

# ***Guideline 2: Appointing a CEO***

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## ***Guideline 2: Appointing a CEO***

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### **LOCAL GOVERNMENT GUIDELINE NO. 2**

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*Local Government Act 2019*

#### **Making of Guideline**

I, Chanston James Paech, Minister for Local Government, under section 342 of the *Local Government Act 2019*, hereby make this Guideline for the purposes of the Act.

  
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Minister for Local Government

23/6 / 2021

# ***Guideline 2: Appointing a CEO***

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## **1 Title**

1.1 This Guideline is titled *Guideline 2: Appointing a CEO*.

## **2 Commencement**

2.1 This Guideline commences on the day on which section 342 of the *Local Government Act 2019* commences.

## **3 Definitions**

For the purposes of this Guideline:

**Act** means the *Local Government Act 2019*.

**CEO** means Chief Executive Officer of the council.

## **4 Relevance to Act**

4.1 Section 165(6)(b) of the Act states that appointments to the office of the CEO are to be made, as occasion requires, by the council in accordance with any relevant guidelines the Minister may make.

## **5 Objectives**

5.1 This Guideline has the following objectives:

- (a) to guide a council in appointing a high quality and appropriately skilled CEO;
- (b) to ensure the ongoing viability of a council by appointing a CEO with high-level leadership and management capabilities who is subject to regular performance reviews;
- (c) to maintain the integrity of a council by ensuring that the council is aware of any conflicts of interest of a prospective CEO.

## **6 Recruitment process**

6.1 A recruitment process, approved by council resolution, must be followed in relation to appointments to the office of CEO before the vacancy is advertised.

6.2 The council must consider the use of a professional recruitment agency when appointing a CEO and must make this decision by council resolution.

6.3 As a minimum, the recruitment process must address:

- (a) reviewing the CEO's job description – including desired and essential skills, abilities, knowledge and qualifications; and
- (b) approving the proposed CEO contract that contains an agreed remuneration package covering cash and non-cash benefits and any limitations or entitlements over private use of council assets; and
- (c) the composition of the recruitment panel.

6.4 The remuneration package, as approved by council resolution under clause 6.3(b) and subsequently advertised, must not be increased when offering a contract.

6.5 Where a recruitment panel is used, the panel is to provide a confidential report to the council, including a list of all applicants and access to all applicant documents.

*Notes for clause 6*

1 Under section 165(1) of the Act, a council must appoint an individual to be the CEO.

2 If considered to be appropriate, a remuneration package could be advertised as a range.

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## **7 Consideration of applicants**

**7.1** When recruiting a CEO, the council or recruitment agency must consider the applicant's skills, attributes, employment history, and any relevant criminal history.

**7.2** In relation to skills and attributes, the applicant must have:

- (a) a tertiary qualification in a relevant field; or
- (b) commensurate work experience that demonstrates both capacity at an equivalent level and capability of recognised prior learning by an educational institution; and
- (c) high-level leadership and management capabilities.

*Notes for clause 7*

- 1 The requirements of the Act in relation to principles of human resource management and any relevant policies must be followed (see section 172).*
- 2 There must not be discrimination based on an 'irrelevant criminal record' (see section 4 of the Anti-Discrimination Act 1992).*
- 3 Section 71(3) of the Act states that a person is not eligible to be a CEO if the person is disqualified from managing a corporation under the Corporations Act 2001 (Cth) or the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth), disqualified under the Associations Act 2003, or bankrupt.*

## **8 Applicant conflicts of interest**

**8.1** Conflicts of interest held by an applicant (whether potential, perceived or actual conflicts) are to be identified during the recruitment process.

**8.2** The council, recruitment panel or professional recruitment agency will need to take steps to determine whether an applicant may have a conflict of interest if appointed.

**8.3** If a conflict of interest is identified in an applicant to be appointed, the council must give due consideration as to how the conflict of interest will be managed.

**8.4** If an applicant with a conflict of interest is appointed, the conflict of interest must be recorded in the council's resolution made under section 165(1) of the Act and notified as soon as practicable to the Agency after the appointment is confirmed.

*Notes for clause 8*

- 1 Sections 73, 114, 115 and 179 of the Act deal with conflict of interest requirements and offences for council members, council staff and local government subsidiary staff. It is noted that conflicts of interest may arise in relation to the recruitment process and the decision to appoint a CEO.*
- 2 Clause 7.1 of Schedule 1 (Code of conduct) of the Act covers both actual and perceived conflicts of interest for members.*