



# Australian Local Government CEO Index 2024

A photograph of four business professionals in a modern office setting, overlaid with a semi-transparent orange filter. The group consists of a woman with curly hair on the left, a man in a suit holding glasses in the center, a woman with her hair in a bun on the right, and a man in the foreground with his back to the camera. They are all dressed in business attire and appear to be in a collaborative discussion. The background shows a clean, minimalist office space with large windows.

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Leadership, Organisational Culture,  
and Community are the top priorities  
of local government CEOs for 2024.

# Australian Local Government CEO Index 2024

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Most CEOs believe that AI and other emerging technologies are years away from impacting their council's way of working, but cyber security is of greater and more immediate concern ...





# Welcome

by Clare McCartin

Managing Partner - Search & Advisory, Davidson

## We launched The Australian Local Government CEO Index in the height of the pandemic in 2020.

It was originally created to provide an analysis of the pressures our leaders were facing day-to-day, and the priorities for the future of local government as we navigated the world of constant change associated with COVID-19.

It provided this, and much more.

Over the years, the Index has evolved and has accurately pinpointed the areas where our leaders are incredibly stretched, while also showing a clear roadmap for new opportunities and future trends.

Furthermore, it has led significant discussions and provided a much-needed spotlight on the reality facing our leaders.

While some of the key challenges remain each year, such as the pressures associated with rate capping in some states, successful integrations of shared services and the continual pursuit of innovative thinking to do more, with less; exciting new trends and opportunities have also been identified.

I am proud to present the 2024 Australian Local Government CEO Index, which had the largest participation with 170 CEOs providing in-depth responses. This delivered an insightful and comprehensive outlook of the current landscape faced by our leaders across both regional and metropolitan locations.

This year, our Index examines key trends, priorities, and the aspirations of these leaders, by looking at eight key themes: Shared Services, Artificial Intelligence (AI), Technology, Customer and Community, Financial Sustainability and Growth, Leadership Learning and Innovation, Organisational Cultural Transformation, and Sustainability and Preparedness.

This year's insights, as you will see throughout this Index, indicate that most CEOs believe AI and other emerging technologies are years away from impacting

their council's way of working, but cyber security is of greater and more immediate concern. Meanwhile hybrid and remote work arrangements are still in demand post-pandemic as CEOs manage staff expectations with their organisational needs and concerns by half of CEOs that employee wellbeing was negatively impacted by the pandemic.

The results from the survey also show slightly more than half of CEOs (52%) believe the pandemic had a positive impact on leadership at their council, but nearly two thirds (62%) agree it had a negative impact on their bottom-line.

Another key area we identified in our fourth edition, through our survey and the daily discussions with CEOs, is that the sector is going through a significant changing of the guards.

These past two years we have seen a significant number of local government CEOs depart the sector or retire after long-standing tenures, resulting in the loss of in-depth industry knowledge. This runs at parallel with one of the largest wars on good talent the sector has seen in some time and corresponds with 87% of CEOs telling us they are concerned about leadership talent gaps in the next 12 months.

Just as populations continue to boom in our regions, so does the immediate urgency to attract and retain high calibre staff, particularly when we have corporates and not-for-profits coveting talent from within the sector. These two factors alone, show a stronger need for sharing of ideas, new thinking regarding attraction, sourcing and retention of new talent and an urgent upskilling of the next generation of leaders. It makes for a very interesting time in the sector.

Finally, I want to take this opportunity to thank all of the CEOs who participated in our survey and conversation.

Their contributions and honest reflections make Davidson's annual Index a widely-recognised and respected analysis of the true sentiment across leadership within Australia's local government sector.

## KEY FINDINGS

Record engagement demonstrates the value that Davidson's annual Local Government CEO Index is bringing to the sector, as more CEOs than ever are choosing to share their experiences and views.

Local council CEOs from across Australia have contributed their key priorities and thoughts as they guide their organisations through rapid cultural and technological transformations to a more sustainable and brighter future.

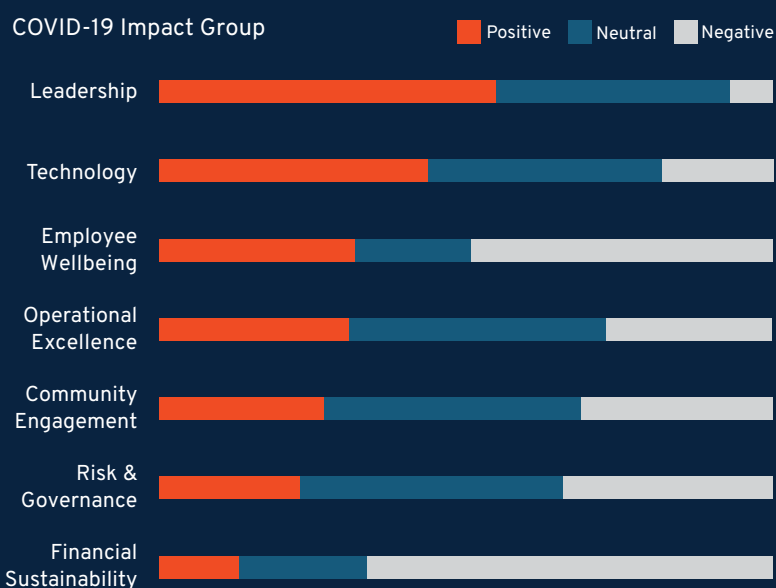
This year's survey was themed across 8 key areas:

- > ARTIFICIAL INTELLIGENCE (AI)
- > CUSTOMER AND COMMUNITY
- > FINANCIAL SUSTAINABILITY AND GROWTH
- > LEADERSHIP, LEARNING AND INNOVATION
- > ORGANISATIONAL CULTURE TRANSFORMATION
- > SHARED SERVICES
- > SUSTAINABILITY AND PREPAREDNESS
- > TECHNOLOGY

CEOs from 170 councils across Australia responded to this year's survey, a record number, and an increase of 43% on last year's survey. Leaders shared their views on topics as diverse as technology, shared services, artificial intelligence, and community resilience and wellbeing.

Moving into a post-COVID-19 world has seen new areas of focus for local government leaders, and these have been reflected in this year's survey. However, the impact of the pandemic still lingers in areas such as leadership, financial sustainability, and employee wellbeing, perhaps forever upending expectations from both managers and employees on their work arrangements.

### The long-term impacts of COVID-19 on local government



### Highest ranking priorities across local government

- 1 PEOPLE, LEADERSHIP AND ORGANISATIONAL CULTURE
- 2 LEADERSHIP CAPABILITY
- 3 COMMUNITY RESILIENCE AND WELLBEING
- 4 CYBER SECURITY
- 5 DIGITAL TRANSFORMATION

## KEY THEMES

- > Leadership talent gaps and finding employees with the right skills are key concerns for most CEOs. Building surveyors, inspectors, engineers, planners and senior management professionals are among the top areas of concern for recruitment.
- > CEOs appear more sceptical than last year about the rapid adoption of Artificial Intelligence (AI) and whether it will affect their council's way of working, with most CEOs taking a longer-term view of the changes.
- > Of rising concern among local government leaders is the cyber security threat, which about a quarter of survey respondents said was an issue keeping them awake at night.
- > Many councils are still reticent to share technology services, but generally happier to share services other than technology.
- > Establishing a strong organisational culture and managing the expectations of some staff to work remotely, while other staff are unable to do so, remains a key point of friction for many CEOs.
- > Even as CEOs focus on leadership and organisational culture at their councils, many are concerned over the behaviour of elected officials or experience a lack of support and wish to find or establish a network of their peers.
- > Two thirds of councils are still feeling the negative financial impacts of COVID-19, as CEOs prioritise asset management, service redesign, and procurement, to restore financial stability at their organisation.



# Local Government CEO Index – Comparative Analysis (2021-2024)

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This analysis highlights consistent themes observed year-on-year and outlines fundamental changes and emerging trends within local governments.

## CONSISTENT THEMES YEAR-ON-YEAR

- 1. Community Resilience and Wellbeing** Community resilience and wellbeing have consistently been top priorities for local governments, particularly in response to crises like natural disasters and the pandemic. By 2023, this focus had solidified into a nationwide strategy, with stronger connections with First Nations communities. In 2024, resilience and wellbeing were the top engagement priority in every state. This reflects a sustained commitment to building long-term resilience, improving community engagement, and enhancing socio-economic wellbeing.
- 2. People Leadership and Culture** Attracting and retaining talent, alongside fostering leadership and a positive organisational culture, have remained critical challenges. These areas were the highest-ranked priorities in both 2023 and 2024, with a strong emphasis on leadership capability and organisational culture. As competition for talent intensifies, councils must create environments that attract and retain top talent through leadership development and a focus on employee wellbeing.
- 3. Digital Transformation** Digital transformation has consistently been a high priority, crucial for enhancing customer experience, operational efficiency, and cybersecurity. Over the past three years, digital transformation was especially critical in improving customer experience and resilience, with cybersecurity becoming a top priority by 2023. This emphasis underscores the role of digital transformation in keeping councils agile, efficient, and secure in an evolving technological landscape.
- 4. Financial Sustainability** Financial sustainability has been a persistent concern, with a focus on cost management, stable cash flow, and optimising asset management and procurement. In 2022, cost management and cash flow were top priorities, particularly for regional councils. By 2023, the focus had shifted slightly to service redesign, asset management, and procurement. This ongoing focus highlights the need for refined financial strategies, efficient asset management, and new revenue streams to maintain financial health.

