

His Worship the Mayor
Councillors
CITY OF MARION

NOTICE OF REVIEW AND SELECTION COMMITTEE MEETING

Council Chamber, Council Administration Centre
245 Sturt Road, Sturt

Tuesday, 28 August 2018 05.00 PM

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the Local Government Act 1999 that a Review and Selection Committee meeting will be held.

A copy of the Agenda for this meeting is attached in accordance with Section 83 of the Act.

Meetings of the Council are open to the public and interested members of this community are welcome to attend. Access to the Council Chamber is via the main entrance to the Administration Centre on Sturt Road, Sturt.



Adrian Skull
Chief Executive Officer



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OPEN MEETING**KAURNA ACKNOWLEDGEMENT**

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

ELECTED MEMBERS DECLARATION (if any)**CONFIRMATION OF MINUTES****Confirmation of the minutes for the Review and Selection Committee Meeting held on 01 May 2018**

Originating Officer Manager Human Resources - Steph Roberts

Corporate Manager Manager Human Resources - Steph Roberts

Report Reference: RSC100828

RECOMMENDATION:

That the minutes of the Review and Selection Committee Meeting held on 1 May 2018 be taken as read and confirmed.

ATTACHMENTS:

#	Attachment	Type
1	RSC180501 - Minutes	PDF File

**MINUTES OF THE REVIEW & SELECTION COMMITTEE MEETING
HELD AT ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON TUESDAY 1 MAY 2018**



PRESENT

Elected Members

His Worship the Mayor Kris Hanna
Councillors Janet Byram, Ian Crossland, Jerome Appleby, Nick Westwood

In Attendance

Adrian Skull	Chief Executive Officer
Steph Roberts	Manager, Human Resources
Vincent Mifsud	General Manager Corporate Services

1. OPEN MEETING

The meeting commenced at 5.10pm.

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. MEMBERS DECLARATION OF INTEREST

The Presiding Member asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

- Nil

4. CONFIRMATION OF MINUTES

- 4.1 Moved Councillor Byram, Seconded Councillor Appleby** the Minutes of the Review and Selection Committee meeting held on 6 February 2018 are confirmed as a true and correct record of proceedings.

Carried Unanimously

5. BUSINESS ARISING

Nil

6. PRESENTATION

Nil

7. REPORTS

5.10pm Corporate and CEO KPI Report Quarter Three 2017/18

Report Reference: RSC010518R01

Moved Councillor Appleby, Seconded Councillor Byram that the Review and Selection Committee:

1. Notes the Corporate and CEO's Key Performance Indicators for the year to date.

5.12pm 2018-19 Corporate and CEO KPIs

Report Reference: RSC010518R02

Moved Councillor Byram, Seconded Councillor Appleby that the Review and Selection Committee:

1. Recommend to Council the ongoing alignment of organisational KPIs to the CEO's KPIs.

Carried Unanimously

5.15pm Results of the Bi-Annual Performance and Effectiveness Review of the Review and Selection Committee

Report Reference: RSC010518R03

Moved Councillor Byram, Seconded Councillor Appleby that the Review and Selection Committee:

1. Notes the review and report

Carried Unanimously

2. CONFIDENTIAL ITEMS

Nil

3. ANY OTHER BUSINESS

CEO 360° feedback review, external contributors (discussion)

- CEO to provide the Review and Selection committee via the HR Manager ten key stakeholder names from which the Review and Selection committee will select three.
- The HR Manager will contact the selected stakeholders seeking their agreement to participate.

Organisational Movements 2017/18 Financial Year (discussion)

5.26pm Councillor Ian Crossland joined the meeting

- Discussion regarding FTE and vacancies
- Clarity sought on the difference between staff positions vs. the number of FTE's on payroll

- It has been requested that Administration communicate to Elected Members via the Annual Budget process the vacancy rate \$ amount incorporated in the labour budget
- Permanent vs. ongoing contract discussion pro's and con's
- The Committee requested that a comparison of FTE numbers and labour dollars be provided for the last 5 years prior to the next Committee meeting
- The FTE report will be provided as an appendix to the KPI quarterly Council report to include a comparison of the dollar figure of actual labour expenditure together with the FTE figures for each year over the term of this Council, plus one year prior.
- The Committee requested a clear explanation be provided of positions versus FTE on the payroll and that this be included in the FTE report moving forward
- Staff movements/vacancy report has been requested to be provided at the August Review and Selection committee meeting.

