

# 2022 Local Government Workforce Skills and Capability Survey

## New South Wales Report

Prepared for the Australian Local Government Association

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Offices in Canberra, Hobart, Melbourne, and Sydney on the Country of the Ngambri/Ngunnawal/Ngarigo, muwinina, Wurundjeri, and Gadigal Peoples.

## Acknowledgement of Country

SGS Planning and Economics acknowledges the First Nations Peoples of Australia and on whose Country we live and work.

SGS Planning and Economics acknowledges that the Aboriginal and Torres Strait Islander peoples of Australia are one of the oldest continuing living cultures on Earth, have one of the oldest continuing land tenure systems in the World, and have one of the oldest continuing land use planning and management systems in the World.

We pay our respects to the First Nations Peoples, past and present, and acknowledge their stewardship of Country over thousands of years.

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## Executive Summary

**The 2022 Australian Local Government Workforce Skills and Capability Survey offers valuable insights into the sector's existing workforce and future capability requirements.**

The Australian Local Government Association (ALGA) commissioned SGS Economics and Planning to undertake the 2022 Local Government Workforce Skills and Capability Survey to gather contemporary insights into the national workforce profile of Australia's local government sector and to determine current and future workforce needs and priorities. This work was funded by the Australian Government.

The 2022 Local Government Workforce Skills and Capability Survey captures rich insights into the Australian local government workforce, its skilling needs, and priorities at a time when Australian communities are undergoing rapid change.

The survey also confirms longstanding constraints that continue to impede progress on workforce development. At a time when the social and economic environment is rapidly changing, now is a critical juncture for the sector to renew – and potentially reset – how it addresses key skills shortages and builds capacity for greater resilience in the longer term.

This New South Wales report is intended as a resource to inform policy and decision-makers working in and with local governments, and complements the separate National report on the profile of the local government workforce nationally. The findings in this report are drawn from research commissioned by ALGA, conducted between December 2021 and March 2022. All Australian local governments were provided the opportunity to participate, with follow-ups conducted by SGS in partnership with ALGA and the State and Northern Territory Local Government Associations. Nationally, 210 local governments participated in the survey in 2022.

Local governments are not typically front of mind in Commonwealth, State and Territory policy development. Despite these preconceptions, the reality is that we all live our lives in local places. The standard and efficiency of our local services – clean streets, parkland, libraries, and sporting facilities – are no less important in determining our quality of life than the macro policy settings determined by other spheres of government.

The period between 2012 and 2021 was hugely demanding of Australia's public sector. Amongst rich nations, Australia has historically experienced strong population growth, (AIHW, 2022), generating pressures for rapid expansion of all manner of government services. In early 2020, the COVID-19 pandemic hit, further boosting demands on government spending and resources. Over the nine years from 2012 to 2020, Commonwealth spending grew from \$17,200 per capita to \$26,000 per capita, an increase of more than 50%. State government outlays grew from \$11,300 per capita to \$14,900 per capita, an increase of 32%. By comparison, local government, whose services are highly exposed to population growth (and, indeed, COVID-19) related spending requirements, saw only a 23% increase in total outlays per capita across the nation. This suggests that councils were fairly effective in getting value from the resources available to them, compared to other spheres of government.

Looking at the number of employees by level of government provides another perspective on the issue. Between 2012 and 2021, total employment numbers in local government barely changed at around

190,000. On a per capita basis, employment in local government actually fell by 11% – yet services to the community were maintained at a seemingly reasonable standard. By comparison, total employment across state governments kept pace with population growth, increasing by 213,000 workers over the nine years in question, ultimately reaching 1.66 million by 2021. For its part, the Commonwealth saw total employment fall marginally from 250,000 to 248,000. Nevertheless, these figures indicate a significant productivity gain by local government.

The key findings of this research show that:

- Local government is a major national employer with over 190,800 workers in almost 400 occupations. It plays an important role as an anchor organisation and in increasing productivity through utilising endogenous talent and innovation.
- Local governments continue to experience skills shortages in multiple occupations, exacerbated by the impacts of the COVID-19 pandemic, the impacts of climate change and the accelerated take-up of technology and digitisation of services.
- Local governments are grappling with significant challenges in relation to recruitment and retention of skilled staff and accessing training opportunities to enhance workforce skills and capability. Employee attrition and an ageing workforce are ongoing and an escalating difficulty.
- Local governments are having difficulties in securing the right quantum and mix of skills to support local service provision which is affecting not only local government's productivity, but also the productivity of host localities and regions.
- Barriers to effective workforce planning and management include a shortage of resources within local government, a lack of skilled workers and the loss of corporate knowledge as employees retire or resign.

