

CONFIDENTIAL ITEMS 2003 – SEPTEMBER 2020

#	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
155	6 October 2020	Chief Executive Officer's Performance Review 2020	<p><u>Pursuant to Section 90(3)(a)</u> Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public and staff be excluded from attendance at the meeting for Agenda Item 18.4.</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> <p><u>Section 91(7) Order</u> After having considered Agenda Item 18.4 Chief Executive Officer's Performance Review 2020 in confidence under 90(2) and 3(a) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the agenda item plus attachment and minutes be retained in confidence until the Chief Executive Officer has been formally advised of Council's decision.</p>	Agenda item plus attachment and minutes	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.	Retained in confidence until the Chief Executive Officer has been formally advised of Council's decision.			<i>Report, Attachment and Minutes released on website 12 October 2020</i>

<b>18.4</b>	<b>REPORT TITLE:</b>	<b>CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW 2020</b>
	<b>DATE OF MEETING:</b>	<b>6 OCTOBER 2020</b>
	<b>FILE NUMBER:</b>	<b>DOC/20/133957</b>
	<b>ATTACHMENTS:</b>	<b>1 – DOC/20/137127 (SUMMARY OF RESULTS OF CEO PERFORMANCE REVIEW REPORT PROVIDED TO PANEL)</b>
	<b><u>Key Contact</u></b>	<b>Mayor Ann Ferguson</b>

**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:**

Nil

**Purpose:**

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

**Summary – Key Issues:**

- Council Members and direct reports were invited to participate in the CEO's Annual Performance Review.
- The Consultant's report to The Panel provides the survey findings.

**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 and staff be excluded from attendance at the meeting for Agenda Item 18.4.

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. adopt the revised set of key performance objectives contained in this report to guide the Council in its assessment of the Chief Executive Officer's performance;
4. endorse a 2% increase to the CEO's current remuneration to take effect from 1 July 2020; and
5. authorise the Mayor to sign and extend by one year the Chief Executive Officer's current contract of employment.

#### **Section 91(7) Order**

6. After having considered Agenda Item 18.4 Chief Executive Officer's Performance Review 2020 in confidence under 90(2) and 3(a) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the agenda item plus attachment and minutes be retained in confidence until the Chief Executive Officer has been formally advised of Council's decision.

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#### **Background:**

1. On 3 April 2018 Council awarded a contract to undertake the CEO's Performance Review to Corpor8Solutions for a period of 4 years commencing 2018.
2. On 3 February 2020 Council noted the appointment of the CEO Performance Review Panel members – Mayor Ferguson, Deputy Mayor Jones and Councillor Hardingham and supported a reduced number of questions in an electronic questionnaire.

3. On 6 July 2020 Council supported the recommendation from the Panel that in recognition of the unusual set of events during the last 12 months – being a bushfire and a pandemic – of a revised format and survey protocol, by mutual agreement, for the Chief Executive Officer's Performance Review Survey for 2019/20 being:
  - Section 1 - A modified short survey
  - Section 2 – Feedback on Council's response to the bushfire and pandemic (COVID-19)
  - Section 3 – Feedback on two other projects/services/issues (of their choosing)
  - Section 4 - Two key issues suggested to be addressed by the Chief Executive Officer for 2020/21
  - Section 5 - An audit focussed on Council's top 3 major projects for 2019/20
4. Since that time the Panel has met with Dr Wayne Coonan from Corpor8Solutions to discuss the content and methodology involved and also to discuss the final report findings.

**Discussion:**

1. The CEO has a performance review that is scheduled to conclude no later than September each year. It covers the period from July 2019 – June 2020.
2. The review evaluates the Chief Executive Officer's performance against objectives identified in the previous year's review process.
3. Once the feedback has been assessed the Panel meets to discuss the results and consider appropriate remuneration.
4. The CEO's contract references that the contract review process includes, *inter alia*, "At the conclusion of each annual performance review Council – may elect to extend the term of contract by one year."
5. The CEO's current employment contract expires 2025; if council resolved to extend the contract by one year as recommended it would expire in 2026.
6. A precis of the Consultant's final report is provided as an attachment to this report from the Mayor.
7. The Panel is assisted by the Risk and Governance Officer.
8. The review process began with a survey in June and included:
  - a. a 360 degree review involving a survey of Council Members and direct reports staff; and

- b. an audit process involving an examination of a wide range of Council documents including the annual report, business plans, long term financial plan, financial reports, project reports, benchmarking and other service related reports.
9. The comparative analysis of 'like' Councils was undertaken internally by Council's Chief Financial Officer based on Local Government Grants Commission data.
10. The Panel received a copy of the final report and met with Dr Coonan to review the report findings.