The committee notes the FTE and vacancy reports provided at the meeting

ACTIONS:

1. Administration communicate to Elected Members via the Annual Budget process the vacancy rate \$ amount incorporated in the labour budget
2. A comparison of FTE numbers and labour dollars be provided for the last 5 years prior to the next Committee meeting
3. A clear explanation be provided of positions versus FTE on the payroll and that this be included in the FTE report moving forward
4. Staff movements/vacancy report be provided at the August Review and Selection Committee meeting

4. MEETING CLOSURE

The meeting was declared closed at 5.51pm.

5. NEXT MEETING

The next meeting of the Review & Selection Committee is scheduled to be held on:

Time: 5.30pm

Date: 28 August 2018

Venue: Committee Room, Administration Building, 245 Sturt Road, Sturt

CONFIRMED

.....

CHAIRPERSON

/ /

BUSINESS ARISING**CONFIDENTIAL ITEMS****Cover Report - CEO Annual Performance Review 2017/18**

Originating Officer	Manager Human Resources - Steph Roberts
Corporate Manager	Manager Human Resources - Steph Roberts
General Manager	N/A
Report Reference	RSC180828F01

RECOMMENDATION

That:

1. Pursuant to Section 90(2) and (3)(a) of the *Local Government Act 1999*, the Committee orders that all persons present, with the exception of the following persons: _____, be excluded from the meeting as the Committee receives and considers information relating to the Chief Executive Officer (CEO) 2017/2018 Performance Review, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential, given the information relates to the performance of the CEO.

REPORTS FOR DISCUSSION

Corporate and CEO KPI Report Quarter four 2017/18

Originating Officer	Quality Governance Coordinator - Deborah Horton
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager Corporate Services - Vincent Mifsud
	Chief Executive Officer - Adrian Skull
Report Reference	RSC180828R01

REPORT OBJECTIVE

To advise the Review and Selection Committee of the results of the CEO and Corporate KPI's for quarter four (and therefore end of the financial year) 2017/18.

RECOMMENDATION

That the Review and Selection Committee;

1. **Note this report; acknowledging that the final audited financial statements for KPI's one, four, seven and eight will be provided to Council in a separate report to align with the financial end of year independently audited statements (expected October 2018).**

Attachment

#	Attachment	Type
1	Corporate and CEO KPI Report Quarter Four 2017-18 - Appendix 1	PDF File
2	Corporate and CEO KPI Report Quarter Four 2017-18 - Appendix 2	PDF File
3	Corporate and CEO KPI Report Quarter Four 2017-18 - Appendix 3	PDF File
4	Corporate and CEO KPI Report Quarter Four 2017-18 - Appendix 4	PDF File

CHIEF EXECUTIVE OFFICER and CORPORATE KEY PERFORMANCE INDICATORS 2017/18

QUARTER FOUR: YTD JUNE '18 – APPENDIX 1

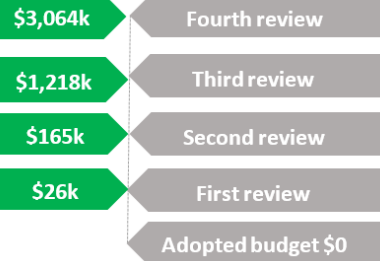
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1

Financial sustainability

Target: Council maintains a break even or positive cash funding position.
Measure: This target compares funding cash position at the relevant budget review with the adopted budget figure.
Achieved: \$3,064k - Estimated unaudited result. Target has been achieved, including a \$765k SRWRA cash contribution and once-off fleet savings of \$790k.



OVERALL RATING:

5 4 3 2 1

2

Delivery of agreed projects identified in ABP and 3 year Plan (71 projects)

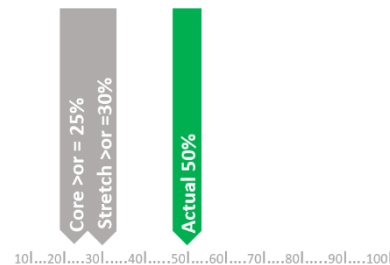
Target: Greater than or equal to 95%.
Measure: Monthly data as at 30 June 2018.
Achieved: Target has been achieved with 70 out of 71 projects completed. One project is on hold (L6 Morphetville Racecourse).



3

Lost Time Injury Frequency Rate.