## FUNDAMENTAL CHANGES AND EMERGING TRENDS

- 1. Climate Action and Sustainability** Climate action and sustainability have rapidly risen in importance, becoming central strategic focuses by 2024. The focus on climate action intensified over recent years, with more than 70% of CEOs emphasising its importance by 2022. By 2024, nearly two-thirds of CEOs reported direct impacts from natural disasters, driving a surge in climate and sustainability reporting. This growing focus signals the need for councils to lead in embedding sustainability into all aspects of operations to secure funding and community support.
- 2. Increasing Focus on Cybersecurity** The focus on cybersecurity has intensified since 2021, driven by the growing frequency and severity of cyber threats. By 2023, cybersecurity had become the top technology priority for councils, reflecting the urgency of addressing these risks. In 2024, nearly 25% of CEOs identified cyber threats as a major concern. Councils must develop robust long-term cybersecurity strategies to protect sensitive data and maintain operational integrity.
- 3. AI** AI's potential is increasingly recognised within local government, shifting from a future concern to an immediate strategic priority. In 2023, nearly 70% of CEOs acknowledged AI's growing impact on councils, although it was initially a lower priority for governing risk. By 2024, more CEOs anticipated AI's impact within five years, yet over half admitted their councils were not adequately prepared. This gap presents both a risk and an opportunity for councils to invest in AI readiness, enhancing service delivery, decision-making, and efficiency.
- 4. Evolving Workforce Dynamics (Hybrid Work Models)** The shift to hybrid work models has become a defining feature of workforce dynamics in local governments, accelerated by the pandemic. By 2022, nearly 50% of councils had implemented hybrid arrangements, with few requiring full-time office attendance. This trend continued into 2024, where 62% of staff were working three or four days from the office. Councils that effectively manage the transition to hybrid work will be better positioned to attract and retain talent, improve employee wellbeing, and enhance productivity.

### Consistent Themes Year on Year

	Observations	Data Over Time	Key Insights
<b>Community Resilience and Wellbeing</b>	Remains a top priority, essential for supporting communities during crises like natural disasters and pandemics.	In 2022, regional LGAs focused heavily on it due to COVID-19 impacts. By 2023, it became a nationwide strategy with NSW leading.	Continued investment in long-term resilience, community engagement, and socio-economic wellbeing is essential.
<b>People, Leadership and Culture</b>	Attracting and retaining talent, building leadership, and nurturing positive culture are ongoing challenges.	CEOs ranked these as top priorities in both 2023 and 2024.	Investment in leadership and employee wellbeing is crucial for driving innovation and adaptability in local government.
<b>Digital Transformation</b>	Critical for enhancing customer experience, operational efficiency, and cybersecurity. Focus has broadened to include technology integration and agility.	Over the past 3 years, digital transformation was highlighted as essential. In 2024, secure digital solutions remained a priority.	Vital for ensuring councils remain agile, efficient, and secure in a rapidly evolving technological landscape.
<b>Financial Sustainability</b>	Continues to be a critical concern, focusing on cost management, stable cash flow, and optimising asset management and procurement.	In 2022, cost management and cash flow were top priorities. By 2024, asset management and procurement remained key focuses.	The focus on refining financial strategies is crucial for efficient asset management, service improvements, and exploring new revenue streams.

### Fundamental Changes and Emerging Trends

	Observations	Data Over Time	Key Insights
<b>Climate Action and Sustainability</b>	Has risen in importance, becoming a central strategic focus by 2024.	By 2024, nearly two-thirds of CEOs reported impacts from natural disasters, increasing focus on climate and sustainability reporting.	Embedding sustainability in operations is essential for environmental stewardship, securing funding, and tackling future climate challenges.
<b>Increasing Focus on Cybersecurity</b>	Intensified significantly due to growing cyber threats.	In 2022, local governments accounted for 35% of reported cyber incidents. By 2023, cybersecurity became the top technology priority.	Developing robust, long-term cybersecurity strategies is essential to protect sensitive data and maintain operational integrity in a digital world.
<b>AI</b>	Growing recognition of AI's potential, shifting from a future concern to an immediate strategic priority.	In 2023, nearly 70% of CEOs recognised AI's impact. By 2024, more CEOs expected AI's impact within five years, though many councils were unprepared.	Councils that invest in AI readiness now will be better positioned to enhance service delivery, improve decision-making, and increase efficiency.
<b>Evolving Workforce Dynamics</b>	The shift to hybrid work models has become a defining feature, accelerated by the pandemic.	By 2024, 62% of staff worked three or four days from the office. Hybrid models were steadily adopted over the past four years.	Successfully managing the transition to hybrid work will be key to attracting talent, boosting employee wellbeing, and maintaining productivity. Effective leadership will be crucial.

### TOP 5 PRIORITIES YEAR ON YEAR

		CEO priority ranking					
		1	2	3	4	5	
Previous Indexes	Current year	2024	PEOPLE, LEADERSHIP AND ORGANISATIONAL CULTURE	LEADERSHIP CAPABILITY	COMMUNITY RESILIENCE AND WELLBEING	CYBER SECURITY	DIGITAL TRANSFORMATION
		2023	PEOPLE, LEADERSHIP AND ORGANISATIONAL CULTURE	COMMUNITY RESILIENCE AND WELLBEING	LEADERSHIP CAPABILITY	CYBER SECURITY	DIGITAL TRANSFORMATION/ BUSINESS CONFIDENCE
		2022	DIGITAL TRANSFORMATION	COMMUNITY RESILIENCE AND WELLBEING	COST MANAGEMENT	RISK MANAGEMENT	INCREASED CYBER ATTACKS
		2021	DIGITAL TRANSFORMATION	COMMUNITY RESILIENCE AND WELLBEING	BUSINESS CONFIDENCE	RISK CONFIDENCE	BUILDING HIGH PERFORMING TEAMS



# 10 Key Considerations for Newly Appointed Local Government CEOs

by Justin Hanney

Senior Partner - Business Advisory, Davidson

Justin Hanney was a CEO in three Local Governments, Deputy Secretary Victorian Department of Premier and Cabinet, Deputy Secretary Regional Development Australia, CEO of a statutory agency Regional Development Victoria and head of Economic and Industry Department.

In my early 30s I was appointed to CEO at the Rural City of Wangaratta in North-East Victoria, a small regional city with a population of 30,000. I was excited and nervous, knowing there was much I didn't know; I just didn't know exactly what that was.

I was nearing completion of the yearlong Williamson leadership course and having been exposed to great leadership and peers, I sought out the support of established Local Government CEOs who had a reputation as exceptional outstanding leaders in Council CEOs: Doug Owens, Banyule; Andrew Paul, Greater Bendigo, Kay Rundle, Greater Geelong and Port Phillip; Hadley Sides, Stonnington; and Peter Marshall, Wodonga.

I asked them all the same three questions.

What would you do in your first month, in the next 12 months, and then what advice would you give to a new CEO like me? They were all very generous with their time and thoughts.

I summarised and wrote up their shared wisdom. Over the years, I added my own perspectives and kept it as a guide, sharing the list with newly appointed CEOs in Victoria and asking them, if they found it helpful, to add their own perspectives and pass it forward to the next CEO. I refer to it as the 'ten things a newly appointed LG CEO might consider'.

1. Have a plan for the first month that is centred on meeting people: staff, councillors, community leaders and business. Listen, read, observe and

create an understanding of what's working, what's not, what's been achieved, what hasn't and why? Don't make any big decisions during this 4-6 week unless necessary.

2. Between month one and month three, invest time in preparing a plan for the next 6-12 months and by the end of your first 12 months have a plan for the next 4-10 years. While your 6-12-month plan will focus on delivering exceptional BAU and the big opportunities and challenges to be tackled, make sure it describes the leadership and culture/behaviours you need to have around you.
3. Form respectful work relationships (not friendships) with the Mayor and Councillors and never stop giving them advice without 'fear or favour', no matter what the consequences - even if it means you lose your job.
4. Establish and invest time and effort to hold supportive reciprocal relationships with peers in other local governments, industry, and the community as well as other tiers of government, especially State.
5. Make sure you have the best people you can afford to recruit around you. These may not be those who have been in the organisation the longest, but the best executives you can source. Use executive recruitment expertise to work with you to find this talent. The people you want won't be motivated purely by salary but by a plan that excites and involves them. While talent and leadership go hand-in-hand, don't buy expertise if the leadership capability is lacking. Then focus time and effort in leadership, people, team and culture.
6. Be decisive. Make decisions and if it proves to be wrong later, know it was the right decision at the time; don't stop making decisions. If you make 100 significant decisions and 10% are wrong, 90% are right and a lot has been achieved as a result. I've seen CEOs who, like a rabbit in the headlights, stop making decisions. No mistakes are made, but nothing is achieved either.



7. Don't be afraid to exit people who are not the right fit. Give them every opportunity to perform to your expectations, provide them support and guidance. However, if they can't or don't want to get there, let them go and do it honestly and respectfully. How you enter and exit someone will reflect your values.
8. Revisit your plan at regular intervals and adjust it based on changing information or new initiatives or challenges (for me at Melbourne it was COVID-19). Recognise and celebrate your achievements as a team.
9. Know when it is time to go and go on your terms.
10. It can be very lonely being CEO so be kind to yourself and look after your wellbeing – body, mind and spirit.

It is not surprising this year, the highest priorities for the 170 CEOs who completed the survey were focussed on leadership, people and culture. Getting this right can make or break your tenure as CEO.

A year into my tenure as council CEO for the City of Melbourne, we found ourselves living in the most locked down city in the world off the back of the pandemic. These were not decisions of the council but of an overly cautious state government.

I was fortunate to have the advice of those who had gone before me and had already begun to manage leadership and behavioural issues, refine and focus strategic priorities, and implement culture change.

The leadership that the executive, some old and some new, brought to the table, helped Melbourne weather the enormous challenges of COVID-19.

I provide these comments not as a way of telling CEOs how to suck eggs, but rather to invite you to think of aspects of your own approach and to add it to this list to create a resource for your own network of newly appointed CEOs.

Next year we will add a new question to the Index: 'what advice would you give to a new Local Government CEO?' and hopefully we can improve on this list.

