

#	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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42	15 Mar 10 <u>RO</u> Andrew S	CEO Review	<b>Reasons:</b> a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);	Attachment 3	Personal affairs of an employee	Extend Confidential Order until 6 Sept 2011  The Chief Executive Officer be delegated the authority to revoke all or part of the order and directed to present a report containing the item for which the confidentiality has been revoked.	5 Sept 11	4 Sept 12	Report and attach 1 & 2 released 27 Mar 12
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17.3      REPORT TITLE:      CONFIDENTIAL ITEM  
                                 CHIEF EXECUTIVE OFFICER'S REVIEW

            DATE OF MEETING: 15 MARCH 2010

            AUTHOR:              MAYOR ANN FERGUSON

            AUTHOR'S TITLE:    MAYOR

            REPRESENTORS:    NIL

            FILE NUMBER:        TBA

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#### PURPOSE

To note the outcomes of the Chief Executive Officer's performance review. To seek support for a variation to the Chief Executive Officer's Contract of Employment.

#### RECOMMENDATION

1. That pursuant to Section 90(2) and 90(3) of the Local Government Act 1999 as amended the District Council of Mount Barker orders that the public be excluded from attendance at the meeting to consider in confidence:
  - (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any persons (living or dead.)
2. That Council determine that no officers be permitted to remain in the room.
3. That Council note the process and summary outcomes of the Chief Executive Officer's Performance Review for 2009 facilitated by Ms Jane Jeffrey.
4. That Council note the forward Performance Agreement (confidential attachment 3) which will be used to report performance quarterly to Council assisted by Ms Jane Jeffreys.
5. That the Mayor be authorised to vary and sign a contract of employment with the Chief Executive Officer that incorporates the following:
  - 5.1 Varies the CEO's salary package inclusive of statutory super by 4% effective 1 July 2009

- 5.2 Notes the CEO's current contract where Council provides support for training at a value for cost of the course plus accommodation and travel at \$10,000 at 5.2.5 (b) has remained fixed since 2004 and therefore authorises a variation to reflect a total cost including travel, course costs and accommodation of \$11,500 per annum;
  - 5.3 Updates the current contract at any place where it refers to applicable legislation (such as the Local Government Act 1999) or statutes or industrial agreements (such as the District Council of Mount Barker Enterprise Bargaining Agreement 2004) to include the most current version of the same.
- 6. That Council support the CEO in reducing any outstanding leave entitlements as provided for in his contract of employment including annual leave and entitlement to Rostered Days.
  - 7. That Council orders pursuant to Section 91(7), (8) and (9) of the Local Government Act 1999 as amended that the report, attachments and minutes relating to this be kept confidential and that the revocation of confidentiality be delegated to the CEO to determine when there is no legal or commercial need for continued confidentiality, and that this order be reviewed every 12 months.
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## DISCUSSION

### Review Process

The CEO Performance Review Process was initially outlined in a memo to Elected Members dated 19 October 2010 (refer attachment 1.)

The review panel, comprised of myself, Deputy Mayor Bails and Councillor Gamble, selected Ms Jane Jeffreys to assist - her process and capability is included as attachment 2.

Following completion of the process which included interviews and questionnaires with staff and Elected Members, Ms Jeffrey's report conclusion was:

'Mr Stuart's performance is generally noted as effective and consistent. He has addressed the key issues for District Council of Mount Barker and worked toward financial sustainability.'

Areas requiring attention were then examined and provided input into a Draft Performance Agreement (refer attachment 3) which has been

developed from the input of the review (including Elected Members) and in consultation with the CEO.

This Performance Agreement will be monitored quarterly to assist Council in making regular reviews rather than total reliance upon an annual process.

#### Contract Variation

To assist Elected Members the following information is presented:

1. Council's Enterprise Bargaining Agreement has provided an increase during this review period of 4.5% to staff (but this does not apply in certain circumstances such as the CEO.)
2. Independent Confidential Advice provided to the LGA provides:

"Salary Increases at CEO level during 2009

#### Local Government

CEOs who have had their salary reviews during 2009 received increases in their salaries ranging from 14% to 4%. The highest increase was an acknowledgement that the CEO's salary had not kept pace with the market and in some years had not received an increase at all.

