



AGENDA

FOR CEO REVIEW COMMITTEE MEETING TO BE HELD ON

9 JULY 2019 AT 6.30 PM

IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY

MEMBERS

Mayor G Aldridge (Chairman)
Cr J Woodman (Deputy Chairman)
Cr C Buchanan
Cr D Proleta
Cr S Reardon

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 09 April 2019.

REPORTS

Reports

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8.1.2	CEO Personal Evaluation System 2018/2019	9
8.1.3	Annual Review of CEO Total Remuneration 2018/2019	43

CONFIDENTIAL ITEMS

8.2.1 CEO Employment Agreement *(Confidentiality lapsed 24/07/2019, pursuant to resolution 0237 of 22/07/2019)*

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

1. *Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *Non-disclosure would protect information related to the employment terms of the Chief Executive Officer*

*On that basis the public's interest is best served by not disclosing the **CEO Employment Agreement** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CLOSE

Confidential Item 8.2.1



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

9 APRIL 2019

MEMBERS PRESENT

Cr J Woodman (Deputy Chairman)
Cr C Buchanan
Cr D Proleta
Cr S Reardon

OBSERVERS

Nil

STAFF

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

The meeting commenced at 8:37 pm.

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

APOLOGIES

An apology was received from Mayor G Aldridge.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr C Buchanan
Seconded Cr S Reardon

The Minutes of the CEO Review Committee Meeting held on 15 January
2019, be taken and read as confirmed.

CARRIED

REPORTS

Reports

8.1.1 Future Reports for the CEO Review Committee

Moved Cr D Proleta
Seconded Cr C Buchanan

1. The information be received.

CARRIED

8.1.2 CEO Key Performance Indicators Status Update

Moved Cr C Buchanan
Seconded Cr D Proleta

1. Information be received.
2. Progress towards achievement of the 2018/2019 Key Performance Indicators be noted and endorsed.

CARRIED

8.1.3 CEO Annual Performance Review Process FY2019

Moved Cr C Buchanan
Seconded Cr D Proleta

1. The Performance Appraisal Survey be distributed to Elected Members on 13 May 2019, to be completed by 27 May 2019.
2. 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 2019, at which time the Committee determine the overall rating for the CEO Personal Evaluation System for 2018/2019.
3. The Hender Consulting Remuneration Advice Report be provided to the CEO Review Committee in July 2019, 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

OTHER BUSINESS

Nil.

The meeting closed at 9:15 pm.

CHAIRMAN.....

DATE.....

ITEM	8.1.1
	CEO REVIEW COMMITTEE
DATE	09 July 2019
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 committee for noting.

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:

Date:

ITEM	8.1.2
	CEO REVIEW COMMITTEE
DATE	09 July 2019
HEADING	CEO Personal Evaluation System 2018/2019
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 2018/2019

RECOMMENDATION

1. It be acknowledged that the CEO has, to the satisfaction of CEO Review Committee:
 - delivered the requirements of his position;
 - successfully achieved 2018/19 Key Performance Indicators;
 - for the eighth 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
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 In August 2018, the CEO Review Committee agreed the Personal Evaluation System to apply to the CEO for the 2018/2019 review period, comprising CEO Key Organisational Performance Indicators, noting that the construction of the Bridgestone Athletics Facility under the Living City Goal is to be completed by June 2020 (as per attachment to item 8.1.2., CEO Review Committee Meeting, 14 August 2018).
- 1.2.3 A further report was to be provided in January 2019 outlining details of the Performance Appraisal Survey to address feedback from Elected Members, Staff and External Industry Peers.
- 1.2.4 In January 2019, the CEO Review Committee agreed the CEO Performance Appraisal 2019 be provided to Elected Members only and the Performance Appraisal Survey (as per attachment to item 8.1.3., CEO Review Committee Meeting, 15 January 2019) was endorsed, noting new organisational values will be substituted prior to issue.
- 1.2.5 The Personal Evaluation System was to comprise of a set of agreed Key Performance Indicators and a Performance Appraisal Survey.
- 1.2.6 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.
- 1.2.7 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).
- 1.2.8 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 2018/19.
- 1.2.9 The Agreement requires a written report is compiled with respect to the performance review and a copy provided to the CEO.
- 1.2.10 Hender Consulting distributed a copy of the endorsed Performance Appraisal Survey to all Elected Members for completion by 18 June 2019. At the close off of submissions all 15 surveys distributed to Elected Members were received. These responses form the basis of the survey results.

- 1.2.11 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
- 1.2.12 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).
- 1.2.13 The CEO received a Rating 4 in 2017/2018 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 the survey of Elected members and 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 via teleconference 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 1.2.11.

