

CONFIDENTIAL ITEMS 2003 – SEPTEMBER 2018

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
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133	3 September 2018	Chief Executive Officer's Performance Review 2018	<p><u>Section 90 (3) (a) Order</u></p> <p>1. Pursuant to Section 90(3)(a) Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public be excluded from attendance at the meeting for Agenda Item 18.2.</p> <p>The Council is satisfied that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of the Chief Executive Officer in that details of his performance review will be discussed which are sensitive and are details only known to those who have participated in the review process.</p> <p>The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of details of the Chief Executive Officer's performance may prematurely be disclosed.</p>						Report, attachment and Minutes released on website 6 September 2018
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	All Information released
	Part Information released
	Information remains Confidential

18.2	REPORT TITLE:	CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW 2018
	DATE OF MEETING:	3 SEPTEMBER 2018
	FILE NUMBER:	DOC/18/88869
	ATTACHMENTS:	1 – DOC/18/88834 – SUMMARY REPORT FROM DR WAYNE COONAN – 2018 CEO PERFORMANCE REVIEW – REPORT TO COUNCIL
	<u>Key Contact</u>	Mayor Ann Ferguson

Mount Barker 2035 – District Strategic Plan:

Governance and Leadership

GL2: Corporate capacity and leadership

GL2.2 Maintain a highly skilled and effective workforce that applies a work ethic of confident and responsive action.

Annual Business Plan 2017/2018:

NIL

Purpose:

To provide a report that details the outcomes of the Chief Executive Officer's Annual Performance Review.

Summary – Key Issues:

- Council Members, direct reports and external parties were invited to participate in the CEO's Annual Performance Review.

Recommendation:

That Council:

Section 90 (3) (a) Order

1. Pursuant to Section 90(3)(a)
Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public be excluded from attendance at the meeting for Agenda Item 18.2.

The Council is satisfied that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of the Chief Executive Officer in that details of his performance review will be discussed which are sensitive and are details only known to those who have participated in the review process.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of details of the Chief Executive Officer's performance may prematurely be disclosed.

2. note the attached summary report prepared for Council by Dr Wayne Coonan, Corpor8solutions (attachment 1) which includes information on the performance review process.
 3. note the revised draft set of key objectives detailed in this report to guide the Council in its assessment of the Chief Executive Officer's performance;
 4. consider a percentage increase to the CEO's current remuneration package; and
 5. authorise the Mayor to sign and extend by one year the Chief Executive Officer's current contract of employment
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Background:

1. On 15 January 2018 Council appointed the Chairperson of the Audit Committee (Michael Bails) to join Mayor Ferguson, Deputy Mayor Seager and Cr Bailey on the CEO's Performance Review Advisory Panel ("the Panel") for 2018.
2. On 3 April 2018 Council awarded a contract to undertake this review to Corpor8Solutions for a period of 4 years commencing 2018.
3. Since that time the Panel has met with Dr Wayne Coonan from Corpor8Solutions to discuss the content and methodology involved and to review the final report findings.

Discussion:

4. Several aspects were involved in this review:
 - A 360 degree review process was undertaken that involved a survey/interview of Council Members, selected Council staff and external parties;
 - An audit process was conducted involving a wide range of Council documents; including Annual Reports and Business Plans; Long-Term Financial Plans; financial, project and benchmarking and other service related reports; and
 - Benchmarking reviews of Council's performance.
5. A comparative analysis of 'like' Councils was undertaken by the Consultant and included comparing:
 - Population/Rateable Properties (Residential and Non-Residential)/Staff (FTE's)/Total Operating Revenue/Total Operating Expenditure and Capital Expenditure
 - Rate Revenue
 - Expenditure
 - Employee Costs/FTE's/as percentage of Operating Expenditure/FTE's per 1000 population
 - FTE's per Service Area

6. The Panel received a copy of the full final report and met with Dr Coonan to review the final report findings.
7. The report notes the positive results from the Audit process conducted as part of this review are supported by the overall 'Excellent' ratings of the CEO's performance detailed in the surveys.
8. The report acknowledges several of the CEO's Specific Performance Targets involve long term projects and consideration should be given to have them carried over into future reviews until completion.
9. The report finds the results of this performance review are in keeping with previous reviews. These results illustrate the consistency of the CEO's ability to deliver quality leadership to Council. The Elected Members and CEO should be encouraged by these results.

