Northern Economic Plan	Ongoing – As per Council Decision
Key Direction 2 – Sustainable City	
Rollout of Northern Region Adaption Plan	July 2018
Salisbury Water Business Unit Initiatives	July 2018
NAWMA and Council Business Partnering	July 2018
Key Direction 3 – Living City	
Completion of Paddocks Master Plan	May 2018 - Draft Masterplan endorsed by Council in April 2018 for consultation during May 2018. Report to Council for endorsement of a final draft post-consultation and Informal Strategy in July 2018, incorporating feedback from consultation, costings and staging plan – on track.
Completion of St Kilda master Plan (Commercial and Mangrove Precincts)	June 2018 - On hold pending resolution of commercial lease arrangements for existing facilities in the commercial precinct. Consideration of Commercial Lease options being undertaken.



	<p>Meeting was held with DEWNR to seek funding to undertake the planning for future projects including the Mangrove Trail renewal. A NIB has been included in 18/19 for \$50k as a contribution with DEWNR and DPTI to commence the planning work for future budgets and project consideration in 18/19 and beyond.</p> <p>Development/Master Plan Report due January 2019 which will include recommended position on Commercial Lease.</p>
Completion of Intercultural Plan	<i>December 2017 Endorsed</i>
Game Plan Reviewed and Updated	<p>August 2018 – The strategic context for the plan requires further consideration in light of Council policy around wellbeing, landscaping and use of open space. Plan will address these matters and shape the “Green Plan” (formerly known as the Landscape Plan).</p> <p>Broader consultation to occur following Council consideration – On Track</p>
Council Business Model interfacing with NDIS and Aged Housing Programs	<p>Reported to Council November 2017. Business model exploration is due December 2018. Business model development of options continues.</p>
Delivery and Operational Management of Para Hills Community Centre	<p>June 2018 - Paper scheduled for May Policy and Planning covering operational model, opening hours and programming</p> <p>May 2018 – Endorsed.</p> <p>Opening 11 August 2018.</p>





Business Development Model for Community Centres Endorsed	June 2018 Paper for Council Endorsement December 2018
Place Curation and Events Delivery	<p>June 2018 - On track - Events for 2018/2019 have been considered and funded by council as a part of the Budget deliberations for 2018/2019. Further consideration early 2019 will be given to rotation of events as per the Council feedback.</p> <p>A place curation strategy will be presented in June, which aligns the events and makes recommendations for further activities in major activity nodes across the City. This will consider the longer term events strategy for things such as the Santos Down Under in 2021, and other activities associated with new or emerging infrastructure such as the Bridgestone Athletics track.</p> <p>Update: This has been delayed to allow full consideration of some new programs recently funded by Council on current agendas and will be delivered in February 2019. The strategy will now also consider and align requests regarding events across the city and most recently the Community Art Program and Salisbury Plays.</p>
Wellbeing Strategy and Business opportunities identified for Salisbury Community	June 2018 - On track, this will be incorporated as a part of the Public Health Plan and a paper





	to Council in June 2018 will provide advice regarding this approach. Report to Council in July 2018.
Key Direction 4 – Business Excellence	
Rollout of Change Management Program for organisation	Ongoing July 2018/July 2019
Strategic Business Development Opportunities	Update in August to Informal Strategy on EOI for Salisbury Water
Implementation of Asset Management System and continued rollout of Digital/Mobile Communications	March 2019 on track
Management and Effective Delivery of outcomes from Program Review Agenda	Report presented to Innovation & Business Development Sub Committee summarising Program Review outcomes. Action Plan being formulated to ensure regular reporting of actions to Committee.
Rollout and Application of Continuous Improvement Business Model	Participation in LG Professionals Benchmarking study to assist in identifying opportunities. Report to Innovation & Business Development Sub Committee scheduled for September 2018.
Financial Sustainability – Elected Member	Financial targets achieved. Progressing review of Rate Capping legislation and development of action





	plan. Review of Council’s financial sustainability scheduled for Audit Committee Audit Plan.
Effective Organisational and Council Governance	July 2018 – Initiatives for Council Procedures adopted and implemented in June 2018.
Ongoing Implementation of Corporate and Community Wide Customer Service and Communication Reform	Council endorsed Charter and Framework in December 2017. Progressing project to deliver enhanced customer service and implementation of Customer Charter through staff training and awareness as part of Community Hub delivery.
Communications Review in Train	Presentation to Innovation & Business Development Sub Committee July 2018.





City Plan – Key Direction 1 – Prosperous City	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters)
<ul style="list-style-type: none"> • Community Hub Project: <ul style="list-style-type: none"> ○ Finalisation of Design Development ○ Tender for construction ○ Completion of detailed design to 50% for tender – Council decision to proceed to Tender ○ Commencement of construction ○ Lobbying and applying for external funding 	<p>Completed October 2017 May 2018</p> <p>Completed December 2017 May 2018</p> <p>Ongoing Design and Construct contractor contract finalised and site handed over to Hansen Yuncken with fencing erected 16/6/18 and construction has commenced..</p>
<ul style="list-style-type: none"> • Salisbury Oval Precinct: <ul style="list-style-type: none"> ○ Delivery of Master Plan implementation, and ensuring coordination of actions <ul style="list-style-type: none"> ▪ New Change Rooms Building: Concept plan and design brief is complete for procurement of external design consultant completed in November. Procurement underway with tender closing end of May. Award is expected before 30 June with construction commencing shortly afterwards and completion by end 2018. (December 2018) ▪ Master Plan Level Risks: Carpark project (adjacent Memorial Ave) requires land acquisition, Open Rail Fence project (Bowls and Croquet) requires design of Indoor Training Facility Building to define movement corridor (east-west) through northern end of oval. ITF Building subject to grant funding. Negotiations are continuing with the Bowling Club. Engagement of a Development Engineering consultant via tender has closed and is currently being evaluated. This work is to develop the P30 design and detailed civil design works for both recreational and residential areas by end October 2018 	<p>Tender award completed and new change room construction on track for completion by end of 2018.</p> <p>Negotiations with Bowling Club underway. Report to Council in July.</p> <p>P30 design tender awarded. On track.</p>