CO-ORDINATION

Officer:

Date:



CEO PERFORMANCE APPRAISAL 2018/19

CEO – Key Organisational Performance Indicators

Financial and Asset Management Sustainability

	Measure	Current
Operating Surplus Ratio: 0.5--5%	Financial Sustainability	2.80%
Net Financial Liabilities Ratio: < 40%	Financial Sustainability	35.22%
Asset Sustainability Ratio: 90-110%	Asset Renewal	100%
Delivery of Civil/Infrastructure Capital Works >85%	Productivity	85.3%
People	Measure	Current
Retention Rate: > 85%	Organisational attraction	86.16%
Lost Time Injury Frequency Rate: <5	Safe Work Environment	7.4
Organisational Development	<ul style="list-style-type: none"> - Values/Behaviour - Skill Development - Wellbeing 	Council adopted Values in May 2019 Various programs delivered Wellbeing Program for Admin Staff – March 2019

Stakeholder & Customer Relations

	Measure	Current
Strategic Interfaces & Partnerships		
Elected Members		
<ul style="list-style-type: none"> • Outstanding reports 	Delays > 3 months	20 out of 550 that were presented over the 12 months of the 18/19 financial year
<ul style="list-style-type: none"> • Quality Decisions 	< 6 requests for Section. 270 Reviews	1 in progress
<ul style="list-style-type: none"> • Briefings & One-on-one interfaces 	As measured by Elected Member Survey responses	

Customer/Community

Overall Customer Service Satisfaction Survey – October 2018		6.8 (target for 7.0)
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City Plan – Key Actions/Initiatives	
Key Direction 1 – Prosperous City	
Council's City Strategic Plan – Ongoing delivery of City Plan and Critical Actions	Elected Member Workshop and Budget Reviews
Community Hub Project	September 2019
Salisbury Oval Precinct	Ongoing as per Council decision April 2019
City Centre Revitalisation Strategy	Ongoing
Transport Plan	Ongoing
Investment and funding attraction	Initial scope for SCC – July 2019
Strategic Property Development – Tranche 2 Strategic Property Development Projects	Ongoing – Endorsed by Council
Implementation of Economic Growth and Investment Strategy	Ongoing Invest Attraction June meeting
Continued Interface/Implementation of key Northern Projects	Ongoing – As required
Key Direction 2 – Sustainable City	
Integration of Salisbury Game Plan and Green Infrastructure Plan is now renamed as Place Activation	November 2019 – (Delayed from May 2019)
Salisbury Water Business Unit – Business Development	June 2019
NAWMA Business Development Initiative	Ongoing
Energy Management Business Development Strategy	To be incorporated within Sustainability Strategy. November 2019 (Delayed from June 2019)



Key Direction 3 – Living City	
City of Salisbury NDIS Alignment	Commonwealth announced no change in March 2019, and an update report was provided to council in April. Re-structuring continues within the team to ensure alignment. – Future report in December 2019.
Para Hills Community Centre	Completed
Place Curation and Events Management – Key Events	February 2019 – Report delivered, consultation on structural changes commenced.
Place Activation Strategy	November 2019
Public Art Strategy	May 2019 Completed
Indoor Facilities Review	February 2019 – Completed Ingle Farm due 2021,
Bridgestone Athletics Facility	June 2019 – Completed now for budget consideration 2020
Future Directions Community Centres and Libraries	February 2019 – Completed, Burton Concept Design will commence 2019. Project brief completed. Acquisition plan drafted, to market in July.

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Key Direction 4 – Business Excellence	
Leadership Development Program	Commenced May 2019
Asset Management Reform and Mobile Communication	Rollout Dec 2018/June 2019
Effective Organisation and Council Governance	June 2019
Maintain Financial Sustainability	Achieved – refer indicators
Deliver Enhanced Customer Service	Initial reporting framework developed and implemented from 1 July. Transitioning to Concierge model for hub to align with first day of operations
NAWMA Operations	Continued progress of strategic direction for NAWMA
Continue delivery of enhanced Strategic Procurement Outcomes	Achieved >\$1.0M in value
Digital Strategy	Draft structure of the Digital Strategy completed to progress to consultation in late 2019
Effective Governance	June 2019
Redevelopment of Field Operation Centre	June 2019 – concept development completed June 2019. Practical Completion June 2020
Personal Key Performance Indicators	Ongoing