Outcomes

10. The CEO has been provided with the report and consulted on the process and outcomes.
11. Remuneration Review information is included below from the summary report attached:

Council	Population	Revenue/Million	Remuneration Package
Mt Barker	33,617	\$39,856	\$250,591
Murray Bridge	21,163	\$32,367	\$258,327
Barossa	23,410	\$35,221	\$247,810
Adelaide Hills	40,013	\$39,856	\$238,880
Gawler	23,192	\$24,432	\$247,462
NPSP	37,446	\$40,934	\$272,071
Light	15,031	\$18,694	
Alexandrina	25,585	\$40,431	

12. The report states *"the CEO's remuneration package should consider the current percentage change to category 4 CEO's packages of 4.18% and also the 2018 All Adelaide CPI rate of 2.1%. In terms of comparability and complexity, Council's CEO's remuneration package be equal or close to the CEO's pack of NPSP (Norwood Payneham St Peters) and certainly above Murray Bridge and any other Council listed above). "* Since the Consultant finalised his report there is additional information on Alexandrina's CEOs salary which is \$283,498.
13. The CEO response in relation to the remuneration advice is *"that in light of current economic conditions a remuneration package increase of not more than 1% would be reasonable."* As part of Mount Barker District Council's Inside Staff Enterprise Agreement No 8 2018 ("IS EBA") staff received 1.8% in 2018. The IS EBA provides for 1.8% or CPI (Adelaide) September Quarter, whichever is greater.

Performance Objectives:

14. The Consultant believes that several of the CEO's specific performance targets involve long term projects and consideration should be given for them to be carried over into future reviews until completion. The external components are:

- Create Town Centre – with this precinct as the heart of Mt Barker including the entrance to Mount Barker, the sewerage of the Town Centre and development of the acquired land near corner of Hutchinson Street and Morphett Road. The near completion of the entrance to Gawler Street should be noted.
- Sporting Facilities – Deliver upon agreed sporting facilities & ovals in a timely manner; further aquatic centre development with Lutheran School
- Revenue Generation – Leverage waste water treatment for financial benefit including use of polished water to facilitate growing at Callington & Monarto
- Tourism – Explore potential for train from CBD to Mt Barker, Goolwa; consider museum of Transport & Technology (much like Auckland NZ)
- Wealth Creation – Interface with government and academia explore opportunities for building education
- Community – Further build upon community spirit and identify through tying community level arts events with ovals and town square concepts
- Environment & Natural Assets – taking greater leadership and being more proactive in environmental matters i.e. leading in sustainability. Increased focus on the environment and Council's natural assets.
- Foster Council's Leadership Values and Behaviours – 'being an authentic mentor', 'courageous' 'owning outcomes and 'acting with unity'

With the addition of internal components:

- Discussing with the senior management team:
 - development of financial reporting indicators and regular updates;
 - developing a program for staff and community surveys.

15. It is intended these performance targets will be reviewed/revised by the new Council as part of the induction program.

Conclusion

Council should consider appropriate performance measures and remuneration following the completion of the CEO's Performance Review and oversight by the Panel.

Community Engagement:

Informing only	Information will be provided to the public upon release of confidentiality
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Policy:

N/A

Budget:

There is a budget of \$10,000 subject to CPI per annum until 2021.

Statutory/Legal:

An annual performance review is included in the CEO's contract.

Staff Resource Requirements:

There is no impact on staff resources.

Environmental:

N/A

Social:

The community are informed about the CEO's review outcomes following the Council resolution.

Risk Assessment:

Nil

Asset Management:

N/A

Conclusion:

The CEO's performance measures and salary should be determined now that the Performance Review Panel have received the final report.