Given the impact of the GFC the majority of Councils looked to be moderate in terms of increases in salaries of CEOs however, they were mindful that being behind the market could lead to issues down the track (hence the 14% increase stated above).

In general, Council's used the EB in place within their Council as a guide to the increase given to the CEO and also considered a "performance increase" above the EB range.

Councils also took into consideration the market as a whole.

#### General Market - South Australia

The average salary review for organisations during 2009 was 3- 4% which was consistent with national surveys.

#### Non- salary negotiations

During the course of salary review and negotiations Councils and organisations have considered the following non-salary options:

Increased annual leave in lieu of salary  
Increased superannuation contributions

Allison Ashby  
Director  
AME Recruitment Pty Ltd  
23 February 2010"

3. Independent Remuneration Advice from Mr Andrew Reed provides:

'Chief Executive Officer

The broad advice against this position is not dissimilar to that for the General Manager Vision and General Manager Governance and Projects above. That is, the difficulty to replace and complexity of role premiums are both high. Thus a circa 5% rise from the current level of \$200,000 can be well supported. The comparable packages in SA fall into a cluster from around \$190,000 to well into the \$200,000s. A figure of \$210,000 (which represents a 5% increment) can therefore be well supported. There is a relative dearth of experienced CEO candidates in the current market, and thus Andrew would be a credible candidate for a larger council CEO position, creating a moderate risk to DCMB which should be managed. Moreover, there are a couple of smaller Councils who are now remunerating at Andrew's current package, and thus \$210,000 does not look excessive. Nonetheless, the CPI and EBA outcome and earlier remarks in this report surrounding 'restraint' make it hard to defend an increase much above 5%.

Assuring you of our considered, independent and objective services.

Andrew Reed  
Principal Consultant  
December 2009'

4. It should be noted that the CEO's contract annual entitlement to support for training (clause 5.2.5) and referred to above at recommendation 3.2 has been used only on one occasion.

Attachment 1 to Item 17.3

**DISTRICT COUNCIL OF MOUNT BARKER**

**TO:** Elected Members  
**FROM:** Mayor Ann Ferguson  
**SUBJECT:** CEO Performance Review Process  
**DATE:** 19 October 2009

Dear Elected Members

This memo is to inform Elected Members that the Chief Executive Officer's (Andrew Stuart) Performance Review Process has commenced.

The review process to be followed is in accordance with the framework specified in the Chief Executive Officer's contract.

Following consultation the review panel will comprise Deputy Mayor Michael Bails, Councillor Bruce Gamble and myself.

It has been agreed that the services of a suitably experienced independent person be retained.

Last year Mr. Andrew Reed provided this service (fee approximately \$4500.00). This year proposals have been received from;

- ❖ Jane Jeffreys
- ❖ Wendy Taylor
- ❖ Robert Godden

These proposals will be assessed – if in the unlikely event further proposals are needed then, Christine Molitor or Anne Skipper will be invited to submit.

The persons identified above have relevant experience (including Local Government exposure), are respected and independent.

The review methodology will include feedback provided by Elected Members, Senior Management and possibly one or two additional referees for example the Chair of the Brukung Mine Remediation Board (this is an important community representative role undertaken by the CEO).

The review panel will aim to complete the exercise within four weeks. During this period Andrew will be absent for a week (leave). It is expected that Council will consider a final report of advice from the review panel as well as at least one interim progress report.

An important element of this process is to determine key objectives for Andrew during the next twelve months.

Should you have any questions please contact the Mayor or CEO.

Yours sincerely

Ann Ferguson  
**Mayor**

## Attachment 2 to Item 17.3



## 1. INTRODUCTION

Thank you for the opportunity to present a proposal to assist with a Performance review of the Chief Executive Officer of the District Council of Mt Barker, Mr Andrew Stuart. I would be pleased to assist with this important assignment and outline the following information in support of this proposal.

The purpose of the review is to assess the performance of the Chief Executive Officer over the last 12 months.

## 2. UNDERSTANDING YOUR REQUIREMENTS

The District Council of Mount Barker consists of 10 Elected Members under the leadership of Mayor Anne Ferguson. The key objective of Council is to ensure the district is physically and environmentally safe, attractive, and a community that is prosperous and involved in their environment.