Being a Local Government CEO can be exceptionally rewarding and I am somewhat surprised and disturbed by the significant turnover of CEOs in Local Governments across Australia in the previous 12 months. It is far too high, and many great leaders are lost to the sector.

I recently had the pleasure of facilitating a two-day Mayor and Councillor planning workshop for the City of Moreton Bay in Queensland and got a feel for what 'great' looks like. They are an outstanding group of Councillors led by a very capable Mayor and CEO. I have no doubt they will achieve great things for their region because they are clear on their plans and priorities and aligned behaviours.

Good luck with your plan and remember 'number 10'. It might be last on the list but is the most important: 'Be kind to yourself and look after your wellbeing.'

Go well.

Justin Hanney

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Getting leadership, people and culture right can make or break your tenure as CEO.



# Artificial Intelligence

## KEY FINDINGS

- > Most council CEOs view Artificial Intelligence (AI) and emerging technologies as a problem for another day. From the responses received, 80% said they expect the impact of AI won't be felt until five or more years from now.
- > CEOs are not confident in their council's readiness for the AI revolution. Half (51%) said their council was not at all prepared. Only 11% felt prepared and 3% were confident enough to say their organisation was very prepared.
- > Only 2% of CEOs felt their organisation was using AI very effectively.
- > AI was regarded as the lowest national priority for risk governance, significantly behind council and committee performance (first), councillor competency and behaviours (second), and risk management (third).
- > The lack of immediate concern and engagement with AI is reflected in the national priority responses, with CEOs ranking AI as seventh among their top 10 technology priorities.

## National Priority List for Technology

Cyber security

1

Digital transformation

2

CRM

3

Payroll and HR

4

Data analytics and insights

5



## EXPERT COMMENTARY

# Artificial Intelligence

by Michelle Reynolds  
CEO, City of Perth

## Local governments are increasingly adopting Artificial Intelligence (AI) to enhance service delivery, improve decision-making, and increase efficiency.

They're even turning to AI to address one of Australia's largest challenge - our housing crisis. However, this adoption comes with significant ethical implications and requires our leaders to be astute, collaborative and most of all transparent.

It is often the case that local government can be slow to take up new technologies and this seems to be borne out in this year's index results.

Most CEOs believe AI will only affect ways of working at council in the next four or five years, so it makes sense then that more than half (51%) say they are not at all prepared for the AI revolution.

However, while the adoption of AI in local government has been relatively slow, those working within the sector are increasingly looking to the technology to streamline administrative tasks and better engage with their communities.

Councils are even turning to AI to address the housing crisis felt in areas across Australia. The NSW Government this year established an AI Solutions Panel, a centralised resource of suitable AI products that can be used by councils to enhance the local development application process. To date, sixteen councils have received grants to trial AI to accelerate development assessment times.

In Victoria, AI procurement support for councils is a key part of the state's Local Government Housing Innovation Program which aims to accelerate new housing supply. And in Queensland, the Sunshine Coast Council is seeking to streamline the residential development process via an AI planning assistant.

Much of the focus so far has been on how to use AI because nobody wants to be left behind on something that can significantly enhance productivity and increase efficiency. While this is the right step forward, we need to ensure we find the right balance between ethical operations and productivity. In my opinion, local governments need to look at AI and ethical and legal training for staff at the same time.

Recently, I received a piece of external communications that I could tell had been made using a generative AI language model. Reviewing the piece, I pondered how it should be credited, whether it was accurate or, worse still, if it had been effectively plagiarised.

This is only the start of the ethical considerations the use of AI is raising. AI systems often rely on aggregating large amounts of data, which can be effectively pulled from anywhere and put into the model.

At the City of Perth, we are prioritising the protection of our ratepayers' sensitive information, which has included implementing strict data management protocols and anonymising data where possible, closely adhering to privacy and data protection legislation.

In using AI, we also run the risk of inadvertently amplifying existing biases.

AI models often reinforce and propagate gender stereotypes, with certain professions being associated as male or female. There are racial, ethnic, and political biases, often reflecting the perspectives of the people or datasets used to train the AI.

As local government executives, we must ensure our organisations are vigilant in identifying and addressing potential biases in AI algorithms and datasets we are using.

One way of ensuring ethical and effective AI integration is to actively involve our ratepayers in the design, implementation, and evaluation of AI systems.

There need to be clear explanations provided to ratepayers about when and how AI is being used to make decisions that affect them.

This transparency builds trust and allows for public scrutiny.

When a local government CEO encounters an AI-generated report or article, they should:

- 1) Verify the accuracy and original source of the information.
- 2) Assess the quality and relevance of the content to ensure it meets organisational standards.
- 3) Review for potential biases or ethical concerns introduced by the AI.
- 4) Disclose that AI was used in the content's creation for transparency.

NB: AI was not used in the writing of this article.





# Customer and Community

## KEY FINDINGS

- > Resilience and wellbeing is the top community engagement priority in every state. It was especially important for NSW LGAs, which rated community resilience and wellbeing 25% above the national average.
- > Council leaders also ranked resilience and wellbeing as their third overall priority nationally, behind organisational culture and leadership capability but ahead of cyber security and digital transformation.
- > Most of those surveyed (63%) strongly agreed that lifting performance and delivery of community outcomes is a key priority, while only 1.5% felt it isn't a priority.
- > CEOs in the NT were the most concerned about both environmental management and community safety, placing them higher in their priority list for community engagement than other states.
- > QLD was the only state where climate action planning was the lowest priority for community engagement, behind information asymmetry.

## National Priority List for Community Engagement

Community resilience and wellbeing

1

Business confidence

2

Resident value sustainment

3

Community safety

4

Environmental management

5

## EXPERT COMMENTARY

## Customer and Community

by Roslyn Wai  
CEO, Melton City Council



**Local governments are on the precipice of a technological revolution that stands to enhance community engagement and strengthen service delivery.**

We really are entering a new and exciting phase, which feels slightly odd to say given most councils have been around for a century.

Yet, the fundamentals of customer and ratepayer responsiveness remain the same. From the top down, we need to communicate quickly and effectively, ensure we are accessible and maintain a commitment to transparency. These will continue to be the drivers of trust and satisfaction.

Council leaders are determined to deliver for those they serve, with nearly 63% of those surveyed strongly agreeing that they are focused on improvements relating to lifting performance and delivery of community outcomes as a key priority.

By embracing new digital technologies, I believe local governments can gain a better understanding of community needs and service performance and in so doing, unlock efficiencies across our departments.

Data integration and artificial intelligence (AI) can support more accurate and timely insights into community needs and organisational performance.

Both can help us automate routine tasks, predict trends, personalise communications and enable our teams to respond more effectively and efficiently. For example, predictive analytics can identify potential issues before they arise, while online dashboards can offer ratepayers greater transparency into council operations.

Like many other local government organisations, Melton City Council leverages various technologies including online portals, mobile apps, and social media platforms to provide customers easier access to information and the ability to submit requests and provide feedback.

And we are looking to increase our use of data analytics to track and respond to issues in real-time, giving our customers full visibility.

Our investment in technology is substantial and genuinely transformational. Technology is one of the four pillars of our workplace transformation plan, alongside people customer and growth.

As the provider of essential public services and the level of government most closely aligned to the community, it is important we use every tool at our disposal to ensure we can be as responsive as possible.

High levels of responsiveness equals higher satisfaction and trust in local government, stronger community ties and influence, and greater community reliance and engagement.

While technology is important, we need to think more broadly about what 'better' looks like when it comes to customer and ratepayer responsiveness.

Given we are all exposed to copious messages every day, it's tempting to be looking for a silver bullet solution. However, there is no such thing. We need to take the time to genuinely understand the journey and experiences of our customers, including their pain points.

Installing a competitive mindset helps – if we had competitors, what would we be doing to get the edge in customer engagement, loyalty and satisfaction?

It may sound like common sense, but that edge won't come from engaging in things our target audiences are not interested in. Try to tell them what they want to know.

Crucially, we need to involve customers in designing the experience they want to have. While it may feel more difficult, it's always the easiest path to effective engagement.



# Leadership, Learning and Innovation

## KEY FINDINGS

- > Leadership talent gaps again emerged as a key concern in this year's survey. Of the CEOs surveyed, nearly a third (32%) strongly agreed they are concerned about employing people with the right skills, while a further 54% are somewhat concerned. Only 4% felt leadership talent gaps weren't a concern at all.
- > Building surveyors and inspectors, engineers, planners, and senior management professionals are the top skill areas of concern for LGAs.
- > More than half of CEOs (54%) believe COVID-19 had a positive impact on leadership, while only 7% felt the pandemic had negatively impacted it.
- > Half of all CEOs (50%) feel totally unsupported by their council. Only 1% say they are very well supported, 12% say they receive some support, and 36% say the support they receive is minor.
- > In absence of support from their council, local government leaders are seeking guidance from their peers. Around half of survey respondents said they wanted the opportunity to participate in a CEO support network, almost double the responses for the next most popular opportunity - seeing what other LGAs are doing nationally and overseas.

## Key Areas of Focus to Uplift Performance Next Financial Year

Culture and values

1

Leadership capability

2

Digital transformation

3

Delivery capacity

4

Containing costs and maximising revenues

5





## EXPERT COMMENTARY

## Leadership, Learning and Innovation

by Jane Stroud  
CEO, Kiama Municipal Council

The everyday demands of overseeing an organisation can be difficult to balance with the need to seek innovation. As leaders, we need to constantly move between the dancefloor and the balcony; to engage with the problems of today and foresee the challenges of the future.

Finding talented new leaders has again emerged as a key concern in this year's survey as most CEOs (86%) have expressed concerns about leadership and talent gaps in their organisations.

This is despite more than half of us (54%) saying that the COVID-19 pandemic had a positive impact on local government leadership.