Previous Decisions By/Information Reports to Council

Meeting Date	3 April 2018	HPRM Reference	DOC/18/20401
Title	Tender Award for Chief Executive Officer's Performance Review		
Purpose	TO gain Council's support for the a recommendation from the CEO Performance Review Panel to award contract 2017.063 CEO Performance Review to Corpor8solutions ("preferred tendered") for a term of four (4) years commencing in 2018, consisting of a lump sum of \$41000 over the term of the contract.		

Meeting Date	15 January 2018	HPRM Reference	DOC/18/652
Title	CEO's Performance Review Process		
Purpose	To inform the Council Members of the process to appoint a new consultant to undertake the CEO's Performance Review and to consider appointing the Audit Committee Chairperson to the CEO's Performance Review Panel		

Meeting Date	3 October 2017	HPRM Reference	DOC/17/96870
Title	For Council to consider a report that details outcomes of the CEO's Annual Performance Review 2017 including recommendations for a variation to the CEO's contract of employment and details of key objectives for the CEO for the coming 12 months		
Purpose			

2018 CEO Performance Review - Report to Council:**Attachment 1 to Item 18.2****The purpose of CEO Performance Reviews**

The purpose of CEO Performance Reviews is threefold; to provide Council with feedback on the CEO's performance, to provide the CEO with feedback about how others perceive the performance and to assist the CEO's professional development.

Methodology

Three main methods were employed in conducting this review:

- An Audit involving a wide range of Council documents; including Annual Reports and Business Plans; Long-Term Financial Plans; financial, project and benchmarking and other service related reports.
- Benchmarking reviews of Council's performance.
- Surveys and optional interviews involving Elected Members, the CEO's Direct Report Staff and Key External Contacts.

Rationale behind method selection

Method	Purpose for selection	Nature of the data	Outcome i.e. what it provided to the Review process
Audit	To confirm what documented information about the selected KPI's and performance related issues, has been officially reported to Council	Objective	Supported the subjective survey data, confirming CEO's Excellent rating
Benchmarking	To determine how Council's performance compares to other councils on key metrics	Objective	Provided additional support
Surveys and interviews	To measure how others (EM's, Direct Report Staff and Key Contacts of the CEO) perceive the CEO's performance	Subjective	Provided an overall rating of the CEO's performance – in this case 'Excellent'

Results:

This review of the performance of Council's CEO, involved a **range of methods selected from a hierarchy** of methodologies that are commonly used to evaluate managerial performance. The rationale behind the concept of the hierarchy is that the results collected using some of these methods, provide more reliable data than others. The methods in the top section of the hierarchy include those that provide the most objective, measurable, valid and reliable evidence. In comparison, the results from those methods further down the hierarchy employ less reliable sources of evidence, largely based upon subjective information. The former of these methods should therefore, have a greater probability of accurately evaluating the quality of managerial performances being investigated. It is also important to understand the variability that the different methods have upon their respective capacity to accurately predict actual performance. This information is critical in determining the weighting, or importance, that should be applied when interpreting the results obtained by these various methods. It is generally accepted that more objective methods have a greater probability of providing an accurate measure of the performances under review. Consequently, this review included an Audit of documented evidence of Council's performance in the delivery of its various projects and services. The Audit was used in conjunction with benchmarking results and the surveys and the optional interview.

The Audit process employed in this review, is similar to that used in quality accreditation audits. This process involved identifying and reviewing a number of high level Council reports related to the Council's performance and Council's financial status. The audit process seeks to verify that the CEO's performance related to agreed targets are supported by appropriately documented details of both the expected results (i.e. KPI's or specific performance targets) and evidence of the quality of actual outcomes.

The Audit included several benchmarking reports; including Price Waterhouse Cooper (PWC's) *'The Australian LG Performance Excellence Program FY17'* and a comparative analysis benchmarking Council's performance with a selection of 'like' councils. The Audit also examined reports of reviews that included the results of various Customer Satisfaction Surveys conducted both independently also internally for Council. The results provided a comprehensive evaluation of the CEO's leadership and managerial performance; including the outcomes of his Key Performance Projects. The outcomes of the Audit were then considered in conjunction with the surveys and interviews of the CEO's Direct Report Staff, Key Contacts and Elected Members. The order of presentation of the following summary of results is structured according to that hierarchy.