<ul style="list-style-type: none"> ▪ Building Renewal Program: Clubrooms, Grandstand and DDA Toilet renewals procured November, awarded December, construction commenced January with completion end May 2018. ▪ Feasibility study regarding the indoor facility has been completed and it suggests that at this time an indoor facility would leave clubs with a \$40,000 annual deficit. Discussions with the Clubs regarding this outcome are underway and an update report has been prepared for January Council regarding this outcome. No Further Action required at this stage. ○ Progressing residential development business case and design (through Strategic Development Projects) – subject to land revocation process outcomes – concurrent process being investigated for timely delivery commencing in 2018/19 	<p>Completed</p> <p>No further Action occurring on Design. Provision for future facility included in Master Plan</p> <p>Revised time frames for the Salisbury Oval residential project reported via Strategic Property Development Sub Committee in July 2018. Residential market EoI to be reported to Council in November/December 2018. Business Case dependent upon EoI outcomes, to follow in early 2019.</p>
<ul style="list-style-type: none"> • Coordination of Salisbury City Centre projects: <ul style="list-style-type: none"> ○ Church Street upgrade concept design; streetscape upgrade planning; ○ Development of a long term parking strategy for the City Centre 	<p>Initial strategic transport, pedestrian, stormwater concept plans to be completed September 2018 to inform 2019/20 NIB. Project Brief being finalised Initial scoping of parking strategy underway, to be</p>





<ul style="list-style-type: none"> ○ Preparation of a land development/disposal strategy for City Centre Sites ○ Signage and Streetscape Initiative Developed and Agreed 	<p>considered as part of the land disposal/development strategy and reported in conjunction with the Eol (see below).</p> <p>Investment attraction Prospectus completed June 2018. Eol to be prepared for consideration early 2019</p> <p>Wax Consulting to work with Salisbury Community Hub to ensure consistent Signage and Streetscape Urban Design Framework and Street Furniture Pallet for Gateways and Town Centre – signage and wayfinding “look and feel” for the Community Hub approved by Council June 2018</p>
<ul style="list-style-type: none"> ● Transport Plan – Determined by Council ○ Integration of Northern Connector into Local Road Network 	<p>Integrated Transport Plan approved by Council July 2017</p> <p>Ongoing June 2019, Review required of Future of Robinson Road and local networks</p> <p>Being progressed in 18/19 NIB</p>



<ul style="list-style-type: none"> ○ Elder Smith Rd development opportunity confirmed ○ Kings Road Concept Development Options/Identified ○ Edinburgh Road/West Avenue 	<p><i>Informal Strategy discussion Nov 2017</i> Included in advocacy with the new State Government</p> <p>On Hold - Liaison with DPTI expect to progress concepts late 2018. Included in advocacy with the new State Government</p> <p>Discussions with DPTI and Renewal SA has commenced regarding B3 Access into Food Park Area including discussions regarding the construction of Edinburgh/Heaslip Roads intersection upgrade Concept development late 2018. Sale of GMH site to be considered.</p>
<ul style="list-style-type: none"> ● Investment and funding attraction <ul style="list-style-type: none"> ○ Pursuit of Government Grants, and Investment by Government in major projects and precincts ○ Pursuit of Private Sector investment in key areas – SCC, employment lands ○ Sponsorship Policy determined 	<p>Ongoing July 2017 – 2018 Salisbury Business and Invest Salisbury websites developed Polaris centre website upgraded. Submitted Bid for Round 2 Smart Cities Funding Grant in July 2018. Policy draft to be presented to Informal Strategy in August 2018.</p>



	<p>Currently working with 16 firms (attraction) potentially employing approx. 1,900 people.</p> <p>Four firms worked with have committed to investing in Salisbury with the potential to create 790 jobs.</p> <p>Working with six firms on expansion plans with potential growth of 295 jobs. Continue to progress the establishment of a space industry in City of Salisbury and repositioning of Technology Park as the primary space and defence precinct in the state.</p> <p>Membership of Brand SA taken to increase profile and positioning of Salisbury, Sponsored the I 'Choose SA for Industry – Defence' month, which saw 330 people attend the three key events, resulted in 13 requests for further information on doing business in Salisbury and the local defence industry, and two investment leads, and resulted in a media value</p>
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	equivalent of \$1.1 million for Council
<ul style="list-style-type: none"> • Implementation of Strategic Property Development Projects (timing and sequencing subject to Business Case): <ol style="list-style-type: none"> 1. Hoyle Green 2. Lake Windemere 3. Shoalhaven 4. Fairbanks Reserve 	<p>Revised project timings reported to Strategic Property Development Sub-Committee July 2018</p> <ol style="list-style-type: none"> 1. Hoyle Green: December 2018 report to SPDSC subject to outcomes of negotiations with adjoining property owner. 2. Lake Windemere: Eol to be released late 2018 to test residential market, following Salisbury Oval Eol, targeting November 2018 for Eol responses. 3. Shoalhaven: As per SPDSC reports September 2017 and January 2018 – on hold pending completion of the Greenfield Stormwater Study which will confirm the area of Greenfield Wetlands, surplus to stormwater need and available for residential development . 4. Fairbanks Reserve: Master Plan required to be prepared, commencing early 2019, and