#### Summary of Results

1. All of the Survey ratings of the CEO's performance were 'Excellent'. These positive results are in line with the results of the previous reviews. These results are also supported by the documentation reviewed in the audit process and detailed in the Audit Section of the full report provided to The Panel.
2. The comments from respondents (refer below) were insightful and balanced and will provide a valuable source of feedback for Andrew and his direct reports.
3. As with the previous reviews, several of the CEO's Specific Performance Targets involve long-term projects and the remaining components should be carried over into future reviews, until completion.
4. The report finds the results of this performance review illustrate the consistency of Andrew's ability to deliver quality leadership to Council. The Council Members, Staff, CEO and the Community should to be encouraged by these results.
5. The response rate for this year's modified survey was fifty-nine percent (59%); lower than the eighty percent (80% plus) for the previous standard surveys used in the 2018 and 2019 reviews. However, the effective response rate was 69% as one of the direct report staff was on leave and unable to participate. Of the sixteen (16) remaining invitees, eleven (11) responded. One Elected Member opted to provide a private and confidential response on the CEO via the consultant.
6. Whilst the response rate was disappointing, the quality of the resultant responses will provide valuable feedback to the CEO. It is important to recognise that this review process is voluntary and some of the invited participants declined to be involved for a wide range of reasons.

7. The most objective measure of Council's performance and therefore the CEO's management performance is in the Audit, which includes the comparative analysis. The Audit results do not involve any direct response from either Elected Members or Direct Reports staff; it is totally independent and based on verified documentation provided to Council.
8. While the information collected in this year's review was valuable, there was feedback that some participants found the electronic process frustrating. Consequently changes are suggested for Council's consideration regarding both the content and the complete time for future reviews that opt for more descriptive responses from respondents.

#### Comments from Survey Respondents

1. An extract of comments from respondents:

##### Bushfires (inter alia):

##### What worked well

- *Speed and agility of leadership decision making. Strong and decisive decisions made in a timely manner*
- *MBDC responded very quickly and rapidly to the changing needs as a result of the bushfires. The daily communication to Elected Members, and then to the public via social media was extremely valuable and powerful. There were clear paths of communication, and staff were able to respond to requests promptly.*
- *Response was swift and effective in terms of infrastructure and making facilities available.*
- *Action and response by CEO as Chief and lead staff member outstanding. Without such leadership I doubt staff would have been inspired to go above and beyond in terms of workload and out of hours requirements to assist those affected.*
- *The Mayor and CEO worked effectively together and provided stability to the community and MBDC staff during this time*

##### Suggestions for improvement

- *Managing expectations from the victims of fire without the budget to deliver*

##### COVID-19:

##### What worked well

- *It has been clear that MBDC is taking the risk of COVID-19 and its responsibilities very seriously. Procedures and strategies were put in place promptly and complied with.*

##### Suggestions for improvement

- *Communicating with elderly and the homeless and those at risk.*

### Outcomes

1. The CEO has been provided with the report and consulted on the process and outcomes.
2. To compete with Councils to attract and retain quality leadership, Council needs to maintain its competitive capacity.
3. The Panel believes an increase of 3.5% is warranted given the performance of the CEO and closing the gap when benchmarked with other councils. However, in light of current community sentiment and expectations, it is recommended that the CEO's remuneration package be increased by 2%

### Performance Objectives

The CEO's 8 specific performance targets (and the 4 internal components) are long term and as previously stated should be carried forward until completion.

- 1.1. Create Town Centre –this precinct is in the heart of Mt Barker including the entrance to Mount Barker and the 'City Catalyst' project.
- 1.2. Sporting and Recreation Facilities – Deliver upon agreed sporting and recreation facilities in a timely manner further aquatic centre development
- 1.3. Revenue Generation – Leverage waste water treatment for financial benefit including use of recycled water to facilitate growing at Callington & Monarto
- 1.4. Economic Development and Tourism – Focus on recovery outcomes and building resilience from bushfires and COVID-19 impact as it effects the local economy and specifically tourism
- 1.5. Wealth Creation – Interface with government, facilitating Kings Baptist School, partnering with St Francis de Sales school,
- 1.6. Community – Further build upon community spirit and initiatives e.g. community events and town square concepts
- 1.7. Environment & Natural Assets –continue to build Council leaders in environment matters e.g. treated wastewater, renewable energy, increasing Council leadership in tree management.

