

CITY OF MOUNT GAMBIER

Meeting to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier  
on Tuesday 19<sup>th</sup> November, 2013 at 6.00 p.m.

AGENDA

## CONSIDERATION FOR EXCLUSION OF PUBLIC

moved that the following Items be received, discussed and considered in confidence by excluding the public pursuant to Section 90 (2) of the Local Government Act 1999, and an order be made that the public (with the exception of other Council Members and Council Officers now present) be excluded from the meeting in order for the items to be considered in confidence as the Council is satisfied that the item is a matter that can be considered in confidence pursuant to the grounds referenced in Section 90 (3) of the said Act:

<u>Item No.</u>	<u>Subject Matter</u>	<u>S90 (3) Grounds</u>
<b>CEO Performance Development and Review Committee</b>		
2.	<b><u>CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW</u> – Discussion regarding Draft Report received from AME Recruitment – Ref. PERS</b>	(a), (9)
	<b>CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL</b>	

seconded

**IN CONFIDENCE****CEO PERFORMANCE DEVELOPMENT AND REVIEW COMMITTEE****2. CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW – Review of CEO Performance Review Report for 2013 received from AME Recruitment – Ref. PERS**

The CEO Performance Review Report for 2013 was provided for Committee Members to review and discuss.

**RECOMMENDATION ONE**

Mayor Perryman moved;

- (a) Council congratulates the CEO Mr Mark McShane on the results of the Performance review.
- (b) Council highly commends the CEO Mr Mark McShane on his performance in the past twelve month period. Council notes in particular the volume of work that the CEO has achieved; and the positive impact that the CEO is having on the organisation; and the role that Council is taking in leading the community.

Cr Maher seconded

**Carried**

**RECOMMENDATION TWO**

Cr Harfield moved;

- (a) that the issue relating to requests for information from Elected Members has been discussed and the CEO and Committee are satisfied at this point in time that the current method of dealing with questions from Elected Members, including the scheduling of periodic one-on-one meetings between the CEO and Councillors is adequate;
- (b) this matter needs to be a standing item on the Agenda of the CEO Performance Development and Review Committee.

Cr Maher seconded

**Carried**

**RECOMMENDATION THREE**

Cr Maher moved;

- (a) It be noted that the CEO and Council have discussed the 7 questions from the survey (and listed on page 15 of the final report) for which the CEO self assessed his performance with a score of 2, indicating that these points require additional work moving forward.
- (b) It be noted that the CEO has explained that for the majority of these questions his rationale for a self assessment score of 2 is based on the relevant process/project not being completed at the time of the survey.
- (c) For those questions where the CEO's self assessed score is a two, but the reason is for anything other than the relevant process/project not being complete, the CEO be requested to provide suggestions on additional work

required to move forward on those questions, for discussion at the next scheduled meeting of the Committee.

Cr Harfield seconded

Carried

#### RECOMMENDATION FOUR

Mayor Perryman moved;

The Committee recommends the engagement of Adam Kennedy from AME Recruitment to review in partnership with the Committee, the CEO's KPI's for 2014.

Cr Harfield seconded

Carried

#### RECOMMENDATION FIVE

Cr Maher moved;

- (a) Council express its appreciation and gratitude to all Members and staff who participated in the Review process for their involvement and support.
- (b) Council thanks Mr Adam Kennedy of AME Recruitment for his role in undertaking the review and preparing the report for Council.

Cr Harfield seconded

Carried

#### CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL

moved that an order be made pursuant to Section 91 (7) of the Local Government Act 1999 that the documents in relation to the following items, which have been considered by Council on a confidential basis pursuant to Section 90 (3) be kept confidential as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
<b>CEO Performance Development and Review Committee</b>			
2	<b><u>CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW</u></b> – Discussion regarding Draft Report received from AME Recruitment – Ref. PERS	All details	12 months

seconded

CEO  
Performance  
Review  
Report

2013

Annual Performance and Development Review for  
Mark McShane, CEO of the City of Mount Gambier.



## Background

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A performance review of the CEO, Mark McShane, is a requirement of his Contract of Employment. It is anticipated that this review will be conducted, finalised and approved by Council by early November 2013.

The CEO commenced work with the City of Mount Gambier on 1<sup>st</sup> December 2011. As part of his contract of employment an annual performance and remuneration review should take place annually by an appointed Review Panel and be completed within thirty (30) days of the contract anniversary date in each year of the contracts term and be based on KPIs as developed by the CEO in conjunction with the CEO Performance Development & Review Committee (the most recent version being dated August 2013).

The CEO's contract specifies that as part of the performance review, the CEO's remuneration package will also be reviewed.

## What We Measure

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A detailed Position Description forms part of the CEO's Contract of Employment. This document is referred to as Schedule 1 "Job Description" and contains a list of Key Responsibilities (equivalent to Key Responsibility Areas or KRAs), specifically:

- KRA # 1: Council
- KRA # 2: Strategic Planning
- KRA # 3: Policies
- KRA # 4: Leadership
- KRA # 5: Finance
- KRA # 6: Economic Development
- KRA # 7: Human Resources
- KRA # 8: Government
- KRA # 9: Community & Regional
- KRA # 10: Public Relations
- KRA # 11: Civic & Ceremonial
- KRA # 12: Professional Development
- KRA # 13: Environmental Sustainability

A document outlining all agreed KPIs for the CEO was developed in 2012. This document is reviewed and updated every 4 months and a copy is supplied to the Performance Development & Review Committee and the full Council. The most recent update of this document is dated August 2013 and it is this version which has been used to develop the attached performance review questionnaire.

## KRAs v's KPIs – how they link

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KRAs are broad statements of intent / desired outcomes. The CEO's Contract of Employment contains a number of broad KRAs (13 in total as outline above) which the CEO (and his Officers) are responsible for delivering. The KRAs outlined above, also appear in the City of Mount Gambier's Strategic Plan.

