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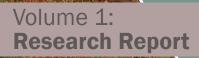for **Local Government**

Attraction and Retention of CEOs and Senior Staff in Rural-Remote and Indigenous Local Governments

Recruitment, Retention and Performance Management

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Attraction and Retention of CEOs and Senior Staff in Rural-Remote and Indigenous Local Governments

Recruitment, Retention and Performance Management

Rural-remote and Indigenous councils often find it difficult to attract good CEOs and other senior staff. And even when they are able to attract these staff, there is uncertainty as to how to retain their skills in the midst of high staff turnover. This paper examines options available to Rural-Remote and Indigenous Councils to improve their prospects of attracting high quality CEOs and senior staff to their organisations and just as importantly, how to retain them.

About the Authors

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- Master of Business Administration
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- Bachelor of Business (Majors in Accounting and Local Government)
- Diploma for Public Health Inspectors Queensland
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Images courtesy of Victoria Daly Regional Council

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Executive Summary

Research has been undertaken to identify how rural-remote and Indigenous councils (RRI councils) can improve their ability to attract and retain CEOs and senior staff to their councils. This research has been undertaken in response to a national survey of RRI CEOs undertaken by the Australian Centre of Excellence for Local Government (ACELG) and the Queensland division of Local Government Managers Australia (LGMA) in 2012 which identified this as a major issue (Gibbs 2012).

This report reviewed previous research undertaken relating to the attraction and retention of staff in RRI areas in industries other than local government. It has also examined previous research into the attraction and retention of CEOs and senior staff in local government (not just RRI councils). Detailed interviews have been undertaken with 25 RRI CEOs and other local government stakeholders (e.g. LGMA, local government associations, local government departments, and some specialist local government recruitment agencies) in those states and territories with RRI councils.

The key issues identified in the research are:

- Not all RRI councils are the same. Many face different challenges depending on their location (e.g. mining areas, extreme remoteness, Indigenous communities etc.). These differences are reinforced through the various legislative frameworks of the states and territories that, to varying extents, specify the terms of recruitment and management of CEOs and senior staff (see Appendix 1 for details of relevant legislation).
- Attracting staff to remote regions is not just a local government, issue but is a challenge for many industries.
- Working in RRI communities can be a very rewarding professional experience.
- The decision to move to a RRI region is often a family decision, not just an individual decision by the applicant. As such, the recruitment process needs to focus on including partners in that process when relevant. Similarly, retention rates are increased when the families of the CEO or senior staff are successfully integrated into the local community lifestyle.
- One of the most important elements of a salary package to attract CEOs and senior staff to RRI councils is good quality housing.
- The retention of CEOs is strongly linked to a successful mayor/CEO relationship and job satisfaction.
- There is a lack of positive, structured performance management of CEOs and senior staff.

This report includes practical examples on how to improve:

1. **Attraction** – examples of best practice are provided with details on how to include partners in the recruitment process and how to identify different potential market segments to attract the best field of candidates (see Section 3.1).
2. **Retention** – practical ways of improving job satisfaction to increase retention rates are identified, together with consideration of the CEO/mayor relationship. Simple but effective techniques to integrate families into RRI communities are also explained (see Section 3.2).
3. **Performance Management** – sample performance management plans have been developed to simplify the process for mayors and councillors to undertake CEO performance planning and reviews. This will assist in developing shared expectations of performance and key priorities (see Section 3.3).

This report is supplemented by a practical 'How to Guide' which has been specifically prepared for mayors and councillors to provide them with tools to improve recruitment practices, increase retention rates and better manage performance planning for CEOs and senior staff at RRI councils.

1 Introduction

1.1 Background and Purpose of this Report

The Australian Centre of Excellence for Local Government (ACELG) operates through six program areas. One of the program areas is the rural-remote and Indigenous (RRI) local government program, which aims to address the capacity building needs of small remote councils, particularly in Australia's north.

In early 2011 ACELG released a *Capacity Building Strategy for Rural-Remote and Indigenous Local Governments* (Morris 2011). The strategy identifies ten priority areas for action by ACELG and other stakeholders. This report is designed to address one of those areas, namely 'senior management capacity and support'.

The *Capacity Building Strategy for Rural-Remote and Indigenous Local Governments* notes the important role played by Chief Executive Officers (CEOs) and other senior staff in remote local governments:

> The skills and capability of the CEO and other senior managers are pivotal to good financial and administrative management and quality governance.... In particular, CEOs in these small councils need exceptional skills to handle a diverse range of functions and provide necessary leadership. The acute difficulty experienced by many small councils in recruiting and retaining good quality senior managers thus greatly limits their capacity to function effectively. High CEO and senior staff turnover can make sustained sound management and governance almost impossible. (Morris 2011, p. 17.)

The challenge of attracting and retaining senior staff was verified in a national survey of CEOs of RRI councils undertaken by ACELG and the Queensland division of Local Government Managers Australia (LGMA) in 2012 (Gibbs 2012). This survey focused on identifying the key challenges faced by CEOs of RRI councils and ranking high on the list was the challenge of attracting and retaining senior staff.

Some of the barriers identified by CEOs in the national survey included:

- competition with the mining sector, private sector and urban councils, exacerbated by the lower wages, fewer career opportunities, lack of career development and lack of prestige associated with RRI councils
- a reluctance of specialised staff to relocate to remote areas and low retention rates when they do
- A range of challenges associated with the location of RRI areas, including:
    - poor access to facilities (shopping, banking etc.)
    - weak infrastructure (roads, health, education, potable water)
    - limited housing opportunities
    - family constraints (education, access to health services, partner employment)
    - high cost of living
    - remoteness (isolation from family networks, harsh climate, long travel times)
    - lack of recreational opportunities.

Following the national survey, ACELG convened a conference of RRI CEOs to explore the range of challenges faced by RRI councils generally, and the role of the CEO in particular. One of the outcomes of that search conference was to develop a recruitment guide containing advice on the steps to be followed and matters to take into consideration when seeking to attract and retain a CEO in a RRI council (ACELG & LGMA 2012).

This report and the accompanying 'How to Guide' have been prepared as a result of the need to provide support for RRI councils in attracting and retaining CEOs and senior staff. ACELG engaged de Chastel and Associates to undertake research and consultation and to prepare the report and 'How to Guide'.

This report is designed to focus on the research and detailed elements of attracting and retaining senior staff to RRI councils. The 'How to Guide' is designed for mayors, councillors and others engaged in the recruitment process to provide practical assistance in devising the best process to increase their likelihood of attracting and retaining CEOs and senior staff to their RRI councils. A copy of the 'How to Guide' can be found at the ACELG website: www.acelg.org.au.

1.2 Methodology

This project to develop the tools for improving the attraction and retention of senior staff to RRI councils was undertaken in a number of distinct stages. The initial phase was focused on research and consultation, specifically:

- research into best practice models and recruitment, performance management, and staff retention both in relation to local government and remote areas
- analysis of different legislative requirements across all Australian local government jurisdictions in relation to CEO and senior staff employment
- consultation with experienced CEOs in RRI councils across Australia, and also with peak local government bodies.