City Plan – Key Direction 1 – Prosperous City	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters)
<ul style="list-style-type: none"> • Council’s City Strategic Plan Process for review of City Plan endorsed by Executive group at its meeting on 20 November 2018. Desktop review of delivery of Critical Actions, progress towards achievement of objectives and KPIs underway and supported by strategic overview of economic activity by Deloitte. Initial findings from Deloitte and overview of City Plan Critical Actions was presented at the Elected Member weekend. Deloitte report to be completed by August 2019 	<p>July workshop cancelled. Report on City Plan Review to July Council; EM Workshop/Council reports September-October 2019; preparation of and consultation on draft October 2019-March 2020; final adoption by Council May 2020</p>
<ul style="list-style-type: none"> • Community Hub Project: Practical Completion/Occupation <ul style="list-style-type: none"> ○ Occupation Ensure the operational readiness of the Community Hub following practical completion by delivering on the following projects: <ul style="list-style-type: none"> ○ Implementation of the concierge model and various technology solutions to deliver an enhanced customer experience ○ Develop the model to manage the Community Hub facility to ensure the objectives (eg multiuse, flexible) are achieved (Property & Buildings) – Facilities Management and organisation structure is being finalised. Governance structure and operational policies, procedures and protocols are being developed. Decant and disposal strategy is being finalised to ensure orderly transition from existing offices to new Hub. ○ Deliver the required active network technology to enable the agreed use of the facility, eg enhanced wifi, secure network. ○ Transition the library services to the new operating model of information learning (Community Development) 	<p>September 2019 October 2019</p> <p>Commence Sept 2018 – Completion in line with Community Hub practical completion date</p> <p>On Target</p>

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<ul style="list-style-type: none"> • Salisbury Oval Precinct: <ul style="list-style-type: none"> ○ Delivery of Master Plan implementation ○ Progressing residential development business case and design – Public EOI. ○ Implementation plan presented to Council in January but deferred by Council pending further conversations with key stakeholders, particularly the Football Club. Further reports to Council in March/April 2019 leading to revision of master plan and review of recreational uses for Brown Terrace frontage and Neales Green. ○ April 2019 Council decision to terminate residential EOI process. EOI process to be revisited following review of master plan in relation to Brown Terrace/Neales Green, and community engagement. • Currently engaging a consultant to assist with the community consultation processes • Updated master plan is being prepared to reflect Council resolution • Discussions are continuing with the sporting clubs who use the facilities ○ Construction of Salisbury Oval Change Rooms 	<p>Ongoing as per Council decision April 2019</p> <p>Council decision in April to modify the Master Plan, amend the recreational and non recreational areas and engage once again with the community</p> <p>Report to Council in July 2019</p> <p>Completed</p>
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<ul style="list-style-type: none"> • Salisbury City Centre Revitalisation Strategy <ul style="list-style-type: none"> ○ 12 James Street Demolition. ○ Church Street upgrade concept design; streetscape upgrade planning - progressing. Key design principles have been reviewed to ensure that the upgraded Church Street will meet both its role in the transport network and city centre. Detailed design underway for either end of Church street for completion July 2019 ○ Development of a long term parking strategy for the City Centre <ul style="list-style-type: none"> - ○ Preparation of a land development/disposal strategy for City Centre Sites <ul style="list-style-type: none"> - A draft SCC investment attraction strategy and project brief has been endorsed by CEO with Stage 1 due July 2019. Subsequent stages dependent upon 2019/20 Budget approval. This links directly to considerations relating to land disposal and development options which will be developed in August/September 2019. ○ Signage and Streetscape Initiative developed and agreed. (Will be part of Place Activation Strategy and John Street Improvement Project) • Develop and implement the appropriate governance and support model to ensure the relevant projects within the Salisbury City Centre Revitalisation Strategy is implemented successfully (achieving agreed outcomes). <ul style="list-style-type: none"> ○ Establishment of governance structure to oversee delivery of projects associated with the Salisbury City Centre Revitalisation Strategy. Monthly report to Executive. 	<p>Commence Q4 2019 August 2019 (Previously July 2019)</p> <p>Report considered by Council June 2019. Actions arising from report being implemented – status update report in December 2019</p> <p>John Street Improvement Project underway. ‘Early Wins’ for Council endorsement July 2019; Council briefing/report August-September 2019; community engagement October 2019. Wayfinding signage being delivered and upgraded in conjunction with the Hub-August 2019.</p> <p>Commenced July 2018 – governance model in place and overseeing the various projects impacting on the SCC with end date based on various projects timeframes</p>
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<ul style="list-style-type: none"> • Transport Plan <ul style="list-style-type: none"> ○ Integration of Northern Connector into Local Road Network ○ Elder Smith Rd development opportunity confirmed ○ Kings Road Concept Development Options/Identified – Discussion ongoing DPTI ○ Edinburgh Road ○ Car Parking – Mawson Lakes facilities (Development options) <ul style="list-style-type: none"> - Discussion continues with relevant staff in DPTI, with remodelling of City post opening of Northern Connector. Report to Council July 2019 re: EOI process with State Government. ○ Electrification of railway line. Funding has been committed to the electrification of the railway line, and Council continues to advocate for an upgrade to the Salisbury Interchange and grade separation at Park Terrace. 	<p>Ongoing June 2020 (These projects are all included in the endorsed Advocacy Documentation) – For State and Federal Government July 2019 – Ongoing</p> <p>Electrification progressing. DA lodged, liaison with City Infrastructure</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 – <ul style="list-style-type: none"> ○ Smart City ○ Bridgestone Recreation Fund ○ Pursuit of Private Sector investment in key areas – SCC, employment lands ○ Currently working with 16 potential investors and 9 companies looking to expand in Salisbury. Approx. \$1 billion of private sector projects currently underway or announced. Sale of land in Technology Park well advanced and significant interest in Edinburgh Parks and Vicinity Industrial Estate. Council working with key land owners in those precincts and potential new investors to support and case management opportunities. Sponsorship Policy to be determined 	<p>Unsuccessful bid for Federal Government Smart City Initiative Funding. Will finalise revised position to utilise Council approved Smart City budget to deliver some initiatives within Council funding. Dec 2018 Funding received \$1.5mill</p> <p>Ongoing</p> <p>June 2019 – Draft under internal consideration.</p>