This link ensures that performance success for the CEO (and all Council Staff) also translates into success for the organisation (via attainment of the Council's Strategic Plan).

Further defining the KRA / KPI relationship, KPIs are specific measures of achievement / specific action. One KRA may have a number of KPIs which, if achieved, result in the successful delivery of a KRA.

AME Recruitment recommended that the CEOs performance be measured using a comprehensive survey tool developed to test the CEOs effectiveness at achieving the desired KRA outcomes. The attainment of a KRA is measured by the achievement of a number of KPIs which when considered in totality confirm the achievement of a KRA.

## The Review Process and Why

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Aside from being a contractual requirement contained within the CEOs Contract of Employment to formally review his performance at least annually, the Annual Review Process provides the CEO with an opportunity to elicit broad feedback and comments from the Elected Body.

The survey questionnaire is built around a series of statements with respondents determining if, and to what extent, certain behaviors and / or actions have been demonstrated over the past 12 months. The basic underlying premise of this questionnaire is that the successful application of effort and energy towards certain actions will result in the achievement of broad KRAs. Action, energy and effort in a number of areas will result in the KRA being achieved.

The questionnaire is a 360 degree program as input is sought from all Elected Members, CEO's Direct Reports and the CEO himself. Each respondent was provided with an identical questionnaire regardless of their relationship with the CEO (i.e. Elected Member, Direct Report etc).

The survey questionnaire consists of 50 questions / statements divided into 13 sections with each section aligning covering one of the 13 KRAs listed above. At the end of each section provision exists for comments / examples to be provided.

In addition to being requested to complete the survey all participants were also invited to sit down and discuss various aspects of the review with Adam Kennedy from AME Recruitment. The purpose of these meetings was to gain as much understanding as possible about the environment in which the CEO operates, the unique aspects of the City of Mount Gambier and any other issues which respondents feel are important to discuss.

Also discussed at these meetings and reiterated on numerous occasions was the notion of confidentiality. It was stressed to all participants that all responses will remain confidential and only question / category totals will be reported. Comments will be summarised to extract trends rather than listing direct quotes / comments and risk identification based on writing style.

## Participation

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The willingness and preparedness of requested participants to engage openly and honestly with AME Recruitment in regards to Marks performance review was pleasing to observe. The survey was issued to 7 Staff, 11 Elected Members (including the Mayor) and Mark himself and except for 1 Elected Member who was unavailable during the time when surveys were issued and collected (who, however did make themselves available for detailed verbal discussions prior to commencing leave) all participants completed the 360 degree survey and participated in an open discussion with AME Recruitment. A 100% participation rate is rarely achieved by any Local Government entity however it is pleasing to say that is exactly what Mark received.

This level of participation is directly related to the level of respect Mark enjoys from Staff and Elected Members and also the culture of trust, openness and honesty which Mark (and his leadership team) have worked hard to build over the past 12 – 24 months.

All respondents provided valuable feedback, comments and suggestions which have been distilled into the comments and suggestions outlined further on in this document.

## Scoring Scale

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Respondents were asked to utilise the following scale when rating the performance of the CEO. As previously stated all respondents were given the same questionnaire to complete. Respondents were provided with the option of “unable to answer” if they felt they had insufficient evidence or observation to make a meaningful assessment. Questions with a high “unable to answer” incidence should be reviewed and either removed or modified from future surveys.

The scoring options available to respondents are outlined below:

- 0 – Unable to comment – have not observed the occurrence of the stated behavior / action sufficiently to be able to comment / rank / score
- 1 – Strongly disagree with the statement and /or the behavior is never displayed;
- 2 – Disagree with the statement and /or the behavior is rarely displayed;
- 3 – Generally in agreement with the statement – the behavior is generally observed;
- 4 – Agree with the statement /or the behavior is often displayed;
- 5 – Strongly agree with statement and /or the behavior is always displayed – it is strength.



## Council Mission, Vision, Values & Goals

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In reviewing the performance of the CEO it is worthwhile considering the operational framework in which the CEO operates. Outlined below is the Council's Mission, Vision, Values and Goals – it is these statements which frame the behaviors and actions of the Council's Elected Members, Staff and the CEO.

The City of Mount Gambier has a set of values that govern the way the City does business. These are:

### Mission

*“Mount Gambier is the most liveable City in Australia, where the people in the community are secure, prosperous, healthy and valued”.*

### Vision

*“To serve the people who live and visit our City by working with our community's to ensure safety, access, equity and continuous improvement in infrastructure, planning, services and governance.”*

### Council Values

#### The Values of Council are:

**Respect:** In working with each person in our diverse communities, we act with respect for our people and ourselves.

**Service:** Our core commitment is to serve our people, and support welcoming and personal relationships. We are genuine in our desire to meet and exceed the expectations of the community.

**Decision Making:** Our decision making is participative and exhibits courage, determination and integrity. We are accountable to the community and to ourselves for the outcomes of our decisions and actions.

**Future Orientation:** We are forward looking and positive, and creative and innovative in developing new initiatives to meet new challenges.

**Leadership:** We are committed to fulfilling our responsibilities to other Councils within the region, and to being a role model to our community in the quality of our actions.

**Teamwork:** We are committed to the shared goals and strategies of this Strategic Plan. We take collective responsibility for the outcomes of our decisions and actions including the health and safety of our community and our employees.

**Equity:** We recognise the cultural, economic and social differences in our community and ensure we are inclusive, fair and socially just.

**Collaboration:** We will collaborate with other bodies to achieve the aspirations of our community and of our people.

**Continuous Improvement:** We will strive for continuous improvement in all that we do.

*The following goals were set by Council to help realise these values:*

## Goals

**Building Communities:** To maintain and improve the quality of life of our people by fostering an appropriate range of infrastructure, services and activities.