Clearly, when the chips are down, local government leaders can step up to the plate and deal with the unexpected.

When I first came into local government almost 30 years ago, I never thought I would be responsible for extensive aged care services and large retirement villages. While many other councils had divested their aged care services in recent times, when I became CEO of Kiama Council in 2021, aged care was a significant part of our operations.

It is truly a business on a huge scale. We have more employees in aged care than in our municipal services due to running a 134-bed residential aged care facility.

The biggest challenges as a solo operator in the aged care sector were costs and compliance. These are things that many have found to be more effective for businesses operating at scale. To solve this strategic problem, we looked at what others within the public and private sector were doing.

We spent time examining the Aged Care Royal Commission report, speaking to other local government aged care providers (of which there are increasingly few) and studying industry analyses to understand what the sector's challenges were.

For us, the solution was clear: we needed to balance our books and live within our means. This meant in the first instance, to establish our aged care services as a separate business, and to ensure the land on which it operated was correctly classified. We consulted experts on the continued running of this business and explored three options: keep, partnership or sell. The evidence showed that divestment was the best way forward.

Separating and divesting one business from another after more than 40 years of operation has been a significant challenge requiring strong leadership from council. We have had to bring our staff along with us on this journey, particularly those who had only ever seen the organisation one way.

Ultimately, this approach is one that will deliver better outcomes for the people we support and for our council's long-term sustainability. It means that our world-class aged care services remain in our community, while Council can draw a breath and re-focus on the core operations of local government.

By stepping up and taking the balcony perspective – by seeing what moves the other dancers are making – our leaders have been able to navigate this difficult but much-needed transition. It is one that has provided Kiama Council with a chance to learn, grow and to innovate.

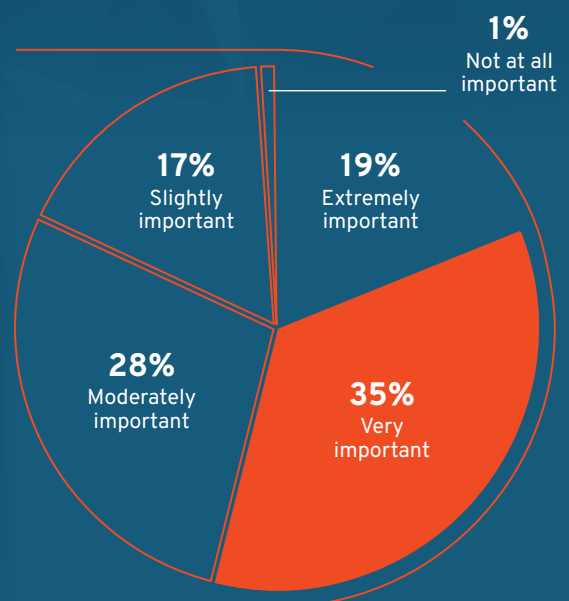


# Sustainability and Preparedness

## KEY FINDINGS

- > Nearly two-thirds (65%) of CEOs say their council has been impacted by natural disasters in the past few years. Only 9% say they have avoided natural disasters while the rest reported minor impacts.
- > Environmental social governance (ESG) and sustainability is prioritised to a great degree by 17% of local governments and not at all prioritised by just 8% of local governments – the remaining 75% sit somewhere in the middle.
- > Just under half (46%) of CEOs say they have already published a climate emergency plan, adaptation action plan, or sustainability report. More than two-thirds (68%) of CEOs say their councils are likely to publish such a report in the next few years with just 5% saying they are extremely unlikely to do so.
- > Local governments feeling prepared to meet the new ESG obligations and standards framework are in the minority, with 10% very prepared and 30% prepared. A fifth (20%) of respondents said they were not prepared for the legislative change and two fifths (40%) said they were only somewhat prepared.
- > The lingering impacts of the pandemic continue to be felt with two thirds (66%) of CEOs citing a negative impact from COVID-19 on their local government's finances, while only 13% said the financial impact was positive.

## How important is responding to climate change for your local government?





## EXPERT COMMENTARY

## Sustainability and Preparedness

by Robyn Stevens  
CEO, Shoalhaven City Council

**Turning waste into wealth is one solution to the growing need councils face to find sustainable opportunities and address the issue of dwindling revenue streams.**

Over the past 12 months, we have undertaken an assessment of our financial sustainability, and there is a realm of recommendations for how to set ourselves on track to a financially and environmentally sustainable future.

As an area of natural beauty, solutions that appeal to us include those that support our social, economic and environmental initiatives.

We have a pledge around our transition to net zero and our performance towards that goal is on track.

At the same time, we have an obligation to our ratepayers to ensure the budget is on track.

However, these two goals of being environmentally sustainable and managing the budget do not have to be in competition with each other.

We can use our waste stream in the circular economy space as well as technologies such as solar, to help us reduce our operating costs. However, this can also improve our carbon emission output as an organisation.

We are currently working on our resource recovery efficiency to ensure that waste is well separated, and we have created a manufacturing opportunity from our clothing waste.

Almost 80% of clothing and fabrics end up in landfill in Australia, placing a huge burden on the waste management system, but there are many other uses that can be found for those materials.

Working in partnership with the University of New South Wales, and with some government grant funding, we have established an initiative where we separate our used

clothing and other fabrics, including our old high-vis jackets, from our general waste.

Once recovered, these resources along with glass and other compounds are manufactured into tiles for use in commercial buildings around NSW.

This is the kind of initiative that shows our waste can be turned into wealth, reducing landfill while creating a new industry that provides jobs.

It is important to our council and our community that we create these kinds of opportunities because we live in one of the most beautiful parts of Australia. We have a lot of natural assets that we want to maintain, and we also know that we are an attractive destination for people to visit, so preserving our natural assets is key.

And there are other benefits too. Once you are working on initiatives that are aligned with what other levels of government are trying to achieve, you find you gain influence and the ability to leverage investment from those levels of government, as well as the private sector.

As a general principle, councils are all striving to meet the needs of the community by balancing the distribution of resources into four key domains: social, environmental, economic and infrastructure.

Of the council leaders surveyed, 65% were addressing sustainability considerations at the strategic level to either a great degree or to some degree. And 36% said their council was extremely likely to publish a sustainability, ESG or climate action report in the next few years.

It is important to have clear strategies for the areas of focus across your organisation, which might mean spending more on the environment in some years and in the social space at other times.

Being clear about priorities and building understanding about the resource limitations we have, can help us make better decisions as councils, and make our regions great places to live.



# Financial Sustainability and Growth

## KEY FINDINGS

- > Nationally, the most critical priorities for CEOs are asset management, and service design and improvements. Closely behind are procurement and the cost of goods and services, and council revenue.
- > Local governments are very much aligned on priorities for financial stability, though metropolitan council CEOs rate revenue and creating new revenue opportunities 17% more of a priority than regional council CEOs.
- > The lowest focus areas for CEOs across LGAs are contingency planning, labour and labour hire, and alternative fund modelling, such as grants.
- > Only Tasmanian CEOs considered labour and labour hire as a significant concern, rating it 29% higher on their priority list than the national average.

## Financial Priorities

In the open response bucket, common CEO responses mention changes to Federal Assistance Grants and infrastructure funding models.

“Need for local government to have greater access to federal untied funding for infrastructure.”

“Responding and recovering from natural disaster events.”

“Returning cost savings as a dividend to residents as a zero percent rate rise.”

“Advocating for cessation of cost shifting. Advocating for increase in the Federal Assistance Grants from 0.5 to 1.0% of tax revenue.”

“Transparency of expenses and waste management costs trending up including waste levies.”

“Costs of doing business have escalated. Community services and groups not funded through the state budget have an expectation council will fund them.”





## EXPERT COMMENTARY

## Financial Sustainability and Growth

by Scott Waters  
CEO, City of Moreton Bay

Between the Sunshine Coast and Brisbane lies the City of Moreton Bay. It faces the dual challenges of a) being the fastest growing municipality in Australia, and b) a commitment by council to keep 75% of land as green space. How do you reconcile such an apparent contradiction to deliver growth in a sustainable way?

For the sixty-thousand years before Europeans arrived, it is estimated the area north of the Brisbane River sustained a population of perhaps 20- to-30-thousand indigenous people.

From settlement in 1824 to today, it took 200 years for the Moreton Bay region to reach a population of half-a-million people.

Now, we have fewer than 40 years to deliver the homes and infrastructure needed for the next half a million.

In fact, we may get there even sooner if we continue to outpace the best estimates of the Queensland Government's statisticians.

Meeting the demands of a growing population and striving to reach sustainability goals is a balancing act. As council leaders, sustainability weighs heavily on our minds, with a quarter of those surveyed saying it is something that keeps them up at night. And one in five of us are feeling unprepared to meet new obligations and standards for reporting under ESG (Environmental Social and Governance) legislative framework. Our mayor has been very clear about preserving 75% of our local area as green space.

Australia is in the midst of a housing crisis that is being keenly felt in southeast Queensland, including the Moreton region. The housing crisis is a wicked problem, but we are urging our colleagues at the next level of government not to create a new set of problems in their attempts to solve this one.

We're working with the Queensland Government on solutions to the housing crisis, including plans to build a city the size of Rockhampton on a greenfield site west of Caboolture. As things stand, these 70,000 new residents would most likely need to get into a car and drive to Brisbane and back for work.

The answer to supporting those residents is not simply adding more lanes to the M-1 or the Bruce Highway. Rather, we are exploring ways to draw employment into the region.

The demand for new infrastructure has the potential to cause many issues though. We have residents who have had their homes here for 40 or 50 years and meeting their needs is of equal importance to meeting the needs of newcomers.

As the need to upgrade an existing local library or pool approaches, we cannot defer improvements for another 40 years because of all the new pools and libraries required for newer residents.