Following this research and consultation phase an analysis was undertaken of potential barriers to the attraction and retention of senior staff, and also potential solutions which can remove or reduce these barriers. This report sets out in detail the outcomes of our research and also the potential barriers and identified solutions. The supporting 'How to Guide' is focused on the practical elements of attracting and retaining senior staff, and is designed as a checklist for RRI councils to improve council processes.

2 Research and Consultation

As outlined in Section 1.2, the authors undertook a range of research focused on the attraction and retention of CEOs and senior staff to RRI councils. This section sets out the results of that research.

2.1 Research into Best Practice

An analysis of research papers focusing on two distinct elements was undertaken:

1. *Research on attracting and retaining staff to remote areas generally*

Local government is not the only industry that has the challenge of attracting and retaining senior staff to RRI areas. From the education sector to the mining industry, this is a common problem. Current human resources best practice research on motivational elements to attract and retain staff to organisations was examined. Investigated were the motivational factors for different workplace demographics, the reasons behind potential senior staff choosing one organisation over another, and the common factors which cause CEOs and senior staff to leave an organisation.

2. *Local government industry issues*

During the process of undertaking this project it was discovered that there is very little research available in overseas local government jurisdictions about attracting and retaining CEOs and senior staff to remote locations. Of course, on reflection, it is apparent that due to the size of Australia, it is a singularly unique problem facing Australian local government. Other comparable systems of local government don't have the same issue.

2.1.1 Attraction and Retention of Staff to Remote Regions Generally

This section focuses on research undertaken in relation to attracting and retaining professional and other staff to remote regions. There has been a considerable amount of research undertaken on this topic in the Australian context.

Attracting skilled and professional staff to remote communities

Focusing particularly on Indigenous and remote communities in the Northern Territory and Western Australia, McKenzie identified major difficulties in attracting skilled and professional staff (Haslam 2011). She also identified well-documented pull factors that could be used to attract highly-qualified people to live and work in isolated places, for example adequate infrastructure facilities, housing etc. The conclusion was made that no two communities or regions are exactly alike and a 'one size fits all' response to attracting and retaining skilled and professional staff to remote areas is unhelpful. This research identified some best practice activities used by the Goldfields Esperance Development Commission which included focusing on the interests of families (Haslam 2011, pp. 15, 31).

The international review of attracting skilled staff to remote communities shows that employing workers who have been raised in a remote location or who have previous experience there significantly increases the likelihood of retention. Research also showed that mentoring was essential to assist in the settlement of new professional staff in remote Indigenous communities.

Attraction and retention of professionals to regional areas

Using research focused on surveys undertaken in regional areas in Queensland, Miles (2006) identified major barriers to the capacity of a region to attract and retain professional and other skilled workers. The major issues identified were lifestyle, career opportunities and salary levels. Other key factors identified were distance from major centres (and associated travel/holiday

expenses), lack of job opportunities for partners and not enough variety in employment opportunities. In all regions, personal and family issues were cited as some of the most influential in determining whether a prospective candidate would take a position and whether they would stay. The survey material identified that the perception amongst professionals was that experience in a regional, rural or remote area is of less value than experience in a city or more populated area. This study also identified some potential future trends, i.e. many professionals are retiring in their 40s and 50s for lifestyle reasons and this is potentially creating a pool of skilled professionals who might be interested in extending their working life in regions for lifestyle reasons. It also recognised the changing nature of career structures with the growth of generation X and Y professionals coming into the workforce. Some of the key suggestions for improving the likelihood of attracting and retaining professionals to regional areas were:

- A focus on ensuring that the family were happy.
- Co-ordinated marketing by a region (not just by individual employers) can espouse the benefits of working in that region. Collaboration between industry, community and government is needed to drive this promotion and present a consistent message.
- The benefits (including lifestyle benefits and employment for spouses) need to be packaged and marketed to convince professionals that working in the region will be beneficial for them.
- Using workplace training to increase the skills of current employees in the region and setting up scholarships and bursaries for young locals in 'grow your own' schemes (Miles 2006, p. 144).

Initiatives from the education sector

Local government is not the only industry struggling to attract CEOs and senior staff to RRI regions. Research by Roberts (2004) identified that many similar issues exist in attracting teachers to these regions. The outcomes of the survey work undertaken (focused on New South Wales remote communities) identified that the key factor in the retention of teachers in these areas was the rewarding professional experience. Support by effective leadership was also identified as critical. The survey report also noted that it takes a certain type of person to thrive in these regions, so appropriate selection criteria may assist in the appointment of teachers who are willing to look beyond the limitations of living in remote communities by focusing on their rewarding professional experience. The most commonly identified reasons for teachers choosing to remain in remote postings was that people in these regions are generally caring and interested, and that the lifestyle is generally relaxed.

Attraction and retention in rural and remote communities

A comprehensive study by Becker et al. (2011, esp. p. 28) identified three factors which influence an employee's decision to join, leave or remain with an organisation. These are: outside factors, such as relocation with their partner, leaving to start a family etc.; internal push factors, such as a lack of contentment with the current job or work; or external pull factors, such as more attractive offers from other organisations. This research has shown that it is individual or personal factors which play a significant role in (a) the decision to accept a job, and (b) whether to remain in the organisation for an extended period of time. Some of the key personal factors identified included family/partner integration, including employment, and lifestyle expectations. This paper identified a series of best practice examples from the Central Highlands in Queensland where local governments have sought to integrate partners into the induction process to provide social support.

Lessons from the resources sector

The attraction of specialist staff to remote locations is also a challenge for the resources sector. In research undertaken by Hutchings (2009), it is clear that the issues and solutions facing the Australian resources sector are significantly different from local government. In the resources sector,

the attraction to work in remote locations is directly related to above average salaries, training and development opportunities, and the availability of bonuses. Other issues such as work-life balance and lifestyle issues were not considered important in terms of decision-making to either work in remote locations or to remain working in those remote locations. This contrasts quite significantly with our research in local government, where personal motivation issues (e.g. make a difference, seek a challenge) were more important.

Impact of community on retention

McKenzie (2007) undertook research on successful strategies which improved the likelihood of attracting and retaining staff in remote regions. Research found that professionals who actually tried the remote working experience enjoyed it much more than they thought they would and would recommend it to others. Therefore a 'suck it and see' trial period may be used to demonstrate the benefits of working in a remote community prior to a permanent arrangement. A remote community that seeks to employ staff simply based on high salaries will eventually end up with a negative culture based on 'here for the money' rather than 'here for the long term' or 'here to make a difference'. A community focused solely on a salary based approach to attraction and retention risks ending up with employees who don't add to the social capital of the community.

> **Best Practice** – the Royal Flying Doctor Service at Broken Hill works with the local medical fraternity in the region to develop a holistic approach to attracting more medical practitioners. Medical students are encouraged to spend a three month block of time training in Broken Hill and are encouraged to get involved with the local community to experience the lifestyle. If they enjoy the experience, they are more likely to go to a remote area to practice medicine.