**Securing Economic Prosperity:** To support our economic generators in meeting opportunities in the local, national and international business environment, to ensure that the city has a viable, sustainable and diverse economic base and continues to be a thriving provincial city.

**Diversity:** To provide opportunities for the needs of our diverse community groups to fully participate in our community, and to ensure a continuing sense of their engagement, belonging and recognition.

**Environment:** To incorporate into Council business and the development of our community a commitment to secure the long term integrity of the environmental systems, landscapes and services which support them.

**Governance:** To conduct Council business with probity, transparency, and accountability, to meet in a timely way all legislative and regulatory requirements; to implement prudent and professional financial and operational management; and to seek active and ongoing engagement in decision making with all stakeholders.

**Community Well-Being:** To advance the holistic health and well being of all age groups in our community by creating healthy environments, strengthening community relationships, developing health and wellbeing programs and supporting excellence in the delivery of health services.

**Learning:** To be recognised as a lifelong learning community.



**Overview of Results**

As CEO, Mark has achieved a significant amount in the past 12 months. This fact has been acknowledged by a majority of respondents and is testament to Mark’s hard work and dedication to the role. While there remains a number key projects requiring further development (as highlighted by Mark in his own self assessment) the City of Mount Gambier has advanced significantly under Mark’s stewardship.

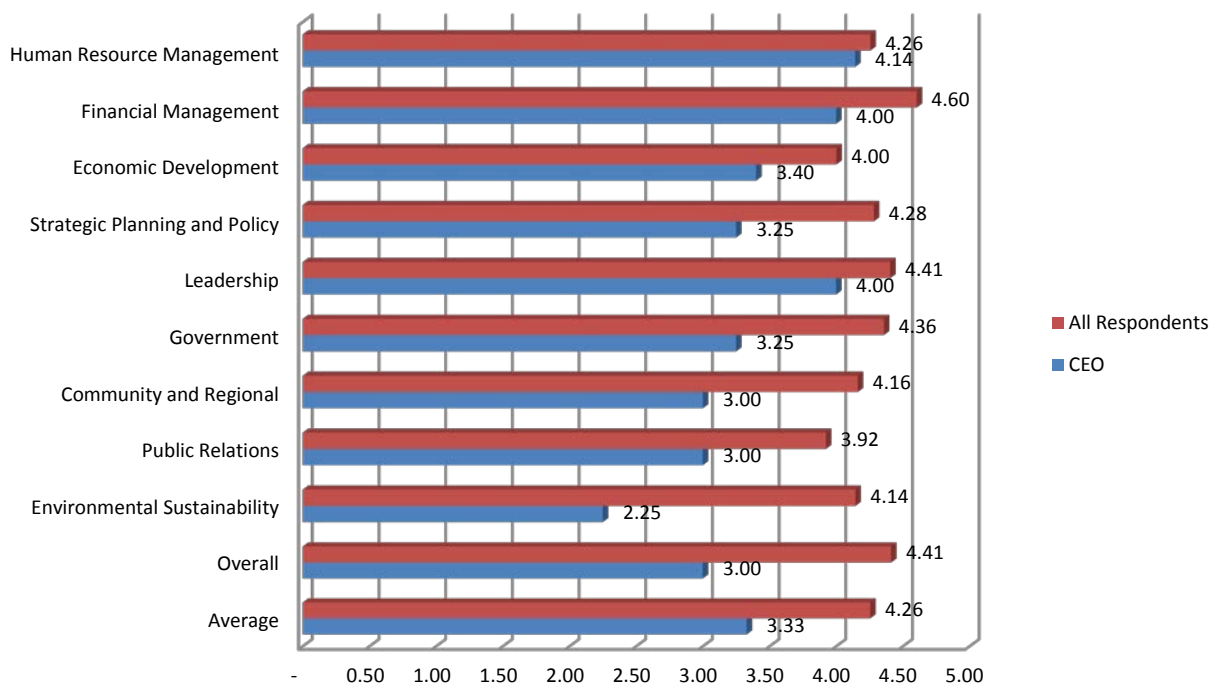
Numerically, Mark is consistently “harder” (i.e. awarding himself a lower score for achievement) on himself than respondents. The table below highlights scores by KRA category;

KRA Level Results	CEO	All Respondents	Variance (Response v CEO)
Human Resource Management	4.14	4.26	0.11
Financial Management	4.00	4.60	0.60
Economic Development	3.40	4.00	0.60
Strategic Planning and Policy	3.25	4.28	1.03
Leadership	4.00	4.41	0.41
Government	3.25	4.36	1.11
Community and Regional	3.00	4.16	1.16
Public Relations	3.00	3.92	0.92
Environmental Sustainability	2.25	4.14	1.89
Overall	3.00	4.41	1.41
Average	3.33	4.26	0.93

Respondents, on average, have scored Mark between 78.4% (3.92) and 92.0% (4.60) which, when correlated to the scoring scale, equates to “Agreement or Strong Agreement with the statement with the behavior being often / always displayed”.

Graphically Mark’s results look as follows:

**KRA Scores - Respondents v's CEO**



Further confirmation of the positive impact Mark is having on the City of Mount Gambier can be found in the recent City of Mount Gambier Talent Retention Index (August 2013) where an Employee Engagement Index of 86% was recorded – a significant improvement over the 2012 result.

## Detailed Results

The most effective way to undertake meaningful analysis is review scores and results at a question level. Below is a table which outlines the average score by respondent by question with a comparison against the score recorded by the CEO.

The average score recorded by question is obviously a function of the scores awarded by respondent to each question. The average score can be impacted by the effects of an “outlier”.

