



City of
Mount Gambier

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**I hereby give notice that a Chief Executive Officer Performance Review
Committee Meeting will be held on:**

Date: Tuesday, 12 March 2024

Time: 4.15 p.m.

**Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier**

AGENDA

Chief Executive Officer Performance Review Committee Meeting 12 March 2024

**Sarah Philpott
Chief Executive Officer
7 March 2024**

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1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

Nil

3 CONFIRMATION OF MINUTES

[Chief Executive Officer Performance Review Committee Meeting - 28 June 2023](#)

RECOMMENDATION

That the minutes of the Chief Executive Officer Performance Review Committee meeting held on 28 June 2023 be confirmed as an accurate record of the proceedings of the meeting.

4 QUESTIONS WITHOUT NOTICE



5 REPORTS

5.1 REMUNERATION TRIBUNAL REVIEW – REPORT NO. AR24/15539

Meeting: Chief Executive Officer Performance Review Committee
CM9 Reference: AF12/36
Author: Sarah Philpott, Chief Executive Officer
Authoriser: Sarah Philpott, Chief Executive Officer

REPORT RECOMMENDATION

1. That Chief Executive Officer Performance Review Committee Report No. AR24/15539 titled 'Remuneration Tribunal Review' as presented on 12 March 2024 be noted.
2. That the draft submission as attached to the Report No. AR24/15539 be approved for submission to the Remuneration Tribunal SA.
3. That the Chief Executive Officer or Delegate be authorised to make any necessary changes to the draft submission arising from this meeting, together with any typographical corrections, amendments to position or organisation titles, and finalisation of the document's formatting that do not materially alter the integrity of the document.



BACKGROUND

Council is required under the *Local Government Act 1999* (“the Act”) Section 96 to have a chief executive officer. The functions of the Chief Executive Officer as determined by the Act are as follows:

99—Role of chief executive officer

(1) The functions of the chief executive officer include—

- (a) to ensure that the policies and lawful decisions of the council are implemented in a timely and efficient manner;*
- (b) to undertake responsibility for the day-to-day operations and affairs of the council;*
- (c) to provide advice and reports to the council on the exercise and performance of its powers and functions under this or any other Act;*
- (d) to co-ordinate proposals for consideration by the council for developing objectives, policies and programs for the area;*
- (e) to provide information to the council to assist the council to assess performance against its strategic management plans;*
- (f) to ensure that timely and accurate information about council policies and programs is regularly provided to the council's community, and to ensure that appropriate and prompt responses are given to specific requests for information made to the council;*
- (g) to ensure that the assets and resources of the council are properly managed and maintained;*
- (h) to ensure that records required under this or another Act are properly kept and maintained;*
- (i) to give effect to the principles of human resource management prescribed by this Act and to apply proper management practices;*
- (ia) to ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks;*
- (ib) to report annually to the relevant audit and risk committee on the council's internal audit processes;*
- (j) to exercise, perform or discharge other powers, functions or duties conferred on the chief executive officer by or under this or other Acts, and to perform other functions lawfully directed by the council*

Section 99A of the Act deals with the remuneration of the CEO, which is determined by Council, within a relevant minimum and maximum amount, as determined from time to time by the Remuneration Tribunal (“the Tribunal”).

The Tribunal made its inaugural CEO remuneration determination in 2023, with effect from 1 July 2023. That determination and the background reasoning can be found here:

https://www.remtribunal.sa.gov.au/_data/assets/pdf_file/0010/918550/Determination-4-of-2023-Local-Government-CEOs.pdf

https://www.remtribunal.sa.gov.au/_data/assets/pdf_file/0003/918552/Report-4-of-2023-Local-Government-CEOs.pdf



The determination grouped CEOs into eight bands with a minimum and maximum remuneration amount. The eight bands were based on the current adjusted total remuneration packages of CEOs.

If a CEO's remuneration is below or within the relevant band, the actual amount payable to a CEO is at the discretion of Council, so long as it falls within that applicable band. However if an existing CEO is above the band, the expectation is that remuneration increases would cease until such time as they come back within the range of the band. This is the case for existing CEO contracts.

In the case where a new CEO contract is struck, or a new CEO appointment is to be made, the Council must appoint within the relevant range. Also, the inaugural determination outlines what makes up the total remuneration package, which includes salary, superannuation, vehicle value, FBT and excludes other factors such as "tools of trade" – computer, phone, learning and development.

In May/June 2023, the City of Mount Gambier's current CEO underwent a performance review process, and the remuneration review was conducted with the Tribunal's determination in mind (noting it took effect from 1 July and the review process was concluded slightly in advance of that) and remains within the appropriate banding which is for Band 5.

DISCUSSION

The Remuneration Tribunal has now released a consultation paper for the consideration of councils, undertaking a review of the minimum and maximum remuneration for Local Government CEOs (**Attachment 1**)

The consultation paper notes that the Tribunal has some reservations about the basis of the current banding and that they do "not consider this approach to be a long term sustainable position". The consultation paper therefore outlines a move towards a remuneration structure that considers a number of criteria, including:

- CEO position descriptions and responsibilities
- Skills and experience required
- Complexity of CEO roles
- Population size, density and characteristics of a Council district
- Geography size and characteristics
- Consideration of tenure and contract duration
- Performance criteria

The full criteria list can be seen in the "About this Consultation Paper" section of the attachment.