The next generation workforce

The final general issue to consider is the issue of generational change in the workforce and its potential impact on attraction and retention of senior staff to RRI regions. Certainly, the motivation and focus of baby boomers has been well-documented, but generation X, generation Y and millennials have different motivations. Generation Y, for example, seek opportunities, not individual jobs. The organisational culture is very important to them and they look for a values match rather than just focusing on job competence (McCrindle 2006). On the other hand, millennials seek challenges, yet work-life balance is of critical importance to them. They are more team focused and comfortable with use of new technologies. They are motivated to be engaged in civic matters and are primed to do well by doing good (Gilbert 2011). In short, millenials can be motivated to make a difference in remote communities where they believe that they can improve the lives of others.

2.1.2 Attraction and Retention of Staff to Local Government

This section focuses on research undertaken in relation to attracting and retaining professional and other staff to local governments in remote regions. With regards to attracting and retaining CEOs and senior staff in RRI councils in particular, there has been limited research undertaken.

RRI council CEO survey

In 2012 ACELG undertook a survey of CEOs from RRI councils (Gibbs 2012). Featuring detailed survey responses from 29 RRI council CEOs from across Australia, this survey identified that attracting and retaining senior staff was one of the key overall challenges CEOs faced in their role. The barriers to attraction and retention are outlined in Section 1.1 above.

2012 Cairns RRI council CEO search conference

A conference of RRI CEOs was jointly convened by LGMA (Qld) and ACELG in Cairns in July 2012. The purpose of the conference was to explore the range of challenges faced by RRI councils, and by RRI CEOs in particular (ACELG & LGMA 2012). A significant focus of the search conference was on CEO

recruitment and performance management. In relation to CEO recruitment, feedback from current RRI CEOs indicated that:

- CEO position descriptions often lack clarity
- reference checks are not systematically conducted
- experience and council/community fit are more critical than formal qualifications
- families need to be included in the selection process, including engaging them in casual and thoughtful social interactions to build trust and candidly discuss the issues of living remotely (other senior staff's partners can even assist in this function)
- there needs to be a generic recruitment guide for mayors and councils providing advice on the steps to be followed
- more thought needs to be given to appropriate remuneration packages focusing on non-salary issues
- independent third parties can provide professional support to councillors and provide an arm's-length view of candidates
- advertising needs to be focused on what the council wants the CEO to achieve.

In relation to performance management, feedback from RRI CEOs indicated that:

- mayors and councillors often lack the experience to conduct effective performance management appraisals with CEOs
- performance management is often not effectively carried out in RRI councils
- Tools are needed for mayors and others to guide the performance review of CEOs
- mayors may benefit from a mentor or independent facilitator to support them through the process.

The outcomes of the RRI CEOs search conference included an agreement to research and develop support tools for recruitment, retention and performance management of CEOs and senior staff at RRI councils (this report).

Motivation for council employees

While focusing on local government employees generally rather than CEOs and senior managers from RRI councils, the research by Morris (2013) contains some pertinent lessons for local governments about what factors impact upon job satisfaction in the local government context. There are three critical workplace outcomes that this research focuses on – namely, job satisfaction, employee willingness to exert discretionary effort and turnover intentions. In relation to job satisfaction, team orientated leadership made the largest contribution to increasing job satisfaction, followed by recognition for good performance and challenging work. To improve staff retention, councils need to promote a management style that is wholly supportive and team-orientated, and that recognises hard-working and well performing employees. Conversely, employees are more likely to leave their employment with council if managers adopt an autocratic approach.

The role of the CEO

This study by Jones (2011) examines the role of CEOs in the modern local government context. It identifies that CEOs have 'three edges' with which they must interact: (i) the operating edge, dealing with day-to-day management and operations; (ii) the stakeholder edge, dealing with the community and other external agencies who wish to interact with the CEO; and (iii) the political edge, dealing with the mayor and councillor expectations. CEOs identified that it was critical to work with the mayor and councillors to identify clear and achievable outcomes in each of these areas as part of the establishment of key performance indicators that can be used for performance management. Specifically, the terms and conditions under which performance management will be undertaken

need to be established as part of the initial contract negotiations. Also, the most successful CEOs were those who established clear ground rules with their mayor about roles and responsibilities and, specifically, about the boundaries between each of their responsibilities. This clarity about roles and responsibilities lessened risks associated with a breakdown in the relationship between the mayor and CEO. CEOs also identified that the most important personal characteristics for their role included courage, passion and resilience.

Factors affecting the appointment of CEOs

A current study underway by Hutchinson, Walker and McKenzie (2013) focuses on Western Australian local governments and the role of leadership in affecting the appointment of CEOs. This study has noted:

- the lack of clarity and consistency around the language, processes, development and practice of leadership in local governments
- the language of leadership between CEOs and mayors was consistently different; while some individuals (both CEOs and mayors) had a very coherent view of leadership, they are in the minority
- elected members were perceived as inexperienced in the recruitment processes generally, and in executive recruitment specifically, and there appeared to be limited development of recruitment skills for elected members
- CEO recruitment processes were often ad hoc and lacking rigour, and the use of recruitment agencies was not widely supported
- the traditional career path from regional local governments into metropolitan local governments appears to have ceased, likely due to structural reform resulting in fewer metropolitan council opportunities
- the development and progression of leaders within the local government sector and the attraction of external candidates to leadership positions is ad hoc
- the diversity of local governments, both in terms of geography and economic activity, contributes to the breakdown of traditional career paths for CEOs via RRI councils.

Building capacity in councils

One of the key issues identified in a number of studies has been the critical importance of elected members and CEOs understanding their respective roles and responsibilities. This is no doubt related to the potential breakdown of CEO/mayor and councillor relationships which can lead to the departure of the CEO. A study by Moreton (2009) identified the need for newly elected members to attend relevant training and seminars in their first year of office and to encourage candidates for office to attend pre-election seminars. Such training would focus on the roles and responsibilities of councillors. This study also suggested that there may be benefit in establishing a register for exchanges such as mentoring opportunities, particularly for RRI councils.

2.2 Legislative Requirements

This section focuses on the legislative elements of recruitment and retention of CEOs and senior staff. Appendix 1 sets out extracts from relevant sections of local government legislation from the various state and territory jurisdictions which have RRI councils. Appendix 1 acts as a reference point for referral to relevant legislation. Some preliminary observations on the legislation are as follows:

- There are different levels of prescription associated with recruitment of CEOs and senior staff across the states and territories
- Western Australia prescribes the salary package band for each individual council CEO, with additional allowances for remoteness etc.

- Some jurisdictions provide a statutory obligation to include elected representatives in the selection of senior staff
- There is significant variation between the legislative obligations of states and territories, so it is important to ensure that councils understand and meet their statutory obligations.

2.3 Consultation

As part of this research, interviews were conducted with approximately 25 CEOs and key local government organisations across Australia with knowledge of the difficulties associated with attracting and retaining CEOs and senior staff in RRI councils. Those interviews included CEOs working in RRI councils, representative bodies such as LGMA, various state and territory local government associations, and several state local government departments. A number of recruitment consultants specialising in local government were also interviewed. A list of local government professionals consulted as part of this research is set out in Appendix 2.

The interviews focused on a range of issues with particular emphasis given to:

- why CEOs and senior staff were motivated to apply for RRI CEO roles
- what matters they took into consideration in making their decision to move to a RRI council, and what barriers existed
- what experiences interviewees had with recent recruitment of CEOs and senior staff to RRI councils
- how structured salary packages were structured and what elements of those packages were most successful
- what recruitment processes were most successful and what they have tried that might be considered innovative
- what factors impacted upon a decision by a CEO/senior staff member to leave a RRI council
- what impact did a credible performance management system have on retention of the CEO and senior staff.