You are seeking a consultant to assist in a 360° Performance Review process for the Chief Executive Officer, which will allow the opportunity for the Mayor, Councillors and direct reports to provide feedback on the performance of the Chief Executive Officer. This should be an open and objective process enabling the Chief Executive Officer to participate by undertaking a self assessment and commenting on areas requiring development.

We will develop appropriate survey review assessment forms in consultation with you, which will be designed to provide an assessment against agreed criteria and allow for formal structured feedback. We will then distribute the feedback surveys to feedback providers in consultation with you, which we understand may include the following:

- Mayor Ann Ferguson
- Council Members (10)
- Direct Reports (3 General Managers)
- CEO, self assessment

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### 3. OBJECTIVES

We will provide a detailed report which will include our collated findings formulated from survey scores and comments from feedback providers. Our report will highlight key areas of strength, performance issues, and areas requiring further development. We also suggest the opportunity for all feedback providers to individually discuss their survey responses with Jane to enable further feedback to be gathered.

If required, we can assist in developing a Development Plan aligned with the findings of the report, and in consultation with the Chief Executive Officer.

As we have developed and delivered similar review processes, and with our knowledge of Local Government, we possess the required expertise to make this a very effective and smooth process.

We will provide full and frank feedback based on an objective review process.

### 4. METHODOLOGY

The following is an outline of our indicative process, which we believe will meet the needs of the District Council of Mount Barker. Should you wish to modify the process, we will work with you to make any necessary adjustments to meet your requirements.

#### Step One - Client Briefing

We will liaise with you to agree the process, assessment documents, and gather any appropriate background documentation.

#### Step Two - Develop Survey Tool

We will develop an appropriate survey tool in consultation with you to be distributed to feedback providers. We will work with you to ensure the survey questions are appropriate and meet your needs. Feedback providers will be encouraged to provide full and frank comments on strengths, areas for improvement, and any other relevant comments.

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#### **Step Three - Consultation**

We will manage the review process by distributing, receiving, and collating the feedback surveys to feedback providers. We will analyse the data and form the key findings. All information will be treated as strictly confidential.

#### **Step Four - Feedback Provider Meetings**

If required we will provide the opportunity to meet individually with each feedback provider to discuss their assessments, and gather more feedback. This information will be collated and included in our Reports. Please note all comments will be kept strictly confidential. We have suggested 30 mins with feedback providers with the exception of the Mayor and CEO, in which we have allowed 1 hour.

#### **Step Five - Reports**

We will provide a comprehensive Report, highlighting key areas of strength, gaps or issues, and a summary of feedback provider comments. We will make recommendations in relation to the outcome from this review.

#### **Step Six - Client Debrief**

We will meet with the Mayor to discuss the Reports and finalise any amendments. If required, we can facilitate a one-on-one feedback session with the CEO and Mayor. This has been included in the costing as an optional activity.

#### **Step Seven - Presentation**

We can present Review findings to Council for consideration and discussion, with content as agreed with you, if appropriate.

#### **Confidentiality**

It should be noted that a hallmark of our consultancy is the importance of maintaining confidentiality in relation to the client and participants in the process. Reports will be generated and findings shared only with agreed parties.

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## 6. CAPABILITIES

### *Jane Jeffreys, Director*

Jane is well equipped to undertake this assignment with specific skills and expertise in Governance Reviews, Board Evaluations, Director Performance Reviews and Senior Executive / Board selection.

Jane works principally with Senior Executives and Boards addressing issues of strategic relevance to the success of their organisations. Her work focuses on people and organisational development to address the critical factors that impact on successful performance.

Current Board appointments include Chairman of the award winning Adelaide Convention Centre, Director South Australian Tourism Commission, Governor St Peters Collegiate Girls School, Chair Gaming Care (AHA Early Intervention Agency), Director ECH Inc, and Director Le Cordon Bleu Academic Board.

Jane is a Fellow, Australian Institute of Company Directors, Fellow, Australian Human Resources Institute, and Fellow, Australian Institute of Management.

She is highly regarded by clients and colleagues for the wealth of experience and intelligence she brings from over 30 years working with a broad range of organisations at Executive, CEO and Board level.

Jane's key areas of expertise include the ability to identify and focus on the critical issues, the ability to find innovative and creative solutions, outstanding communication skills & established business networks, strategic thinker, the confidence to challenge conventional wisdom and she is an experienced Board Member.

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