The Tribunal consultation paper provides two options for consideration, which are:

- *Progressively review remuneration arrangements at the request of individual councils*

This option proposed individual councils make application to the Tribunal requesting an increase or decrease in the minimum and maximum levels applicable with sufficient detail to allow a determination.

- *Engage a professional external remuneration specialist*

This option provides that the Tribunal engage an external remuneration specialist to undertake a detailed evaluation of the remuneration framework. Councillors should note that this option suggests a cost in the order of \$300k-\$350k. Under the Act, Section 99A (8) and (9) these costs will ultimately be borne by all Councils on a proportional basis.

The Tribunal is also open to other suggestions.

The Committee and Council might consider proposing alternatives. One of those is to seek the removal of this section of the Act altogether and to enable councils to determine their CEO



remuneration based on factors that are unique to each area. However, given the reform process that has been undertaken to date, this has a low likelihood of success. Besides, there are advantages to having the Tribunal make a determination, provided that it is premised on good foundations, including a logical basis for any range of salary, consistency and clarity of what a remuneration package for a CEO should contain. The role of CEOs is substantially similar in terms of key outcomes, even while noting that each role will have some peculiarities based on location, size of the organisation, services offered or major projects or the like.

On that basis, a draft submission has been prepared (**Attachment 2**) and proposes an alternative option. This is in preference to the Tribunal's provided options, rather than additional substantial expenses being incurred as per option 2, or a gradual process of individual council submissions, which might be seen as not achieving the intention which is to provide clarity and consistency in the application of CEO remuneration across the state.

The alternative option presented for the consideration of the Committee (and ultimately Council) is to base banding on the methodology which has been used successful in WA for many years, and align the CEO bands to the same bands as are used for Councillors and Mayors in SA, which are also set by the Tribunal.

The WA Remuneration Tribunal latest determination can be found here for the interest of Committee members.

<https://www.wa.gov.au/government/publications/local-government-chief-executive-officers-and-elected-members-determination-no-1-of-2023>

Under the SA Remuneration Tribunal Allowances for Members of Local Government Councils determinations, Councils are grouped into 6 bands (noting there is a band 1A and 1B, then bands 2 - 5). The latest allowance reviews for Councillors are below for interest.

<https://www.remtribunal.sa.gov.au/documents/2022/20220705-Determination-2-of-2022-Members-of-Local-Government.pdf>

<https://www.remtribunal.sa.gov.au/documents/2022/20220705-Report-2-of-2022-Members-of-Local-Government.pdf>

The City of Mount Gambier sits within Band 2 in this determination.

Given that the SA Remuneration Tribunal already takes into account various similar factors such as the size, population and revenue of the Council, and the demographic, social and environmental factors of that Council, it would seem to be sensible to remove any discrepancy between how a council's Mayor and Members are considered for the determination of allowances, and how the CEO is then considered in terms of remuneration. The Tribunal has reliably used these bandings for several years now, and in instances where there is not agreement on the banding, there is at least an existing process for seeking a different determination. It has the advantage of being administratively less complex, formed on a fair and consistent basis, and is able to be explained to our community.

There have been a number of discussions about the current remuneration approach from the inaugural CEO determination within CEO networks, as to date it is debatable whether it has provided the intended clarity and consistency. CEO networks have also started to discuss alternative options, including that which is proposed within this report. It is likely there will remain a range of views on the most appropriate methodology.

Finally, in preparing this report, the CEO as the author of the report has turned their mind to whether there is a conflict in proposing an alternative model. In doing so, the following has been considered:

- the consultation is deliberately open to CEOs and Councillors/Council for feedback;
- there is not a specific recommendation about the actual value of the bands being proposed in the alternative model; and



- neither the CEO or Council is ultimately the decision maker, but rather making a submission to the Tribunal who make the determination.

Having considered that, any conflict would be perceived in nature rather than actual or material. However, if it is the wish of the Committee and Council, the CEO can declare a conflict and leave the discussion, with the General Manager Corporate and Regulatory Services able to respond to any questions which arise.

CONCLUSION

This report recommends a submission to the Remuneration Tribunal which proposes an option for CEO remuneration banding for the consideration of the Committee and ultimately Council. The due date for submission is 15 April 2024.

ATTACHMENTS

1. Consultation Paper - Minimum and Maximum Remuneration for Local Government Chief Executive Officers [↓](#)
2. Draft Submission to SA Remuneration Tribunal [↓](#)





Remuneration Tribunal of South Australia

CONSULTATION PAPER

Minimum and Maximum Remuneration for Local Government Chief Executive Officers

January 2024

About this consultation paper

On 16 June 2023, the Remuneration Tribunal of South Australia (**Tribunal**) issued [Determination 4 of 2023](#) (**Current Determination**) and accompanying [Report 4 of 2023](#). The Current Determination covers 67 Councils who are grouped into eight bands. Each band contains a minimum and maximum remuneration amount that may be paid to a Council's Chief Executive Officer (**CEO**). The amount payable to a CEO is at the discretion of each Council, so long as it falls within the applicable band.

The eight bands are based on the current adjusted total remuneration packages of CEOs. The Tribunal does not consider this approach to be a long-term sustainable position and is therefore considering various options to improve the evaluation method of minimum and maximum remuneration amounts for CEOs ahead of the next review, scheduled for July 2024.