Some of these findings are not unique to the local government sector. They are also affecting other sectors of the economy, especially in regional areas away from our major capital cities.

The impacts of recent natural disasters have coincided with the ongoing social and economic impacts of the COVID-19 pandemic, and have fundamentally shifted the composition of our communities, as well as the ways in which local communities interact with governments and with each other.<sup>1</sup> Therefore, the operating context of local governments is changing considerably, having to contend directly or indirectly with the frontline challenges of balancing public health, economic and social impacts.

Notwithstanding these impacts, it is also clear from the 2022 survey that, at least from the perspective of some local governments, **there are longstanding issues of resourcing, organisational capacity, supply constraints and cultural barriers** that continue to impede meaningful thought leadership and progress.

The findings in this report are drawn from a rich dataset, but they tell only part of the story. There is a strategic need to build a future workforce that has the skills, capacity and productivity to handle Australia's 'big picture' needs, including the agility to handle disruptions arising from pandemics, climate change (through both emissions reduction and, increasingly, adaptation), and technological advances supporting necessary economic change, including regional development and better managing metropolitan growth. As the most recent State of the Environment Report concluded, *'our environment*

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<sup>1</sup> Cortis, N & Blaxland, M (2020): Australia's community sector and COVID-19: Supporting communities through the crisis. Sydney: ACOSS

*holds the key to our survival and wellbeing*'.<sup>2</sup> And local governments are key managers of our local environments and places.

In interpreting the Survey results, this report acknowledges a wide range of factors impacting on local government's workforce skills, its resilience and abilities to cope with rapid change, while noting that several factors lie beyond local government's direct sphere of influence. Some dimensions of quality of place such as housing supply and associated social infrastructure are significant constraints to economic development. Without housing, prospective employees are unable or reluctant to move into regional areas, and without critical mass in the local labour force, businesses may be reluctant to establish or relocate, which would otherwise stimulate regional investment. These issues are not unique to rural and regional areas, even though they may manifest in different forms. Nevertheless, the survey findings provide a rich evidence base for decision-makers, starting with a better understanding of what can be achieved with investment in the sector's current skills base and with a stronger focus on models of regional cooperation and alliance.

Insights gleaned from several focus groups show some local governments are making progress by adapting existing organisational structures and changing conventional work processes in response to their changing social, economic and environmental context. These include, for example, testing needs-based recruitment approaches and exploring non-traditional salary remuneration structures. However, greater effort is required if local government as a major employment sector is to cope with the longer-term changes that are occurring in the workforce more generally. For example, there is value in considering **a systems approach to regional learning and educational planning**. A dual focus on opportunities for learning, which local governments already focus on as part of internal strategies to meet skilling needs, as well as the *structure* of the learning ecosystem would elevate impact. Under a Regional Learning Systems approach,<sup>3</sup> local governments are positioned among a broader network of local authorities, businesses, educational institutions and training providers to establish cooperative partnerships, not just for training purposes but for job stimulus and regeneration.

Our review of international thought leadership, contained in **Appendices G and H**, highlights the need for a more holistic approach to re- and upskilling to capture those with weaker attachments to labour markets, such as low-skilled workers, those on non-standard contracts and the long-term unemployed. While it may be some time before the benefits of such initiatives filter through to the local government sector's workforce, the time to lay the foundations for an adequately skilled future workforce is now.

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<sup>2</sup> Cresswell ID, Janke T & Johnston EL (2021). *Australia state of the environment 2021: overview*, independent report to the Australian Government Minister for the Environment, Commonwealth of Australia, Canberra. DOI: [10.26194/f1rh-7r05](https://doi.org/10.26194/f1rh-7r05). <https://soe.dccew.gov.au/about-soe/downloads>

<sup>3</sup> Regional Australia Institute (2022), *Rebalancing the Nation Regionalisation* Consultation Paper, <https://regionalaustralia.org.au/common/Uploaded%20files/Files/Regionalisation-Consultation-Paper-DIGITAL.pdf>

## NSW Survey Results: Headline Statistics

This section reports on survey results from participating local governments in NSW.