Where respondents feel unable to provide a score for a particular question (due to lack of exposure, experience or uncertainty in regards to the question being asked) and opt to record “unable to comment” no score is recorded for this question – effectively for this respondent this question is removed from the overall question count. The incidence of scores and the level of “unable to comment” is discussed in the next section entitled “Range of Scores”.

Question	Average Score		
	CEO	All Respondents	Variance (Resp v CEO)
1	4.00	4.36	0.36
2	5.00	4.31	(0.69)
3	3.00	4.36	1.36
4	4.00	4.17	0.17
5	4.00	3.77	(0.23)
6	5.00	4.42	(0.58)
7	4.00	4.42	0.42
<b>HR Management</b>	<b>4.14</b>	<b>4.26</b>	<b>0.11</b>
8	4.00	4.82	0.82
9	3.00	4.47	1.47
10	4.00	4.47	0.47
11	4.00	4.44	0.44
12	5.00	4.82	(0.18)
<b>Financial Management</b>	<b>4.00</b>	<b>4.60</b>	<b>0.60</b>
13	2.00	3.79	1.79
14	2.00	3.50	1.50
15	5.00	4.06	(0.94)
16	5.00	4.55	(0.45)
17	3.00	4.12	1.12

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<b>Economic Development</b>	<b>3.40</b>	<b>4.00</b>	<b>0.60</b>
18	4.00	4.65	0.65
19	4.00	4.59	0.59
20	2.00	4.12	2.12
21	3.00	4.31	1.31
22	4.00	4.47	0.47
23	3.00	4.15	1.15
24	4.00	4.31	0.31
25	2.00	3.67	1.67
<b>Planning &amp; Policy</b>	<b>3.25</b>	<b>4.28</b>	<b>1.03</b>
26	4.00	4.75	0.75
27	4.00	4.64	0.64
28	4.00	4.29	0.29
29	3.00	4.31	1.31
30	5.00	4.62	(0.38)
31	4.00	4.69	0.69
32	4.00	4.27	0.27
33	4.00	3.80	(0.20)
34	4.00	4.54	0.54
35	4.00	4.14	0.14
<b>Leadership</b>	<b>4.00</b>	<b>4.41</b>	<b>0.41</b>
36	3.00	4.36	1.36
37	3.00	4.31	1.31
38	4.00	4.53	0.53
39	3.00	4.24	1.24
<b>Government</b>	<b>3.25</b>	<b>4.36</b>	<b>1.11</b>
40	3.00	4.13	1.13
41	3.00	4.18	1.18
42	3.00	4.18	1.18
<b>Community and Regional</b>	<b>3.00</b>	<b>4.16</b>	<b>1.16</b>
43	3.00	4.00	1.00
44	3.00	3.77	0.77
45	3.00	4.00	1.00
<b>Public Relations</b>	<b>3.00</b>	<b>3.92</b>	<b>0.92</b>
46	2.00	4.13	2.13
47	2.00	4.19	2.19
48	2.00	4.27	2.27
49	3.00	4.00	1.00
<b>Environmental Sustainability</b>	<b>2.25</b>	<b>4.14</b>	<b>1.89</b>
50	3.00	4.41	1.41
<b>Average</b>	<b>3.33</b>	<b>4.26</b>	<b>0.93</b>

## Range of Scores

The tables below outline the incidence of scores by question (i.e. the number of 1's, 2's, 3's, 4's or 5's) while the table below that illustrates the number of "unable to comment" results. These tables need to be considered when analysing the average score by question recorded.

To provide some context to this table, a total of 50 questions were asked to 18 possible respondents (being 7 Council Staff and 11 Elected Members). In total a maximum of 900 responses could be collected (being 18 respondents x 50 questions in each questionnaire). In total 17 respondent survey questionnaires responses were received making the maximum number of scores 850 (being 17 respondents x 50 questions in each questionnaire).

Now allowing for those questions where respondents felt unable to answer questions (hence these are excluded from the data / question count), a total of 108 questions were unanswered making the final question / answer count 742 (being 850 maximum less the 108 unanswered). The distribution of the 742 answers looks as follows:

Score	1	2	3	4	5
Count	2	15	89	299	337
Percent	0.3%	2.0%	12.0%	40.3%	45.4%

The table above illustrates that a vast majority (85.8%) of respondents have scored Mark with a 4 or a 5 for a majority of their responses. Only 17 questions from a possible 742 which were answered were done so with a negative score (being a 1 or a 2).

### Ability to answer

Question	Answered	Not Answered	Answered %
1	14	3	82.4%
2	16	1	94.1%
3	14	3	82.4%
4	12	5	70.6%
5	13	4	76.5%
6	12	5	70.6%
7	12	5	70.6%
<b>HR Management</b>			
8	17	0	100.0%
9	15	2	88.2%
10	17	0	100.0%
11	16	1	94.1%
12	17	0	100.0%
<b>Financial Management</b>			
13	14	3	82.4%
14	14	3	82.4%
15	16	1	94.1%
16	11	6	64.7%
17	17	0	100.0%

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<b>Economic Development</b>			
18	17	0	100.0%
19	17	0	100.0%
20	17	0	100.0%
21	16	1	94.1%
22	17	0	100.0%
23	13	4	76.5%
24	13	4	76.5%
25	12	5	70.6%

<b>Planning &amp; Policy</b>			
26	16	1	94.1%
27	14	3	82.4%
28	17	0	100.0%
29	13	4	76.5%
30	13	4	76.5%
31	13	4	76.5%
32	15	2	88.2%
33	10	7	58.8%
34	13	4	76.5%
35	14	3	82.4%

<b>Leadership</b>			
36	14	3	82.4%
37	13	4	76.5%
38	17	0	100.0%
39	17	0	100.0%

<b>Government</b>			
40	15	2	88.2%
41	17	0	100.0%
42	17	0	100.0%

<b>Community and Regional</b>			
43	17	0	100.0%
44	13	4	76.5%
45	15	2	88.2%

<b>Public Relations</b>			
46	16	1	94.1%
47	16	1	94.1%
48	15	2	88.2%
49	16	1	94.1%