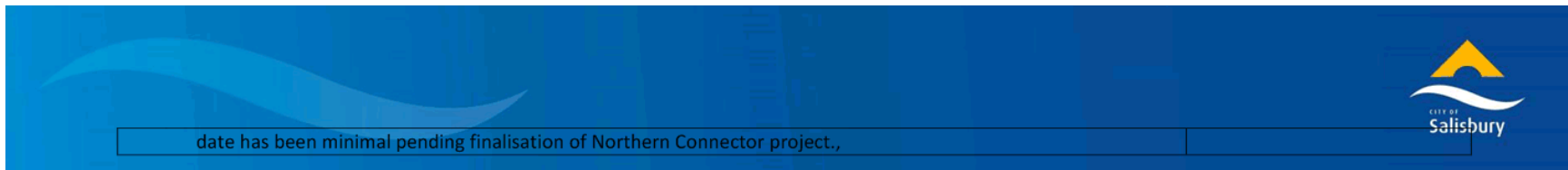
<ul style="list-style-type: none"> • Implementation of Tranche 2 Strategic Property Development Projects and 2 yearly update of the Strategic Land Review and 5 Year Development Program <ul style="list-style-type: none"> ○ Hoyle Green ○ Lake Windemere ○ Fairbanks Reserve Master Plan • Overall report for consideration on Property Development for next 5 years to be prepared – as part of review of Strategic Land Review in September 2019. <p><i>Note impact upon program/project delivery of resource constraints as a result of Hub delivery workloads and vacancies from staff departures in April 2019 (recruiting underway).</i></p>	<p>Ongoing – next reporting cycle September 2019</p> <p>Update report provided to Council June 2019, Comparison of options to be reported September 2019 SPDSC</p> <p>Development of EOI progressing in accord with February Council decision. EOI expected to be released prior to December 2019.</p> <p>Fairbanks Reserve removed from development program by Council</p> <p>To be incorporated into review of Strategic Land Review September 2019</p>
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<ul style="list-style-type: none"> • Implementation of Economic Business Growth and Investment Strategy <ul style="list-style-type: none"> ○ Continuing to implement current approach based on investment attraction/facilitation and delivery of services direct to the business community through the Polaris Business and Innovation Centre. Deloitte Access Economics has been engaged to provide advice on long term direction of Salisbury’s economy and what Council could consider to ensure the area remains as one of the larger and faster growing economies in the state. Consideration of opportunities relating to the land corridor between the Northern Connector and Port Wakefield Road with discussions held with DPTI on progressing land use planning/rezoning. Approach acknowledged when recognised as winner of the Economic Development category in the LG professionals Awards • Investment Attraction and Export Development Initiatives <ul style="list-style-type: none"> ○ Web design/content <ul style="list-style-type: none"> - Content is continually sourced and uploaded to Invest Salisbury, Salisbury Business and City of Salisbury websites, along with Facebook (Polaris Centre and CoS). Recent announcements are also tracked and included in quarterly economic development performance reports ○ Promotion of City of Salisbury <ul style="list-style-type: none"> - City of Salisbury engaged with Brand SA through sponsorship of the I Choose SA for Industry campaign as a program partner - Spoke at most recent Defence Teaming Centre members’ event on the case for defence companies investing in Salisbury - City of Salisbury sponsored a sold out public event (70 bookings) as a part of UniSA’s Southern Hemisphere Space School Program 2019, to reinforce the region’s space industry capability and CoS’s profile as a location of choice for space related companies. It was also streamed live and viewed by 100 people. - Partnership with InDaily to position and lift the profile of the City of Salisbury, and key industry sectors in the region that are growing and creating jobs. • Case Management Approach Rollout <ul style="list-style-type: none"> ○ Case management framework for businesses looking to invest/expand in the CoS has been rolled out and implemented across departments as a part of the business friendly agenda. Primarily utilised through Economic Development and Development Services divisions, to facilitate engagement with Council. • Review of Salisbury’s infrastructure and marketing plan for enhancing economic opportunities 	<p>August 2019 – Deloitte Report</p>
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City Plan Key Direction 2 – Sustainable City	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters)
<p>Integration of Salisbury Game Plan and Green Infrastructure Plan</p> <ul style="list-style-type: none"> • Work is progressing on the Place Activation Strategy. A high level presentation was given to Council in February. Detailed analysis of local play spaces, irrigated and non-irrigated reserves has been completed to help understand the criteria to support desired, financially sustainable recreational destinations • A briefing at Council’s Informal Strategy session in September is planned followed by a Council report in October 2019. • It is expected that the PAS will be a continuously developed document with Action Plans and Strategies developed by Site (Destination) and Link (Streets) as priorities dictate. 	June 2019 - Ongoing
<p>Salisbury Water Business Unit</p> <ul style="list-style-type: none"> • Staff continue to work with industry on solutions to address energy costs. This has also aligned to work being done by NAWMA and broader opportunities at Edinburgh, eg Delorean Project. The focus is supporting and facilitating other major players in the WtE sector rather than CoS specific initiatives. <p>Salisbury Water Operations</p> <p>Achievement of Salisbury Water Business Plan objectives to increase supply and operating result.</p> <ul style="list-style-type: none"> • Salisbury Water continues to operate effectively and managing the PFAS contamination. Note presentation to Elected Members in January re operations and impact of PFAS. Work continues on progressing remediation and outcomes suitable to Council. <p>Catchment Improvement Program – Dry Creek – Identification of Works.</p> <ul style="list-style-type: none"> • Council Staff are currently presenting a procurement proposal to Executive to use the best specialised Consultants across different aspects of the Stormwater Management Plan for Dry Creek. 	<p>June 2019 – work continues with industry to support new technologies aimed at reducing cost for business.</p> <p>Year end result not yet finalised but anticipated to meet budget.</p> <p>Ongoing management and continued resolution expected to be beyond June 2019.</p> <p>Revised date of December 2019</p>