We must also manage growth while maintaining the stunning character of our region. With its 200 kilometres of coastline and gorgeous hinterland, our green zones are key to that preservation.

We are establishing wildlife corridors to avoid isolating our wildlife to islands surrounded by urban areas that ultimately lead to encroachment.

An expert housing panel has been formed over the past 12 to 18 months. Based on its recommendations, we will not be growing a single CBD, but instead a series of interconnected hubs, supported by stronger public transport infrastructure.

We believe this is going to be the best way to ensure the economic and social viability of growth.

There is another challenge on the horizon; the Olympics are coming in eight short years. Pressure for increased development, done sustainably, will no doubt be on the agenda in years to come.



# Shared Services and Technology

## KEY FINDINGS

- > Of the 16% of councils currently sharing technology services, half of those share exclusively with one council, and the other half share with more than one. A further 38% are open to sharing technology but are not doing so yet.
- > A substantial majority of councils (84%) aren't sharing technology services with other LGAs.
- > In contrast, 79% of councils already share non-technology services or are open to doing so.
- > Local governments are more than twice as likely to be opposed to sharing technology (46%) than they are opposed to sharing non-technology (21%) services.
- > Collaborations involving multiple LGAs on non-technology shared services (37%) significantly exceed one-to-one council partnerships (15%).

## What services are being shared?

In the open responses bucket, CEOs shared their experiences with shared services.

"Our councils are piloting a shared services model relating to cybersecurity, procurement, and legal services (with funding from our state government)."

"To date there are no shared services due to lack of incentive, staff blockages etc."

"Reporting systems, development, and asset management."

"We are working with two other councils to move onto a shared enterprise platform. The sharing has mainly come through procurement, knowledge sharing and building resilience into our operations."

"SOC and other security measures to ensure we are protected as a group."

"ICT Support generally, strategic and tactical advice including on cyber threat."

"Our entire systems are being aligned, even down to a common chart of accounts. We are about 75% through the journey."

"Asset management, workforce planning and service reviews."



## EXPERT COMMENTARY

## Shared Services and Technology

by Tony Harrison  
CEO, City of Marion, South Australia

**Calls to implement shared services in local government almost always come from financial motivations, rather than the pursuit of improving customer service for our communities. But what if the primary reason does not have to be the bottom line?**

It is interesting that when local governments share services other than technology, they're more than twice as likely to share with multiple councils (37%), rather than with just one other council (15%). This would indicate that the experience of shared services is a positive one.

However, many councils will associate calls for shared services with times of crisis, when governments are demanding fiscal restraint.

State governments intermittently want to extend their remit into local government jurisdictional responsibilities, especially at a time when people are expressing concerns about services.

This has led to shared services having a reputation as a band-aid solution.

As most organisations know, the implementation of structural and functional reforms during crises doesn't tend to lead to the best outcomes. It is reactive rather than proactive; without a view to the long term.

This has often led local governments to see shared services as something that is being inflicted on them, rather than something they are choosing to do.

However, there is a compelling reason for councils to consider shared services as a proactive measure.

What if fiscal improvement was not the end-goal of shared services? Rather, what if the goal was improved customer experience?

If we are serious about customer-centric service delivery, we should be able to broaden our ability to look at innovation and options for shared service opportunities outside of state government pressure and crises.

If we really do put the customer first – and from experience that is something that councils struggled to do – then shared service arrangements can come into existence because we think it is better for size and scale, productivity, efficiency and effectiveness.

Some may argue, 'Turkeys will not vote for Christmas,' but introducing shared services on our own terms, for the right reasons, could ensure greater control over our own futures.

The alternative is to invariably end up on the backfoot, responding to crises and having things forced upon us in different organisational structures.

Proactively seeking shared service opportunities will be challenging to achieve without some form of independent auditing of performance across local government to motivate us.

It is worth pointing out that in the UK, for more than two decades, National Audit regimes have created better public accountability for the provision of services.

To fuel the appetite for reform we need to break the resistance to comparing the performance of local governments against each other. This may include leading the creation of a public sector audit model of our own.

Councils that are similar in size and operations could potentially have their performance compared with an opportunity to exploit a 'lessons learnt' regime and adopting better practices.

As CEOs, we should unite to take the lead on this ourselves and so we can implement a model on our own terms.

The alternative is to wait for larger functions of government to come along during a time of crisis and inflict a model upon us. And no one wants that.

**As CEOs, we should unite to take the lead on this ourselves and so we can implement a model on our own terms.**



# Organisational Cultural Transformation

## KEY FINDINGS

- > Organisational culture and leadership capability are the top two priorities for both metropolitan and regional councils.
- > Culture and values, and leadership capability are the two key areas of focus among CEOs to drive an uplift in performance.
- > Councillor behaviour easily ranked the number one issue keeping CEOs awake at night. Nearly half of those surveyed attributed their sleeplessness to the behaviour of elected officials, ahead of the second-place issue, talent retention.
- > Flexible work arrangements are in high demand in local government, with 62% of staff working three or four days from the office compared to 26% basing themselves in the office for the entire five-day working week.
- > A third of CEOs (32%) think employee wellbeing was positively affected by the COVID-19 pandemic vs half (49%) who believe the impact on wellbeing was negative.

## What are the impacts of a hybrid working model?

In the open response bucket, CEOs shared some polarised views on hybrid working arrangements, with staunch comments both in favour or against, and many discussing balance and fairness to staff unable to work from home.

“Difficulty measuring output/productivity. Staff divide between those who can and those who cannot due to the inherent duties.”

“Lower pressure on overcrowded office and car parking (positive) more effort required to ensure collaboration and communication remains strong (but manageable).”

“Requires technology to enable people to work from home. There is also an impact on equity for those whose roles do not permit WFH. A flexible model enables employees who live outside the municipality to work in a regional / large rural council.”

“Catastrophic. Productivity has been significantly impacted. Staff have an expectation to work from home regardless of the business needs. Managers are agreeing to any arrangements to keep staff happy whilst not factoring in the risk.”

“Over 50% of my back-office staff are remote and dial in from across Australia. Employee satisfaction rates are significantly improved ... The current model with highly qualified and committed people is seeing a transformational change from a traditional 1980s paper based and seriously deficient business into a leading model within two years.”





## EXPERT COMMENTARY

# Organisational Cultural Transformation

by Ali Wastie  
CEO, Geelong City Council

**Aspiration is crucial in local government – it grows a culture where people can thrive and great things can be achieved.**

As leaders, we can dare to dream, provided we create a path for others to follow.

When I became CEO of Geelong City Council last year, I boldly, and proudly said, “There is no reason why we can’t be the highest performing local government in the country.”

With a surging population predicted to grow from 285,000 to nearly 400,000 by 2040, Geelong is one of the fastest growing regions in Australia. It’s an amazing place to live, work and play, and we have incredible infrastructure, including rail freight, ports and an international airport.

I’ve set a clear direction on where we want to be as an organisation and how we will get there by working on our culture, risk, governance, systems and processes.

The importance of organisational culture in delivering results is not lost on council leaders, with most surveyed saying culture and values were a key area they were focusing on to create an uplift in performance for the next financial year. And they also ranked building a high-performance culture among the areas of highest priority.

To foster a high-performance culture, you need to give your people something to aspire to and take them along for the journey.

Leadership is essential for guiding transformation. One of my priorities when I joined was to create a united and engaged leadership team. When I arrived, many leadership roles were acting positions, and the organisation wasn’t set up for success. There had not been a stable executive leadership team in place for over 18 months.

In my first 12 months at the City, I have worked hard to build a team that models the behaviours we want to see. Leadership is about doing what you say, demonstrating integrity, and standing up to poor behaviour and celebrating the behaviours we want to see. This is something really important to me personally, and I’ve tried to be very intentional in how I use my position.

Finally, engagement. Our engagement approach is collaborative and evolving, and always seeking as many constructive voices as possible. With such a huge transformation agenda ahead of us, I wanted everyone to feel ownership and part of it.

So, at each step, we have started with a clear direction on what we wanted to achieve, but left room for debate and iteration. We’ve hosted workshops, openly discussing the best way forward, and while there were disagreements, it was through these discussions that we achieved alignment.

When we developed our strategy, I asked our leadership team and the broader organisation for input. I introduced it by sharing the Sydney Opera House’s 50th Anniversary story, of delivering impact by being bold and innovative rather than playing it safe. And people took it on board!

Developing a new organisational strategy is transformative. It impacts how people focus their efforts, how decisions are made, and even the language we use to describe our work. Our process of creating this strategy was just as important as the strategy itself, laying a strong foundation for how we want to work together going forward.

We had an incredible amount of ideas shared with us, that were synthesised into key themes, which we reviewed again with our leadership team to ensure it aligned with our shared ambition.

The result was our new strategy: a commitment to Great People, Greater Performance, Greatest Impact – perfect alignment for the City of Greater Geelong.

At the City of Greater Geelong, we’re committed to being the best, not just for the sake of it, but because we believe in the potential of our people and our community.

We’ve had more commissioners and monitors than most, and there’s been a long history of Council upheaval. But that history doesn’t define us. Instead, it motivates us to do better, to be better. We’re on the right track, and we’re committed to staying the course.



# Technology

## KEY FINDINGS

- > Cyber security was the top technology priority, with both regional and metropolitan councils similarly concerned about cyber risks.
- > From the CEOs surveyed, 23% said cyber security concerns are keeping them awake at night.
- > Cyber security is a major concern for LGAs in NSW, VIC and QLD, with council leaders in these states all ranking it in their top four overall national priorities.
- > Councils in SA and TAS are generally less concerned about cyber security, with CEOs in these states ranking it their 10th and 12th highest national priority respectively.
- > NSW council CEOs rated connectivity as a higher priority than in any other state; 24% higher than their colleagues in VIC who rated connectivity a lower priority than any other state.