The Tribunal has some reservation about the extent of participation in the process. As the Tribunal has noted, it incorporates the substantial and unexplained diversity of remuneration arrangements between Councils which have at least some inherently similar characteristics. These are characteristics of current arrangements. Councils apply significantly different approaches to calculating and reporting on current remuneration arrangements. Those current arrangements create the potential for flow-on effects to senior staff reporting to CEOs and hence may exacerbate instability within the Local Government sector. The Tribunal is acutely aware that the effect of the current determination is to limit movements in current remuneration and that current remuneration levels require further review. That further review will require the provision of substantially more information from Local Government than that which has been provided to date.

The purpose of this consultation paper is to outline the likely approach to be adopted by the Tribunal over the coming months and offer the Local Government sector an opportunity to engage with the Tribunal to provide input and suggestions for the next review. The Tribunal emphasises that this review will be progressed in 2024. Comments and suggestions are invited but a protracted period for debate over how the review should be undertaken is not proposed.

The Tribunal is seeking to move toward a remuneration structure for Council CEOs which considers the following criteria:

- CEO position descriptions and responsibilities
- The skills and experience required
- The complexity of CEO roles
- The population size, density, and characteristics of a Council district
- The geographic size and characteristics of a Council district



- Industry issues specific to a Council district
- Social or cultural issues specific to a Council district
- Isolation and distance factors
- Accommodation issues
- Consideration of tenure and contract duration
- Specifically nominated performance criteria
- Consideration of objectively established remuneration for comparable positions
- Recognition of attraction and retention approaches.

In considering these issues the Tribunal will have regard to current remuneration arrangements but does not consider these to be determinative of future remuneration minima and maxima.

The Tribunal recognises two important considerations for Local Government relative to this review. Firstly, it is desirable that both CEOs and elected members have the capacity to have input into this review. The Tribunal recognises that this represents a complication in that arrangements and opportunities for elected members comment will need to be arranged. Secondly, the *Local Government Act 1999* (SA) provides that, following consultation with the Local Government Association, the costs of the proposed review are to be met by Councils. The Tribunal is committed to minimising these costs, provided the integrity of the review is not compromised.

This consultation paper canvasses options for consideration and comment. The Tribunal recognises there are various ways to analyse the minimum and maximum remuneration amounts to be set for Local Government CEOs and that there may be other options not covered in this consultation paper. Submissions are welcomed, however, please take into account the Tribunal's jurisdiction which is primarily contained in section 99A of the [Local Government Act 1999 \(SA\)](#).

Information required

It appears to the Tribunal that, irrespective of the approach to be taken in the future, Councils will ultimately need to provide the Tribunal with detailed position descriptions for CEOs. Further, that it is also appropriate that Councils provide a description of how current CEO remuneration arrangements have been developed and reviewed. **Consequently, the Tribunal requests that, irrespective of any submissions about the options outlined below, this information be provided to the Tribunal by no later than 15 April 2024.**

How to make a submission

Written submissions, position descriptions and/or procedures or practices in relation to the current remuneration arrangements can be sent via email to RemunerationTribunal@sa.gov.au by no later than **15 April 2024**.

Disclaimer

The views expressed in this discussion paper are of a preliminary nature only. The Tribunal's views may change as a result of the submissions it receives or as other circumstances change.



OPTION 1

**PROGRESSIVELY REVIEW REMUNERATION ARRANGEMENTS
AT THE REQUEST OF INDIVIDUAL COUNCILS**

This option would allow individual Councils to make an application requesting an increase or decrease to the minimum and maximum remuneration levels applicable to its CEO. Over time, the Tribunal expects that this will result in a minimum and maximum remuneration structure that reflects objective consideration of the relevant criteria.

The Tribunal would require each application to address in sufficient detail the reasons why a Council submits an increase or decrease is warranted. Those details would need to extend beyond a simple comparison with one or more other Councils, to address the criteria already identified.

Given there are 67 Councils covered by the Current Determination, this option could be time consuming, costly for the Local Government sector who bear the reasonable costs of the Tribunal and could result in up to 67 bands applying.

More significantly, consideration of individual Councils is likely to expose the significant differences between remuneration arrangements as inconsistencies that require broader review.

The Tribunal expects to evaluate individual submissions by considering each of the criteria referenced above.

The outcome of such an individual review may differ substantially from current arrangements.

This option also raises potential costing issues. These go to whether the Local Government Association will determine whether individual reviews will be funded by Councils concerned or whether these costs should be shared amongst other Councils. If individual reviews highlight inconsistencies that require consideration, then the Local Government Association will need to consider how that is funded.

The Tribunal would need to receive strong support from a majority of Councils to consider this option and therefore those making submissions are encouraged to indicate their level of support and preparedness to be bound by this option. Those who do not believe this is a viable option should also indicate that in any submission.



OPTION 2

ENGAGE A PROFESSIONAL EXTERNAL REMUNERATION SPECIALIST

The Tribunal is considering engaging an external remuneration specialist to undertake a detailed evaluation of the remuneration framework. The Tribunal notes that external expertise assisted in the development of the West Australian approach to developing remuneration minimums and maximums.

This process would provide an opportunity for consideration of all of the relevant criteria as they relate to each Council. It would also enable elected members from each Council to have input into a consistently applied approach.

If the external consultant reviews each Council individually, the indicative cost of such an approach is likely to be between \$300,000 - \$350,000. The Tribunal is aware that, consistent with the other options below, there may be scope to substantially reduce this cost, and will endeavour to incorporate cost reduction capacity into any arrangement reached with the selected remuneration consultant – noting that a competitive tender process will take place. The Tribunal proposes to begin conferring with the Minister about these cost estimates shortly.