### Workforce profile of the NSW local government sector

- The sector's workforce is spatially distributed across 57 Rural, 37 Urban Regional and 34 Urban and Urban Fringe local governments.
- Employment size: An analysis of employment size across all local governments shows that the NSW LG sector is dominated by mid-size local governments between 100-500 FTEs, which account for 59% of all local governments. Relative to this state distribution, the 2022 LG survey collected more responses from larger local governments (> 500 FTEs), with 32% respondents falling into this category.
- Gender equity: Among the local governments who responded to the 2022 Survey, the gender breakdown of their workforce was 51% male and 49% female. Part-time and Casual positions are predominantly female, while full-time, apprentice and traineeship positions are majority male.
- Turnover: 54 local governments (96% of survey respondents) experienced between 1-27% unplanned turnover as a proportion of total FTE. The areas experiencing the greatest staff turnover included: water operations<sup>4</sup> (affecting 25.6% local governments), plant operators (9%), and aged, disability and childcare services (9%).
- Length of service: 40% of the workforce had been employed for 1-5 years, followed by 16% for 6-10 years and 13% for less than a year. 12% of the workforce has 20 years or more of service.
- Workplace diversity: 21 local governments reported at least one employee who identifies as Culturally and Linguistically Diverse (CALD), while 24 local governments said that employees living with a disability represented between 1-6 % of their 2021 FTE. 47 local governments said they employed at least one individual who identified as being of Aboriginal and Torres Strait Islander origin.
- Age profile: Among urban local governments, the highest proportion of the workforce is in the 30-44 year age group. Rural local governments had the highest proportion of their workforce in the 55-64 year age group.
- Aboriginal and Torres Strait Islander workforce: 84% of respondent local governments have Aboriginal and Torres Strait Islander employees in their workforce. However, the overall proportion of Aboriginal and Torres Strait Islander workforce among responding local governments is low, at 2.1%.
- Based on the 2022 survey results, the highest proportion of Aboriginal and Torres Strait Islander participation is in the 15-19 year age group in Professional and Administrative

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<sup>4</sup> The shortage of water operators is calculated from responses of rural and regional local governments only, as metropolitan local governments are serviced by State Government water authorities.

positions, followed by the 15-19 year age group in Operational and Trade positions. The lowest proportion is among the 55-64 year age group in Professional and Administrative positions.

- 36.7% of respondent local governments said they have at least one Aboriginal or Torres Strait Islander trainee or apprentice.
- 8% of trainees in NSW local government currently identify as being of Aboriginal or Torres Strait Islander origin, compared to 12% nationally.
- 8.7% of respondent local governments said they have at least one Aboriginal or Torres Strait Islander cadet among their employees, compared to 3.6% nationally.

### Skills shortages in the NSW local government sector

- Almost all respondent local governments (over 91%) reported that they were experiencing skills shortages in 2021-22, compared to the 86% of responding local governments in 2018.
- 66% of respondent local governments said that project delivery has been impacted or delayed by vacancies, skills shortages, skills gaps or training needs.
- The most cited skill shortages that local governments are experiencing are engineers (as noted by 60% of 2022 survey respondents), urban and town planners (52%), building surveyors (48%), project managers (40%), and labourers (38%).
- As a result of these skills shortages, local governments said that they resorted to recruiting less skilled applicants for building surveyors, engineers, and water treatment operators.
- Several occupational skill shortages are becoming critical, including computing and ICT professionals, engineers, urban and town planners, building surveyors, and mechanical tradespersons. The proportion of local governments experiencing critical shortages in these occupational areas has also increased since 2018 from a range of approximately 7-45% of responding local governments to approximately 26-65% of respondents in 2022.
- The most common drivers of skills shortages are an inability to compete with market remuneration, a market shortage of suitable skilled candidates, followed by a regional or rural location.
- Hardest to fill occupations included engineers (16 local governments cited this), followed by building surveyors (14) and town planning (13). In 2021-22, local governments also experienced recruitment challenges for nurses, plumbers, water network operators, and road safety officers, among other occupational areas.
- Key drivers of critical skills gaps by occupational area include a range of factors including, for example, complex legislative changes and/or requirements, insurance costs and challenges in recruiting for regulatory roles, and a lack of regional housing availability and/or affordability. Many of these factors are beyond local government's influence or control.
- The most successful methods for filling vacancies included advertising, social media, word-of-mouth and personal networks of staff, taking on more trainees or apprentices, trialling people through work experience or practicum placements, resource sharing across the council, and redesigning job roles. Contingent workers and graduate employment pipelines were less successful methods for filling skills shortages.