1.8. Foster Council's Leadership Values and Behaviours – 'being an authentic mentor', 'courageous' 'owning outcomes and 'acting with unity'

2. Internal components:

2.1. Discussing with the senior management team:

- 2.1.1. development of financial reporting indicators and regular updates;
- 2.1.2. developing a program of performance management for staff and community surveys.

2.2. Further development and trialling of community engagement strategies e.g. Your Say on Council's website, and Town Planning engagement.

2.3. Review of Council's staffing and recruitment strategy in response to the organisation's current gender and age profiles. This should be considered in conjunction with the development of a succession Plan.

2.4. Implement a continuous improvement project to target a review of the Annual Business Plan performance measurement process (identified by the Audit and Risk Committee and endorsed by Council 3 June 2019).

**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 for this review 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.

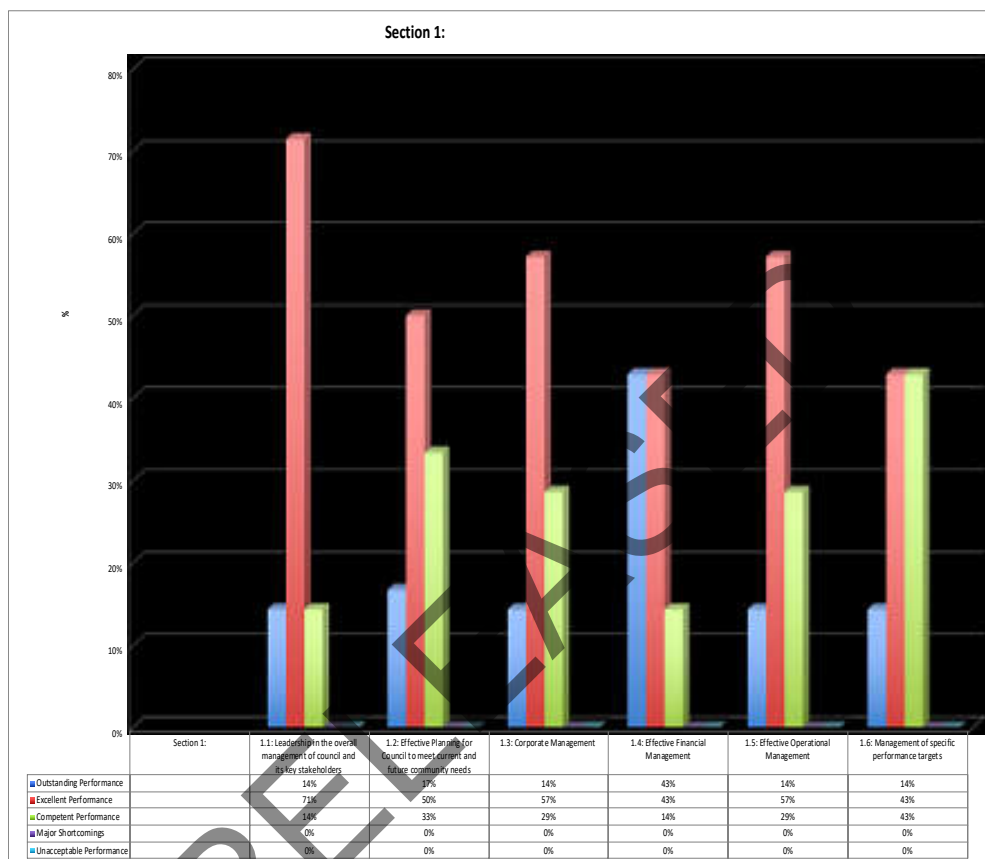
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Previous Decisions By/Information Reports to Council

Meeting Date	6 July 2020	HPRM Reference	DOC/20/77953
Title	Chief Executive Officer Performance Review		
Purpose	To provide a revised format for the Chief Executive Officer's Performance Review Survey for 2019/20.		

Meeting Date	3 February 2020	HPRM Reference	DOC/20/5450
Title	Chief Executive Officer's Performance Review Process and Timeframe		
Purpose	To provide a report that outlines the process for the Chief Executive Officer's Annual Performance Review.		