The Tribunal has looked at what this approach would involve. On the information available to it, it appears the process could take up to 22 weeks, would involve cooperation from CEOs and Mayors who would need to work with the external consultant. Such a review may involve consideration of other Local Government staff functions and benchmarking with an appropriate comparator market.



OTHER OPTIONS

There are other options that might be suggested by the Local Government sector.

Without limiting these in any way, they include the potential for Councils who use established remuneration setting methodologies, to propose a broader application of these approaches to include the CEO.

In terms of the second option (engaging and external remuneration specialist) Councils which believe they have similar relevant characteristics and CEO remuneration arrangements, may wish to propose that they be collectively reviewed.

If Councils are prepared to provide all available information covering the criteria identified in this paper, the Tribunal is open to engaging with elected members and/or CEOs to consider how remuneration has been set, how Councils can be compared and the appropriate criteria for remuneration levels. Because of the number of Councils and CEOs involved, it would seem appropriate that a smaller group or groups be established with the capacity to convey information about the criteria used to establish remuneration. An important consideration in this respect will be the extent to which such an approach has unanimous support and can be expeditiously undertaken. The Tribunal estimates that such an approach would involve substantially reduced costs.

The Tribunal acknowledges that, if the Local Government sector can provide adequate information addressing each of the criteria identified in this paper, it may be possible for the Tribunal to undertake the remuneration assessment with limited additional resources and costs. However, the Tribunal's experience to date indicates this could not be achieved in a timely manner that takes into account the positions of both CEOs and elected members.

The Tribunal is open to considering other approaches that might be proposed by Councils but stresses that a consistent approach across the sector will be required.



ATTACHMENT 2

DRAFT SUBMISSION TO SA REMUNERATION TRIBUNAL – MINIMUM AND MAXIMUM REMUNERATION FOR LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS

Introduction

The City of Mount Gambier ("Council") thanks the SA Remuneration Tribunal of SA ("the Tribunal") for the opportunity to provide feedback to the current Consultation Paper, entitled "Minimum and Maximum Remuneration for Local Government Chief Executive Officers".

Council notes that the Tribunal currently provides eight bands for CEO remuneration, with each band containing a minimum and maximum remuneration amount, with the actual amount paid to a CEO at the discretion of each Council, so long as it falls within the applicable band. The City of Mount Gambier is contained within band 5 of the current eight bands.

Council notes the effect of section 99A of the *Local Government Act 1999* which was to enable the Tribunal to determine from time to time the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils. As Council understands it, the insertion of section 99A gave an opportunity to provide clarity about what comprises a remuneration package for a CEO, and to provide consistency across CEO remuneration based on factors such as the size, geography and demographics of a council area, the complexity of the role, the size of the organization etc.

Council further notes that the Tribunal asserts that the approach taken in the inaugural review is not sustainable, being based on the current adjusted remuneration of CEOs. The inaugural decision of the Tribunal does not appear to have achieved the objective of clarity and consistency and has led to further sector-wide confusion and discussion about how to properly apply the Tribunal's determination.

The Consultation Paper – Options 1 and 2

Council supports the intention of undertaking a review of the current approach to the Tribunal's CEO determination.

Council supports the intended structure considering the following as per the discussion paper in determining remuneration banding:

- CEO position descriptions and responsibilities
- The skills and experience required
- The complexity of CEO roles
- The population size, density, and characteristics of a Council district
- The geographic size and characteristics of a Council district
- Industry issues specific to a Council district
- Social or cultural issues specific to a Council district
- Isolation and distance factors
- Accommodation issues
- Consideration of tenure and contract duration
- Specifically nominated performance criteria
- Consideration of objectively established remuneration for comparable positions



- Recognition of attraction and retention approaches.

However, Council does not agree with either Option 1 or Option 2 proposed in the consultation paper for the following reasons.

Option 1 proposes a progressive review of remuneration arrangements at the request of individual councils. While this does allow councils to make an application, and that application would have to be based on criteria and sufficient detail to demonstrate why an increase or decrease to remuneration banding is warranted, Council is of the view that this is likely to result in a similar outcome to the inaugural determination and not provide the clarity and consistency that the sector and Tribunal have been seeking.

As the Tribunal identified itself, this option could be time consuming, and could ultimately see remuneration still applying separately to each individual council and CEO. Council also notes that the costs of any review are ultimately passed through the LGA to individual councils, and asserts that the costs of any Tribunal review should be minimized so as not to be an unreasonable burden on ratepayers.

Option 2 proposes the engagement of a professional external remuneration specialist. Council is concerned at the costs associated with this option which would ultimately be borne by ratepayers. Further, there is an existing model which could provide guidance.

Alternative option proposed

The Tribunal would be aware that the sector has previously proposed and supported an approach similar to that applied within Western Australia. That model assesses and determines CEO banding which provides a higher order of consistency and clarity about CEO packaging. That model uses four bands.

Further, the Tribunal has a long history of applying Council groupings for the purposes of setting the allowances of Mayors and Council Elected Members. These groupings are based on similar criteria such as size, geography and demographics of each council area – there are 6 bands. Council is of the view that aligning the CEO remuneration with the bands as per the Elected Member allowances determination would be sensible. It puts CEO remuneration on the same “footing” using the same factors as determine Elected Members allowances (noting of course that there are differences between remuneration and allowances but the basis for banding would be consistent).

It is possible to maintain the current overall range of remuneration and to make them into contiguous bands that do not increase the overall remuneration range for CEOs but align them to the 6 bands that currently exist for members.