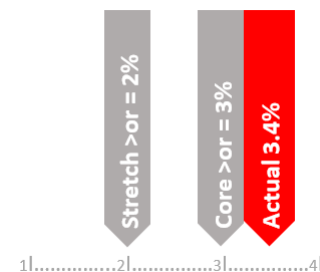
Core target: Greater than or equal to 25% reduction from 2016/17 (9.3).
Stretch target: Greater than or equal to 30% reduction from 2016/17 (8.7).
Measure: The LTIFR for 2016/17 was 6.2.
Achieved: 50.0% – Core and stretch targets have been surpassed



4

Total Employee Costs

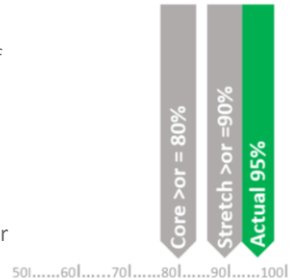
Core target: less than or equal to 3% increase in actual employee costs.
Stretch target: less than or equal to 2%.
Measure: The 2016/17 Actual audited figure = \$32,221k. The 2017/18 estimated unaudited result = \$33,304k.
Achieved: 3.4% - Estimated unaudited result. Target not achieved. For further details see attached.



5

Retention of Key Staff

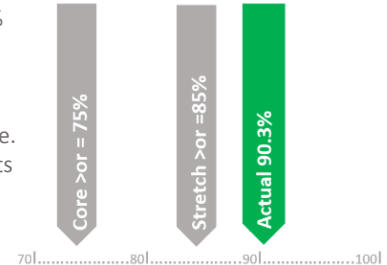
Core target: Greater than or equal to 80% of key staff retained.
Stretch target: Greater than or equal to 90% of key staff retained.
Measure: Twenty key staff have been identified as key retains for 2017/18.
Achieved: 95% - 1 key staff member left in November 2017. Core and stretch targets have been surpassed.



6

Overall Satisfaction with Council's performance

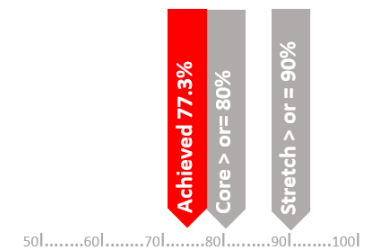
Core target: Greater than or equal to 75% rated as satisfied or above.
Stretch target: Greater than or equal to 85% rated as satisfied or above.
Measure: This target is an annual measure.
Achieved: 90.3% - Core and stretch targets have been surpassed.



7

Asset Sustainability

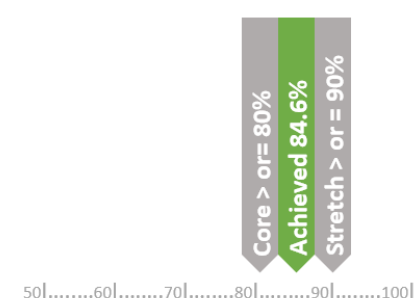
Core target: Asset sustainability ratio greater than or equal to 80%.
Stretch target: Asset sustainability ratio greater than or equal to 90%.
Achieved: 77.3% - Estimated unaudited result. Target not achieved. For further details see attached.



8

Delivery of Council's capital works program

Core target: Greater than or equal to 80% delivery of Council's planned capital works program (adjusted for extraordinary items).
Stretch target: Greater than or equal to 90% of Council's planned capital works program (adjusted for extraordinary items).
Achieved: 84.6% - Estimated unaudited result. Core target has been achieved.