	<p>including community consultation. Residential feasibility investigations deferred pending master plan completion.</p>
<p>Implementation of Business Growth and Investment Strategy:</p> <ol style="list-style-type: none"> 1. Review of footpath trading policy (Environmental Health and Safety/Property and Buildings Divisions); 2. Development of a policy to guide charges for use of council land (Property and Buildings Division); 3. Business signage (Property and Buildings, and Environmental Health and Safety Divisions); 4. Information technology interfaces with business as an element of the Digital Strategy. Presentation of draft Digital Strategy to Council in February 2018; and <p>5. Vegetation management (e.g. verge maintenance, tree thinning to improve business visibility, landscape standards in commercial precincts)</p>	<p>Ongoing across 2017/18</p> <ol style="list-style-type: none"> 1. Complete – report to Council June 2018 2. Report to Council July 2018. 3. In progress – initial analysis undertaken, further detailed reports are required 4. Following presentation to Council, staff are finalising draft Digital Strategy for consideration and endorsement by Council (July 2018). Funding is being considered within NIB for 2018/19 for delivery of strategy outcomes. 5. Street Tree Screen renewal program has advanced significantly



	<p>on Main North Road with removals completed. Future projects identified along Main North Road with standard Landscape and adjoining Streetscape Tree Screen Renewals to be finalised with DPTI late 2018.</p>
<ul style="list-style-type: none"> • Investment Attraction and Export Development Initiatives <ul style="list-style-type: none"> ○ Web design/content ○ Promotion of City of Salisbury ○ Case Management Approach Rollout 	<p>Ongoing July 2017 – 2018 NIB approved for new Council website. Marketing & Communications Review to identify further opportunities to improve promotion of Salisbury. Invest Salisbury website completed. Polaris centre website upgraded. Currently working with 23 firms (attraction and expansion) potentially employing approx. 1,100 people. Space industry proposal progressed. Membership of Brand SA</p>



	<p>taken to increase profile, and sponsoring February Defence month.</p>
<ul style="list-style-type: none"> • Continued Implementation of Northern Economic Plan <ul style="list-style-type: none"> ○ Industry Transition regarding Holdens ○ SME Business Development Strategy – Initiated and Consultant Report completed by Implementation Group ○ Northern Economic Leaders – Operational – Awaiting/Pending Government consideration ○ Governance Structure Operationalised (Community Leaders Group and Strategic Implementation Group) ○ Food Park Development and Investment Attraction – Initial Meeting of Implementation Group/Committee held November 2017 – Currently awaiting consideration by Government ○ NAIS – Development - Continue to work with SA Water to maximise opportunity for CoS ○ Strategic Advisory for Innovation Hub in North – Being reviewed as part of State Government Agenda for Business Development in the North ○ Technology Park <ul style="list-style-type: none"> ▪ Redevelopment/ Innovation opportunity ▪ CEO working with Department of Trade, Tourism and Industry regarding progressing Innovation opportunities in key industry sectors including defence and space. 	<p>Post October 2017. Note that the Northern Economic Plan is in abeyance pending direction and decision from the new State Government. Have received advice for cessation of agreement and resource support in June 2018. Consultant Report October 2017. July/August 2017.</p> <p>August 2017 – Ongoing.</p> <p>NAIS on hold at this stage pending SA Water direction.</p> <p>July 17 Onwards. <i>City of Salisbury provided funding towards NEL for 17/18 to support their operations. . City of Salisbury was provided a proposal in respect to future funding for NEL and is awaiting response to questions put back to them.</i></p>



	<p><i>NEL is undergoing internal review including the introduction of a new board.</i></p> <p><i>City of Salisbury continues to liaise with PIRSA regarding Food Park tenancies and infrastructure requirements. Two companies have committed relocation to the precinct, and we are awaiting further details from both companies. DeLorean Energy is establishing a bio-fuel plant in Edinburgh Parks that will reuse food waste to create energy.</i></p> <p>The future of the Food Park precinct is unknown following the new government and we are awaiting response/instruction as to how they will proceed with this initiative. City of Salisbury is working with State Government to understand what the plan moving forward is.</p> <p>City of Salisbury continues</p>
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	<p>advocacy for Technology Park to be the prime defence, space and innovation precinct in the State. Raytheon was announced to relocate to Tech Park and SAAB are considering an expansion of their current premises.</p> <p>Discussion and agreement reached with State Government/Renewal SA to undertake review by Renewal SA/Private Sector//Government/Uni SA/Council on Master Plan for Tech Park/Mawson Precinct. State Government land holdings in Mawson Lakes being progressively put to market – lobbying for a strategic land disposal approach to support the objectives of Technology Park, particularly in relation to the defence and advanced technology sectors.</p> <p>Introduction of a new government has resulted in meetings and advocacy to re-</p>
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	<p>position City of Salisbury and understand government direction on specific initiatives including NEP, Food Park, Investment Attraction SA.</p>
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City Plan Key Direction 2 – Sustainable City	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters)
<p>Northern Region Adaptation Plan</p> <ul style="list-style-type: none"> • Development of Energy Management Strategy for Organisation and Public Realm • Embedment of Climate Change into land use and Urban Development Initiatives, specifically : <ul style="list-style-type: none"> ○ Water Plan for Paddocks ○ Development of Game Plan ○ Strategic Property Development 	<p>Initial Business Cases for initiatives March 2018, with Policy Development and AMP for Energy Related Assets by July 2018.</p> <p>June 2018. AMP for existing Lighting infrastructure has been completed and, Council has committed to the development of an Energy Management Strategy, including the business cases for the replacement of streetlights to LED's to inform the NIB's for 2019/20. Stormwater management at the Paddocks has been considered as part of the Masterplan and incorporated into the master plan for consideration by Council in July 2018.</p>
<p>Salisbury Water Business Unit</p> <ul style="list-style-type: none"> • Waste to Energy Initiative – First stage of EOI completed. Currently working with proponents to program the next stage 	<p>July 2018 Continue working with Michell Wool to support reduction in trade waste costs and identify opportunities for broader WtE within the recently announced Delorean project at Edinburgh Park.</p>