Summary of Results:**The 'Audit'**

The 'Audit' process examined an extensive range of documented evidence covering the major metrics of organisational effectiveness in Local Government. These documents ranged from internal reports, local benchmarking studies, to the national PWC report previously mentioned. The totality of this benchmarking information was impressive and provided substantial confirmation that the CEO had strategically engaged Council in a rigorous programme of internal and external evaluation of its performance. The scope of the external benchmarking included a national high-level review conducted by Price Waterhouse Coopers and a range of local reviews involving selected South Australian Council's.

Much of the latter benchmarking was the result of an LGA cooperative group of Finance Managers, largely driven by this Council's specialist team. Additional primary sources of the audit included reports of project outcomes and also of Council's financial operations and performance in service delivery. Collectively, the range of materials related to the audit provided a compelling source of information to support the argument that the CEO has successfully managed the key performance areas assigned to him.

Comparative Analysis

The following tables are based upon the results of recent comparative analyses involving 'like' Councils. The tables were developed from data collated by Council staff as part of the CEO's benchmarking process. It includes results for a range of key performance metrics over the period 2012 to 2018 including:

- Population/Rateable Properties (Residential and Non-Residential)/Staff (FTE's)/Total Operating Revenue/Total Operating Expenditure and Capital Expenditure
- Rate Revenue
- Expenditure
- Employee Costs/FTE's/as percentage of Operating Expenditure/FTE's per 1000 population
- FTE's per Service Area

The comparative data is extremely rich in terms of diagnostic information and as a source of potential improvement projects. The data indicates Council is operating efficiently and effectively when benchmarked against its six (6) 'like' peers. This efficiency is illustrated by many of the metrics listed in the tables. The results are particularly meritorious, given the operational demands upon Council's resources to deliver services in an area with the greatest growth-related demands, Mount Barker District Council (MBDC) operates cost effectively and with fewer staff compared to its peers. When the comparative data is coupled with the results of Council's most recent Customer Satisfaction Survey, it suggests that Council is not only providing cost effective services but does so at a level of quality that is well rated by the community; especially in terms of the balance between value and expenditure.

The data confirms that Council has the largest population amongst its comparison group and that the operating revenue and expenditure levels are relatively conservative in comparison to its immediate peers; especially when population is taken into consideration, Council also has the lowest ratio of full time equivalent staff (FTE's) /1000 residents and the lowest employee costs as a percentage of Operating Expenditure. The average cost per FTE is second highest within the comparison group. However, the differences amongst the group of Councils are marginal. The difference more accurately reflects Council's focus on quality appointments. This focus allows Council to operate with the lowest ratio of FT's/1000 residents and to achieve the most efficient Operating Expenditure per FTE of \$258,954/FTE

Even without adjustment for population or the number of rateable properties, Council has the lowest employee costs as a percentage of Budget and also has the second lowest rate revenue per capita amongst its immediate peers and the third lowest rate revenue per rateable property. Whilst Council has the highest residential property rate and sits second in terms of the non-residential property rate, these figures largely reflect the differences in the valuations of housing stock and the relative levels of development of the respective business precincts and related commercial property values within the comparison group.

Table 1 Comparative Analysis of MBDC Performance Metrics:

Information Sources:

Data from Mount Barker District Council 'Comparative Review'.

Benchmark data based upon Grants Commission Data, Council Strategic Plans and Council Annual Business Plans and 'The Australian LG Performance Excellence Program FY17', PWC 15TH December 2017.

Area of comparison	MT Barker	Alexandrina	Barossa	Gawler	Murray Bridge	Light
Overview						
Population	33,117	25,585	23,410	23,410	21,163	15,031
Roads Km	777	1,376	975	202	976	1,459
Income (Op/rev)	\$39,707m	\$40,431m	\$35,221m	\$24,432m	\$32,367m	\$18,694m
Operating Expenditure	\$39,102m	\$41,744m	\$34,101m	\$24,675m	\$32,623m	\$18,654m
Employee Costs						
Total FTE's	151	179	132	113	176	76
FTE's/1000 residents	4.57	7.00	5.64	4.87	8.32	5.06
Opex per FTE (\$)	\$258,954	\$233,207	\$258,341	\$218,363	\$185,358	\$245,447
Ave FTE cost	\$87,669	\$78,654	\$92,227	\$83,265	\$86,057	\$85,605
Rateable props/FTE	103.48	101.51	94.75	96.08	66.47	100.86
Employee cost % Opex Budget	33.86%	33.73%	35.70%	38.13%	46.43%	34.88%