## Technology Priorities

In the open response bucket, common CEO responses reference the cost of technology, system updates, and cloud storage.

“The technology financial model is now under significant stress in the public sector as we moved away from capital expenditure to now almost entirely operational expenditure which flows immediately through to rates and allows IT / Cloud providers to hold you hostage.”

“We are currently in the early stages of a full systems transformation project.”

“Remote operations and connectivity (so field staff can open and close work orders in field and make decisions on ground) - telecommunication improvements.”

“We are focusing on trying to optimise what we have rather than invest in new solutions.”



## EXPERT COMMENTARY

## Technology

by Dr Tom Gao  
CT&DSO, City of Sydney

As technological advances have extended the historic confines of a working day beyond Monday to Friday 9am-5pm, expectations for access to council services and information have followed suit.

### Online services

I think it is well understood that ratepayers and residents expect the ability to transact with their local council around the clock, driving a growing need for local governments to improve and expand online services. This demand has become even more pronounced following the COVID-19 pandemic, which heightened community expectation for 24/7 access.

Interestingly, council CEOs have mixed feelings about the impact of COVID-19 on technology, with 46% indicating a positive impact and 20% reporting a negative one.

As the head of IT and Digital, I see the expansion of online services as essential in our busy day-to-day lives. It is a natural part of our commitment as a council to being a community friendly organisation.

This year, we have launched our City Connect platform, transforming our online service offerings. We have completely redeveloped our existing 30 online services, which previously did not support mobile devices and digitised an additional 54 services. The new online services are now beautifully designed and intuitive to use. These online services now employ conditional logic to ensure that customers only see questions relevant to their needs, simplifying the experience and reducing the time to complete an application.

Community members can now log into a personalised portal with a custom dashboard, allowing them to make applications and requests online. This digitisation of 84 council services eliminates the need for paper forms, phone calls, or emailing PDFs. The dashboard provides real-time tracking of requests and applications, with immediate updates via SMS and email.

Importantly, each online submission creates a unique case in our customer relationship management system, triggering automated workflows to the appropriate internal business units. This automation ensures efficient handling and tracking of requests, with processing times monitored via internal service level dashboards. This transformation has significantly uplifted our community digital experience, improved internal processes, and provided a robust technology platform for future growth.

### IT Security

Nearly one in four council CEOs (23.21%) say cyber threats and data breaches keep them awake at night. Cybersecurity was identified as the fourth highest priority for council leaders, behind people, leadership, organisational culture, and community resilience.

As the head of IT and Digital, I see the expansion of online services as essential in our busy day-to-day lives. It is a natural part of our commitment as a council to being a community friendly organisation.

*Continued over page.*



## EXPERT COMMENTARY

# Technology continued

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Based on my conversation with other Local Government CEOs I feel in general local government have a long way to go in achieving cyber resilience. Good security posture involves the ability to prevent, detect, and respond to evolving threats. This can only be achieved through years of careful planning at the software, network, and device level, combined with ongoing education for staff.

At the City of Sydney, we have made careful investment into our security posture. Where we have an established 24/7 security operations centre that actively monitors, detects, and performs active threat hunting within our environment. This is on top of our regular enterprise vulnerability scans and penetration testings.

While I am proud of the work done here, my doctorate was actually in software security (encryption). To me IT security is a never-ending journey, and we are only as secure as our weakest link (people). It does keep me awake at night and that is why we have moved to weekly IT disaster recovery rehearsals for some time now so that we are prepared and ready.

## Future

Looking to the future, I hope councils will continue their focus on what really matters and that to me is IT security, enterprise architecture, refreshing legacy systems, business process improvement and continued system integration. These core areas are essential for the continued enhancement of digital services and lay the foundation for leveraging AI in the years to come.

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To me IT security is a never-ending journey, and we are only as secure as our weakest link (people). It does keep me awake at night and that is why we have moved to weekly IT disaster recovery rehearsals for some time now so that we are prepared and ready.



## HOW PREPARED DO YOU THINK YOUR ORGANISATION IS FOR THE FUTURE IMPACTS OF AI?



## WHEN DO YOU EXPECT AI & OTHER EMERGING TECHNOLOGIES WILL IMPACT YOUR ORGANISATION'S CURRENT WAYS OF WORKING?



## OTHER AREAS

# Operational Excellence

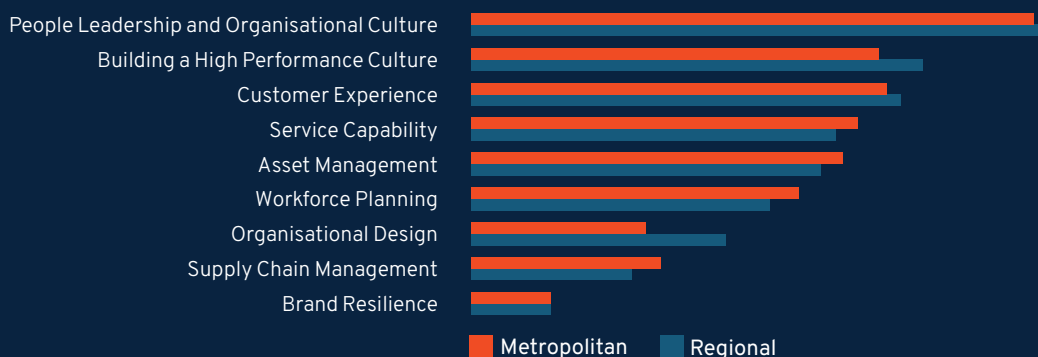
People, leadership and organisational culture was by far the highest priority for both metropolitan and regional councils when it comes to operational excellence, while building a high-performance culture and customer experience were second and third respectively.

These results closely mirror last year's top three priorities. There was very little to separate the priorities of regional and metropolitan local governments in this area, though Northern Territory was the only state or territory in which CEOs gave asset management the top priority for operational excellence, well above any other state.

### Priority for Operational Excellence - National



### Priority for Operational Excellence - Metropolitan vs Regional



## OTHER AREAS

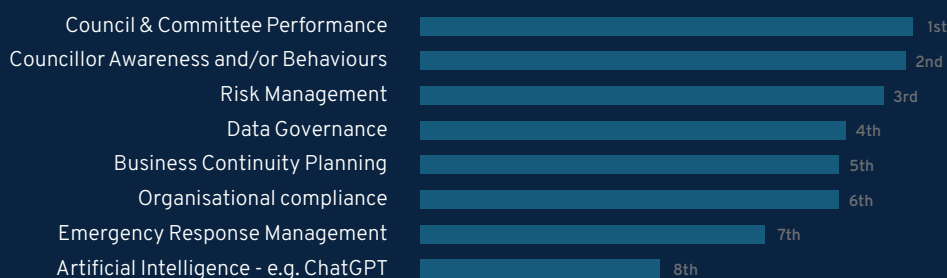
# Risk & Governance

Risk management was the top priority for risk and governance in the previous survey, but this year it has been bumped down the priority list to third.

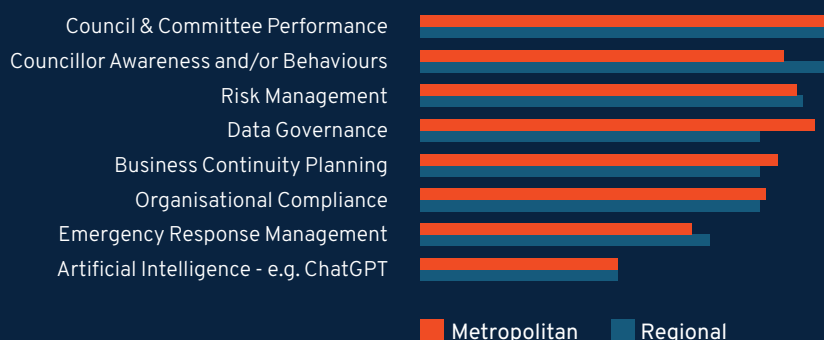
The first and second spots are now held by council and committee performance, and by councillor awareness, competency and behaviour, respectively.

Artificial Intelligence (AI) again rated as the lowest risk and governance priority. In this year's index, 80% of the CEOs see AI as an issue that will not affect their council for at least five years.

### Priority for Risk & Governance - National



### Priority for Risk & Governance - Metropolitan vs Regional



## OTHER AREAS

# Employee Wellbeing

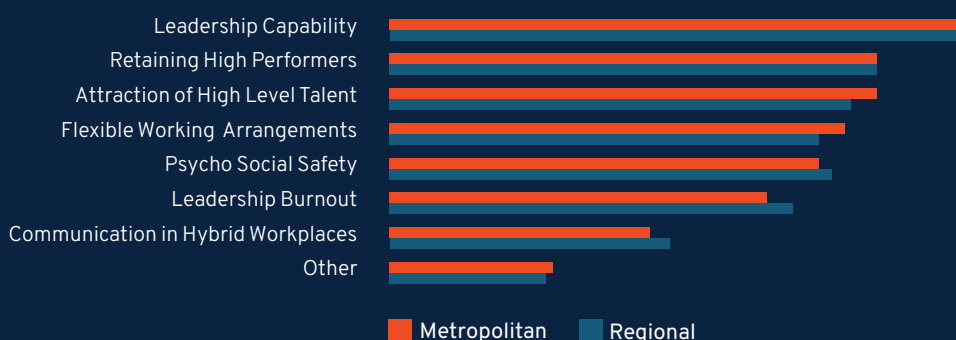
The top three priorities within this section have remained consistent to last year; leadership capability, retaining high performers and attraction of high-level talent.

Overall, there were barely any noticeable differences between the priorities for employee wellbeing between metropolitan and regional councils. The results showed that the impacts of COVID-19 still resonate. Half of the CEOs (49%) felt that employee wellbeing had been negatively impacted by the pandemic, second only to financial stability. However, employee wellbeing was also the third most likely area to have been positively impacted by COVID-19 (behind technology and leadership), according to our survey respondents. This suggests a more complicated long-term impact on wellbeing that has differed across councils.