<ul style="list-style-type: none"> • Ongoing Management of ASR and Distribution of Recycled Water – Ongoing • Water Quality – Continuous testing of water and discussion with DoD re PFAS investigation – <i>In Discussions with Dept of Defence regarding remediation strategies</i> • Long Term Business Development Agenda Identified – Strategic Review being implemented 	<p>Continue to liaise with DoD to manage contamination of Kurna and Edinburgh South systems. Presentation to Council in May. Focussing on discussions with DoD to agree on remedial and/or compensation to business. Outcomes of discussion to be presented to Council for consideration.</p> <p>Approach to EOI (Late August/September 2018) to seek potential third party interest in developing recycled water network further, in particular harvest expansion of Dry Creek catchment west of Pt Wakefield Rd. This is in line with the outcomes from the Strategic Review and more recent Yield Study to identify opportunities.</p>
<p>NAWMA Business Development Initiative</p> <ul style="list-style-type: none"> • Development Agenda for Waste Transfer Station – Agreed – On track for Management Agreement June 2018 • Partnering between NAWMA and Council for improved waste management outcomes identified and pursued 	<p>Ongoing 2017/18 – Completed.</p> <p>Ongoing.</p> <p>Workshop and presentation of the Annual Business Plan and Budget completed.</p>



	<p>Education/communication/engagement strategy being developed to minimise waste costs and have a well-informed community. Hard waste service increased and multiple recycling and green waste initiatives underway CEO meetings with the constituent Councils and the CEO and Chair of NAWMA being held. GMCI on the Technical Working Group of NAWMA.</p>
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City Plan Key Direction 3 – Living City	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters)
<ul style="list-style-type: none"> • City of Salisbury NDIS Alignment <ul style="list-style-type: none"> ○ Completion of Consultation Report and Presentation to Council ○ Proposed Business Model and Adoption by Council 	<p>November 2017 March 2018:Now Rescheduled for Dec 18 due to evaluation of models.</p>
<ul style="list-style-type: none"> • Para Hills Community Centre <ul style="list-style-type: none"> ○ Acceptance of Tender and Construction <ul style="list-style-type: none"> ▪ Contract executed 28-Sep-17. ▪ Building works are progressing with fit out beginning in June 2018. ▪ Practical completion is on track for end of June. <p><i>Civil construction work is on track, and the change program has delivered a preferred model of management where Council take lead tenancy role was endorsed by Council in May 2018. There was in the end a \$40,000 operating deficit. This was also indorsed by Council in May 2018. Official opening expected August 2018. Staff consultation has been taking place as there is a new operational model for the staffing being developed.</i></p> <ul style="list-style-type: none"> ○ Business Transition and Occupation ○ Decommissioning of Paddocks facility 	<p>September 2017.</p> <p>Opening of Para Hills Community Hub August 2018.</p> <p>July 2018. June 2018/Ongoing.</p>



<ul style="list-style-type: none"> • Place curation and Events Management – Key Events <ul style="list-style-type: none"> ○ Australia Day – Report to Council ○ ○ Salisbury Secret Garden – Report to Council ○ St Kilda Celebration ○ Partnering with Salisbury Business Centre Multi-Cultural Event ○ Bridgestone Family Fun Day ○ Salisbury Writer’s Week 	<p>August 2017 – <i>Completed Event Planning/ Delivery.</i></p> <p>September 2017- <i>Completed Event .</i></p> <p><i>Event Evaluation and Future Event Planning May 2018.</i></p> <p>This was delivered early (March) with a subsequent piece of work required in February 2019 to determine locations across the City.</p>
<ul style="list-style-type: none"> • <i>Completion of Paddocks Masterplan</i> 	<p>Final draft master plan for consideration and Council endorsement at the July 2018 meeting.</p>



City Plan Key Direction 4 – Business Excellence	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters) – July 2018
<ul style="list-style-type: none"> • Change Management Program <ul style="list-style-type: none"> ○ Vision and Values – Corporate Development Program – In progress ○ Flexible Working Spaces and Adoptive Business Systems Trial and Pilot Space – • Leadership Development Program <ul style="list-style-type: none"> ○ Senior Management ○ Leading Workers – Contractor engaged to deliver • Rollout and Application of Continuous Improvement Program <ul style="list-style-type: none"> ○ Field Services – Parks and Landscapes/Civil Maintenance – on track 	<p>December 2017 – <i>May 2018</i>. Pilot site progressing with planned start June 2018.</p> <p>March 2018.</p> <p>July 2017 onwards – On Track. Ongoing - New Innovation & Business Development Sub Committee now includes Continuous Improvement within ToR</p>
<ul style="list-style-type: none"> • Delivery and Completion of Program Review <ul style="list-style-type: none"> ○ Property Services - Completed ○ Strategic Property - Completed ○ Inspectorate Function - Completed ○ Governance Office/CEO Office – November 2017 ○ Workshops/Fleet – December 2017 – Completed. ○ Monitoring and Implementation of Initiatives – Report in development on overall program of Program Review 	<p>All program reviews identified within initial schedule completed Innovation and Business Development Sub-Committee sought further reviews on Marketing & Communications (presentation July) and</p>