Area of comparison	MT Barker	Alexandrina	Barossa	Gawler	Murray Bridge	Light
Rate Revenue						
Total rateable props	15,656	18,171	12,507	10,507	11,698	7,665
Rate revenue/ Capita	\$1,199	\$1,580	\$1,505	\$1,053	\$1,529	\$1,244
Rate revenue/Rateable property	\$2,069	\$1,907	\$2,178	\$1,796	\$1,810	\$2,112
Rate revenue/Residential property	\$1,709	\$1,702	\$1,593	\$1,652	\$1,559	\$1,567
Rate revenue/Non-Residential property	\$3,046	\$2,382	\$3,549	\$2,677	\$2,441	\$2,907
Operating Expenses						
Opex/Capita	\$1,181	\$1,632	\$1,457	\$1,064	\$1,542	\$1,241
Opex/Rateable prop	\$2,498	\$2,297	\$2,727	\$2,273	\$2,789	\$2,434

Table 2 Internal changes 2012 to 2017

Mt Barker	Internal Changes 2012 to 2017					
	2012	2014	2016	2017	% Change/6yr	% Change/yr
Population	31,011	31,950	33,117	34,643	11.71%	1.95%
Staff FTE's	132	148	151	157	18.94%	3.16%
Operating Revenue	\$34,450m	\$36,733m	\$39,707m	43,947	27.57%	4.59%
Operating Expenditure	\$34,277m	\$36,819m	\$39,102m	42,697	24.56%	2.86%
Opex/Rateable prop	\$2,291	\$2,386	\$2,498	2,684	17.15%	2.86%
Opex/FTE	\$259,674	\$248,777	\$258,954	271,955	4.73%	0.79%

The figures in Table 2 outline several key internal changes over the 6-year comparison period 2012-2016. These figures suggest that increases in Council's revenue have been below the combined cost impacts from CPI and increased utility prices. While this poses a difficult balance to maintain, the fact that customer satisfaction levels remain positive, is a strong endorsement of Council's management; involving both CEO and Elected Members.

Survey and Interview Results

The positive Audit results complimented results of the surveys of respondents from the CEO's Direct Report Staff, Key Contacts and Elected Members. The survey result of an **overall 'Excellent Performance'** also replicated results of previous surveys.

Discussions with the CEO, during the Audit process also indicated he was aware of several of the issues that were raised in the Audit or mentioned by respondents in the subsequent surveys. These issues related to the potential for improvement to be achieved in several areas related to staffing and performance-based issues. During the Audit debriefing process, the CEO outlined a range of strategies developed in response to those issues. The fact that at the time the audit was conducted, these strategies were either underway or in advanced stages of planning clearly indicated that the CEO's awareness had progressed into the development of a number of strategic actions. Examples of which include a review of the current performance development and recruitment protocols.

The survey and interview results of this review indicate a high level of satisfaction with the CEO's performance in managing the Council's operations. The responses from Elected Members, Direct Report Staff to the CEO and Key External Contacts were strongly allocated within the Outstanding to Excellent Performance spectrum of responses. It is notable that although a different protocol has been used in this review to the previous one, the results are largely congruent.

Section's A to E of the survey were focussed on the impact of the **CEO's management** in the general areas of **'Leadership', 'Planning' and 'Financial, 'Operational' and 'Organisational' management**. While these results reflected positively upon the CEO's direct influence on staff, Elected Members and Council's operations and service delivery, they are essentially a reflection of how his leadership is transmitted through his management structure to staff and ultimately Elected Members and Community/Clients.