<p>Salisbury Water EOI Finalise the EOI process outcomes</p> <ul style="list-style-type: none"> Board endorsed EOI process which required amended process for approach to market. EM briefing occurred Jan 2019. Initial phase involves soft testing market to understand interest prior to formal EOI to market. Timeframes may need to be extended due to this approach which is expected to deliver better outcomes. 	<p>Ongoing July 2019 (Previously Feb 2019) to Feb 2020 (Contract execution). The EOI process has been delayed as the administration and board work through the various complexities of approaching the market to ensure a successful outcome. Board Meeting scheduled for July to consider next steps with EOI process.</p>
<p>NAWMA Business Development Initiative</p> <ul style="list-style-type: none"> Partnering between NAWMA and Council for improved waste management outcomes identified and pursued. Continue to work with NAWMA to identify strategic opportunities. Strategic session did not progress as planned in January Rescheduled for later in the year 	<p>Ongoing work with NAWMA management and Board to identify opportunities.</p>
<p>Energy management Business Development Strategy</p> <ul style="list-style-type: none"> Work is progressing on an updated Sustainability Strategy which will include the Energy Plan 	<p>November 2019</p>





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"> ○ Proposed Business Model and Adoption by Council. ○ Awaiting Commonwealth decisions in relation to Aged Care. 	Update provided December 2018 and further update February 2019 completed and next update December 2019
<ul style="list-style-type: none"> • Para Hills Community Centre <ul style="list-style-type: none"> ○ Commissioned in August 2018 and operating. Updated report provided in December 2018 and another report will be presented in February 2019. 	February 2019 - Completed
<ul style="list-style-type: none"> • Place Curation and Events Management – Key Events <ul style="list-style-type: none"> ○ Australia Day ○ Salisbury Secret Garden ○ St Kilda Celebration ○ Partnering with Salisbury Business Centre Multi-Cultural Event ○ Bridgestone Family Fun Day ○ Salisbury Writer’s Week ○ There are approximately 38 events delivered across the city, 25 of these are delivered by City of Salisbury, others are partnered community events. The budget across the events is approaching \$350,000 (excluding 1.5FTE for delivery), including the allocation for sponsored events as a part of the Sport, Recreation and Grants Committee. • Events Management <ul style="list-style-type: none"> ○ Events Calendar and budget endorsed by Council in March 2018. ○ Further report to determine locations across the City 	Jan 2019 - Completed Feb 2019 - Completed November 2018 - Completed October 2018 - Completed September 2018 - Completed August 2019 - Completed Report to Council in January considered rotation of Salisbury Plays.