	<p>Library Services (December 2018). Report on overall outcomes of Program Review to be presented to the May Innovation & Business Development Sub Committee. Ongoing reporting to be scheduled to Committee.</p>
<ul style="list-style-type: none"> Asset Management Reform and Mobile Communications Business Case Consideration – Executive consideration complete Mobile Communication Rollout Systems Improvement Review of Current Pilots (WBU/Playgrounds) – In final stages Report to Council in February 2018 for Budget Provision – Completed Resources engaged. Project has finalised the data base upgrade and asset verification, with the tender for Tablets to the field closed and currently being assessed. Tablets to be introduced into the field by August 2018. Process review is well advanced and communication and Change Management plan is being implemented over the project life. 	<p>Project to completion November 2018 – <i>March 2019</i>. Commencing March 2018. Ongoing.</p>
<ul style="list-style-type: none"> Effective Organisational and Council Governance 	<p>Ongoing – Implementation of Program Review outcomes - June 2018.</p>
<p>Strategic Interfaces and Partnerships</p> <p>Government Northern Economic Plan – Department of State Development and Local Government Department of State Development and Department of Communities and Social Inclusion re NDIS Renewal SA Food Park Discussion</p>	<p>Ongoing.</p> <p>Ongoing – Change from Parafield to Edinburgh Parks.</p>



<p>Renewal SA Dry Creek Master Planning</p> <p>SA Water – Regarding access/development of drainage for greater Edinburgh Parks via St Kilda</p> <p>Renewal SA Technology Park DPTI meeting regarding land acquisition along Northern Connector</p> <p>Briefing Members of Parliament / Government/Support Staff re Council Priorities</p> <p>Local Government Metropolitan Local Government Group Council Solutions Board CEO Forum - LGA Northern Economic Planning – CEOs of Playford and Port Adelaide Enfield</p> <p>Community/Business Interface Adelaide and Parafield Airport Future Development Food Park Advisory Meetings – PIRSA Food Park meeting with Renewal SA Council Solutions Polaris Business breakfast Meeting with Hon Zoe Bettison, Member for Ramsay Meeting with Adelaide Airport Limited Meeting with Department of State Development Meeting with Hon Stephan Knoll</p>	<p>Ongoing – timing determined by RSA and land owner.</p> <p>Ongoing.</p> <p>Ongoing. Ongoing – option for alternative site to Whites Road being negotiated with DPTI.</p> <p>Ongoing until March 2018.</p> <p>Ongoing with New Government; Meetings/Opportunities being pursued.</p>
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<p>Meeting with Hon Pisoni MP Meeting with Hon Frank Pangallo MLC Meeting with Hon Tony Piccolo MP Meeting with Michael Brown, MP LGA CEO Briefing on Rate Capping Attendance at Citizenship Ceremony Northern Business Breakfast NAWMA CEO Workshop Salisbury Community Hub Ground Breaking Ceremony Industry Roundtable with Minister Pisoni Elected Member Involvement/Advocacy Community Hub Advocacy Interface with Community Committee Representation Committee Attendance Meeting with Brabham Automotive Meeting with Natural Resources Adelaide Mount Lofty Rangers CEO Forum on Planning and Infrastructure Act Local Government Transformation 2018 Economic Briefing Meeting with KPMG Meeting with Norman Water House Meeting with Disability SA Brand SA I choose SA Industry Briefing Refugee Week Celebration CEO Boardroom Industry – Manufacturing Meeting with Kaufland Response to requests for advice/information</p>	
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**CITY OF SALISBURY
CHIEF EXECUTIVE OFFICER
JOB & PERSON SPECIFICATION
JUNE 2015**



JOB SPECIFICATION

POSITION: CHIEF EXECUTIVE OFFICER

REPORTS TO: MAYOR AND ELECTED COUNCIL

EMPLOYMENT STATUS: FIXED TERM CONTRACT (5 YEARS)

Broad scope

The Chief Executive Officer (CEO) is responsible to the Council for providing leadership in implementing Council strategies, policies and decisions, managing the various functions and activities of the City, overseeing finances, assets, human resources, communications and major projects.

Prime responsibilities

- ensuring that all Council policies and decisions are implemented and reasonable action is taken in a timely and effective manner to meet the statutory requirements of relevant legislation and agreed policies of Council;
- ensuring that the Council's human, physical and financial resources are effectively managed and services are provided efficiently and in a manner which meets customer needs and Council requirements;
- assisting and advising the Mayor/Councillors in developing initiatives for the community benefit;
- working effectively with the Mayor/Councillors to promote Council and its activities to the broader community in a positive manner;
- working closely with the Council and Senior Management Team to craft, communicate and implement the overall strategic and business plans for the organisation;
- providing long term strategic advice in relation to development of the Northern Region and specifically, City of Salisbury in both the development of the community and the organisation.

Key result areas

- leadership & strategic planning;
 - human resource management;
 - financial & asset management;
 - operations management & major projects;
 - stakeholder management, customer service & communication;
 - advice to & relationship with Council.
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JOB SPECIFICATION

Leadership & strategic planning

- performing the pivotal leadership role for the Council administration;
- working closely with Council to ensure strategic plans are prepared and implemented;
- effectively communicating the Council vision and strategy to all key stakeholders;
- ensuring Annual Business Plans are completed and communicated on time;
- preparing long term asset management and financial management plan to ensure Council sustainability;
- effectively consulting ratepayers and other key private and public stakeholders in the development of strategic and business plans;
- maintaining a continuous review of the Council's progress in attaining the Objectives and Strategies of the Corporate Plan.

Human resource management

- leading, developing, motivating and managing the human resources of the organisation;
- regularly reviewing the organisational structure to ensure it is flexible and appropriate;
- ensuring recruitment is undertaken in line with contemporary and equal opportunity principles and practices;
- ensuring retention and attraction strategies are activated to position Council as an "employer of choice";
- ensuring professional development and training opportunities, programs, records and policies are in place;
- as the responsible Officer, taking reasonable steps to ensure Council complies with all its obligations under the Occupational Health, Safety and Welfare Regulations 1995 and associated legislation to ensure a safe and positive working environment;
- ensuring contemporary performance management procedures are in place and adhered to;
- regularly reviewing remuneration and conditions for senior management and ensuring they conduct similar reviews for their teams to increase retention rates;
- monitoring and proactively managing staff turnover;
- creating and maintaining a positive, constructive and productive staff culture in line with the Human Synergistics or comparable framework;
- working closely with the People & Culture Department and other stakeholders to ensure a positive and productive industrial relations environment.