<b>Environmental Sustainability</b>			
50	17	0	100.0%

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*Incidence of scores by Respondent (i.e. scores of 1, 2, 3, 4 or 5 by question):*

Responses - Max = 17 (7 staff & 10 EM's)						
Question	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
1	0	0	1	7	6	17
2	0	0	2	7	7	17
3	0	0	1	7	6	17
4	0	0	2	6	4	17
5	0	1	4	5	3	17
6	0	0	1	5	6	17
7	0	0	1	5	6	17

HR Management	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
8	0	0	0	3	14	17
9	0	0	2	4	9	17
10	0	0	2	5	10	17
11	0	0	1	7	8	17
12	0	0	0	3	14	17

Financial Management	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
13	0	1	3	8	2	17
14	0	3	3	6	2	17
15	0	1	4	4	7	17
16	0	0	0	5	6	17
17	0	1	3	6	7	17

Economic Development	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
18	0	0	1	4	12	17
19	0	0	0	7	10	17
20	0	0	2	11	4	17
21	0	0	3	5	8	17
22	0	0	2	5	10	17
23	0	0	3	5	5	17
24	0	0	2	5	6	17
25	1	1	2	5	3	17



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<b>Planning &amp; Policy</b>	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
26	0	0	0	4	12	17
27	0	0	0	5	9	17
28	0	1	1	7	8	17
29	0	0	1	7	5	17
30	0	0	1	3	9	17
31	0	0	0	4	9	17
32	0	0	2	7	6	17
33	1	0	2	4	3	17
34	0	0	0	6	7	17
35	0	0	2	8	4	17

<b>Leadership</b>	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
36	0	0	0	9	5	17
37	0	0	3	3	7	17
38	0	0	1	6	10	17
39	0	0	2	9	6	17

<b>Government</b>	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
40	0	0	2	9	4	17
41	0	1	2	7	7	17
42	0	1	2	7	7	17

<b>Community and Regional</b>	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
43	0	0	4	9	4	17
44	0	1	4	5	3	17
45	0	0	4	7	4	17

<b>Public Relations</b>	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
46	0	0	4	6	6	17
47	0	0	3	7	6	17
48	0	1	1	6	7	17
49	0	1	3	7	5	17

<b>Environmental Sustainability</b>	Total # of 1s	Total # of 2s	Total # of 3s	Total # of 4s	Total # of 5s	Total
50	0	1	0	7	9	17

Mark was particularly hard on himself in several areas where he feels as though not enough has been achieved relative to other areas where he has been able to focus and achieve results. He has not set out to not achieve in these areas it is just a matter of there being a limited amount of time to devote to new initiatives. Areas where Mark felt not enough advancement had taken place he self assessed with a score of 2 (see table above with scores by question) while, on average, respondents were generally happy with Mark's efforts in these areas with scores averaging between mid 3's and 4's.

Mark did award himself 5's for a couple of questions and this was generally supported by Respondents. Mark's average score is slightly higher than that of respondents as his average is a one number score i.e. a 5 while respondents are the average of the 17 people who provide an answer for that question.

For instance, take question 2 above. The question is:

2. The CEO has led a functional and comprehensive organisation review including staffing levels, staff skill audit and staff capacity.

Information about this question from the tables above is detailed below:

- The table above shows that 16 out of the possible 17 respondents (excluding the CEO) were able to answer this question hence total respondent number for this question was 16.
- Mark has scored himself a 5 for this question hence that is his average score.
- The average score by the 16 respondents is 4.31;
- The average respondent score is .69 lower than the average self assessment score recorded by Mark (being  $5.00 - 4.31 = .69$  variance).
- The distribution of scores for this question was: 16 respondents in total, made up of 2 x respondents with a score of 3, 7 x respondents with a score of 4 and 7 x respondents with a score of 5 – the average of these scores is 4.31.
- While the average score by respondents is less than the 5 Mark selected the intention and overall satisfaction of the respondents is clear – almost 50% of respondents gave Mark a score of 5 with the majority of the remainder giving him a 4 – there is clearly a high level of satisfaction with Mark's performance in this question. This satisfaction extends across the entire survey.

# CEO Performance & Development Review 2013



Areas / questions Mark felt he could improve in coming periods he scored with a 2. These areas are summarised below. The average score provided by respondents is also outlined below. In total Mark scored 7 questions with a 2. These 7 questions represent an aspect of 3 KRA categories, namely Economic Development, Strategic Planning & Policy and Environmental Sustainability. The table below outlines the areas where Mark feels improvements could be made:

Category	Question	Average Score		
		CEO	All Respondents	Variance (Resp v CEO)
<b>Economic Development</b>	13. The CEO has ensured that the triple bottom line concept and model is understood and utilised within the Council.	2.00	3.79	1.79
<b>Economic Development</b>	14. The CEO has ensured that a strategy for tourism and general economic development has been developed and implemented and is monitored regularly.	2.00	3.50	1.50
<b>Strategic Planning and Policy</b>	20. The CEO has led a comprehensive review and consolidation of Council Policies.	2.00	4.12	2.12
<b>Strategic Planning and Policy</b>	25. The CEO has ensured that a Community Development Plan has been developed for implementation.	2.00	3.67	1.67
<b>Environmental Sustainability</b>	46. The CEO actively promotes sustainability principles within the Council and the wider community.	2.00	4.13	2.13
<b>Environmental Sustainability</b>	47. The CEO advocates the use of environmental sustainable principals across the Councils planning framework.	2.00	4.19	2.19
<b>Environmental Sustainability</b>	48. The CEO has ensured that Council projects are assessed using triple bottom line principles and The Natural Step Framework.	2.00	4.27	2.27

## Feedback

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It was pleasing to observe the willingness of all Staff and Elected Members to provide feedback. Feedback presented below is arranged by section (as per the survey) and compares Mark's comments with that collected from respondents. Only comments made by Mark are identified by respondent all other comments are a summary of comments collected via survey and / or through discussions with participants face to face.