The authors would like to record their thanks to all those who took part in the interviews, and for freely giving their time, expertise and experience as part of this research.

The interviews identified a number of themes common to the challenges, processes and solutions for attracting and retaining RRI CEOs and senior staff.

2.3.1 Motivational factors

The interviews were structured so as to determine what motivated CEOs and senior staff to move to a RRI council. By having a better understanding of what motivates someone to apply for these roles, it enables councils to understand how they need to structure their recruitment process to capture the best pool of applicants and the right type of applicants. These motivational factors from CEOs and senior staff may be described as 'push factors', i.e. incentives that potential candidates will take into account when deciding whether or not to apply for a RRI role.

There was a very clear and surprisingly consistent message from the interviews: the opportunity to 'make a difference' and/or 'seek a challenge' was consistently quoted as the basis for why a CEO or senior staff member chose to move to a RRI council. Other motivating factors identified by existing CEOs included:

- seeking a broader experience, and not just doing the same thing all the time
- looking for something more hands-on looking for a small community experience, i.e. relaxed, safe, and a good place to bring up young children

- having a chance to be part of a small community and get out of a city environment.

To quote one of the CEOs: "I get to do something different every day and can see the results of my work".

Interestingly, CEOs did not identify the salary package and associated benefits as a major motivation for applying for a RRI CEO role. Where the salary package issue did arise during interviews, the most important issue identified was housing. This was identified as being more critical to the decision than the salary itself. In terms of the salary package, issues identified in descending order of importance were:

- housing (condition, cleanliness, suitability, cost etc.)
- salary
- motor vehicle (suitability for location/cost)
- transport options (degree of remoteness and cost/difficulty/time to visit family etc.)
- telecommunication options (liability/cost/access to stay connected with family and friends).

Several CEOs identified that housing was so critical because it is important to the partner/family and was something that they had to live in everyday. No matter how big the salary package and no matter how interesting the role, poor housing will have a strong adverse effect on attraction at retention to a RRI council.

2.3.2 Attraction Factors

The interviews also explored the factors that would attract a CEO or senior staff member to a particular RRI area, i.e. the 'pull factors' which might bring the CEO or senior staff member to that particular RRI council. The following were identified as common issues:

Target recruitment based on the professional life cycle

There was recognition amongst interviewees of a doughnut demographic in RRI councils at the CEO and senior staff level. The first type of staff member is the 'career builder': generally younger and prepared to move to a RRI area to get ahead, seek professional development and fast track their career. They tend to be fairly ambitious, are prepared to 'have a go', and are willing to be mobile to meet their career aspirations. At the other end of the scale there is the 'pre-retirement' cohort: generally empty nesters who are in their last role before retirement. They tend to be highly experienced (usually in local government), are prepared to share their experience, and are happy to give back to the local government industry. The 'hole in the doughnut demographic' in RRI councils is CEOs and senior staff with school-age children (particularly high school-age children) who put family education considerations above career advancement at that time. Understanding these different demographics can help councils focus their advertising on the particular demographic of CEO/senior staff member that they are seeking, for example a council may be looking for fresh ideas and energy, or may instead prioritise experience in its senior ranks.

Council housing options for CEOs and senior staff are critical

Councils need to understand how critical housing is in terms of attracting and retaining CEOs and senior staff to their remote region. Put simply, a large salary package, an interesting role, and a good council will not offset poor housing. An attractive, clean and cheap (or free) house will act as a significant pull factor for CEOs and senior staff. Perhaps a better way of expressing the feedback is by way of a double negative. Good housing is expected, and if it is not available it will impact on attraction and retention rates. Several councils identified particular initiatives to improve their housing options, including the Shire of Broome which has the additional challenge of being located in a resources boom area where rents can be as high as $900 per week. That Shire provides its senior staff with subsidies of up to $17,000 per year which ensures that staff can access good quality

housing. Although not implemented, the Shire of Broome has also explored the option of council obtaining a treasury loan of relatively low interest to buy a house for its senior staff and then enter into a mortgage so that the senior staff member can buy the house over a period of time, thus becoming more connected with, and tied to the community. Although that particular scheme was ultimately not implemented, clearly the Council recognises the importance of housing to attraction and retention.

Sell the lifestyle

As a point of differentiation, RRI councils need to sell the lifestyle that they offer. This should be part of the information package for potential candidates and identify the benefits of living that lifestyle, including:

- the small town lifestyle, which can be seen as more relaxed/safe/enjoyable/friendly
- recreational activities such as fishing/camping
- opportunities to get involved in local activities
- specific infrastructure and services available at the location (e.g. pools, medical facilities, schools etc.)

Some councils include a link to tourist promotional material as part of the information package for candidates (Shire of Broome 2011). This provides candidates with positive information about the lifestyle associated with the employment role.

Interviews also identified the importance of councils being honest about both the benefits and difficulties associated with working in remote communities. This was particularly identified by some CEOs working in Indigenous communities, where there are sometimes legislative restrictions on the possession and consumption of alcohol. This should be identified to prospective candidates at the earliest opportunity as it forms part of the 'lifestyle' of that community.

Overall, feedback identified that it is critical for RRI councils to sell themselves to prospective candidates by promoting the positive elements of the lifestyle available to CEO and senior managers.

Recruiting a family

Although it is only the employee who is being formally recruited, it is normally a family decision as to whether or not to move to a RRI area. Therefore, interviewees stressed the importance of making CEO and senior staff families comfortable in the RRI region. There are a number of different approaches as to how this is handled, but all have common elements, in particular with regards to involving the partner at some point in the recruitment process. Examples of different approaches to involving the partner in the recruitment process include:

- ensuring that the candidate and candidate's partner both visit the council area as the final step in the recruitment process
- providing both the candidate and candidate's partner a council vehicle to explore the area
- providing an opportunity for the candidate's partner to meet other council staff partners and ask questions about living in that locality
- identifying other employment opportunities in the locality for the candidate's partner if desired.

One CEO we interviewed identified that the recruitment process followed by his council was an important part of his decision to accept the role. The council provided he and his partner with three days to explore the area, arranged visits to outlying communities,, and generally helped them to get to know where they will be living.

A focused remuneration package

While the total amount of remuneration package was obviously relevant, our interviews revealed that the structure and flexibility of the package is just as critical. Specifically, the non-salary issues were consistently identified as being as important, if not more important than the actual salary. It was identified that these non-salary issues should be highlighted as part of the attraction process as they resonate with potential candidates. Some of the key non-salary elements identified as important included:

- Housing; the most important element. Key issues identified were cost (preferably free or very low cost) and the quality of housing.
- Motor vehicle – suitable to the locality and availability for private use.
- Travel costs – contributions towards annual or more frequent trips to the nearest major city.
- Professional development – formal commitment to education, training or conference attendance.
- Communication – mobile phone, laptop, internet access etc.