- Local Governments also used a variety of strategies to address skills gaps and shortages, including providing opportunities to act up and/or across other roles, providing informal, on-job training, and targeted training.
- 75% of respondent local governments said they had engaged with state or federal education, training or other initiatives to support workforce retention and attraction.
- 39% of local governments who completed the 2022 survey said they were engagement in workforce planning by analysing and forecasting future roles and requirements, compared to 31% in 2018.
- 79% of local governments said they provided flexible training to meet future workforce skills needs, while 16% indicated that they shared resources or services with other local governments.

### **Training needs and challenges in the NSW local government sector**

- There has been an increase in the percentage of local governments reporting unmet training needs, from 36% of respondents in the 2018 survey to 70% of the responding local governments in the 2022 survey (almost double).
- 66% of respondent local governments identified COVID-19 pandemic as the most common disruptor of training needs in 2021 to 2022, followed by difficulties sourcing quality training programs locally (39%) and balancing training needs with employees' time constraints (30%).
- For expenditure on learning and development, 27 (48%) respondent local governments confirmed that it had remained the same, 15 said it had decreased, and 10 reported an increase.
- Factors impacting future skilling needs included ageing workforce (82%), major infrastructure projects (71%), increasing levels of governance and compliance (59%), technological change (57%), changes in government funding levels (52%).
- The most significant impacts on workforce attraction and retention included COVID-19, housing pressures, uncertainty of long-term funding and changing local/regional economy.
- 44, or 79% of, respondent local governments said they use flexible training and development was the most common strategy for meeting future skilling needs, followed by targeted training and development programs (70%). 66% of local governments improved access to educational opportunities as part of their strategy. To a lesser extent, local governments engaged in regional staff sharing and industry partnerships; overall, the uptake of some of these strategies is considered low.

# 1. Introduction

This chapter provides the background and context for the 2022 Local Government Workforce Skills and Capability Survey, the methods used to conduct the survey and garner additional qualitative information, definitions for terms used in this report, the scope and structure of this report, and some comparative data about the respondents to the 2018 and 2022 surveys.

## 1.1 Background and Context

Collectively, Australia's 537 local governments are one of the country's largest employers, with a diverse, multi-disciplinary and multi-skilled workforce of nearly 200,000 people in almost 400 occupations. At the heart of this research is a goal to better understand the workforce and skills needs, gaps and challenges of local governments across Australia and to use the evidence to make better investment decisions – at national, state/territory, and local community levels – to support local governments' continued delivery of vital services and infrastructure in their local communities; to enhance individual and community wellbeing; and to contribute to key national agendas such as improving productivity, promoting regional development and addressing climate change.

In recent years, skills and workforce issues have been a growing concern for the sector with the compounding impacts of natural disasters, ongoing structural changes (including increasing automation and digitisation), and the continuing effects of the COVID-19 pandemic, exposing vulnerabilities in organisational capacity and capabilities. A suitably skilled workforce is not only essential to fulfilling core operations, but also in a strategic sense to enable capacity building into the future.

Systemic workforce vulnerabilities impede recovery from, and resilience to, social and economic shocks. Staff turnover, imbalances in workforce age structure, declining apprenticeship and traineeship engagement, and increasing competition from other sectors for talent and labour are just some of the challenges faced by local governments nationally. When other factors such as remoteness and a population's socio-demographic profile are overlaid, it becomes clear that different skill sets are required in order to continue performing effectively as competent local governing bodies.

The 2022 survey results report on workforce skills and capability issues currently being faced by the sector. These results:

1. Provide first-hand evidence of the breadth of workforce skills gaps and issues across the country and differences between regions. The evidence may be symptomatic of underlying inequities, thereby assisting policymakers to pinpoint and potentially disrupt root causes; and
2. Clarify how organisational capacity is perceived by the sector and by individual local governments.

In reporting these results, the influence of many local-level drivers of workforce dynamics – communities in social and economic transition, housing pressures, skilled migration trends and funding uncertainty – is recognised. These are discussed to the extent that they relate to workforce skills and

capability issues for the local government sector. A more detailed consideration of these issues is beyond the scope of this report.