## Attachment 1 to Item 18.4

**SUMMARY OF THE RESULTS OF CEO's PERFORMANCE REVIEW:****SECTION 1: RATINGS of CEO's KEY MANAGEMENT PERFORMANCE AREAS:****Figure 5: Ratings of CEO's Management performance:****Overall Ratings of CEO's Management performance:****1.1.1 Leadership:**

85% of respondents rated the CEO's Leadership in the 'Outstanding to Excellent' range.  
100% of respondents rated the CEO's Leadership in the 'Outstanding to Competent' range:

**1.1.2 Effective Planning:**

67% of respondents rated the CEO's Leadership in the 'Outstanding to Excellent' range.  
100% of respondents rated the CEO's Leadership in the 'Outstanding to Competent' range:

**1.1.3 Corporate Management:**

71% of respondents rated the CEO's Leadership in the 'Outstanding to Excellent' range.  
100% of respondents rated the CEO's Leadership in the 'Outstanding to Competent' range:

**1.1.4 Effective Financial Management:**

86% of respondents rated the CEO's Leadership in the 'Outstanding to Excellent' range.  
100% of respondents rated the CEO's Leadership in the 'Outstanding to Competent' range:

**1.1.5 Effective Operational Management:**

71% of respondents rated the CEO's Leadership in the 'Outstanding to Excellent' range.  
100% of respondents rated the CEO's Leadership in the 'Outstanding to Competent range

**1.1.6 Management of Specific Performance Targets:**

57% of respondents rated the CEO's Leadership in the 'Outstanding to Excellent' range.  
100% of respondents rated the CEO's Leadership in the 'Outstanding to Competent range

**Comparative Results of Section 1: CEO's Leadership and Management:**

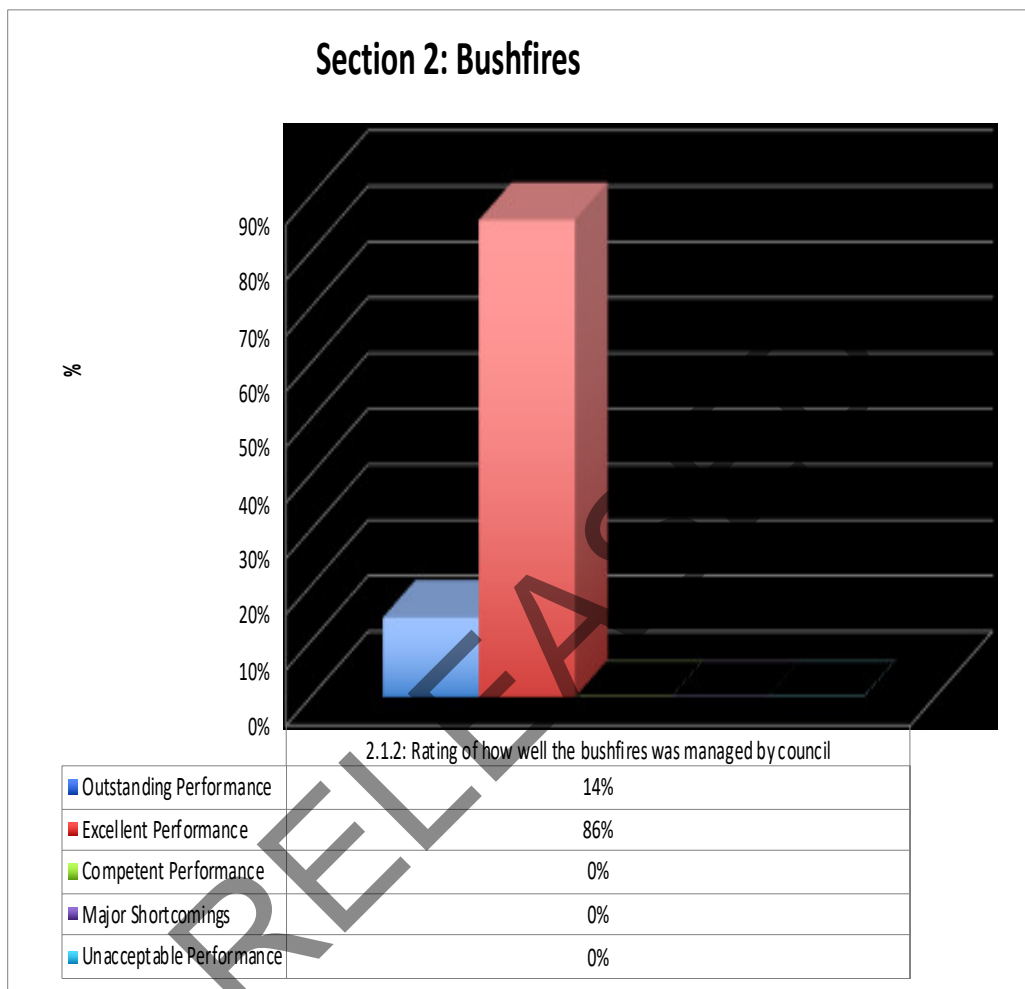
The survey responses for each of the six items in section1, indicate very positive perceptions of the CEO's leadership and management (similar results to those reported in his previous reviews).