The other advantage of this approach is that there is already a review mechanism in place, which would allow an individual council to put forward an argument based on specific local factors. There will undoubtedly be some anomalies where CEOs are remunerated well outside of any proposed band, but the Tribunal notes in the discussion paper that the Tribunal will have regard to current remuneration arrangements but “does not consider these to be determinative of future remuneration minima and maxima”. The legislation also has the effect of “grandfathering” in arrangements for current contracts, so it is only at the point of a new contract or new CEO that the bands would apply, allowing a gradual alignment to take effect, noting the Tribunal’s expectation that if a current package exceeds the maxima, it should not be increased further.

This submission does not attempt to realign the bands, but rather to proposed that the combined WA and existing bands for Elected Member allowances would give the Tribunal an



established footing on which to base a future determination, and one that has been broadly discussed by the local government sector previously.

Information sought by the Tribunal with regard to the CEOs role and functions

In the first instance, the role of the CEO is described by the *Local Government Act*, section 99.

99—Role of chief executive officer

(1) The functions of the chief executive officer include—

- (a) to ensure that the policies and lawful decisions of the council are implemented in a timely and efficient manner;*
- (b) to undertake responsibility for the day-to-day operations and affairs of the council;*
- (c) to provide advice and reports to the council on the exercise and performance of its powers and functions under this or any other Act;*
- (d) to co-ordinate proposals for consideration by the council for developing objectives, policies and programs for the area;*
- (e) to provide information to the council to assist the council to assess performance against its strategic management plans;*
- (f) to ensure that timely and accurate information about council policies and programs is regularly provided to the council's community, and to ensure that appropriate and prompt responses are given to specific requests for information made to the council;*
- (g) to ensure that the assets and resources of the council are properly managed and maintained;*
- (h) to ensure that records required under this or another Act are properly kept and maintained;*
- (i) to give effect to the principles of human resource management prescribed by this Act and to apply proper management practices;*
- (ia) to ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks;*
- (ib) to report annually to the relevant audit and risk committee on the council's internal audit processes;*
- (j) to exercise, perform or discharge other powers, functions or duties conferred on the chief executive officer by or under this or other Acts, and to perform other functions lawfully directed by the council*

A copy of the City of Mount Gambier CEO job description is attached as requested by the Tribunal. As the Tribunal can see from the City of Mount Gambier CEO, the broad role responsibilities and the associated KPIs on which the CEO's performance is assessed, lie across a number of areas including:

- Strategic planning
- Policies and compliance
- Leadership
- Financial and asset management



- Economic development
- Human resources
- Government and other key relationships
- Community and regional leadership
- Public relations
- Civic and ceremonial
- Environmental sustainability
- Organizational relationships
- Maintaining professional development and networks

While these dot points outline the key performance areas, the role of the CEO is effectively to manage a complex business comprising multiple services. Some key considerations in undertaking these duties are:

- Organizational staff of approx. 150FTE
- Total assets of around \$400m
- Annual operating budget (23/24) of around \$45m
- Service provision (amongst others)
 - Waste management (including kerbside collections, food and organics service and landfill operations)
 - Property management
 - Regulatory services
 - Library and community services
 - Regional Gallery and public arts
 - Urban planning, development assessment and building development
 - City growth, economic development, events delivery and tourism services
 - Parks, gardens, playgrounds, storm water, road and footpath construction and maintenance
 - Recreational services, including Wulanda Recreation and Convention Centre
 - Mayor project delivery
 - Cemetery and crematorium operations
 - Child and youth development
 - Emergency management
 - Environmental sustainability and biodiversity projects
 - Customer service and call centre facilities
 - Advocacy on key regional needs such as housing, transport and health
 - Organisation management such as HR, IT, financial services

Each local government area has its unique aspects. The City of Mount Gambier ("the City") is the largest regional capital in SA, with approx. 28,000 residents, providing services to a wider regional community in both SA and Victoria, of between 60,000 to 120,000. While the geographic footprint of the City is relatively small, with a city environment of 33.88 sq kms, the city is a service centre for surrounding areas.

The City is also home to a unique environment, much of which is under the care and control of Council. It is the home of volcanism, caves, crater lakes and sinkholes, and is famous for the Blue Lake/Warwar, Crater Lakes, Umpherston Sinkhole/Balumbul, which bring both opportunity for recreation and for visitation, and also bring diverse challenges in ongoing management in line with Native Title, heritage and environmental outcomes.

On an annual basis, the Council also adopts specific KPIs to be achieved during the coming year. They will generally be reporting against the key criteria as well as achievement or



progress towards a number of key priorities derived from Council's strategic and annual business plan and budget. A copy of the CEOs current year KPIs are also attached for the interest of the Tribunal.

Information sought on how remuneration is determined and reviewed

At the time of the original appointment of the incumbent CEO, the Council arranged the services of an experienced recruitment company, who assisted in the search and appointment process. At that time, benchmarking was undertaken and the salary and conditions of the previous CEO were also used as a reference point. Contractual negotiations also considered the candidate's prior experience and the type of salary packaging that was preferred.

Since that initial appointment, Council has undertaken an annual review process, in accordance with the Act and with the contract of employment. That annual review process, generally conducted in May/June is done with the assistance of an independent and qualified person. That person assists Council with a 360 degree review, with feedback sought from Mayor, Councillors, direct reports (Executive team members), other organizational leaders (managers and key staff) as well as several external bodies or key stakeholders. The CEO also completes a self assessment.