### Priority for Employee Wellbeing - National



### Priority for Employee Wellbeing - Metropolitan vs Regional





## OTHER AREAS

# CEO Growth and Opportunities

Half of the CEOs who responded to this survey said they are not at all supported by their council to lead and perform in their roles. It's unsurprising then that the biggest issue keeping CEOs awake at night is the behaviour and awareness of councillors. Perhaps even less surprising is that CEOs value having a support network of other CEOs in the same situation and prioritise seeking out or participating in networks of their peers and the expertise of other councils, both nationally and overseas.

### As a CEO, what might keep you awake at night?



### Top 5 opportunities in which CEOs would like to participate



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## CASE STUDY

# Council Seeks Support for Large Tech-Led Change Program

This local government council knew that aligning their systems, people and processes was the key to achieving their 2040 Community Vision and had embarked on a large technology-led change program. They reached out to the team at Davidson to help minimise risk and maximise success.

### KEY TAKEAWAYS

- Alignment to Vision
- Transformation through Collaboration
- Planning is Key

## CHALLENGE

The council's executive team understood the advantages of having a single, integrated Enterprise Resource Planning (ERP) solution and they wanted to ensure that the plethora of touchpoints that this would impact across the organisation – other systems, people, processes and culture – were genuinely ready for the change.

They also wanted to ensure that the changes were delivered in collaboration with employees and key stakeholders and that the new ways of working would be sustainable.

## SOLUTION

"In a situation like this, it's important not to just deliver an assessment and give answers," said Clare McCartin, Managing Partner of Advisory and Search. "Davidson's approach is always to build the capability and capacity within an organisation so that they become less reliant on us throughout our engagement."

The solution was for the Davidson team to build an understanding amongst the council's key decision makers of:

- All the elements required for a successful transformation – customer experience, structured ways of working, empowered people and a unified partner and technology ecosystem.
- The work effort needed for each element and the level of sponsorship required to deliver the work effort.
- What being 'ERP-ready' looked like.

Taking a data-driven vendor- and product-agnostic approach, the team:

- Completed a current state analysis, reviewing data and documentation and consulting with key stakeholders

- Identified challenges, pain points and opportunities across the organisation
- Produced a high-level digital maturity assessment to benchmark and support forward planning
- Performed 'day in the life of' interviews and documented example system user personas
- Documented the future state organisational vision and objectives
- Identified four key focus areas for transformation
- Created a roadmap of priority initiatives for the next 180 days
- Identified ERP readiness requirements and actions.

## OUTCOMES

A strategy and transformation plan was developed, aligned with council's:

- Purpose, vision, community/customer value;
- Strategy, outcomes, desired results;
- And business processes, culture, governance, policy, and measurement practices.

The plan articulated:

- The case for change,
- The desired end state,
- An assessment of the maturity and risks across people and engagement, processes, the systems landscape and service and support,
- And the priorities for an engaged and 'erp-ready' organisation.

## CASE STUDY

## Revenue Review for Inner-City Melbourne Council

Faced with financial constraints due to rate capping, an inner-city Melbourne Council engaged Davidson Advisory to explore new revenue sources to address financial sustainability challenges. The project identified significant opportunities to enhance financial sustainability and mitigate reliance on traditional revenue streams.

## KEY TAKEAWAYS

- Stakeholder Engagement
- Diversified Revenue Sources
- Enhanced Financial Sustainability

## CHALLENGE

The inner-city Melbourne Council faced significant financial pressure due to the rate-capping system, which limited the annual increase in property rates, traditionally a primary revenue source for local governments. With rising costs in labour, materials, and services, often exceeding CPI due to supply constraints, the Council's ability to fund capital works and maintain service delivery was increasingly threatened. To ensure financial sustainability and avoid over-reliance on limited traditional revenue streams, the Council urgently needed to diversify its revenue sources.

## SOLUTION

To address the Council's financial sustainability challenges, Davidson Advisory conducted a thorough Revenue Review and engaged in a comprehensive analysis:

- Conducted stakeholder engagement program to explore and assess potential new revenue sources.
- Identified specific opportunities for revenue enhancement, and prioritised high-impact opportunities based on feasibility and potential financial returns.
- Codeveloped initiatives for the Council to consider new and enhanced revenue streams.
- Presented a detailed report to support informed decision making.

## OUTCOMES

The Revenue Review conducted by Davidson Advisory led to significant financial opportunities and contributed to financial sustainability for the Inner-City Melbourne Council.

- **Financial Opportunities:** The stakeholder engagement program identified a total of 55 potential revenue-generating opportunities, and 16 were chosen as top priorities based on their estimated feasibility and impact.
- **Revenue Generation:** By implementing all prioritised opportunities, the council could yield an additional \$12.2M in the first year, \$55.3M cumulatively by year 4, and \$169.6M cumulatively by year 10.
- **Fee Alignment:** The benchmarking analysis enabled the Council to adjust 11 public-facing fees, bringing them in line with surrounding municipalities, thereby increasing revenue.
- **Informed Decision Making:** The detailed findings and recommendations were presented to Councillors and the Executive, equipping them with actionable insights to support financial sustainability and growth.



## CASE STUDY

# Strategic Organisational Review for Victorian Local Council

The Victorian Local Council identified the need for a review and enhancement of its structure and operations to achieve long-term financial sustainability. They engaged Davidson Advisory to conduct a strategic review, ensuring the Council maintained the right capabilities, focused on key priorities, and delivered services effectively.

### KEY TAKEAWAYS

- Comprehensive Benchmarking
- Future-State Structure
- Improved Organisational Efficiency

## CHALLENGE

The inner-city Melbourne Council faced challenges related to its current organisational structure and operations, impacting its ability to ensure financial sustainability. The CEO recognised the need for a strategic review to align the Council's capabilities, focus, and delivery levels with its long-term goals.

## SOLUTION

Davidson Advisory undertook a comprehensive strategic review. The approach included:

- Key design principles to structure thinking, alongside utilising strategic review methodology and crucial sections of our operating model framework.
- Extensive data analysis, interviews and focus groups with stakeholders at all levels provided insight into the Council's current operations and structure, challenges and potential opportunities, while maximising engagement across all levels of the Council.
- Particular focus was placed on the future financial viability and sustainability of any changes, to ensure the Council could deliver high-quality service to the community into the future.

This comprehensive approach ensured that the Council's review was thorough and aligned with its long-term goals, enhancing its ability to deliver high-quality services and achieve financial sustainability.

## OUTCOMES

Davidson was able to deliver on a number of outcomes, including:

- Benchmarking against similar Councils and organisations;
- An understanding of the Council's current state challenges and opportunities;
- A future-state high-level organisational structure, alongside revised performance metrics and position descriptions to align with the proposed structure and executives; and
- A prioritised list of improvement opportunities to support the future state structure, including further organisational considerations.

These deliverables have aided the Council in determining the best path forward, setting them up for success and allowing the organisation to continue providing excellent service to customers and the community well into the future.

## CASE STUDY

## Transforming Council Services Through Better Customer Insights

The Victoria Local Council had embarked on a broad strategic initiative to integrate and enhance community feedback and customer voices within the Council's decision-making processes and build a culture of continuous improvement.

## KEY TAKEAWAYS

- Improved Service Quality and Customer Satisfaction
- Focus Improvement on Moments that Matter
- Deeper Insights to Develop Customer-Centric Service Strategies

## CHALLENGE

With a vision to deliver exceptional customer service, the local council faced several challenges:

- **Rising Customer Expectations:** The council needed to enhance its responsiveness and flexibility in service delivery.
- **Digital Transformation:** Adapting to more digital channels for services to meet 24/7 customer access expectations.
- **Consistent Customer Journeys:** Achieving consistent customer experiences across various channels.
- **Resource Constraints:** Pressures to improve cost efficiency while balancing the need for investments in technology and training to enhance customer experience.

## OUTCOMES

The implementation of the VoC program at the Council is anticipated to achieve several key outcomes:

- By measuring and responding to CSAT, CES and FCR metrics, the Council aims to improve service quality and customer satisfaction.
- The VoC program will expand the range of listening to incorporate not only common contact centre measures, but also operational data such as website user analytics.
- Through deeper insights, continuous improvement efforts can be focused on the moments that matter to customers as well as those for operational efficiencies.

## SOLUTION

Davidson Advisory developed a Customer Experience (CX) performance measurement framework and a Voice of Customer (VoC) Program roadmap.

- Completed a detailed review of all existing documentation and relevant research to support facilitated workshops with key Council stakeholders which identified opportunities, challenges and suitable CX metrics. These sessions helped surface critical insights and align internal perceptions with the CX improvement objectives.
- Built a tailored CX performance measurement framework which focused on three key CX metrics: Customer Satisfaction (CSAT), Customer Effort Score (CES), and First Contact Resolution (FCR).
- Designed a four-phase VoC program roadmap to capture insights across multiple touchpoints, ensuring comprehensive insights into customer needs and expectations.



## Davidson – Beyond Search and Recruitment

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At Davidson, we believe that true partnership extends far beyond merely matching talent with opportunities.

Our holistic approach ensures that your organisation isn't just meeting today's challenges but is poised to lead tomorrow's innovations.

In the realm of Strategy and Operations, we don't just craft plans - we bring them to life. Our experts are seasoned in aligning strategy with performance, ensuring that every operational move is not only calculated but also impactful. From optimising processes to managing complex transformations, we help organisations navigate their path with precision and confidence.

But our expertise doesn't stop there. We are equally committed to fostering Talent and Leadership that drives sustainable growth. In today's dynamic business environment, leadership isn't just about managing teams; it's about inspiring them. We work closely with your leadership to cultivate a culture that resonates with purpose, ensuring your talent not only thrives but propels your business forward.