However, **Section F**, is focussed on a range of **significant current priority projects and outcomes**. These were specifically identified by Council's Performance Review Panel and the CEO as his personal performance priorities during 2018. As such the 'Issues' in Section F are arguably those of highest priority for Council and also those for

which the CEO is most personally accountable. The issues in Section F were consequently a strong focus for the Audit process and surveys.

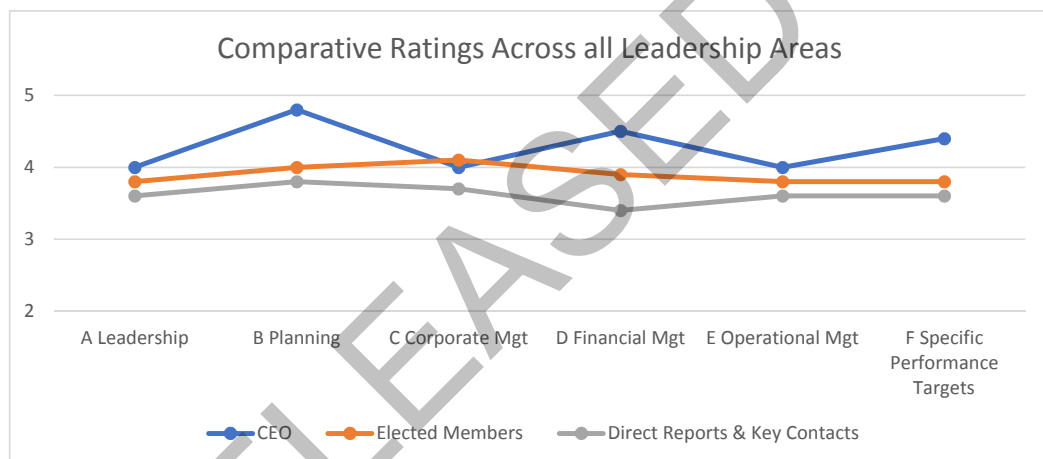
Section F of the surveys included eight (8) key performance indicators, five (5) of which received '**Excellent**' (E) ratings and the remaining three (3) were rated 'Competent' (C) resulting in an **overall rating**, of '**Excellent**'.

The results from the other **Sections (A to E)** are indicative of a very high standard of satisfaction, with **each Section** achieving an **overall Excellent rating**. The rating results, especially for **Section F** are particularly meritorious; given the complexity and extended timelines of many of the 'Issues' and Council's ongoing high rate of growth compared to other Councils. Unsurprisingly, with the **overall results rated as Excellent**, there were no issues that received an 'Unacceptable Performance' rating.

There were also relatively few ratings of any '**Major Shortcomings**' cited within the fifty-seven (57) 'Issues' evaluated within the review. There were only seven (7) in total, that involved more than a single respondent.

Figure 1 Averaged Results for Section A - F:

The graph below compares the overall (averaged) results across all of the issues from each Section (A to F) of the survey based upon the ratings from the CEO, Elected Members and direct reports and key external contacts. These scores can be seen in the table below using Section B (which had four questions). In the following example, the sum of the scores for each of the four questions were averaged to produce the following respective single scores for the CEO and the other two groups of respondents (CEO:4.8; EM's: 4.0 and DR's: 3.8).



The value of these scores is that they provide an additional source of information to help identify any, Leadership Areas; including their specific issues), that has the potential to be used in developing Continuous Improvement Projects (CIP's) and other strategies, to assist Council's organisational development process.

The aggregated results shown above, are positive across all groups. The average score, out of a maximum score of five (5) ranged from a rating of 3.4 or 68% from Direct Reports and Key Contacts regarding the Section on Financial Management to a rating of 4.8 or 96% from the CEO regarding the Planning Section.

In **Leadership Areas A, C and E (Leadership, Corporate Management and Operational Management)** the CEO's ratings were comparable to the other respondent groups. Overall the CEO's self-ratings were marginally highest, followed by those from Elected Members and then Direct Reports and Key Contacts.

While the CEO's ratings for **Sections B, D and F (Planning, Financial Management and Specific Performance Targets)** were higher than both of the respondent groups, the audit results are supportive of ratings closer to the CEO's.

Relationship with the CEO's professional development

The review process employs the following four sources of information to help identify issues or areas for improvement and develop suitable strategies.