The advisor compiles a comprehensive report for the Committee with a recommendation about the outcomes from the review, and whether the performance is below, as expected or exceeds expectations. Based on that outcome, the advisor recommends a remuneration outcome which is also assessed against benchmark councils. In the May/June 2023 review, the advisor also considered the Tribunal's inaugural determination, notwithstanding that it did not take effect until 1 July 2023.

The Committee and then ultimately Council, determines any remuneration change which is then applied.

Conclusion

The City of Mount Gambier trusts this submission is useful for the Tribunal. The remuneration of CEOs is a critical matter for councils given the role that they undertake and the complexity of the work performed. Council also recognizes that the remuneration of the CEO is a matter of importance for, and accountability to, the community. Council therefore supports the intent of clarity and consistency that the Tribunal can provide, by adopting a model that is well founded.



SCHEDULE 1

POSITION DESCRIPTION

Title	CHIEF EXECUTIVE OFFICER
Term	5 year fixed term contract
Experience/Qualifications	<ul style="list-style-type: none">a) Comprehensive experience in Local Government or similar multi-faceted organisation.b) A Degree in Management or a degree in a discipline relevant to Local Government.c) Post Graduate Degree is highly rated.
Personal Characteristics	<p>Demonstration of the following characteristics:</p> <ul style="list-style-type: none">a) Effective leadership involving employees across a range of occupational groups.b) Ability to work effectively with Elected Members, stakeholders and the local community.c) Ability to motivate employees to work positively and collectively to meet community demands and enhance service delivery.d) Excellent verbal and written communication skills.e) Excellent interpersonal skills with a decisive and positive personality.
Knowledge and Skills	<ul style="list-style-type: none">a) Effective management and leadership.b) Professional skills and judgement.c) Ability to work with Council to develop short-term and long-term strategic plans.d) Effective and proactive in Policy development.e) Ability to work effectively with Council as part of the management team and to engage within the local community.f) Finance and interpersonal skills, public relations, marketing and customer service focus.
Principal Objectives	<ul style="list-style-type: none">a) To act as principal adviser to Council on matters of general policy and to be responsible to the Council for the execution and communication of its decisions.



- b) To manage, develop and co-ordinate all resources of the Council in accordance with the policies established by Council.
- c) To ensure the accountability of the Council through compliance with the Local Government Act 1999, as amended, associated Acts, Regulations, Policies, Delegations and other statutory requirements.
- d) To enhance and project the image of the Council through appropriate standards of service delivery, internal and external communications and innovation.
- e) To determine, organise and motivate the employees of Council to achieve its stated corporate and strategic goals.
- f) To lead the Senior Executive in managing the human, physical, environmental and financial resources of Council according to agreed employee compliment levels and adopted policies and budgets.
- g) To positively influence the culture of the organisation through inclusive and respectful practices.

Key responsibilities

- a) To foster a corporate and strategic approach in conjunction with Council towards discharging the role and function of Council as a responsible local authority.
- b) To interface with Council to ensure that Council is appropriately informed through reports and/or other advices on issues or matters relevant to Council operations.
- c) To form an effective working relationship with the Mayor as is suitable to the separation of responsibilities and to give advice and assistance on any matter involved with the Mayoral function.
- d) To establish effective liaisons with all members of Council, to respond appropriately to enquiries from Elected Members and to give assistance or advice where appropriate in the process of decision making.
- e) To be aware of and to ensure Council's compliance with all aspects of the legislative environment under which Local Government is established.
- f) To ensure that Council's capital, operational and service delivery objectives are achieved and



subject to regular review.

- g) To engage with the community in order to better understand their needs, wants and expectations.

Strategic Planning

- a) To assist Council in the development of appropriate short-term and long-term plans (including the formal Strategic Plan(s)), the Asset Management Plans and the Long-term Financial Plan for the City of Mount Gambier and the development of effective implementation strategies.
- b) To continuously monitor the implementation of the formal Strategic Plan(s) and other Plans to ensure that required outcomes are achieved or that suitable and timely modifications are made to the plans or recommended to Council.
- c) To ensure that effective consultative processes are utilised in the development of all Council plans.

Policies

- a) To action the established policies of Council as expressed through meetings of Council and documents such as the Budgets, Business Plans, Strategic Plans, Asset Management Plans, etc.
- b) To keep policies under continuing review and to suggest variations where considered appropriate.
- c) To communicate the policies of Council to appropriate employees while ensuring accuracy in their interpretation and application.
- d) To arrange periodical review for the upgrading and dissemination of the Policy Manual, Codes of Conduct/Practice and all other strategic plans and documents.

Leadership

- a) To provide effective leadership to General Managers and Managers of Council and to all employees generally.
- b) To maintain a frequency of liaison with General Managers and Managers that promotes an awareness of Departmental functions and provides feedback as to the currency of operations.
- c) To ensure General Managers and Managers discharge their responsibilities in the Council's interests.
- d) To encourage General Managers and Managers to exercise innovation and initiative within their respective areas of control and responsibility.



- e) To maintain the status and image of General Managers and Managers as a coordinated and cooperative team.
- f) To ensure that the triple bottom line/environmental sustainability principles of Council are a feature in the day to day functions and activities of General Managers, Managers and employees.