### ***Human Resource Management***

Mark: HR capacity is still developing. Significant effort over the last two years with OHS. Note that prior to the HR Manager commencing two years ago, HR and OHS were dealt with by several staff in a part-time capacity and while efforts were fantastic, there was simply not enough time to do everything and to meet the ongoing challenges of changing OHS and audit requirements.

Respondents:

- HR is a particular strength of Mark's;
- Organisational review was conducted well and was delivered in a non-threatening way;
- Vulnerable areas of the business have been addressed and subsequently the vulnerability has been reduced.
- Some gaps remain in WHS however these are operational and not the responsibility of the CEO;
- Strong focus on compliance – does not focus on being popular – organisational focus is on being right and legislatively compliant.
- A number of respondents have highlighted Mark's equitable approach to women in local government (both as employees and as Elected Members) including merit based promotion and appointment and equal career development opportunities.

### ***Financial Management***

Mark: First comprehensive LTFP developed during 2012 and endorsed December 2012. Due for review by December and now being completed in draft prior to Council workshops. Assets have received significant attention and revised asset plan.

Respondents:

- As CEO Mark is ethical, consultative and transparent;
- A strength of Mark's however there is a reasonable depth of support in key finance staff;
- Level of reporting (including timeliness and detail) has improved significantly;
- Significant effort made to "paint the picture" for the Elected Body using various forms of technology (presentations, information packs etc).
- Focus on making right decisions – not popular decisions.

## ***Economic Development***

Mark: Note that the main effort over the past year has been on the City Development Framework that is an all encompassing economic, social and sustainable approach to the City's future development. Pure Tourism and economic strategies have not been established at this time.

Respondents:

- Mark has overseen the implementation of a quadruple bottom line 1. Environmental; 2. Social; 3. Cultural & 4. Economic – significant (positive) change in the way business decisions are considered.
- Effective relationships developed with PIRSA / DMITRE – however difficult to measure success.
- Mark has been focused on VVT / Economic Diversification Project.
- Mark is committed to partnerships.
- Tourism is the next area which needs CEO's attention.

## ***Strategic Planning & Policy***

Mark: Low scores due to some of these areas being developed e.g. Corporate Performance Program in train. Council Policy Review (200 policies) commenced, Community (social) plan not due until March 2014. Corporate Governance continually under review and progress made.

Respondents:

- Mark by his nature is a strong strategic leader who has instilled a level of discipline and process into the organisation from which everyone has grown;
- Mark is ethical, strategic and focused on legislative compliance – this has been identified by a number of respondents;
- Mark does not pursue compliance for compliance sake but rather legislative compliance as it is the right way to approach things;
- The employment of a Governance Officer has strengthened the Council's ability and depth in the area of governance.

## ***Leadership***

Mark: Regular meetings with Executive Staff and monthly Executive Team meetings. Regular quarterly meetings with all senior staff group. Increased delegation from CEO to senior staff. Leadership Management Program signed off and will commence in the next few months. Staff Survey (2nd year) completed.

Respondents:

- Mark is an outstanding leader (this is the consensus of all respondents);
- Mark maintains a cool head when things get tough – this is inspirational for staff;
- Mark has taken the lead in the implementation of the EBA actions and has ensured staff are involved in the process.

## ***Government***

Mark: Activities and relationships with other tiers of Government are complex and take time. Comprehensive work with several State Government departments and agencies - ongoing.

Respondents:

- Elected Body benefit from a regular weekly update from the CEO;
- Mark is an great representative of Council;

## ***Community & Regional***

Mark: Membership of numerous regional groups: SELGA, SELGA CEO Group, Limestone Coast Economic Diversification Project, Provincial Cities, Timber Study Group. Ongoing contact with a range of community groups. Strong links to SAPOL.

Respondents:

- Mark works hard in this area;
- Mark is an engaging leader who has formed good links into the community particularly in the past 12 months;
- Elected Body is well informed;

## ***Public Relations***

Mark: This is an area where we need to improve. We have not been as effective as possible in this area (as with most Council's). Some improved relationships with the media (Border Watch) regular articles and "feeding" stories to the media.

Respondents:

- CEO's role in this is oversight rather than direct responsibility – however Mark is across all issues and is capable of mounting a credible discussion with short notice;
- Staff involved in this area work effectively to build the image of Council.
- Mark has actively sought (and achieved) improved relationships with local media.

## ***Environmental Sustainability***

Mark: This is an area where I have not taken the lead resulting in the fact that I have not been involved. The Council has a Sustainability Officer and a Council sub-committee. This KPI needs to be reviewed and/or more focus from me.

Respondents:

- As a leader with broad local government experience, Mark understands that Council sometimes needs to fill gaps in the provision of services etc where there is possibly no economic return.
- Mark is committed to environmental sustainability – both as an advocate and through support of various programs.

### ***Overall, what in your view have been the positive achievements of the CEO in the past year? And why?***

Mark: Organisation and function review and implementation; Long term financial plan; Minimum increase in operational budget; City development framework; Improvements in governance; Commencement of major infrastructure projects.