Examples furnished during the interview process of where councils have found non-salary elements to be attractive to candidates include:

- Remote shire in WA - $750 annual travel allowance which would pay for annual return flights to Perth
- Remote shire in Qld – council pays fees for membership of its CEO and senior staff in the Queensland Country Health Scheme (a medical health insurance scheme designed specifically for the remote areas of Queensland)
- Shire in WA – free detailed advice on tax incentives available for staff living in that area, thereby providing opportunities for senior staff (and other staff) to maximise the tax benefits associated with living in RRI areas
- Remote Shire in WA – $200 annual health and well-being allowance which can be used towards gym membership etc.
- Indigenous council in Qld – council charters a plane on a weekly basis to fly senior staff to and from Townsville for weekends (FIFO scheme to attract top-quality senior staff).

Although not necessarily significantly expensive for councils, these non-salary elements have a high impact on potential candidates, signalling that the council is flexible and is seeking to support its staff.

Advertising pitch

Many of the CEOs interviewed identified that it is critical as to how the council manages its message when advertising for a CEO or senior staff. Although the amount of the salary package was important, it was not the critical factor in determining whether or not someone would apply to the role. CEOs identified that an advertising pitch at the motivational level would be more effective in attracting senior staff to a RRI region. Advertisements should identify the 'challenge' and 'make a difference' elements of employment more than just the salary package. The personal opportunities for professional development, living in a small community etc. are more likely to prompt the right sort of applicant, rather than an applicant who is simply chasing a large salary package. This accords with feedback that, in a small RRI council, it is often better to keep a role vacant than to make a wrong appointment. As one CEO said: 'It was important to recruit the right person, not just the best available.' As such, structuring advertising to attract the right pool of candidates was identified as critical.

There were some differences of opinion about the best way to undertake advertising. This was dependent upon personal experience and, to a large extent, upon the type of applicant being

sought. For those councils seeking to employ an experienced local government practitioner, traditional local government publications were strongly supported. For those councils open to applicants who may not have specific local government experience, a more general approach was often taken, using mainstream media and websites.

Recruitment processes

There was general agreement during consultations that recruitment is, in fact, a two way process. As well as seeking to gather the best pool of applicants and select the right candidate, the recruitment process is also about demonstrating to prospective candidates that the council is professional in its approach. The recruitment process is often the first interaction that potential recruits have with the RRI council and a professional recruitment process will leave a positive impression.

On other matters relating to the recruitment process, there were differences of opinion as to whether or not an independent recruitment firm was necessary. This is often dependent upon the personal experience of the individual CEO and council. Clearly, there are costs involved using recruitment firms but they also provide access to targeted recruitment by using their networks and add independence, professionalism and objectivity to the process.

Several CEOs identified that one of the benefits of using a recruitment firm was the opportunity to undertake personality assessments or profiling prior to appointment. There are a number of key personal characteristics that contribute to the success and retention of appointees, including resilience, self-motivation and the capacity to engage with a community. Being able to identify these traits in the candidates, therefore, stands to increase the value of the appointment.

Specifically in relation to the recruitment of senior staff, several CEOs identified that they used their existing local government networks to target key staff for recruitment. They identified that there was less risk in recruiting known senior staff rather than unknown senior staff. Several CEOs also identified that they would rather recruit senior staff with local government experience than senior staff with no local government experience, but that was often a personal preference based on their own history and experience. Several CEOs also identified that their senior staff had indicated that one of the attractions for joining that particular RRI council was the opportunity to work with an experienced CEO who had a good reputation.

Attracting senior staff from other countries

It was noted during interviews by some CEOs that RRI councils can be a useful entry point into Australian local government for local government practitioners from other countries. It was noted that staff with local government experience from Africa (particularly South Africa), Sri Lanka, New Zealand and Britain had taken roles in RRI councils in order to enter the Australian local government industry. Indeed a number of current CEOs in RRI councils had come to Australia, worked in RRI communities, and since risen to the CEO level. Those interviewed indicated that international appointees had generally provided good results and demonstrated a good work ethic, sound experience, and an ability to work well in remote communities.[1]

2.3.3 Retention Issues

As part of the survey process CEOs were asked about the factors that would encourage them leave their current role, and conversely what factors would encourage them stay in their current role.

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[1] Interview with CEO of RRI Council, December 2013.

Mayor/CEO relationship

There was virtually unanimous feedback that the primary issue which will result in a CEO leaving a council in a RRI area is the breakdown of the mayor/CEO relationship. CEOs identified that good, regular communication and mutual respect were important elements for ensuring that the mayor/CEO relationship stayed on track, and that it was the responsibility of both the mayor and CEO to manage that relationship. Some of the issues which were identified as putting the relationship under pressure included personality conflicts, and a lack of understanding and respect for the different roles and responsibilities of the mayor and CEO. A breakdown in the relationship between the CEO and some, or all of the councillors was also identified by some as a challenge to retention, though ultimately the mayor/CEO relationship was seen as *the* most important to manage.

Job satisfaction

Whilst a breakdown in the mayor/CEO relationship was identified as the most likely reason for a CEO to leave a RRI council, job satisfaction was identified as the most likely cause for a CEO stay. RRI councils are generally small, and in such an organisation one person has the potential to make a difference to both the council and the community. Feeling that you are contributing to an overall improvement provides enormous job satisfaction and a sense of achievement. As one CEO identified, they aimed to lift the standards of the council, and it was highly satisfying to know that they were making a difference by achieving that. Conversely, if the CEO and senior staff do not feel that they are making a difference and achieving positive outcomes, they are more likely to leave.

The other observation from CEOs was that there was a direct correlation between job satisfaction and the ability to take responsibility and make decisions. This was particularly the case for senior staff where flatter organisational structures, more extensive delegation, and more 'hands-on projects' gave senior staff more responsibility than they would normally have at a non-RRI council. Where these outcomes could be achieved, there was increased job satisfaction, and therefore increased retention.

The attainment of job satisfaction was seen to depend on two issues. The first was recognition and positive feedback from the council for good CEO and staff performance. This is addressed further below under the heading of 'performance management'. The second issue was related to the level of overall cohesiveness and professionalism of the councillors.

Burnout

Working in a RRI council is no easy task. Long hours, a lack of resources, having to do everything yourself etc. can take its toll over a number of years. Add to that the sense of isolation, the inability to switch off when governing in a small community, and sometimes harsh environmental conditions, and it is not surprising that burnout was identified as a potential cause for CEOs and senior staff to leave a RRI council. Of the issues leading to burnout, lack of resources was the one most frequently identified. As one CEO put it: "it is always a juggling act trying to make sure that everything keeps working and we just don't have the resources to do it".

Life cycle

Although beyond the direct control of any council, it was also noted that when a CEO or senior staff manager reaches a certain point in their life, they are more likely to seek employment in a regional or major city due to family reasons. The most commonly identified reason was the pursuit of quality high school education for their children. While boarding school may be an option for some, many identified that it would be difficult to remain employed in a RRI council if the family had high school-age children unless there was access to good quality education in that region. This was mainly an issue for the 'career builders', who were prepared to move to RRI areas to fast-track their careers, but felt different considerations come into play when their young families reached high school-age.