Finance

- a) To advise Council on the actions necessary for a continuing long-term financial plan involving the resources of the Council.
- b) To be responsible, in conjunction with the General Managers, for the preparation of an annual budget and annual business plan which reflects the current Council strategy and policies, and gives justification for recommending variations in projects, programs and service levels.
- c) To monitor the financial performance and long-term financial sustainability of the Council through the process of budget review and to report to Council as required on significant variations or matters affecting long-term financial planning.
- d) To enhance all systems which provide the mechanism for effective financial reporting to Council.

Economic Development

- a) To identify opportunities that offer benefit to the City and the region.
- b) To develop initiatives that provide employment opportunities for the City and ensure continuing commercial, industrial and residential growth.
- c) To review progressively the nature and standards of service delivery by Council, so as to minimise the community rate burden.
- d) To encourage efficient approval processes and minimising "red tape" without compromising integrity and legislative requirements.

Human Resources

- a) To seek continued enhancement of the Human Resources function within Council and the provision of systems which contribute to increasing productivity, including the maintenance and implementation of Council's Enterprise Agreements.
- b) To ensure the maintenance of a comprehensive training program, that is representative of all Council employees and provides opportunity for individual skill development.



- c) To enforce the effort of Council in the area of safety, occupational health, welfare and risk management for it's employees.
- d) To preserve industrial harmony in respect of all Council employees.
- e) To take overall responsibility for employee rehabilitation management pursuant to relevant legislation and/or Council policy.
- f) To ensure continuous improvement in risk management outcomes, to review results and to ensure the successful implementation of Council's Risk Management Program.

Government

- a) To establish relationships that will be beneficial to Council and the community with local Federal and State Members of Parliament, Departments of Federal and State Governments, appropriate agencies and key personnel in those environments.
- b) To ensure that high standards of communication are established and maintained with all appropriate agencies of Government, with the aim of influencing policies, decisions and investment in the best interests of the Mount Gambier community.
- c) To establish and cultivate links with the South Australian Local Government Association and other relevant State and Regional Authorities.
- d) To ensure all proposals and decisions of governments and their agencies affecting the operations of Council are monitored, acted upon as necessary and are referred to Council when appropriate.

Community and Regional

- a) To establish and maintain links with regional bodies, key industries and community organisations representing the City and regional community.
- b) To ensure responses are given to any enquiries or requests by individuals or groups in the community or region.
- c) To ensure the availability of systems that will enable speedy and accurate responses to enquiries received from the community or region.
- d) To ensure that the ideal of "service to the community" is the principal goal of the employees of the Council.



Public Relations

- a) To enhance the reputation and image of Council as an innovative authority in Australian Local Government.
- b) To develop a high level of customer awareness in all employees and to seek good relations in all liaisons affecting the image of Council.
- c) In conjunction with the Mayor, to respond to media enquiries and to initiate media releases, as may be necessary.
- d) To promote the Council as a caring and courteous entity in the provision of its services.

Civic and Ceremonial

- a) To officiate at civic receptions, official functions and Council forums, and attend such community functions as appropriate, in consultation with the Mayor.
- b) To attend such functions and meetings that are relevant and appropriate to the interests of the Council and the community.
- c) To respond in accordance with commitments and priorities to invitations and functions promoted by organisations, agencies, service clubs and sporting clubs within the community, as appropriate and in consultation with the Mayor.
- d) To speak and/or officiate at functions relevant to the promotion and enhancement of Council's reputation at the discretion of the Mayor.

Professional Development

- a) To ensure a personal awareness of all trends impacting on the management of Local Government and to actively participate in relevant professional development programs and training.
- b) To maintain associations with professional bodies to ensure awareness of modern day management principles and philosophies.
- c) To actively support the professional development of General Managers and Managers within their discipline and through professional associations.
- d) To encourage through the Senior Executive, the professional development of all employees and the pursuit of career paths appropriate to individual skills and abilities.

Environmental Sustainability

- a) To advance Council's adopted policies and to work towards being environmentally sustainable.
- b) To foster Council's environmental sustainability aims and aspirations across the entire



organisation.

- c) To ensure Council provides leadership to the wider community on environmental sustainability principles and practices.

Organisational Relationships

- a) The Chief Executive Officer is the only employee directly employed by and accountable to the Council.
- b) The Chief Executive Officer has responsibility to the Council for the day to day management of Council functions in conjunction with those authorities delegated to the Chief Executive Officer or appropriate employees.
- c) The Chief Executive Officer is responsible for all Council employees.

Performance

Performance will be reviewed as outlined in clause 13 of the Employment Agreement.



Chief Executive Officer KPI's 2023/2024

- Adoption of the Crater Lakes Activation Plan and commencement of priority actions
- Waste Management Planning progressed, including regional opportunities for circular economy
- Investment and Attraction, Tourism website and visitor experience future direction determined
- CBD activation progressed
- Advocacy including updated partnerships and priorities document
- Asset management improvement program continued
- Volunteer Management review and planning progressed
- Commencement of new Strategic Plan as per Local Government Act requirements
- Continue development of the relationship with First Nations people and progress towards a new RAP

In addition to these project specific objectives, the CEO is also accountable to Council on the following outcome areas:

- Leadership, innovation and strategy
- Growth, prosperity and community wellbeing
- Financial, governance and risk management
- Organisational performance
- Relationship management



5.2 CHIEF EXECUTIVE PERFORMANCE REVIEW PROCESS 2024 – REPORT NO. AR24/16533

Meeting: Chief Executive Officer Performance Review Committee
CM9 Reference: AF12/36
Author: Ashlee Pasquazzi, Executive Administrator Corporate and Regulatory Services
Authoriser: Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services

REPORT RECOMMENDATION

1. That Chief Executive Officer Performance Review Committee Report No. AR24/16533 titled 'Chief Executive Performance Review Process 2024' as presented on 12 March 2024 be noted.
2. That the Chief Executive Officer Performance Review Committee endorse the procurement process for the 'Independent Specialist Support'.