JOB SPECIFICATION

Financial & asset management

- ensuring annual and long term financial plans are prepared, monitored and controlled;
- completing the annual budgeting process in close consultation with the Finance Department and Senior Management Team;
- ensuring close monitoring and controlling of budgets following variance analysis to ensure sound fiscal management;
- ensuring Council is provided with timely and accurate financial reports to aid key decision making;
- ensuring the financial systems architecture, systems and processes are sound and that technology is effectively utilised;
- ensuring long term asset management plans are in place and closely monitored;
- ensuring strong and well researched business cases are prepared to support major projects;
- ensuring cash flow is monitored and controlled;
- ensuring the collection and security of revenues and efficient utilisation of Council funds and assets;
- ensuring all commercial activities of the Council have clearly defined financial goals (including rate of return on assets) are in line with stated community service obligations;
- ensuring the efficient and effective management and monitoring of the Council's operating revenue and expenditure.

Operations management & major projects

- ensuring improved productivity and quality by regular reviewing existing policies, authorities, controls, workplace agreements, delegations and systems;
- proactively championing and developing a strong customer service focus for the organisation;
- ensuring all of the residents of Salisbury are treated as its customers and that their best interests are reasonably served at all times;
- providing an overview of the various operational areas of Council and reporting to Council and its committees on a regular and formal basis regarding the progress of the Council's operations;
- monitoring and responding to customer satisfaction resulting from regular surveys of the community to determine their perceptions on a range of activities in which the Council is providing service;
- maintaining the quality of overall project management eg. waste management projects and other inter Council co-operation and resource sharing initiatives;



JOB SPECIFICATION

Operations management & major projects (cont.)

- ensuring major projects are completed in line with time and budgetary constraints and project status regularly monitored and communicated;
- improving performance of the Council by proactively embracing best practice and continuous improvement initiatives;
- managing the Council's resources and operations in an efficient and effective manner including the development and maintenance of a "contestability" philosophy in regard to both internal and external service provision;
- enhancing the Council's systems and technology consistent with the agreed strategic direction of the Council.

Stakeholder management & communication

- liaising with community organisations, business groups and regional interests as necessary for the achievement of Council's objectives;
- responding and initiating as required in regard to local and metropolitan media;
- ensuring positive relationships are established with local media including The Messenger, The Advertiser and various electronic media;
- providing input to any Commonwealth, State or Local Government initiatives affecting the City;
- effectively liaising with local government authorities, the Local Government Association and other government authorities and agencies;
- ensuring community consultation programs are conducted, analysed and incorporated in the strategic planning process;
- represent the Council at appropriate events to maintain and if necessary enhance the Council's public profile within the community and amongst stakeholders;
- ensuring Council activities and initiatives are appropriately promoted and communicated;
- addressing public meetings in a positive and effective manner;
- establishing and maintaining quality relationships with local business leaders, educational institutions, community service providers, governmental agencies, individual residents and other customers;
- promptly and diligently responding to requests for service and advice from employees and community;



JOB SPECIFICATION

Advice to & relationship with Council

- developing and maintaining a positive and collaborative working relationship with the Mayor/Councillors;
- ensuring a high degree of satisfaction with Council members in relation to support, guidance, service quality and accuracy of information, recommendations and related matters provided by the CEO and SMT;
- ensuring Council are provided with a suite of reports that indicate the status, success and effectiveness of all operations and major projects;
- ensure that the Council's statutory and governance obligations are met in a timely and effective manner;
- ensuring Elected Members are provided with appropriate professional development opportunities and services;
- ensuring that effective communication and working relationships exist between the Councillors and the Administration, including attending meetings and regular and effective communication processes.



PERSON SPECIFICATION

Qualifications

- tertiary and post graduate qualifications in an appropriate discipline are highly desirable;
- there is an expectation of ongoing external training, while on-the-job, to ensure an up-to-date knowledge of all relevant legislation and professional fields of responsibility, and to maintain and develop relevant professional administrative management skills will be provided.

Experience & knowledge

- it is anticipated that the successful candidate will have gained extensive experience in the management of multi-functioned service organisation, together with extensive experience in the supervision and management of strategy staff, assets and finances
- the appointee should ideally have a sound knowledge in the following areas :-
 - Local Government Act;
 - Local Government operations;
 - data based, spreadsheet and project management applications;
 - inter-Governmental techniques;
 - policy development techniques;
 - meeting procedures;
 - industrial relations and dealing with unions;
 - Occupational Health Welfare and Safety legislation.

Personal qualities

- excellent written and verbal communication skills;
- high levels of strategic, political and commercial acumen;
- excellent negotiation skills;
- good analytical skills;
- proficiency at public speaking;
- ability to chair and control meetings;
- excellent interpersonal skills;
- self starting and highly motivated;
- strong legislative and documentation interpretation skills;
- excellent skills in problem solving;



PERSON SPECIFICATION

Personal qualities (cont.)

- excellent team building and leadership skills;
- warmth, empathy and good humour;
- chameleon skills to effectively communicate with a wide range of stakeholders from diverse backgrounds;
- strong ethics and professionalism in all matters;
- initiative and innovative approach;
- truth telling skills ie. ability to deliver difficult messages;
- ability to manage conflict;
- capacity to mentor and develop strong performers;
- capacity to manage performance;
- vision combined with strategic thinking and planning skills;
- diplomatic but with a strong personality;
- demonstrated energy and passion for service to a community;
- ability to earn respect of others;
- ability to establish trust and empower staff;
- demonstrated capacity for delegation;
- preparedness to be hands on if required;
- ability to demonstrate a professional outlook and presentation style;
- ability to be a positive influence on the organisation;

ITEM	8.1.3
	CEO REVIEW COMMITTEE
DATE	17 July 2018
HEADING	Annual Review of CEO Total Remuneration 2017/2018
AUTHOR	Gail Page, Manager People and Culture, Business Excellence
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This report provides details of the 2017/2018 CEO Remuneration Review.