Retaining senior staff

There were some slightly different issues identified in retaining senior staff as compared to CEOs. In the same way that the mayor/CEO relationship was critical for a CEO to continue with the RRI council, the senior staff/CEO relationship was also critical for their retention. Senior staff were more likely to stay if they received strong professional support from the CEO who created the right environment for them to succeed. In short, senior staff were looking for good leadership. For 'career building' senior staff, they were also more likely to stay if the CEO undertook a mentor type role to help their professional development and to groom them for future leadership. Conversely, senior staff would leave if they lost confidence in the leadership capacity of the CEO.

Teamwork

Related to the above issue is the question of social cohesion and teamwork within a small council. RRI councils tend to be small operations and it is critical that the small management team gets on well. Variously described as team spirit, professional friendships, support networks etc., the role of teamwork in small RRI councils is a critical component of staff retention. It was identified as building a sense of purpose and of belonging, and often involved social events outside of work.

Strong teamwork was also identified as building resilience and support for difficult times. Having the support networks in place within the council to cope with such difficult times was identified an important factor in retaining senior staff.

Integrating into the local community

CEOs and senior staff who integrated into the local community were likely to stay longer. Joining local clubs, having networks of friends etc. was seen to create a sense of place and connection to the local community. Moreover, being part of the community also helps with understanding issues to be addressed by the council.

A new CEO or senior staff member arriving in an RRI community could be introduced to social networks and encouraged to join local clubs etc. Some councils have allocated an existing staff member to undertake that introductory function to make sure the new staff member is properly introduced and is able to integrate into the local community quickly.

Recruiting locally

While recognising that it is unlikely that a CEO or senior staff member with local government experience is already residing in a RRI community, it was also recognised that, where possible, existing local staff already employed by the council could be given the opportunity to progress to a senior management role. This is a long-term strategy based on the premise that local staff are more likely to stay employed by the council in the long-term due to their connections to the local area. As one CEO identified: 'we need to break the cycle of trying to recruit every three or four years and instead focus on training and development to grow our own.'

Not all agree with this approach, noting that it was sometimes hard for local staff to make difficult decisions about their own communities due to family and other ties. This was particularly noted as problematic in Indigenous communities, with one Indigenous CEO identifying practical difficulties of managing human resources issues when related to many of the council staff.

Commitment to professional development

A council's commitment to the ongoing professional development of the CEO and senior staff was seen as highly desirable and demonstrated that a council was serious about supporting it staff. This commitment can manifest itself in a number of ways such as a council subsidised study program. The benefit of such a program was that it encouraged staff to learn, but also helped tie them to the

organisation because the study subsidy required them to stay for a certain period of time or payback the subsidy if they left immediately after completing their study.

2.3.4 Performance Management

As part of the survey interview process, CEOs were asked about the current performance management practices for CEOs and senior staff at their RRI councils in order to explore the impact of performance management practices on the retention of CEOs and senior staff.

Good performance management is linked to retention

Based on the interviews, CEOs identified a very clear correlation between a credible and professional performance management process and job satisfaction. Higher job satisfaction meant that senior staff were more likely to stay in the role, whilst lower job satisfaction meant that senior staff were more likely to leave an organisation. Some key elements emerged in relation to feedback on performance management issues:

- the best performance management practices focus on positive feedback, not just problems
- performance management should be used as a motivational tool, especially for senior staff
- a lack of positive feedback can diminish the enjoyment of a role
- the biggest problem is not necessarily that performance management is sometimes done poorly for CEOs, but rather that performance management is not done at all
- elected representatives do not generally initiate CEO performance reviews, and it is important for the CEO to insist/ensure that their performance review is undertaken
- one of the most important benefits of performance reviews for CEOs is the opportunity to discuss and agree on future priorities with the mayor and councillors, and not just focus on the last 12 months.

During interviews, CEOs identified some helpful tips and practices for performance management which they believed worked well in their RRI councils. These included:

- Ensuring that the CEO has a performance plan prepared within the first month of their employment. If it is not prepared at that time, it is often simply not done. It is up to the new CEO to manage this process to ensure that it is completed.
- Setting a timetable for all of the annual performance reviews of the CEOs and senior managers, and other council staff, to be undertaken at the same time every year. Locking the annual performance review into a corporate calendar means that there is less likelihood of it being overlooked.
- Seek and provide feedback throughout the year, not just at the annual performance review. The sooner a problem is addressed, the better. Also, the sooner that praise is provided for a job well done, the more effective it is.
- There needs to be a strong correlation between professional development and the performance management system. Use of a performance management system to identify skill shortfalls will encourage senior managers to develop those skills.

Like the issue of recruitment consultants, there were different views about whether or not independent facilitators were essential to the performance review process for CEOs. The majority of CEOs supported this approach because an independent facilitator applied rigour, fairness to the process, and independence. This was particularly seen as desirable due to the interface between the mayor/councillors and the CEO as part of the CEO review process. However, the success of using an independent facilitator was identified as being dependent upon the ability and experience of the person involved. Some CEOs noted that the cost of using independent facilitators was not

necessarily warranted if they already had good review processes and confidence in the professionalism of the mayor and councillors to undertake their annual performance reviews.

2.3.5 Other Issues

The interviews uncovered a range of other issues which should be highlighted. Although not necessarily falling under one of the four themes above, these issues warrant identification and consideration. In no particular order, other issues which were raised during the interview process are listed below.

Not all RRI councils are the same

ACELG has identified 105 RRI councils in Australia scattered across Queensland, the Northern Territory, Western Australia, South Australia and New South Wales based on the Australian Classification of Local Governments and other factors. When undertaking consultation for this research, it became apparent that not all RRI councils face identical issues with regards to the attraction and retention of CEOs and senior staff. Unique challenges facing RRI communities include:

- wage competition and high costs of living, particularly in mining areas
- extreme remoteness, for example an 11 hours' drive to the nearest dentist
- local socio-economic conditions, particularly in Indigenous councils
- managing rapid growth, particularly in mining communities in North Western Australia
- population decline.

While many common themes exist in relation to staff attraction and retention, some of the underlying challenges are different.

Not just a local government issue

The attraction and retention of CEOs and senior staff to RRI regions is not just a problem for local governments. Government agencies, private sector entities etc. that operate in RRI regions face the same problems. However, the ubiquity of this problem can also be an opportunity, particularly where the partner of the CEO or senior staff member being recruited to a council is looking for employment. Several CEOs identified that, when recruiting senior staff, they looked to whether the council could help the senior staff member's partner to find employment, and there was often little difficulty in sourcing employment in other organisations in that RRI area.

CEO pool is getting smaller

Several of the organisations consulted (i.e. local government associations and the LGMA) identified that, with recent amalgamations across the nation, the pool of current CEOs is getting smaller. This meant that there were fewer people with current local government CEO experience. Thus it was becoming more common to recruit a RRI CEO from senior executives at larger councils. It was also noted that interstate recruitments were becoming more common, especially where the pool of potential CEOs in the home state had diminished due to amalgamations. Overall, 'the pool of CEOs in the production line and available for recruitment to other councils' has diminished, with Queensland, for example, having 70 less CEOs than six years ago. For councils looking for a new CEO, however, the reduction in the number of active CEOs is also an opportunity to tap into a pool of CEOs who have recently been made redundant.

Succession planning – a good idea, but...