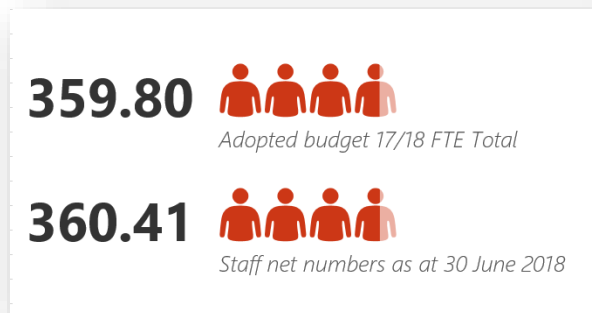


Corporate and CEO KPI Report Quarter Four 2017/18 – APPENDIX 2

KPI	Details	Target	Stretch Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1	Financial sustainability.	Council maintains a break even or positive cash funding position in delivering its annual budget	-	\$26k	\$165k	\$1,218k	\$3,064k
				Comment: Estimated unaudited result. Target has been achieved, including a \$765k SRWRA cash contribution and once-off fleet savings of \$790k.			
2	Delivery of agreed projects identified in the <i>Annual Business Plan</i> and the second year targets in the three-year plan.	Greater than or equal to 95%	-	Verbal update	Verbal Update	Verbal Update	98.6%
				Comment: Target has been achieved with 70 out of 71 projects completed. One project is on hold (L6 Morphetville Racecourse).			
3	Lost Time Injury Rate.	Greater than or equal to 25% reduction from the previous year's result	Greater than or equal to 30% reduction from the previous year's result	57%	42.5%	42.5%	50.0%
				Comment: Core and stretch targets have been surpassed.			
4	Total employee costs (inc agency).	Less than or equal to 3% increase in actual employee costs (including agency staff) against prior year's actual costs	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs	4.4%	2.2%	1.5%	3.4%
				Comment: Estimated unaudited result. Target not achieved. This is predominantly due to a decrease of \$272k in capitalised labour costs which have been charged to operating expenditure. \$156k of this was due to delays in Kerb & Water Table works as a result of consultant delays in developing a 5 year road reseal program, as well as delays in the drainage program associated with delays in service relocations.			
5	Retention of key staff.	Greater than or equal to 80% key staff retained	Greater than or equal to 90% key staff retained	100%	95%	95%	95%
				Comment: 1 key staff member left in November 2017 resulting in a 95% retention rate. Core and stretch targets have been surpassed.			
6	Overall satisfaction with Council's performance.	Greater than or equal to 75% rated as satisfied or above	Greater than or equal to 85% rated as satisfied or above	N/A	N/A	N/A	90.3%
				Comment: This is an annual measure. Core and stretch targets have been surpassed.			
7	Asset sustainability.	Asset sustainability ratio greater than or equal to 80%	Asset sustainability ratio greater than or equal to 90%	102%	102%	102%	77.3%
				Comment: Estimated unaudited result. Target not achieved. However this is predominantly due to the positive outcomes achieved from the Fleet Optimisation Review project. This resulted in a \$1,934k realignment of the fleet replacement program, reviewing utilisation rates and deferring \$1,144k in the replacement of underutilised fleet and also achieving a once-off saving of \$790k. A ratio of 88.6% would have been achieved if this realignment did not occur.			
8	Delivery of Council's capital works.	Greater than or equal to 80% of Council's planned capital works program (adjusted for extraordinary items)	Greater than or equal to 90% of Council's planned capital works program (adjusted for extraordinary items)	Verbal update	Verbal update	Verbal update	84.6%
				Comment: Estimated unaudited result. Core target has been achieved.			

FULLTIME EQUIVALENT (FTE) Employee and Agency**APPENDIX 3**

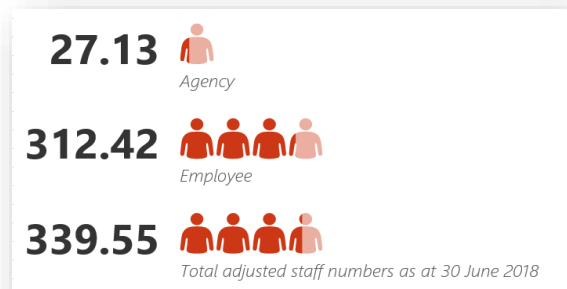
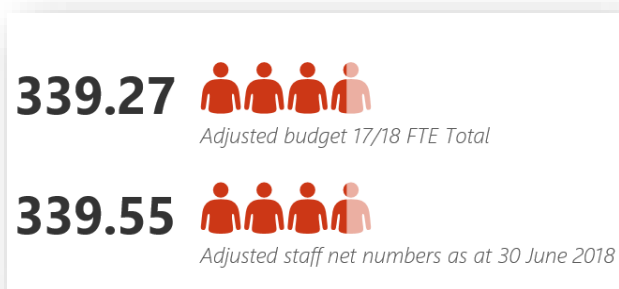
The number of FTE employees (staff and agency) employed across the organisation as at 30 June 2018.



There are currently 3.0 temporary vacant positions comprised of:

- Recruitment in progress (required position) 2.0
- Currently under review 1.0

The following tables provide comparative FTE data with the Gap Year Students, Pool Staff and Grant Funded positions being excluded.