RECOMMENDATION

- [In accordance with Clause 13 of the Employment Agreement and the delegation of authority granted by Council to the CEO Review Committee, an amendment to the CEO Total Remuneration be made, with that amendment being [insert details] to apply from the 2018 anniversary of the CEO Commencement Date (effective 9 May 2018)]*

ATTACHMENTS

This document should be read in conjunction with the following attachments:

- CEO Remuneration Report 2018

1. BACKGROUND

1.1. Council has delegated to the CEO Review Committee the power to:

- By agreement with the CEO, appoint an independent advisor to assist with the CEO performance appraisal process; and
- Determine any amendments to the CEO's employment arrangements and incentive payments as provided for within the contract of employment.

1.2 Annual Review of the Total Remuneration

1.2.1 Clause 13 of the CEO Employment Agreement indicates:

"13.1 The Remuneration Package shall be reviewed annually and within one month of the performance review set out in Clause 12. Any change to the Remuneration Package will take effect from the anniversary of the Commencement Date.

13.2 The review of the Remuneration Package, which will be conducted by an appropriate external agent, will take into account an assessment of performance based upon the following:

- 13.2.1 *The agreed criteria upon which the CEO's performance is assessed in accordance with the Personal Evaluation System; and*
- 13.2.2 *Movements in the Consumer Price Index as issued by the Australian Bureau of Statistics.*
- 13.3 *Notwithstanding Clause 13.2, the parties acknowledge that, in undertaking any review of the Remuneration Package, the CEO shall not be entitled as a right to an annual increase of the Remuneration Package."*

- 1.2.2 The Remuneration Package is currently comprised of Total Remuneration (base salary only) and Employer Superannuation contributions.
- 1.2.3 Sub-Clause 9.6 of the CEO Employment Agreement provides for the review of the CEO's Total Remuneration:
"The CEO's Total Remuneration will be reviewed annually. The CEO is not, as a right, entitled to an increase to the annual base salary each year."
- 1.2.4 Any change to the Remuneration Package should be presented as an amendment to Total Remuneration (base salary excluding Superannuation).
- 1.2.5 A report regarding the Personal Evaluation System has been provided to the CEO Review Committee under a separate Item.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 No internal communication or consultation has occurred.

2.2 External

- 2.2.1 Andrew Reed from Hender Consulting has been appointed as the appropriate external agent to conduct a review of the Remuneration Package.

3. REPORT

- 3.1 Andrew Reed from Hender Consulting will be in attendance at the CEO Review Committee to provide advice in relation to CEO Remuneration and market conditions.

4. CONCLUSION / PROPOSAL

- 4.1 Council has delegated authority to the CEO Review Committee to determine any amendments to the CEO's employment arrangements and incentive payments as provided for within the contract of employment.
- 4.2 In consideration of the CEO Performance Review and the Remuneration Advice, the CEO Review Committee needs to determine whether any amendment to the Remuneration Package is warranted. This decision would be reported to Council for information.

- 4.3 If the Committee determines an amendment is warranted, proposed wording for that recommendation is as follows:

In accordance with Clause 13 of the Employment Agreement and the delegation of authority granted by Council to the CEO Review Committee, an amendment to the CEO Total Remuneration be made, with that amendment being [insert details] to apply from the 2018 anniversary of the CEO Commencement Date (effective 9 May 2018).

CO-ORDINATION

Officer:

Date:



STRICTLY PRIVATE & CONFIDENTIAL



CITY OF SALISBURY

**CHIEF EXECUTIVE OFFICER
REMUNERATION ADVICE**

JUNE 2018



1. Process Methodology

In order to obtain the information necessary to establish appropriate remuneration benchmarks for this position, we researched a number of comparable entities to determine salary packages for comparable positions. We also researched recent positions filled by our organisation (and recent individuals interviewed) as a further indication of current market rates. All participants were assured of their anonymity (where the information is not public knowledge) and the confidentiality of the process. In return for their contribution to the process, we may contact the participating organisations and individuals after the completion of this assignment and provide them with *limited verbal* feedback of the results. No specific remuneration data for your incumbent or others in the survey will be released to any party outside Hender Consulting under any circumstances.

As the City of Salisbury is unique in terms of its members, structure, turnover and staff, the organisations researched are therefore different in at least one of the above factors. We have endeavoured to allow for these differences and incorporated adjustments to our recommendations accordingly.

Nonetheless, some care must be taken when using these figures as universal benchmarks as recent packages negotiated have, at times, reflected a variety of circumstances such as the successful candidature by internal candidates, appointment of candidates with no local government experience to the sector and the necessity to pay premiums to attract interstate or overseas candidates.

Roles such as this also have a unique “stakeholder management” responsibility which commands a certain remuneration premium.

2. Factors Influencing Remuneration Levels

Salary packages across comparable roles are determined by factors (in no particular order) such as:

- relevant qualifications;
- senior management experience;
- relevant industry experience;
- length of time in the role;
- management and budgetary responsibilities;
- financial performance and asset base of the organisation;
- demonstrated leadership capabilities;
- scope and complexity of responsibilities;
- head hunter activity in and outside the sector;
- contribution to strategic direction;
- difficulty and cost to replace;
- current market rates;
- succession planning;
- achievement of individual performance criteria set by the Board/Council;
- amount of organisation specific intellectual property controlled by the individual;
- the risk factor in the projects under management;
- internal pay relativities;
- degree of public accountability;
- personal profile of the individual;
- technical skill shortages and other demographics in the Adelaide market;



- remuneration relativities with the eastern states and WA;
- the existence of retention and attraction bonuses on offer for comparable positions;
- the timing of the salary review in the contract or tenure cycle of the incumbent;
- any bonus or at risk component;
- socio-economic outcomes demonstrated;
- increasing public scrutiny of executive remuneration in the currently economic climate.