<ul style="list-style-type: none"> • Place Curation <ul style="list-style-type: none"> ○ 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. Align requests regarding events across the city and most recently the Community Art Program and Salisbury Plays. As this is predominantly about open space activation it will be considered as part of the Green/Landscape/open space activation plan. 	<p>Feb 2019 – superseded by Place Activation Strategy</p>
<ul style="list-style-type: none"> • Business Development Model for Community Centres Endorsed (also referred to as hub and spoke) (This work relates to Social Infrastructure Review which sets the strategic context for the location and mix of services. The Model will consider past council decisions regarding the establishment of Hubs and an investigation into an Indigenous Cultural Centre) 	<p>March 2019 (Previously Jan 2019) – Completed February 2019</p>
<ul style="list-style-type: none"> • Future Directions Indoor Facilities (Ingle Farm, Salisbury Recreation Precinct encompassing Happy Home Reserve, Gardens Recreation Centre) 	<p>Feb 2019 - Completed</p>
<ul style="list-style-type: none"> • Bridgestone Athletics Facility <ul style="list-style-type: none"> ○ Procurement strategy design and construct out to market February 2019. ○ To commence construction in June 2019. ○ Project completion date including agreed management model will be delivered June 2020. ○ Concept Plans have been developed and the site surveyed. An Acquisition Plan has been prepared and approved to go to the market for 2 Design & Construct contracts, one for the new amenity and administration building, the other for the remaining works, including civil works, a new athletics track, lighting, irrigation, etc. 	<p>June 2020 – on track for delivery. Civil works will commence 1 July 2019. February Council provided updates \$4.8 million and now forms part of the Budget consideration. Tender for construction out to market April. On track tender recommendation expected within the month.</p>

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City Plan Key Direction 4 – Business Excellence	
	ESTIMATED COMPLETION TIMELINE (Subject to Council consideration of matters)
<ul style="list-style-type: none"> • Leadership Development Program <ul style="list-style-type: none"> ○ Executive/Senior Management ○ Vision and Values – Corporate Development Program ○ Workshop with staff on values delivered Dec 2018. • Successful delivery of change management framework that supports the organisation deliver enhanced outcomes <ul style="list-style-type: none"> ○ Continued effort in supporting organisation through a structured change management model. Recent successful outcomes have been the AMIP project. Work progresses on supporting the required change to deliver the Community Hub. • ADKAR model applied to key change projects <ul style="list-style-type: none"> ○ Community Hub – Operational readiness projects including facilities management, customer centric model of delivery of services and digital application. ○ AMIP ○ Project Management ○ Strategic Procurement • Project outcomes delivered with minimal change management issues 	<p>March 2019 – Commenced May - ongoing. Corporate Values – Council endorsed in May 2019 Major effort associated with the Operational Readiness project to ensure successful transition to new model of operations.</p> <p>Aug 2019</p> <p>Jan 2019 Mar 2019 Ongoing</p>
<ul style="list-style-type: none"> • Asset Management Reform and Mobile Communications <ul style="list-style-type: none"> ○ Stages 1 and 2 of this project were successfully delivered with Field Staff going live with mobile tablets at the end of November. 	<p>March 2019 (Delivered Nov 2018)</p>
<ul style="list-style-type: none"> • Effective Organisational and Council Governance <ul style="list-style-type: none"> ○ Enhanced Council processes/Reports through Digital Applications ○ Conduct/Management and Election ○ Business Continuity and Risk Management Frameworks ○ Elected Member Induction Training and Development 	<p>Sept 2019 Oct/Nov 2018 - Completed Ongoing Ongoing – Mandatory Training completed.</p>

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<p>Strategic Business Development Opportunities Identify and progress business development opportunities through the Innovation & Business Development Sub Committee</p> <ul style="list-style-type: none"> • Salisbury Water EOI • Continuous Improvement Framework <ul style="list-style-type: none"> - Adoption of CI framework continues with progress being delivered across organisation through CI Champions. Refer update report to IBD sub-committee in January • Performance Excellence Framework <ul style="list-style-type: none"> - Completed response to 2018 data collection process. Pending report to assess potential initiatives to continue delivering enhanced performance - CI Specialist working across organisation to identify opportunities 	<p>Refer above</p> <p>Completed</p> <p>Completed</p>
<p>Maintain Financial Sustainability Continue to assess and influence outcomes linked to rate capping legislation to ensure impacts are minimised</p> <ul style="list-style-type: none"> • Proposed legislation on rate capping has not progressed. Extensive input into submissions to ESCOSA and LGA that identified issues with legislation. Current approach is more focussed on governance related measures rather than “rate capping”. Further consideration required as to potential impacts from current legislation being considered 	<p>Completed – now reviewing further proposed LG reform.</p>