Many CEOs identified that succession planning was a good idea and that they sought to develop their senior staff so that they may have the opportunity to one day become the CEO. Indeed, this was seen as a natural extension of supporting and developing their senior staff. However, it was also noted that, if the CEOs were successful in preparing senior staff for a transition to the role of CEO,

they may lose a good senior staff member to another council and have to go through the process of recruitment, training etc. all over again. Nevertheless, there was generally a strong commitment towards succession planning and development of senior staff by CEOs because, even if a senior staff member is lost to another council, the industry still benefits. Whilst the importance of succession planning and intra-organisational staff development was widely recognised, some also made the point that it can be helpful for a council to have a fresh injection of new ideas, and this can come from recruiting from outside of the organisation.

First impressions count

It was noted that the induction process for a new CEO or senior staff member effectively begins during the recruitment process. Not only is the council assessing the applicant during the recruitment process, but the applicant is also assessing the council to decide whether or not to join accept the position if offered. Making a new applicant welcome is a critical part of the induction process. Some CEOs identified welcome baskets, welcome barbecues and other social activities as effective ways of integrating the new recruit and their family into the local community. This was more likely to lead to a sense of belonging and connection to the council and the community, thus reducing the risk of early departure. For Indigenous councils, an induction process to help understand Indigenous cultural issues, meet traditional owners and learn about the local community was also seen as critical.

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Appendix 1 – Legislative References for CEO Recruitment

Some State and Territory jurisdictions have specific legislative requirements in relation to council CEO recruitment, remuneration, performance assessments etc. Councils should seek specific legal advice in relation to any statutory obligations. As a guide, the following specific legislative provisions apply in these states and territories.[2]

Northern Territory

Local Government Act 2008

Section 100   CEO

(1)   A Council must have a CEO and may have a Deputy CEO.

(2)   If the CEO is absent or unavailable to carry out official duties:

> *(a)   the Deputy CEO, if there is a Deputy who is available to act, acts as CEO; and*

> *(b)   if there is no Deputy CEO, or the Deputy is absent or unavailable to act, a person nominated by the CEO to act in that situation acts as CEO.*

(3)   The CEO must notify the principal member of the council of a nomination made by the CEO under subsection (2)(b).

(4)   Appointments to the office of CEO are to be made, as occasion requires, by the council in accordance with the relevant Ministerial guidelines.

Section 101   Role and functions of CEO

The CEO is responsible to the council:

(a)   to ensure that the council's policies, plans and lawful decisions are implemented; and

(b)   to undertake the day-to-day management of the council's operations (including the management of council staff); and

(c)   to provide or obtain for the council the information and advice the council reasonably requires for effectively carrying out its functions; and

(d)   to ensure that the council's constituency is kept properly informed about council policies, programs and decisions and to ensure that appropriate and prompt responses are given to specific requests for information; and

(e)   to ensure that the council's assets and resources are properly managed and maintained; and

(f)   to ensure that proper standards of financial management are maintained and, in particular, proper controls over expenditure; and

(g)   to ensure that financial and other records are properly made and maintained; and

(h)   to appoint, manage and, where necessary, terminate the appointment of council staff (other than the CEO); and

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[2] Legislation current at March 2014.

(i)   to carry out other functions delegated to the CEO by the council or assigned to the CEO under this or any other Act.

102   Delegation by CEO

The CEO may delegate (or sub-delegate) a power or function to a person or committee.

Part 9.2 Other staff

103   Other staff of the council

The CEO is responsible for the appointment of staff in accordance with a staffing plan approved by the council.

South Australia

Local Government Act 1999

98—Appointment procedures

(1)   If a vacancy occurs or is about to occur in the office of chief executive officer, the council must take steps to fill the vacancy (or the pending vacancy).

(2)   The council must appoint a person to act in the position of chief executive officer until a vacancy is filled.

(3)   For the purpose of filling a vacancy, the council must invite applications by advertising in a newspaper circulating throughout the State, and may take other action as the council thinks appropriate.

(4)   The council must appoint a selection panel to assess applications for the position of chief executive officer, to recommend readvertisement or other additional steps (if necessary), and to make recommendations to the council on an appointment.

(5)   The council makes the appointment to the office of chief executive officer.

(6)   This section does not apply in circumstances involving the reappointment of a chief executive officer following the completion of a term of office.

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;

(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.

(2)   The chief executive officer must consult with the council (to a reasonable degree) when determining, or changing to a significant degree—

(a)   the organisational structure for the staff of the council; or

(b)   the processes, terms or conditions that are to apply to the appointment of senior executive officers; or

(c)   the appraisal scheme that is to apply to senior executive officers.

Queensland

Local Government Act 2009

194 Appointing a chief executive officer

(1) A local government must appoint a qualified person to be its chief executive officer.

(2) A person is qualified to be the chief executive officer if the person has the ability, experience, knowledge and skills that the local government considers appropriate, having regard to the responsibilities of a chief executive officer.

(3) A person who is appointed as the chief executive officer must enter into a written contract of employment with the local government.

(4) The contract of employment must provide for—

(a) the chief executive officer to meet performance standards set by the local government; and

(b) the chief executive officer's conditions of employment (including remuneration).

195 Appointing an acting chief executive officer

A local government may appoint a qualified person to act as the chief executive officer during—

(a) any vacancy, or all vacancies, in the position; or

(b) any period, or all periods, when the chief executive officer is absent from duty or can not, for another reason, perform the chief executive officer's responsibilities.

196 Appointing other local government employees

(1) A local government must, by resolution, adopt an organisational structure that is appropriate to the performance of the local government's responsibilities.

(2) The local government may employ local government employees for the performance of the local government's responsibilities.

(3) The chief executive officer appoints local government employees (other than senior executive employees).

(4) A panel constituted by the following persons appoints a senior executive employee—

> *(a) the mayor;*

> *(b) the chief executive officer;*

> *(c) either—*

> *(i) if the senior executive employee is to report to only 1 committee of the local government—the chairperson of the committee; or*

> *(ii) otherwise—the deputy mayor.*

(5) The deputy mayor may delegate the deputy mayor's functions under subsection (4) to another councillor of the local government.

*(6) A **senior executive employee**, of a local government, is an employee of the local government—*

> *(a) who reports directly to the chief executive officer; and*

> *(b) whose position ordinarily would be considered to be a senior position in the local government's corporate structure.*

Western Australia

Local Government Act 1995

5.36.   Local government employees

(1)   A local government is to employ —

> *(a)   a person to be the CEO of the local government; and*

> *(b)   such other persons as the council believes are necessary to enable the functions of the local government and the functions of the council to be performed.*

(2)   A person is not to be employed in the position of CEO unless the council —

> *(a)   believes that the person is suitably qualified for the position; and*

> *(b)   is satisfied* with the provisions of the proposed employment contract.*

> ** Absolute majority required.*

(3)   A person is not to be employed by a local government in any other position unless the CEO —

> *(a)   believes that the person is suitably qualified for the position; and*

> *(b)   is satisfied with the proposed arrangements relating to the person's employment.*

(4)   Unless subsection (5A) applies, if the position of CEO of a local government becomes vacant, it is to be advertised by the local government in the manner prescribed, and the advertisement is to contain such information with respect to the position as is prescribed.