We believe greater weight should be given to some of the factors above than any “national industry data” which will not have been adjusted for differentials in cost of living etc. That is, we recommend caution with using raw industry association data because it is indeed just data and lacks the contextual adjustments.

Thus, we have endeavoured to value the factors above and allow for them in our advice such that our recommendations are built around true context rather than being based on data alone. The final decision regarding remuneration should not be made without thorough consideration of the aforementioned dot point factors.

Of the organisations and individuals researched, all have salary packages that include a cash component and the compulsory superannuation contribution. A motor vehicle with full private use and maximum salary sacrifice benefits is also often provided.

Additional benefits vary from organisation to organisation and include the payment of business expense accounts, club and association memberships, overseas travel and seminar attendance, study assistance and sabbaticals. Tools of trade such as mobile telephones and laptop computers along with remote access and internet cost reimbursement are also commonly provided. These benefits are often standard as part of genuine executive packages and have therefore been excluded from the calculations as a *given*. It is important to note that senior executives are increasingly viewing remote access and reimbursement of broadband expenses as a *normal* condition and central to their work life balance objectives. It is also important to consider which party is paying the FBT attached to such non financial benefits.



3. CPI and Real Wage Movements

The well documented economic slowdowns have naturally brought inflation back within and even below the RBA target range and thus recent year CPI based adjustments have not been as great. It is important to view any adjustment towards the market as separate from maintaining the real value of the package.

To illustrate the Headline CPI movements (year ended) over the last few years and to illustrate the importance of careful consideration of inflationary factors, we have included the recent results below:

<i>Year Ended</i>		<i>Australia</i>	<i>Adelaide</i>
March	16	1.3%	0.7%
June	16	1.0%	0.7%
September	16	1.3%	1.2%
December	16	1.5%	1.3%
March	17	2.1%	2.0%
June	17	1.9%	1.6%
September	17	1.8%	1.8%
December	17	1.9%	2.3%
March	18	1.9%	2.3%

Wages growth in Australia is at or around record lows.

4. Findings & Recommendations

We understand the current composition of John's package is:

Salary cash component	\$302,023
<i>Total Remuneration</i>	<u>\$302,023</u>
Actual Superannuation Cost (9.8%)	\$29,598
Total Employment package	<u>\$331,621</u>

In 2013 John negotiated an additional 5 days leave in lieu of a remuneration increase. This naturally reduced the ongoing base on which future percentage rises are based. He currently receives an annual leave entitlement of 25 days per year and a minor benefit toward professional fees of up to \$1,000.

John's performance has again been assessed to be consistently strong over multiple years, and current benchmarking indicates his current package still remains below that for a number of comparable roles in the sector. However, we are still experiencing recessed economic conditions and low inflation rates continue to restrain executive remuneration growth. Therefore an adjustment too far above the equivalent to the Council's EBA (Administration Staff 2.2% and Field Staff 2.5%) would appear hard to fully defend despite his ongoing strong performance. It is relatively rare to see EBA and therefore senior executive package increases much above 2.5% in the current climate.



Dramatic movements upwards and downwards on CEO packages in the sector due to internal appointments, or adjustments to further align with market factors when replacing continue to result in variations across remuneration for comparable roles. It remains difficult to obtain a definitive benchmark due to these inconsistencies. John would still be a very credible candidate in the sector (or beyond) for roles paying above \$330,000 p.a. and thus we remain of the belief that some minor adjustment is warranted from a moderate risk management and performance recognition perspective.

While there is some argument for an above CPI increase, the continuing cooling of executive remuneration does not present a favourable climate, therefore based on the above factors we recommend Council look to the EBA and CPI as a guide. Given his consistently strong performance we believe an increase aligned to the EBA can be objectively defended.

It is our recommendation an amendment to total remuneration is considered, applying an increase of at least 2.3% (Adelaide CPI) to bring total base remuneration towards \$309,000 and ensure the 9.8% superannuation is then applied. This brings total cost of employment to around \$339,000. It also ensures the package assists with retention and is *broadly* competitive against the appropriate benchmarks.

It is important to note that he has received very minimal increments in recent years. This has ranged from 0% to on or around relatively low inflation rates.

Year	Remuneration Review
2012	4% increase (Total Employment Cost)
2013	No increase, additional one week annual leave
2014	2% increase (Total Employment Cost)
2015	Total Employment Package increase to \$320,000 (increase 3.185%)
2016	1.5% increase to Total Remuneration
2017	2.1% increase to Total Remuneration

There is no evidence of excessive increments in his entire tenure considering he is now one of the most established and proven performers in the sector.



5. Genuine Flexibility and Other Movements

We continue to see evidence of senior candidates rating genuine flexibility as a more important factor than remuneration. We advise that the organisation offers every flexible condition possible to ensure that, where remuneration is comparable, this creates a competitive edge. Do not hesitate to contact us if you wish to discuss this advice further or if you would like some input (at no additional consulting fee) regarding remuneration decisions.

Should you have any queries related to any aspects of this report, please do not hesitate to contact me.

Assuring you of our objective, independent and considered advice.

With kind regards and thanks for the opportunity to facilitate this important process.

Andrew Reed
General Manager

Direct line: (08) 8100 8836
Email: andrew.reed@hender.com.au

Bernie Dyer
Executive Consultant

Direct line: (08) 8100 8867
Email: bernie.dyer@hender.com.au