Respondents:

- Mark has positioned Council as a "business" with a long term set of directions and aspirations for the community. Now more professional approach and view of how business is to be conducted;
- Promotion of open, honest and robust communication throughout the organisation;
- Mark has delivered a significant number of initiatives in the past year which have made a considerable impact on the organisation. These include the organisation restructure; City Development Framework; Internal Communication Framework; Community Partnerships/connections;
- Economic Diversification Process has brought together various stakeholders to optimise the outcomes;
- Establishment of regular Executive Team meetings;

### ***What could have been done more effectively? How? Why?***

Mark: Communication and information to Councillors - always an issue - improved now the weekly communication. Promotion of Council needs further work.

Respondents:

- There remains an element of desire on behalf of some Elected Members to exert control and / or influence over the administration / operational matters of Council. Mark has worked hard to combat this however the management of this issue needs to be led by the Mayor and / or the person leading the Chamber.
- Significant inroads have been made with respect to communication between the City and the Elected Body – this has been recognised by many of the Elected Members. While there is always room for improvement, given where communication started from there has been a massive improvement in this area.

### ***Any other general comments?***

Mark: Staff Survey results indicate significant levels of staff satisfaction and a significant improvement on last year. Ongoing refinement of governance, strategy and corporate reporting via the Performance Manager Software. Significant work completed in 2013 and a big list still to do. Simply do not have the resources to deal with everything.

Respondents:

- Mark took on an organisation which needed significant development and process review to make it relevant and compliant with current operating practices. He not only took this challenge on but has succeeded in developing an organisation which is capable of dealing with the challenges of 2013 and beyond. He should be commended for all that he has done in respect to this turn around.
- Mark took on many of the comments made as part of the 2012 Review and implemented many of the suggestions.
- There is considerable concern that Mark's workload is heightened, unnecessarily in the view of a number of respondents, dealing with requests for additional information from some elements of the Elected Body.

## Salary Review

Mark's current contract of employment makes provision for the review of his salary in conjunction with the Annual Performance Review.

The table below details the current (as at July 2013) salary packages of CEO's of Councils based on the Remuneration Tribunal determination for Elected Members Allowances (City of Mount Gambier being a Category 2 – determined by the Remuneration Tribunal with regard to Council size and scale with consideration being given to staff level, budget, residents served and various demographic factors). It is evident that Mark's current package sits around the middle of this reference group.

By Remuneration Tribunal		CEO Salary / Wages					
Council	Region	Salary	Superannuation	Motor Vehicle Notional Value	Total Cash, Super & Car	Other Benefits Value	Total inc Other Benefits
Alexandrina Council	2	214,608	21,461	12,000	248,069	9,080	257,149
City of Norwood Payneham & St Peters	2	217,304	19,557	12,000	248,861	-	248,861
City of Holdfast Bay	2	202,719	18,244	14,272	235,235	-	235,235
The City of Whyalla	2	204,880	18,951	10,000	233,831	-	233,831
Town of Gawler	2	193,962	18,038	13,000	225,001	8,154	233,154
City of Prospect	2	205,241	18,472	8,800	232,513	-	232,513
Campbelltown City Council	2	194,966	17,547	15,433	227,946	-	227,946
Rural City of Murray Bridge	2	185,541	16,699	12,000	214,240	7,778	222,018
City of Mount Gambier	2	188,000	19,364	12,000	219,364	-	219,364
District Council Mount Barker	2	199,677	17,970	-	217,647	-	217,647
City of Unley	2	187,274	17,889	11,500	216,663	-	216,663
Barossa Council	2	180,000	16,200	13,800	210,000	3,773	213,773
City of Burnside	2	186,229	17,548	8,743	212,520	-	212,520
Adelaide Hills Council	2	180,832	16,275	12,894	210,000	-	210,000
<b>Average</b>		<b>195,802</b>	<b>18,158</b>	<b>11,174</b>	<b>225,135</b>	<b>2,056</b>	<b>227,191</b>

Increases / changes in Mark's salary package are currently linked to the EB Agreements currently in operation at the City of Mount Gambier. Given the fiscal environment in which Council's are currently operating and in the absence of any significant deficit in Mark's package (versus his peers in the Local Government CEO Market) this is an appropriate mechanism. It has been AME's experience across South Australia that many CEO's have been seeking annual increments which are either in line with CPI or EB increases.

Mark is happy with this arrangement and it is therefore recommended that this mechanism remain.



## In Summary

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Mark has achieved a considerable amount in the past 12 months. His impact and influence on the organisation is clearly visible and many of his initiatives are now part of culture and / or fabric of the City of Mount Gambier. Essentially he has “settled” into the role very well and is now shaping the organisation for the future.

Mark scored himself hard in the self assessment and in most cases was between 1 and 2 full points behind the average score of all respondents.

Mark is an effective leader, is well respected and viewed as a dynamic change agent. There is, however, some concern that Mark’s workload is excessive and may be driven in part by requests from the Elected Body. A suggestion was made by several Elected Members that it would be valuable for all requests sent to the CEO by the Elected Body (generally by email) be copied to all members of the Elected Body so that they are not only aware that the information is being sought but also they receive a copy of the answers provided. This would serve to increase Elected Members knowledge of Council operations and remove the potential for doubling up of information requests. Also, it would serve to indicate the amount of information requests the CEO deals with.

## Recommendations

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Mark has delivered on the objectives outlined in his Contract of Employment and the current KRA list which is discussed regularly by Mark and the Elected Body. It is recommended that Mark’s efforts over the past year be recognised and an appropriate motion in Council Minutes be recorded. The final wording of this motion should be developed by the CEO Performance & Development Review Committee.

The 7 questions Mark identified as requiring additional work moving forward (i.e. he self assessed his performance as a 2 for these 7 questions) require some planning / action plans to be developed to ensure, from Mark’s perspective, that advancement towards achievement of the KRA is made in the 2013 / 2014 year. Work on this should take place in conjunction with the CEO Performance & Development Review Committee

The Questionnaire developed this year effectively achieved 100% participation from Staff and Elected Members. Both groups were given the same questionnaire to complete. For those questions which respondents felt they could not answer, there was the choice of “unable to comment” – this effectively removed the question from the data collection for that respondent. The “unable to comment” option was used in just 12% of cases meaning that, on average, 88% of all questions were able to be answered by all respondents. Given this high response rate and high participation rate, it is recommended that the same questionnaire be utilised again in 2014 thus enabling valid inter-year comparisons to be made. It would also be worth considering some continuity in the review process for Mark.