This analysis centres on the 2022 Local Government survey results and on what has changed (or not changed) since the inaugural 2018 survey. It discusses potential opportunities for local and central (state/territory and sometimes federal) governments, referencing national and international case studies. Similar to the 2018 survey, these findings will provide an evidence base on which future policies and proposals for meeting local government's future workforce skills and capabilities might be based.<sup>5</sup>

## 1.2 Survey Methods

The project was conducted in four phases:

1. **Pilot phase** (survey to 25 local governments): December 2021.
2. **Main Round**: survey live from mid-December 2021 to 28 February 2022 (inclusive of two extensions).
3. **Focus groups and interviews**: between December 2021 to March 2022.
4. **Response analysis and reporting**: April to August 2022.

The survey was hosted on SurveyMonkey, an online survey software. All Australian local governments were provided the opportunity to participate, with follow-ups conducted as part of a communications and engagement strategy developed by SGS, in partnership with the ALGA and the State/Northern Territory Associations.

The project was managed with the oversight of the Australian Government, ALGA, and the Local Government Workforce Development Group (LGWDG), whose membership comprises State and Territory local government associations. The LGWDG provided input to the 2022 survey questionnaire, supported communications about the survey through newsletter, social media and other channels, and, in some jurisdictions, facilitated survey correspondence and follow-up.

56 local governments in NSW responded, representing a 43% response rate. We have been clear in the document to discern between data that reflects the sector and is drawn from other sources and data that is specific to the respondents of the survey. The list of responding local governments by Australian Classification of Local Governments (ACLG) is provided in **Appendix A**. A copy of the survey is provided in **Appendix B**.

The 2022 survey form is largely based on the *2018 Local Government Skills Shortage Survey* to enable longitudinal comparison. However, several new questions were included to gauge the impacts of recent events on workforce attraction and retention (e.g. Qs 61, 62) and to understand how this is shaping local governments' current actions (Q 63) and future skills needs (Q 64).

The survey also included new questions relating to the sector's Aboriginal and Torres Strait Islander workforce, as well as local governments' joint training and development with Aboriginal Community

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<sup>5</sup> In order to achieve national coverage, SGS also invited the ACT Government to participate in the survey, but they declined on the basis that it would have been too difficult to disaggregate data between Territory and what would otherwise be local government functions in the ACT.



Controlled Organisations (ACCOs) (Q 55), to gather insights for Key Action Priority Reform 2.3 of ALGA's *Closing the Gap Implementation Plan*.<sup>6</sup> The additional questions pertaining to Aboriginal and Torres Strait Islander people in the local government workforce included the following:

- How many employees identify as being of Aboriginal and Torres Strait Islander origin? (Q4)
- How many Trainees & Apprentices identify as being of Aboriginal and Torres Strait Islander origin? (Q10)
- How many staff employed under a cadetship arrangement identify as being of Aboriginal and Torres Strait Islander origin? (Q15)
- Please indicate the total number of employees of Aboriginal and Torres Strait Islander origin in each age group for Professional & Administrative Officers? (Q18)
- Please indicate the total number of employees of Aboriginal and Torres Strait Islander origin in each age group for Operational & Trade Employees? (Q20)
- Have you undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs)? If so, please provide the details of the ACCO and whether the exercise was beneficial to Council. (Q55)

The responses to these questions are discussed in **Chapters 2 and 5**.

The survey also included a new question about whether local governments had undertaken joint training and development opportunities with Aboriginal Community Controlled Organisations. Several respondent local governments provided additional details about those arrangements, and that is included in **Appendix C**. Additional data on the Australian local government workforce from the 2021 ABS Census of Population and Housing is included in **Appendix D**.

Web survey responses were cleaned for analysis, including de-duplication of responses, review of data quality and the creation of derived variables where necessary (e.g. for free text responses).

There were several challenges to achieving a higher response rate during the 2021 and 2022 survey. These factors were beyond the control of the project team and ranged from survey timing to survey fatigue, and instances where the information is not currently held by council. These learnings may inform future survey formats and/or their harmonisation with other workforce-related Censuses conducted in some states.

A list of the stakeholder groups and organisations that were interviewed or participated in focus groups as part of this research is provided in **Appendix E**.