Table 1: Lists the six Survey Questions and summaries of the following:

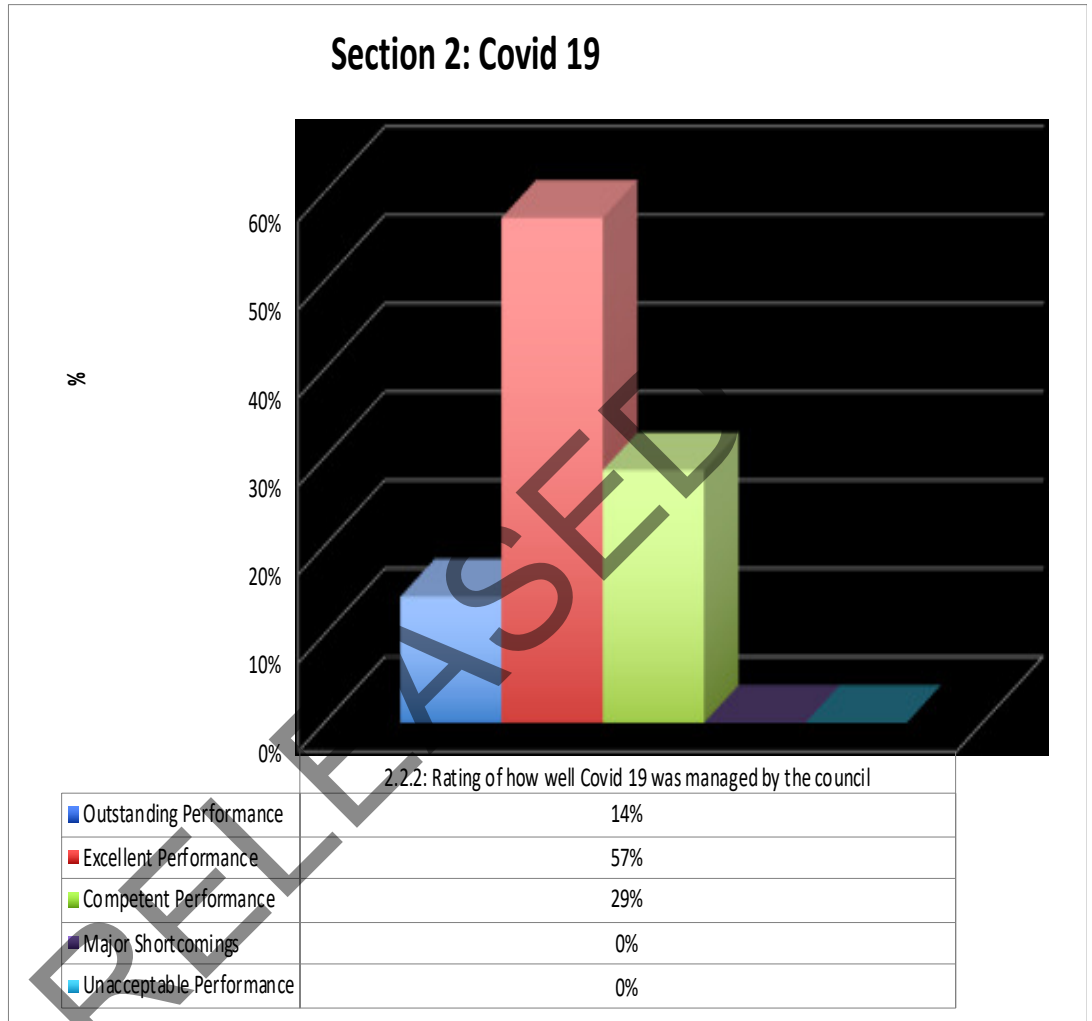
1. The Overall rating for each Area for 2020; based on the dominant rating i.e. the rating gaining 50% or more of respondent support, for that Area.
2. The percentages of the total of all positive responses i.e. in the 'Outstanding to Competent' (O-C) categories.
3. The percentages of responses in the 'Outstanding to Excellent' (O-E) categories i.e. the 'Excellent' responses, designated 'E' and
4. The Overall Survey rating based on the aggregation of Sectional ratings for 2018
5. The Overall Survey rating based on the aggregation of Sectional ratings for 2019