Labour and FTE Movement Summary

Appendix 4

	Unaudited 2017/18 \$000s	2016/17 \$000s	2015/16 \$000s	2014/15 \$000s	2013/14 \$000s	2012/13 \$000s
Total Employee Costs (including Agency)	33,304	32,221	31,783	31,757	31,532	30,239
% Movement on Prior Year	3.4%	1.4%	0.1%	0.7%	4.3%	
Total Number of Employees (FTE at 30 June)	360.41	344	342	348	351	359
% Movement on Prior Year	4.8%	0.6%	-1.7%	-0.9%	-2.2%	

Independent Member - Finance and Audit Committee Meeting

Originating Officer	Governance Officer - Victoria Moritz
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager Corporate Services - Vincent Mifsud
Report Reference	RSC180828RO2

REPORT OBJECTIVE

For the Review and Selection Committee to make a recommendation to Council regarding the re-appointment or appointment of an Independent Member to the Finance and Audit Committee (FAC).

EXECUTIVE SUMMARY

The FAC has three expert members that form part of the membership of the Committee. The term of the expert members has historically been for a three-year period and is structured to ensure that the expiration of the term falls at different times to allow continuity of membership despite changes to Council's elected representatives.

This report highlights that Ms Emma Hinchey's term on the FAC expires on 30 November 2018. Ms Hinchey's term on the FAC commenced on 1 January 2017. Council has two options regarding this position:

1. Re-appoint Ms Hinchey for a term of three (3) years, or
2. Undertake a recruitment process for the position.

The views of Ms Hinchey have been sought and she has expressed her desire to continue on the FAC if Council so determined.

If the Committee wishes to discuss the performance of Ms Hinchey, it is recommended that the Review and Selection Committee move into confidence in accordance with the following resolution:

That Pursuant to Section 90(2) and (3)(a) of the Local Government Act, 1999 the Review and Selection Committee orders that all persons present, with the exception of Adrian Skull, CEO, Kate McKenzie, Manager Corporate Governance, Vincent Mifsud, General Manager Corporate Services and Steph Roberts, Manager Human Resources be excluded from the meeting as the Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will consider the performance of the Finance and Audit Committee.

The Committee is required to make a recommendation to Council regarding how to progress.

RECOMMENDATION

That the Review and Selection Committee recommend to Council:

- 1. That Ms Emma Hinchey be re-appointed for a period of 3 years until 30 November 2021**

or

2. That a recruitment process for an Independent Member of the Finance and Audit Committee be conducted.

GENERAL ANALYSIS

The Finance and Audit Committee (FAC) (renamed in 2015) was established in 2006 pursuant to section 126 of the *Local Government Act 1999*. Under the FAC's Policy and Terms of Reference, the FAC will comprise of five (5) members – two (2) elected members and three (3) expert members.

Section 3.6 to 3.11 of the FAC Terms of Reference states the following:

External Expert Members

3.6 External expert members will have senior business, legal, audit knowledge and experience, and be conversant with the local government environment.

3.7 At least one external expert member will have expertise and knowledge in financial management/reporting.

3.8 The Council will determine the process for appointing an expert member.

3.9 Appointment of external representatives will be made by Council for a term to be determined by Council. To ensure succession planning for the Committee, the terms of appointment should be arranged on a rotational basis and continuity of membership despite changes to Council's elected representatives. Council may resolve to re-appoint an external expert member for consecutive terms.

3.10 If Council proposes to remove an expert member from the Committee, it must give written notice to the expert member of its intention to do so and provide that expert member with the opportunity to be heard at a Council meeting which is open to the public, if that expert member so requests.

3.11 Remuneration will be paid to each expert member of the Committee to be set by Council from time to time. At a minimum, the remuneration paid to expert member will be reviewed within 12 months from the date of a Council (periodic) election. The basis will be a set fee per meeting, with an additional amount paid to the Chairperson

The following table provides the details of the current FAC membership, when they were appointed and when their terms expires.

Member	First Appointed	Expiry of Term
Mr. Greg Connor	November 2013	November 2019
Ms Natalie Johnston	13 February 2018	30 November 2020
Ms Emma Hinchey	1 January 2017	30 November 2018
Councillor Raelene Telfer	October 2015	10 November 2018
Councillor Nick Kerry	October 2015	10 November 2018

If a recruitment process is undertaken, the Review and Selection Committee will manage this process.

If the Committee recommends to re-appoint Ms Hinchey it is recommended that the term be three years until November 2021.

Elected Member Positions

Council has resolved that the Elected Member positions for the FAC will remain the same with Councillors Raelene Telfer and Nick Kerry re-appointed from 1 December 2017 until 10 November 2018.

CONCLUSION

The Review and Selection Committee is required to make a recommendation to Council regarding the approach to the reappointment or appointment of an expert member to the FAC.

REPORTS FOR NOTING

WORKSHOP / PRESENTATION ITEMS

OTHER BUSINESS

MEETING CLOSURE