In addition to the survey, SGS undertook additional qualitative research to complement the survey's quantitative findings, especially in relation to skills and workforce drivers, workforce development initiatives. The scope of the additional research included a focus group of selected key organisations at the national level to scope local government workforce and capability issues and challenges, a series of focus groups with State and Northern Territory Local Government Associations and a small number of local governments in each jurisdiction, a focus group on Aboriginal and Torres Strait Islander workforce in local government, and a scan of workforce development ideas and initiatives in Australia and

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<sup>6</sup> Australian Local Government Association (2021), *Closing the Gap Implementation Plan*, <https://alga.com.au/app/uploads/ALGA-Closing-the-Gap-Implementation-Plan-4.pdf>

internationally. Some of the raw material we gathered is included in **Appendices F, G and H**. A list of further readings is provided in **Appendix I**.

### 1.3 Definitions

For consistency and clarity in interpreting the survey results, the following definitions have been adopted in this report:

- **Australian Classification of Local Government (ACLG) broad category:** there are 22 classes of local governments defined in the Australian Classification of Local Government. For the purposes of analysis, they are regrouped into three segments in this report: Rural, Urban and Urban Fringe, and Urban Regional. **Figure 2** is a map showing LGA by ACLG broad category.
- **Cadetship:** the employment of a tertiary level student or graduate under a structured program or for a fixed duration as part of their studies. It excludes unpaid work experience.
- **FTEs:** full time equivalents.
- **Local governments in preference to local Councils in this report:** In the Australian context, the term 'local council' refers to the elected arm of government, whereas the term 'local government' refers to the administrative and management arm of government.
- **Skill gap:** the gap between the skill level of the employee and the skills needed to perform their role description, as intended by their employer.
- **Skills shortage:** a labour shortage that requires the recruitment of more people into the workforce.

### 1.4 Report Scope

The scope of this report is to present the findings of the 2022 Local Government Workforce Skills and Capability Survey in New South Wales and additional qualitative evidence gathered from focus groups, interviews with key stakeholders and secondary research into international and local best practice policy for workforce and skills/capability development in the local government sector.

This report:

- Presents the self-reported organisational capacity in relation to headcount and other human resource (HR) metrics, skills gaps and future needs of the 56 New South Wales' local governments who responded to the survey.
- Describes the 2021-22 workforce profile in terms of employment trends, skills shortages, unmet training needs and employment outlook, and potential implications for the future.
- Provides an analysis of the 2022 survey results, benchmarking the data against other sources of employment information, including the 2018 national survey results and state/territory specific workforce Censuses (where available).
- Summarises the challenges local government faces in maintaining a skilled and competent workforce into the future to inform national and state/territory policy development over the coming decade.