Deliver on the Council financial targets	As noted above
<p>Consider rating strategy review with new Council</p> <ul style="list-style-type: none"> Discussed with EMs in February residential workshop. Have noted potential to undertake rate review with Council through budget discussions but doesn't appear to be strong support to progress 	Pending further discussions with Council.
<p>Deliver enhanced customer service</p> <p>Ensure the new Customer Service Charter and Framework are embedded within the organisation.</p> <ul style="list-style-type: none"> Customer Service training successfully piloted with staff. Rolling out training to all staff and Elected Members. Completed workshop with Elected Members in March. Collating feedback to present back to Council new model. 	<p>Completed</p> <p>Initial reporting framework developed with report to Innovation & Business Development Sub Committee in August/September 2019.</p>
<p>Supporting the Community Hub delivery</p> <ul style="list-style-type: none"> Focus on Operational Readiness project to ensure successful operation of new facility. This is supported by extensive change management framework. 	Aug 2019 –On target in line with revised Practical Completion target.
<p>Review of Project Management</p> <ul style="list-style-type: none"> Initiate and deliver new project management framework across the organisation – a new model to project management is being developed with improvements to core documentation such as Project Briefs well progressed. This includes linking project documents into the finance system to improve financial reporting. 	General Manager City Infrastructure progressing agenda.





<p>Enhanced Marketing & Communications Deliver the agreed outcomes of the Marketing & Communications Review</p> <ul style="list-style-type: none"> • Development of agreed targets & regular reporting against targets <ul style="list-style-type: none"> - Sept 2018 – draft report considered by executive. Further work required before finalising draft. • Improved media relationship and management <ul style="list-style-type: none"> - Mar 2019 – continued effort in ensuring relationship with media is effective. Recent good stories on Council activities and projects (Salisbury and Para Hills Community Hubs, Investment activities are examples of this relationship). - A media and PR strategy has been developed to maintain an “always on” presence for the strategic messages of Council, media coverage year to date has been 259 media articles (print, tv, radio and online) with 87% having been neutral, positive or very positive. Digital content is continuing to be developed in an engaging style for the audience • Enhanced reporting to Council on marketing & communications outcomes • Enhanced digital content associated with increased resource <ul style="list-style-type: none"> - increased activities on social media • Stronger delivery of strategic outcomes assessed through external perception study 	<p>Review and Restructure of functions and structure delivered in May 2019.</p> <p>Jun 2019 – not yet completed and will be developed with input of new Manager.</p> <p>Ongoing</p> <p>Under review and pending appointment of Manager.</p>
<p>NAWMA Operations Influence strategic outcomes to ensure continued successful outcomes and capitalise on growth opportunities</p> <ul style="list-style-type: none"> • Explore growth opportunities across LG • Explore opportunities from WtE • NAWMA is assessing opportunities with focus in leveraging on core expertise in industry. As noted earlier NAWMA is considering WtE opportunities with CoS supporting and inputting into opportunities rather than being responsible for delivery. 	<p>June 2019 – Continuing work with NAWMA on strategic initiatives.</p>
<p>Continue delivery of enhanced Strategic Procurement Outcomes Continue strategy to enhance procurement outcomes</p> <ul style="list-style-type: none"> • Achieve >\$0.6m in value 	<p>>\$1.0M achieved</p>



<ul style="list-style-type: none"> • Conduct industry briefing on new approach to procurement • Increase local content from 2017/18 <ul style="list-style-type: none"> ○ Only Q1 data available at time of report. Equal to same time as last year (approx. \$5.7m) • Support and lead change in procurement across the organisation Milestones to date are: <ul style="list-style-type: none"> ○ Centralised all procurement activities greater than \$150k to Strategic Procurement ○ Developed a process for measuring, capturing, monitoring and reporting tangible benefits (Cost Avoidance & Cost Reduction) ○ Developed a Strategic Procurement dashboard ○ Continued development of the Strategic Procurement team 	<p>Note yet scheduled – will be prioritised into 19/20.</p> <p>Completed.</p> <p>Ongoing development with a focus on enhancing negotiation skills as the next focus.</p>
<p>Digital Strategy (Smart City) Finalisation and commence delivery of Digital Strategy</p> <ul style="list-style-type: none"> • Finalise community consultation • Council endorses Digital Strategy • Develop IT Action Plan • Successful outcome from Smart Cities Funding 	<p>Draft Smart City Structure to be presented to the Innovation Business Development Sub-Committee meeting in September 2019. Draft Digital Framework developed for consultation with staff and community pending Council approval. September 2019.</p>
<p>Redevelopment of Field Operation Centre – Design Development</p> <ul style="list-style-type: none"> • Consultation with the work force and other key stakeholders is continuing. A project steering group established. Design principles endorsed. Concept designs have been prepared and compared. Work on consolidating the workshops, and stores is nearing completion. Currently the project is on track. 	<p>June 2020</p>