**Table 1: Comparative Results of Section 1:**

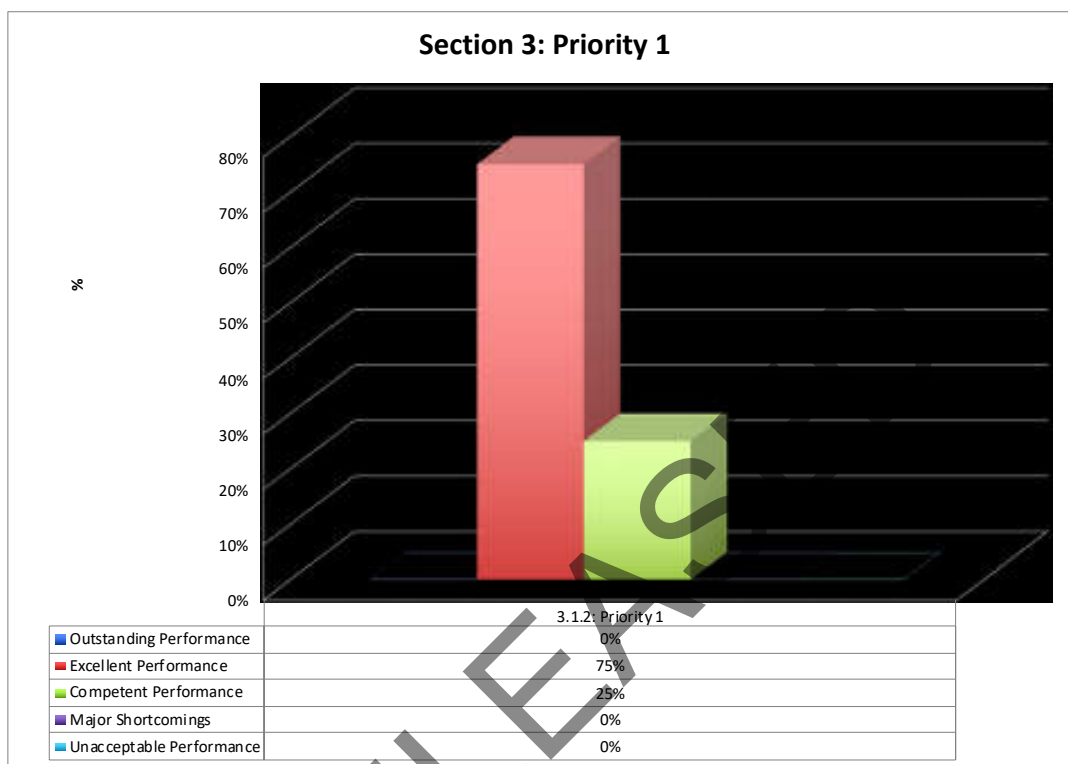
Management Area	1. Overall Rating/ Section 2020	2. Percentage Outstanding to Competent (O-C) performance	3. Percentage Outstanding to Excellent (O- E) performance	4 Overall Rating 2018	4. Overall Rating 2019
Section 1.1.1 – CEO's Leadership Skills	Excellent	(100%)	(85%)	Excellent	Excellent
Section 1.1.2 – CEO's Planning Capacity	Excellent	(100%)	(67%)	Excellent	Excellent
Section 1.1.3 – CEO's Corporate Management Capacity	Excellent	(100%)	(71%)	Excellent	Excellent
Section 1.1.4 – CEO's Financial Management Capacity	Excellent	(100%)	(86%)	Excellent	Excellent
Section 1.1.5 – CEO's Operational Management Capacity	Excellent	(100%)	(71%)	Excellent	Excellent
Section 1.1.6 – CEO's Specific Performance Targets	Excellent	(100%)	(57%)	Excellent	Excellent
5. Overall rating for the Survey	Excellent				