- Survey Issues, where the overall ratings of respondents within the **Outstanding to Excellent** range was **below** or close to **50%**.
- Survey Issues, where there were any **negative ratings**
- Issues which attracted **critical comments** or **constructive comments for change**.
- Areas within the comparative group data (i.e. between CEO, EM's and Direct Reports and Key Contacts) where there are **significant gaps(differences) between group ratings** (i.e. differences in perception).

Summary:

The positive results from the Audit process are supported by the overall 'Excellent' ratings of the CEO's performance detailed in the surveys.

In keeping with Council's commitment to the principles of 'Continuous Improvement'(CI), the results were discussed during the debriefing discussions, Andrew's approach to the debriefing process was robust and he openly embraced the opportunities for both the personal and organisational improvement identified in this review. Moreover, during the debriefing and also the audit process it became obvious that he had been aware of the majority of the issues subsequently identified in the findings of the review and had already given thought to several related CI strategies. It is also clear that several of the CEO's Specific Performance Targets involve long term projects and consideration should be given for them to be carried over into future reviews until completion.

Despite the obvious differences in the methodologies employed, it is reassuring that the results of this performance review are in keeping with previous reviews. These results illustrate the consistency of the CEO's ability to deliver quality leadership to Council. The Elected Members and CEO should be encouraged by these results.

Remuneration Review

LGA SA did not participate in the 'Mc Arthur's 2017-2018 Local Government National Remuneration Survey, 19th EDITION. This has traditionally been the source of data for CEO remuneration reviews and the absence of SA specific data means that alternative sources need to be established. That process is currently underway and should be completed shortly.

Information to date

- The June 2018 All Adelaide CPI was 2,7%
- According to the current Mc Arthur Survey (19th EDITION), the national movement in CEO remuneration packages was an increase of 3.44%, which is a significant variation to the 0.19% the previous year.
- The current Mc Arthur Survey data shows that for Category 4 Councils (which would include Mt Barker) the average CEO package is \$271,324 an increase of 4.18%. Q3 (i.e. average remuneration of the top 25%) is \$293,340.

The key criteria or determinants of a CEO's remuneration package include the following:

- Council size, i.e. Population
- Revenue
- Complexity e.g. growth nature of the community, complexity and degree of involvement with spheres of Government
- FTE numbers
- Experience and quality of the CEO

On the basis of like sized councils Mt Barker (is a category 4 Council) on the basis of growth related issues alone it would be regarded as more complex than most.

Current remuneration comparisons

Council	Population	Revenue/Million	Remuneration Package
Mt Barker	33,617	\$39,856	\$250,591
Murray Bridge	21,163	\$32,367	\$258,327
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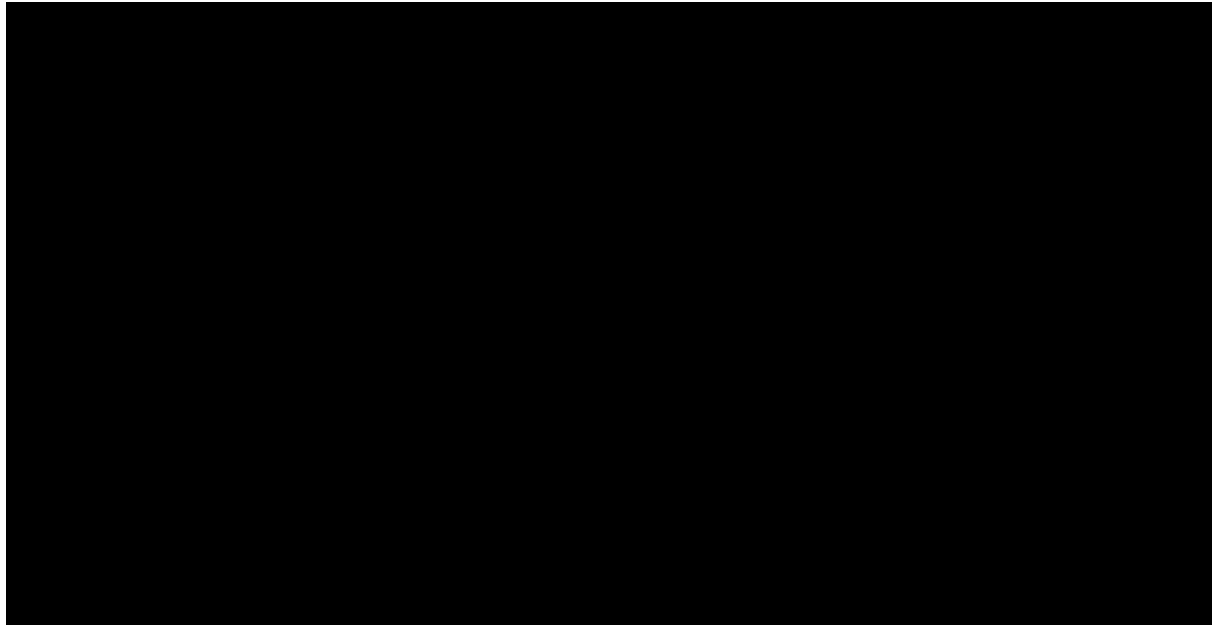
Considerations related to changes to current remuneration package.