BACKGROUND

Each year, Council must review the performance of its Chief Executive Officer with the advice of a qualified independent person. The Chief Executive Officer Performance Review Committee is responsible for starting the procurement process for independent specialist support. The 2024 process is anticipated to progress according to the following plan:



DISCUSSION

The Terms of Reference for the Chief Executive Officer Performance Review Committee include:

- 4.3 To obtain and consider the advice of a qualified independent person(s) in accordance with s102A of the Local Government Act 1999 and independent human resource support as determined appropriate by the Presiding Member to support the effective conduct of the reviews in 4.1 and 4.2.
...
- 5.2 In support of the Committee's role, the Council will appoint an independent human resource specialist to assist with the undertaking of performance reviews and to provide advice as required.
...
- 6.1 The Committee is an advisory committee and, with the exception of procurement for the purposes of 4.3 and 5.2 in accordance with 6.2, has no power or authority to make delegated decisions on Council's behalf.
- 6.2 The engagement of independent person(s) and/or specialist consultancy services under 4.3 and 5.2 shall be administered by the administration under (sub)delegation in conjunction with the Presiding Member and in accordance with Council's Procurement & Disposal of Land and Assets Policy P420.

As noted in clause 4.3, these provisions are consistent with the new section 102A of the Local Government Act 1999 that provides as follows:

102A—Chief executive officer—performance review

- (1) A council must review the performance of its chief executive officer—
 - (a) at least once in each year that the chief executive officer holds office as chief executive officer; and
 - (b) if relevant, before reappointment of the chief executive officer.
- (2) The council must obtain and consider the advice of a qualified independent person on a review under subsection (1).
- (3) In this section—
qualified independent person means a person who is—
 - (a) not a member or employee of the council; and
 - (b) determined by the council to have appropriate qualifications or experience in human resource management.



Accordingly, the Committee, is empowered to engage independent specialist consultancy services to support the performance review of the Chief Executive Officer compliant with the provisions in the Local Government Act 1999.

The process for procuring a suitably qualified consultant to facilitate the performance review process will be in accordance with Council's procurement policy through a request for quote. A report with recommendations on the most suitable proposal will be presented to the committee once all quotes have been received.

CONCLUSION

It is recommended that the Committee approve the procurement process for engaging an 'Independent Specialist Support' to conduct a transparent and impartial performance evaluation of the Chief Executive Officer.

ATTACHMENTS

Nil



6 MEETING CLOSE



**MINUTES OF CITY OF MOUNT GAMBIER
CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 10 WATSON TERRACE, MOUNT GAMBIER
ON WEDNESDAY, 28 JUNE 2023 AT 5:00 P.M.**

PRESENT: Mayor Lynette Martin (OAM), Cr Max Bruins, Cr Frank Morello, Cr Sonya Mezinec, Cr Josh Lynagh

IN ATTENDANCE: Rebecca Hunt – McArthur (virtual)

OFFICERS IN ATTENDANCE: General Manager Corporate and Regulatory Services - Mrs J Fetherstonhaugh

1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

Nil

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Max Bruins
Seconded: Cr Josh Lynagh

That the minutes of the Chief Executive Officer Performance Review Committee meeting held on 31 May 2023 be confirmed as an accurate record of the proceedings of the meeting.

CARRIED

4 QUESTIONS WITHOUT NOTICE

Nil received.



5 CONFIDENTIAL ITEMS

5.1 INDEPENDENT REVIEW OF CHIEF EXECUTIVE OFFICER AND REMUNERATION REVIEW – REPORT NO. AR23/34047

COMMITTEE RESOLUTION

Moved: Cr Max Bruins
Seconded: Cr Frank Morello

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Chief Executive Officer Performance Review Committee orders that all members of the public, except the Mayor, Councillors and Mrs J Fetherstonhaugh be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 5.1 AR23/34047 Independent Review of Chief Executive Officer and Remuneration Review.

The Chief Executive Officer Performance Review Committee is satisfied that, pursuant to section 90(3) (a) and (g) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)
- information concerning matters that must be considered in confidence in order to ensure that the Council does not:
 - breach any law, order or direction of a court or tribunal constituted by law,
 - breach any duty of confidence, or
 - breach any other legal obligation or duty

The Chief Executive Officer Performance Review Committee 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 subject matter includes information concerning the personal employment affairs of the Chief Executive Officer, Sarah Philpott for which a duty of confidence has been established.

CARRIED

COMMITTEE RESOLUTION

Moved: Cr Max Bruins
Seconded: Cr Frank Morello

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 5.1 AR23/34047 Independent Review of Chief Executive Officer and Remuneration Review and its attachments, resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (a) and (g) be kept confidential and not available for public inspection until 2 years after the initial appointment term and any renewal term of the Chief Executive Officer, Sarah Philpott has lapsed, to be reviewed at least once in every 12 month period, with the exception of the



relevant salary register details which are to be updated within 28 days of any change in remuneration.

2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED

6 MEETING CLOSE

The Meeting closed at 5:16.

The minutes of this meeting were confirmed at the Chief Executive Officer Performance Review Committee held on .

.....
PRESIDING MEMBER