**SECTION 2: SUMMER 2019/20 BUSHFIRES****Figure 6: 2.1.1 Council's management of its response to (1) Summer 2019/20 Bushfires:****Ratings:**

**2019-20 Bushfires:**  
**100% of respondents rated Council's response to the Bushfires rating in the 'Outstanding to Excellent' range.**

**COVID-19 PANDEMIC:****Figure 7: 2.2.1 Council's management of its response to (2) the COVID-19 Pandemic:****Ratings:****COVID-19:**

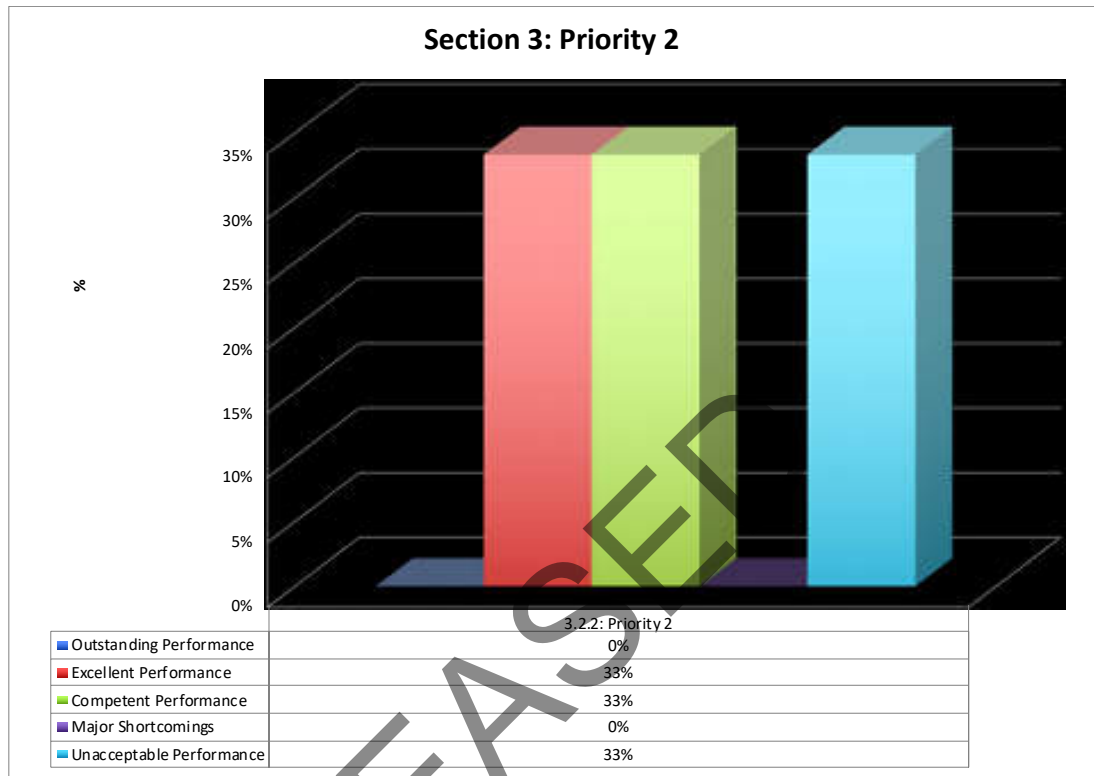
71% of respondents rated Council's response to the to the COVID-19 Pandemic in the 'Outstanding to Excellent' range and 100% rating in the Outstanding to Competent range:

**RESULTS SECTION 3: INVITATION TO SELECT AND REVIEW ANY TWO PROJECTS/SERVICES OR ISSUES (ADDITIONAL TO BUSHFIRES AND COVID-19)****Figure 8: Section 3.1.1 Priority 1:****Ratings:**

Priority 1 had 75% of respondents' ratings within the Outstanding to Excellent range and 100% in the Excellent to Competent ratings range.

**3.1.1: 2019/2020 Projects, Services and Issues Priority 1****Priorities listed by the respondents included the following:**

- Town plans and Community Consultation,
- Environment,
- Tree loss
- Town Centre Catalyst Project; City centre.
- Sports Hub
- Competition capable Aquatic Centre
- Hard Waste Collection Facilities (clarification of what , if any, are to be offered and paid for and by whom)
- Wastewater Treatment Plant

**Figure 9: Section 3.2.1 Priority 2:****Ratings:**

Priority 2 had 66% of respondents' ratings within the Competent to Excellent range. However, 33% rated performance as unacceptable.