- June 30th, 2018 All Adelaide CPI was 2.7%
- McArthur LG Remuneration Survey, Category 4 CEO's change 2017- 2018, was an increase of 4.18%
- Ranking amongst Peers: Currently 3rd of six and less than \$3k above the next two (4th and 5th).
- Light and Alexandrina CEO information not available (as of 14/8/2018).
- Complexity ranking 1 for Mt Barker, possibly close to Norwood Payneham and St Peters (NPSP) (although the factors behind the respective complexities are different).

Recommendation:

The CEO's total remuneration package should consider the current percentage change to category 4 CEO's remuneration packages of 4.18% and also the 2018 All Adelaide CPI rate of 2.1%. In terms of comparability and complexity, Council's CEO's remuneration package should be equal or close to the CEO's package at NPSP and certainly above Murray Bridge and any of the other councils listed above.

RELEASED



18.2 **REPORT TITLE:** **CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW 2018**
 DATE OF MEETING: **3 SEPTEMBER 2018**
 FILE NUMBER: **DOC/18/88869**
 ATTACHMENTS: **1 - DOC/18/88834 - SUMMARY REPORT FROM DR WAYNE COONAN - 2018 CEO PERFORMANCE REVIEW - REPORT TO COUNCIL**

Moved Councillor Irvine that:

Section 90 (3) (a) Order

1. Pursuant to Section 90(3)(a)
Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public be excluded from attendance at the meeting for Agenda Item 18.2.

The Council is satisfied that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of the Chief Executive Officer in that details of his performance review will be discussed which are sensitive and are details only known to those who have participated in the review process.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of details of the Chief Executive Officer's performance may prematurely be disclosed.

Seconded Councillor Seager

CARRIED
OM20180903.25

9.26pm Moved Councillor Hamilton that Council has a short term suspension of normal meeting proceedings pursuant to regulation 20 of the Local Government (Proceedings at Meetings) regulations to enable free flowing initial discussion of the matter by Council Members during which time no motion may be moved other than to conclude this period.

Seconded Councillor Seager

CARRIED
OM20180903.26

10.05pm Moved Councillor Irvine that Council conclude the period of the short term suspension of normal meeting procedures.

Seconded Councillor Morrison

CARRIED
OM20180903.27

10.05pm Councillor Hamilton rose and left the Chamber

Moved Councillor Buchmann that Council:

2. note the attached summary report prepared for Council by Dr Wayne Coonan, Corpor8solutions (attachment 1) which includes information on the performance review process.
3. note the revised draft set of key objectives detailed in this report to guide the Council in its assessment of the Chief Executive Officer's performance;
4. endorse a 2.1% increase to the CEO's current remuneration package; and
5. authorise the Mayor to sign and extend by one year the Chief Executive Officer's current contract of employment.

Seconded Councillor Morrison

CARRIED
OM20180903.28

MEETING DECLARED CLOSED AT 10.14PM

MAYOR

DATE