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Contact our Advisory and Technology team today to explore how we can redefine success together. Davidson - where strategy meets execution, and leadership fuels transformation.

# Unlock Your Potential with Davidson's Strategic Insights

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In a world where change is the only constant, Davidson stands as your beacon of stability and growth.

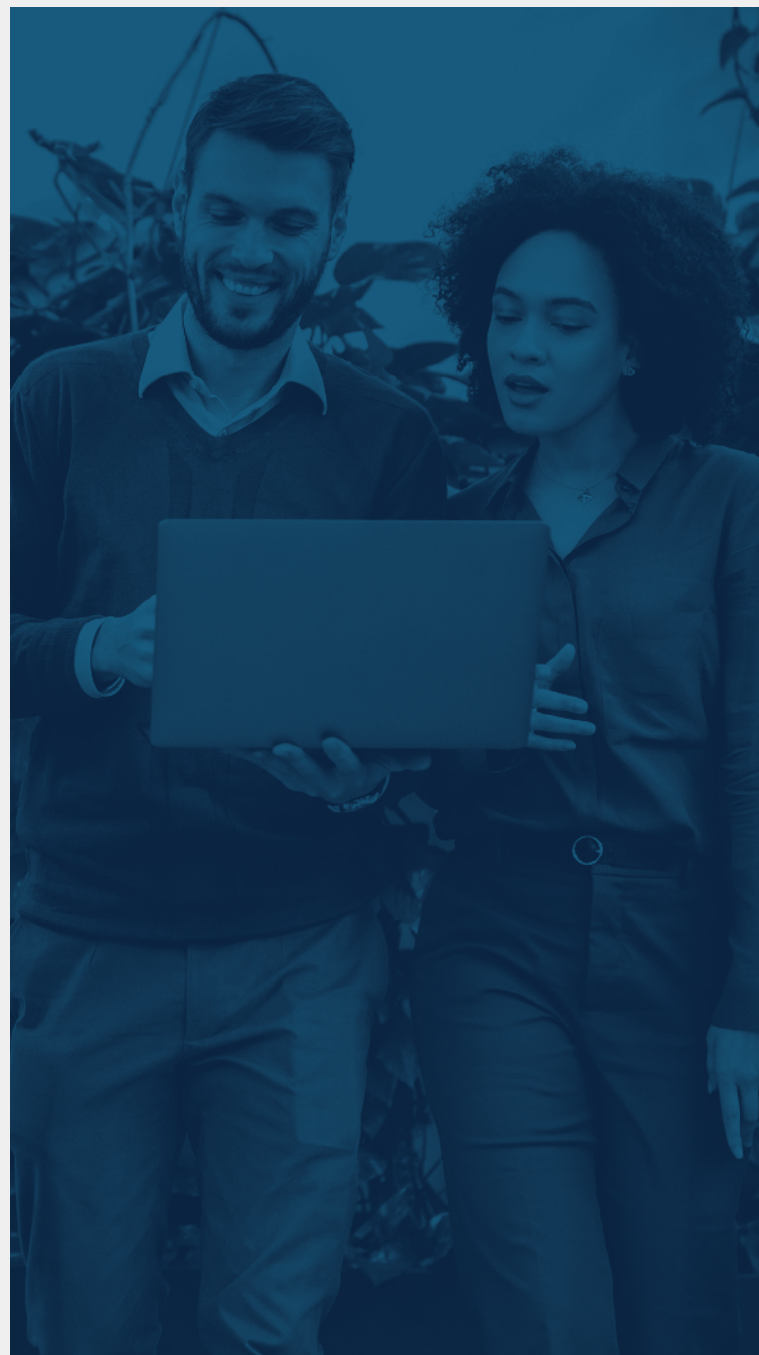
Our Strategy and Operations services are tailored to elevate your business, ensuring that every strategic decision is backed by actionable insights and meticulous planning. Whether you're looking to streamline operations or embark on a full-scale transformation, our team of experts is equipped with the knowledge and tools to make it happen.

We understand that behind every successful strategy is a team of exceptional individuals. That's why our Talent and Leadership solutions are designed to identify, develop, and support leaders who are not only capable but visionary. We empower your leaders to inspire their teams, drive innovation, and execute strategies that lead to lasting success.

Technology is the engine that powers today's businesses. Our Transformation and Technology services ensure that your organisation is not just keeping pace with the digital age but leading the charge. From digital transformation to data management and cloud solutions, Davidson provides the technological expertise that aligns with your business goals, driving sustainable growth and efficiency.

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Ready to transform your organisation?  
Contact our Advisory and Technology team  
today and let's start shaping the future of  
your business.





## Davidson – Your Partner in Transformation

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At Davidson, we view transformation as more than a buzzword—it's a journey we take with you.

Our integrated services across Strategy and Operations, Talent and Leadership, and Transformation and Technology are designed to create a seamless experience that drives results. We don't just offer solutions; we deliver sustainable outcomes that resonate across every level of your organisation.

In the realm of Strategy and Operations, we ensure that your business strategy is not just aspirational but actionable. Our approach to operations is grounded in real-world experience, ensuring that every decision supports your broader strategic goals. We help you navigate complexities with a clear focus on performance and impact.

Our commitment to Talent and Leadership goes beyond traditional recruitment. We're dedicated to nurturing leaders who inspire, engage, and drive transformation. With Davidson by your side, you'll have access to the expertise needed to cultivate leadership that is as dynamic as it is effective.

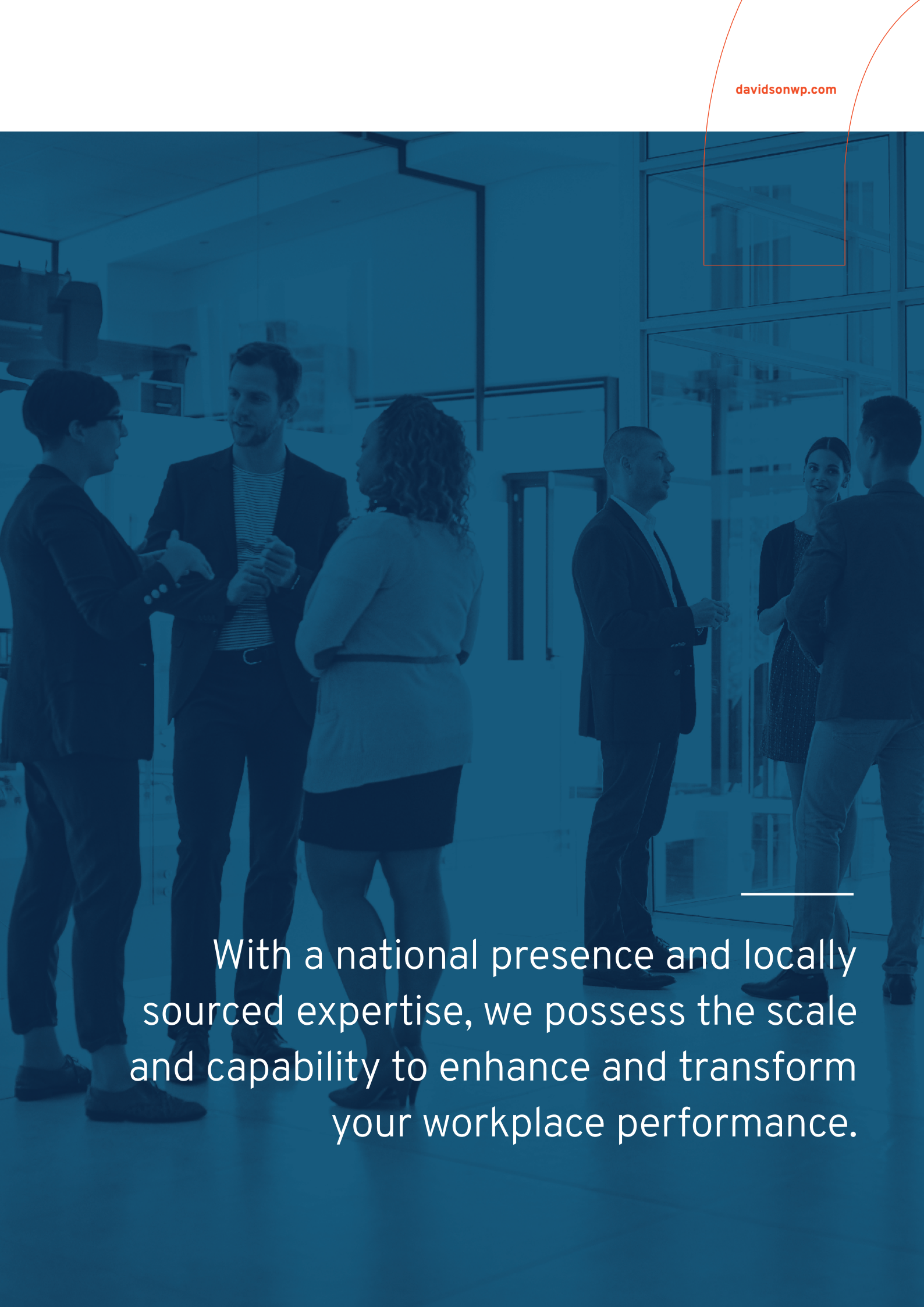
Finally, our Transformation and Technology solutions are your key to unlocking the full potential of digital innovation. We bring together cutting-edge technology and industry best practices to help your organisation not just adapt but excel in today's rapidly evolving landscape.

Davidson is more than a service provider—we are your strategic partner. Connect with our Advisory and Technology team today and take the first step towards transforming your business into a powerhouse of innovation and leadership.

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Don't just keep up with change - lead it. Contact Davidson's Advisory and Technology team today and discover how we can help you redefine success.





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With a national presence and locally sourced expertise, we possess the scale and capability to enhance and transform your workplace performance.





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