Strategic Interfaces and Partnerships	
<p>Government Northern Economic Development (State/Federal) Agenda – City Deal Meetings with Minister Knoll, Local Members, Messrs Blair, Brown and Ms Luethen Meeting with Renewal SA Meeting with CEO of TAFE SA Meeting with SA Ambassador to China</p> <p>Local Government Council Solutions Board LG Professionals, SA CEO Network Forum Local Government CEO Group</p> <p>Community/Business Interface Project Control Meetings Community Hub Citizenship Ceremonies STC Logistics Site Visit Regular meetings with Hansen Yuncken State Executive Meeting with Pontians Meeting with The Nucleus company Values meetings with Community and Volunteers Refugee Week Celebration Saints Shopping Centre Opening SA Strategy for Entrepreneurship Launch Meeting with SAAB.</p> <p>Elected Member Involvement/Advocacy Informal Strategy Induction/Development Workshop with Elected Members Specific discussions regarding topics of strategic importance to the organisation eg Salisbury Oval.</p>	

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Personal Key Performance Indicators (with two performance measures)

- Professional Development
 - Australian Local Government Chief Officers Group
 - Local Government Professionals CEO Group (SA)
 - CEO Business Interface Roundtable (Hosted by CEO)
 - Business Advisory Partnering

- Worklife Balance
 - Annual Leave taken during April
 - Ongoing





**CITY OF SALISBURY
CHIEF EXECUTIVE OFFICER
JOB & PERSON SPECIFICATION
JULY 2018**



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.
-



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	09 July 2019
HEADING	Annual Review of CEO Total Remuneration 2018/2019
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 2018/2019 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 2019 anniversary of the CEO Commencement Date (effective 9 May 2019)]*

ATTACHMENTS

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

- CEO Remuneration Advice 2019

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 via teleconference 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 Total Remuneration 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 2019 anniversary of the CEO Commencement Date (effective 9 May 2019).

CO-ORDINATION

Officer:

Date:



CITY OF SALISBURY
CHIEF EXECUTIVE OFFICER
REMUNERATION ADVICE
JUNE 2019



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 reviewed 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 to 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.

The City of Salisbury is unique in terms of its members, structure, turnover and staff. Due to this, the organisations researched are therefore different in at least one of the above factors. We have however, 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 raw 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 slowdown 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%
June	18	2.1%	2.7%
September	18	1.9%	1.8%
December	18	1.8%	1.6%
March	19	1.3%	1.3%

As further context to these figures, wage growth in Australia is near record lows, with the recent RBA decision to cut rates for the first time in nearly three years further underpinning an extremely low inflation/wage growth period.

4. Findings & Recommendations

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

Salary cash component	\$308,667.50
<i>Total Remuneration</i>	<u>\$308,667.50</u>
Actual Superannuation Cost (9.8%)	\$30,249.42
Total Employment package	<u>\$338,916.92</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 movements much above 2.5% at present and therefore increases to senior executive packages above 2.5% must have very strong support.

In the local government sector, dramatic movements upwards and downwards on CEO packages due to internal appointments, or adjustments to further align with market factors when replacing incumbents, continue to result in considerable variations across remuneration for comparable roles. It remains difficult to obtain a definitive benchmark due to these inconsistencies.

John would be a very credible candidate in the sector (or beyond) for roles paying above \$340,000 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 again recommend Council look to the EBA and CPI percentages as a guide. Given his consistently strong performance we believe an increase aligned to the EBA can be objectively defended.

Following this, it is our recommendation an amendment to total remuneration is considered, applying an increase of at least 1.3% (Adelaide CPI) and no more than 2.5% to bring total remuneration package to between \$343,000 and \$347,000. This ensures the package assists with retention and is *broadly* competitive against the appropriate benchmarks.

It is important to note that John has received very minimal remuneration increases in recent years. This has ranged from 0% to 4% 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
2018	2.2% 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. This is particularly pertinent given John’s work/life balance was identified as a potential area for improvement in his 2018/2019 CEO Performance Appraisal. 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

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