(5A)   Subsection (4) does not require a position to be advertised if it is proposed that the position be filled by a person in a prescribed class.

(5)   For the avoidance of doubt, subsection (4) does not impose a requirement to advertise a position before the renewal of a contract referred to in section 5.39.

5.38.   Annual review of certain employees' performances

The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment.

5.39.   Contracts for CEO and senior employees

(1)   Subject to subsection (1a), the employment of a person who is a CEO or a senior employee is to be governed by a written contract in accordance with this section.

(1a)   Despite subsection (1) —

    (a)   an employee may act in the position of a CEO or a senior employee for a term not exceeding one year without a written contract for the position in which he or she is acting; and

    (b)   a person may be employed by a local government as a senior employee for a term not exceeding 3 months, during any 2 year period, without a written contract.

(2)   A contract under this section —

    (a)   in the case of an acting or temporary position, cannot be for a term exceeding one year;

    (b)   in every other case, cannot be for a term exceeding 5 years.

(3)   A contract under this section is of no effect unless —

    (a)   the expiry date is specified in the contract; and

    (b)   there are specified in the contract performance criteria for the purpose of reviewing the person's performance; and

    (c)   any other matter that has been prescribed as a matter to be included in the contract has been included.

(4)   A contract under this section is to be renewable and subject to subsection (5), may be varied.

(5)   A provision in, or condition of, an agreement or arrangement has no effect if it purports to affect the application of any provision of this section.

(6)   Nothing in subsection (2) or (3)(a) prevents a contract for a period that is within the limits set out in subsection 2(a) or (b) from being terminated within that period on the happening of an event specified in the contract.

(7)   A report made by the Salaries and Allowances Tribunal, under section 7A of the Salaries and Allowances Act 1975, containing recommendations as to the remuneration to be paid or

provided to a CEO is to be taken into account by the local government before entering into, or renewing, a contract of employment with a CEO.

(7)   A CEO is to be paid or provided with such remuneration as is determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7A.

(8)   A local government is to ensure that subsection (7) is complied with in entering into, or renewing, a contract of employment with a CEO.

Full details of the Western Australian Salaries and Allowances Tribunal determinations can be found at - http://www.sat.wa.gov.au/LocalGovernmentCEOs/Pages/Default.aspx

New South Wales

Local Government Act 1993

334 Appointment of general manager

(1) A council must appoint a person to be its general manager. The person must not be a body corporate.

(2) The position of general manager is a senior staff position.

335 Functions of general manager

(1) The general manager is generally responsible for the efficient and effective operation of the council's organisation and for ensuring the implementation, without undue delay, of decisions of the council.

(2) The general manager has the following particular functions:

  • *to assist the council in connection with the development and implementation of the community strategic plan and the council's resourcing strategy, delivery program and operational plan and the preparation of its annual report and state of the environment report*

  • *the day-to-day management of the council*

  • *to exercise such of the functions of the council as are delegated by the council to the general manager*

  • *to appoint staff in accordance with an organisation structure and resources approved by the council*

  • *to direct and dismiss staff*

  • *to implement the council's equal employment opportunity management plan.*

(3) The general manager has such other functions as may be conferred or imposed on the general manager by or under this or any other Act.

336 Filling of vacancy in position of general manager

(1) If a vacancy occurs in the position of general manager, the council must immediately appoint a person under section 334 to the vacant position or appoint a person to act in the vacant position.

(2) A vacancy occurs in the position of general manager if the general manager:

(a) dies, or

(b) completes the term of his or her contract and is not re-appointed, or

(c) resigns from the position, or

(d) becomes a mentally incapacitated person and is removed from the position by the council because of that mental incapacity, or

(e) is sentenced to imprisonment, or

(f) is removed from the position for breach of or under the terms of the general manager's contract with the council.

(3) A person may be removed from office under subsection (2) (d) only if, taking into account the person's past training, qualifications and experience relevant to employment as a general manager, the person's performance as an employee, and all other relevant factors that it is reasonable to take into account, the person because of his or her mental incapacity:

(a) would be unable to carry out the inherent requirements of the position of general manager, or

(b) would, in order to carry out those requirements, require services or facilities that are not required by persons who are not mentally incapacitated persons and the provision of which would impose an unjustifiable hardship (within the meaning of the [Disability Discrimination Act 1992](#) of the Commonwealth) on the council.

Appendix 2 – List of Stakeholders Consulted

Name	Position	Organisation	State
Kenn Donahoe	CEO	Broome Shire Council	Western Australia
Neil Hartley	CEO	Ashburton Shire Council	Western Australia
Lydia Highfield	Recruitment Manager	Western Australia Local Government Association	Western Australia
Warren Pearce	CEO	Local Government Managers Australia (Western Australia)	Western Australia
Stuart Duncan	CEO	Victoria Daly Shire Council	Northern Territory
Ricki Bruhn	CEO	President of LGMA NT and City of Palmerston CEO	Northern Territory
John Japp	CEO	East Arnhem Shire Council	Northern Territory
Tony Tapsell	CEO	Local Government Association of the Northern Territory	Northern Territory
Leon Yeateman	CEO	Mapoon Aboriginal Shire Council	Queensland
Peta Irvine	CEO	Local Government Managers Australia (Queensland)	Queensland
Bob Owen	CEO	Carpentaria Shire Council	Queensland
Mark Kelleher	CEO	McKinley Shire Council	Queensland
Gary Kleidon	Indigenous Council Manager	Department of Local Government	Queensland
Mark Watt	CEO	Longreach Regional Council	Queensland
Ross Norman	CEO	Palm Island Aboriginal Shire Council	Queensland
Lew Rohjan	CEO	Etheridge Shire Council	Queensland
Steve Wilton	CEO	Cook Shire Council	Queensland
Mark Ogston	Local Government Recruitment	Leading Roles Consulting	Queensland

Name	Position	Organisation	State
	Consultant		
Tony Goode	Workforce Strategy Executive	Local Government Association of Queensland	Queensland
Taryn Sexton	CEO	Local Government Managers Australia	South Australia
Heather Barclay	Local Government Recruitment Consultant	Heather Barkley Consulting	South Australia
John Coomb	Relieving CEO	C/- Local Government Managers Australia (South Australia)	South Australia
Duncan Jamieson	Manager	Department of Local Government	New South Wales
Leanne Ryan	Acting General Manager	Central Darling Shire Council	New South Wales
Jackie Smith	HR Manager	Carrathool Shire Council	New South Wales

ABOUT ACELG

ACELG is a unique consortium of universities and professional bodies that have a strong commitment to the advancement of local government. The consortium is led by the University of Technology Sydney's Centre for Local Government, and includes the University of Canberra, the Australia and New Zealand School of Government, Local Government Managers Australia and the Institute of Public Works Engineering Australia. In addition, the Centre works with program partners to provide support in specialist areas and extend the Centre's national reach. These include Charles Darwin University and Edith Cowan University.

PROGRAM DELIVERY

ACELG's activities are grouped into six program areas:

- Research and Policy Foresight
- Innovation and Best Practice
- Governance and Strategic Leadership
- Organisation Capacity Building
- Rural-Remote and Indigenous Local Government
- Workforce Development

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