An opportunity exists to revise and consolidate the existing KRAs which in turn would create clearer more focused outcomes. It is generally the case that the number of KRAs are limited to between 6 and 8. KPIs should also be agreed and developed to ensure appropriate measurement tools and techniques are in place for future reviews. For example KRA 9, 10 & 11 could be consolidated to form “Community & Public Relations”. This process would require participation of the CEO, Mayor and a representative panel of Elected Members (the CEO Performance & Development Review Committee for instance). AME has considerable experience in this type of process and would be pleased to provide this service to the City of Mount Gambier. The work completed as part of this review would serve as excellent background information.

MINUTES OF THE MEETING OF THE CITY OF MOUNT GAMBIER HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT GAMBIER ON TUESDAY, 19<sup>th</sup> NOVEMBER, 2013 AT 6.00 P.M.

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**CONSIDERATION FOR EXCLUSION OF PUBLIC**

Cr Smith moved that the following Items be received, discussed and considered in confidence by excluding the public pursuant to Section 90 (2) of the Local Government Act 1999, and an order be made that the public (with the exception of other Council Members and Council Officers now present) be excluded from the meeting in order for the items to be considered in confidence as the Council is satisfied that the item is a matter that can be considered in confidence pursuant to the grounds referenced in Section 90 (3) of the said Act:

<b><u>Item No.</u></b>	<b><u>Subject Matter</u></b>	<b><u>S90 (3) Grounds</u></b>
<b>CEO Performance Development and Review Committee</b>		
2.	<b><u>CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW</u></b> – Discussion regarding Draft Report received from AME Recruitment – Ref. PERS	(a), (9)
	<b>CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL</b>	

Cr Von Stanke seconded

**Carried**

**IN CONFIDENCE**

**CEO PERFORMANCE DEVELOPMENT AND REVIEW COMMITTEE**

**2. CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW – Review of CEO Performance Review Report for 2013 received from AME Recruitment – Ref. PERS**

The CEO Performance Review Report for 2013 was provided for Committee Members to review and discuss.

**RECOMMENDATION ONE**

Mayor Perryman moved;

- (a) Council congratulates the CEO Mr Mark McShane on the results of the Performance review.
- (b) Council highly commends the CEO Mr Mark McShane on his performance in the past twelve month period. Council notes in particular the volume of work that the CEO has achieved; and the positive impact that the CEO is having on the organisation; and the role that Council is taking in leading the community.

Cr Maher seconded

**Carried**

**Mayor Perryman moved recommendation one of the CEO Performance Development and Review Committee as contained above be adopted.**

**Cr Von Stanke seconded**

**Carried**

**RECOMMENDATION TWO**

Cr Harfield moved;

- (a) that the issue relating to requests for information from Elected Members has been discussed and the CEO and Committee are satisfied at this point in time that the current method of dealing with questions from Elected Members, including the scheduling of periodic one-on-one meetings between the CEO and Councillors is adequate;
- (b) this matter needs to be a standing item on the Agenda of the CEO Performance Development and Review Committee.

Cr Maher seconded

**Carried**

**Mayor Perryman moved recommendation two of the CEO Performance Development and Review Committee as contained above be adopted.**

**Cr Von Stanke seconded**

**Carried**

### RECOMMENDATION THREE

Cr Maher moved;

- (a) It be noted that the CEO and Council have discussed the 7 questions from the survey (and listed on page 15 of the final report) for which the CEO self assessed his performance with a score of 2, indicating that these points require additional work moving forward.
- (b) It be noted that the CEO has explained that for the majority of these questions his rationale for a self assessment score of 2 is based on the relevant process/project not being completed at the time of the survey.
- (c) For those questions where the CEO's self assessed score is a two, but the reason is for anything other than the relevant process/project not being complete, the CEO be requested to provide suggestions on additional work required to move forward on those questions, for discussion at the next scheduled meeting of the Committee.

Cr Harfield seconded

Carried

**Mayor Perryman moved recommendation three of the CEO Performance Development and Review Committee as contained above be adopted.**

**Cr Harfield seconded**

**Carried**

### RECOMMENDATION FOUR

Mayor Perryman moved;

The Committee recommends the engagement of Adam Kennedy from AME Recruitment to review in partnership with the Committee, the CEO's KPI's for 2014.

Cr Harfield seconded

Carried

**Mayor Perryman moved recommendation four of the CEO Performance Development and Review Committee as contained above be adopted.**

**Cr Richardson seconded**

**Carried**

### RECOMMENDATION FIVE

Cr Maher moved;

- (a) Council express its appreciation and gratitude to all Members and staff who participated in the Review process for their involvement and support.
- (b) Council thanks Mr Adam Kennedy of AME Recruitment for his role in undertaking the review and preparing the report for Council.

Cr Harfield seconded

Carried

Mayor Perryman moved recommendation five of the CEO Performance Development and Review Committee as contained above be adopted.

Cr Harfield seconded

Carried

**CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL**

Cr Harfield moved that an order be made pursuant to Section 91 (7) of the Local Government Act 1999 that the documents in relation to the following items, which have been considered by Council on a confidential basis pursuant to Section 90 (3) be kept confidential as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
<b>CEO Performance Development and Review Committee</b>			
2	<b><u>CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW</u></b> – Discussion regarding Draft Report received from AME Recruitment – Ref. PERS	All details	12 months

Cr Smith seconded

Carried