**3.2.1: 2019/2020 Projects, Services and Issues Priority 2****Priorities included the following:**

- Development of an Arts and Cultural policy and budget allocation (in conjunction with community)
- Mandating building heights, especially in rural areas,
- Retention of trees, corridors of native vegetation to support wildlife

**RESULTS SECTION 4: SELECT TWO ISSUES YOU WOULD LIKE THE CEO TO ADDRESS DURING 2020/2021:****4.1.1: Issues you would like the CEO to address during 2020/2021- Priority 1**

- Council become more inclusive when awarding contracts and selecting contractors.
- Allocation of funds to manifest town plans
- Protection of trees and any suitable substitute trees to be planted if possible within 1km of site of destruction
- Sustainable low energy housing - examples to be in every housing estate (mandated)
- Aquatic Centre to be given some priority as to design fit for competition.
- Decision Making on Town Centre Catalyst; City project
- Aquatic Centre to be given some priority as to design fit for competition- Indoor aquatic centre
- Action on Wastewater Treatment Plant as an urgent environmental/pollution issue

**RESULTS SECTION 5: AN AUDIT FOCUSED ON COUNCIL'S TOP 3 MAJOR PROJECTS FOR 2019/20:**

The Audit section provided substantial documentation to demonstrate that the following three major projects selected as priorities for the CEO during 2019/20 had been actively and successfully managed by the CEO.

**(1) Create Town Centre Entrance to Mount Barker and the City catalyst project**

**(2) Environment & Natural Assets** *Continue to build Council as a leader in environment matters e.g. treated wastewater, renewable energy, increasing Council leadership in tree management.*

**(3) Economic Development and Tourism** *Focus on recovery outcomes and building resilience from bushfires and COVID -19 impact as it effects economy and specifically tourism.*

**Summary of Results**

All of the Survey ratings of the CEO's performance detailed above were '**Excellent**', with the exception of 3.2.1 (above) which was rated as '**Competent**'. These positive results and are in line with the results of the previous reviews. These results are also supported by the documentation reviewed in the audit process and detailed in the Audit Section of this report (p25).

The comments from respondents were inciteful and balanced and will provide a valuable source of feedback for Andrew and his Directors. In keeping with Council's commitment to the principles of 'Continuous Improvement'(CI), the results are discussed during the debriefing discussions. As with the previous reviews, several of the CEO's Specific Performance Targets involve long-term projects and the remaining components should be carried over into future reviews, until completion.



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<b>18.4</b>	<b>REPORT TITLE:</b>	<b>CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW 2020</b>
	<b>DATE OF MEETING:</b>	<b>6 OCTOBER 2020</b>
	<b>FILE NUMBER:</b>	<b>DOC/20/133957</b>
	<b>ATTACHMENTS:</b>	<b>1 – DOC/20/137127 (SUMMARY OF RESULTS OF CEO PERFORMANCE REVIEW REPORT</b>

Moved Councillor Morrison that Council:

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 and staff be excluded from attendance at the meeting for Agenda Item 18.4.

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 Jones

CARRIED  
**OM20201006.31**

- 9.15pm Moved Councillor Leach 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  
**OM20201006.32**

- 9.25pm Moved Councillor Leach that Council conclude the period of the short term suspension of normal meeting procedures.

Seconded Councillor Jones

CARRIED  
**OM20201006.33**

Moved Councillor Orr that Council

1. note the attached summary report prepared for Council by Dr Wayne Coonan, Corpor8solutions (attachment 1) which includes information on the performance review process.
2. adopt the revised set of key performance objectives contained in this report to guide the Council in its assessment of the Chief Executive Officer's performance;
3. endorse a 2% increase to the CEO's current remuneration to take effect from 1 July 2020; and
4. authorise the Mayor to sign and extend by one year the Chief Executive Officer's current contract of employment.

Seconded Councillor Westwood

CARRIED  
**OM20201006.34**

Moved Councillor Westwood that

Section 91(7) Order

After having considered Agenda Item 18.4 Chief Executive Officer's Performance Review 2020 in confidence under 90(2) and 3(a) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the agenda item plus attachment and minutes be retained in confidence until the Chief Executive Officer has been formally advised of Council's decision.

Seconded Councillor Seager

CARRIED  
**OM20201006.35**