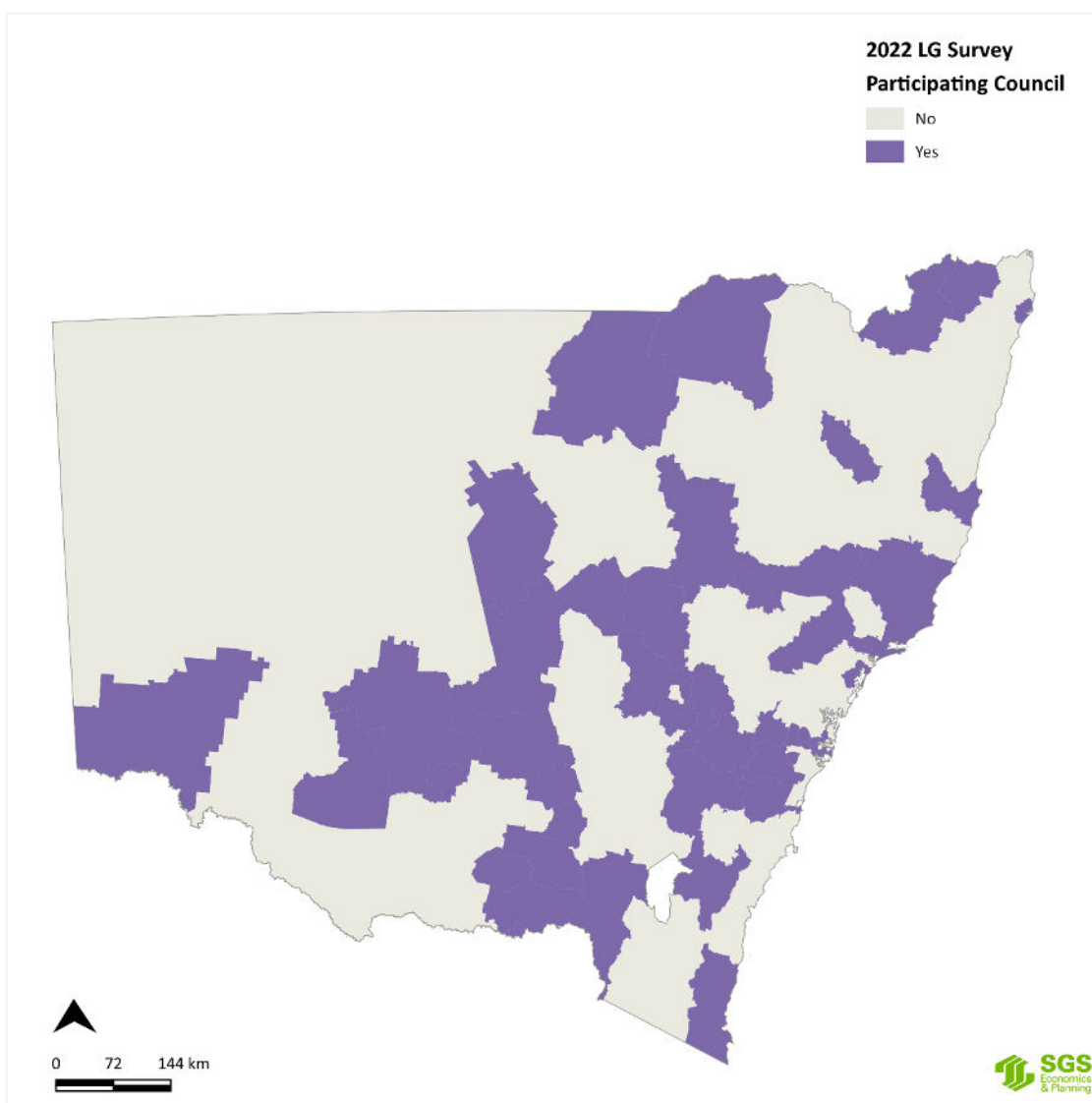
This report also incorporates NSW data from the Australian Bureau of Statistics’ 2021 Census of Population and Housing, released in October 2022, at **Appendix D**.

### 1.5 Comparative Data about Respondents to the 2018 and 2022 Surveys

The following information provides some comparative data about NSW respondents to the 2018 and 2022 Local Government Workforce Skills and Capability Surveys.

56 (43%) local governments in New South Wales responded to the 2022 survey, of which 31 also responded in the 2018 survey. In 2018, a total of 52 local governments participated. Based on a breakdown by ACLG broad category, NSW survey respondents included 23 Rural, 17 Urban and Urban Fringe, and 16 Urban Regional local governments (**Figure 1**). A list of 2022 respondents can be found in **Appendix A** of this report.

**FIGURE 1: COVERAGE OF 2022 PARTICIPATING LOCAL GOVERNMENTS, NEW SOUTH WALES**



Source: SGS (2022)

## 1.6 Report Structure

This report combines a detailed analysis of the 2022 survey results with qualitative evidence gathered from focus groups, interviews and secondary research into international and local best practice policy for workforce and skills/capability development in the local government sector.

The report is structured as follows:

- **Chapter 2** sets out the New South Wales local government’s status and characteristics as a major employer.
- **Chapter 3** presents the results on skills shortages in New South Wales local government’s workforce.
- **Chapter 4** presents the results on training needs and challenges in New South Wales’ local government workforce.
- **Chapter 5** summarises key insights from the focus groups held to complement the survey.
- **Chapter 6** sets out strategies for enhanced workforce skills and productivity over the next decade.

In addition, there are several Appendices, as discussed above.

## 2. NSW Survey Results: Local Government as a Major Employer

This chapter provides contextual material and key statistics from the 2022 Survey on the New South Wales local government's characteristics as a major employer and the current nature of its workforce.

### 2.1 Industry context

Local Government in New South Wales comprises 128 local governments. The sector's workforce is spatially distributed across 57 Rural, 37 Urban Regional and 34 Urban and Urban Fringe local governments (ACLG, 2020-21) and provides a range of services including, but not limited to infrastructure and property, recreation and culture, health services (such as water and food inspection), community services, planning and development approval, water and sewerage services.<sup>7</sup> A map of NSW's local governments by broad ACLG category is shown in **Figure 2**.

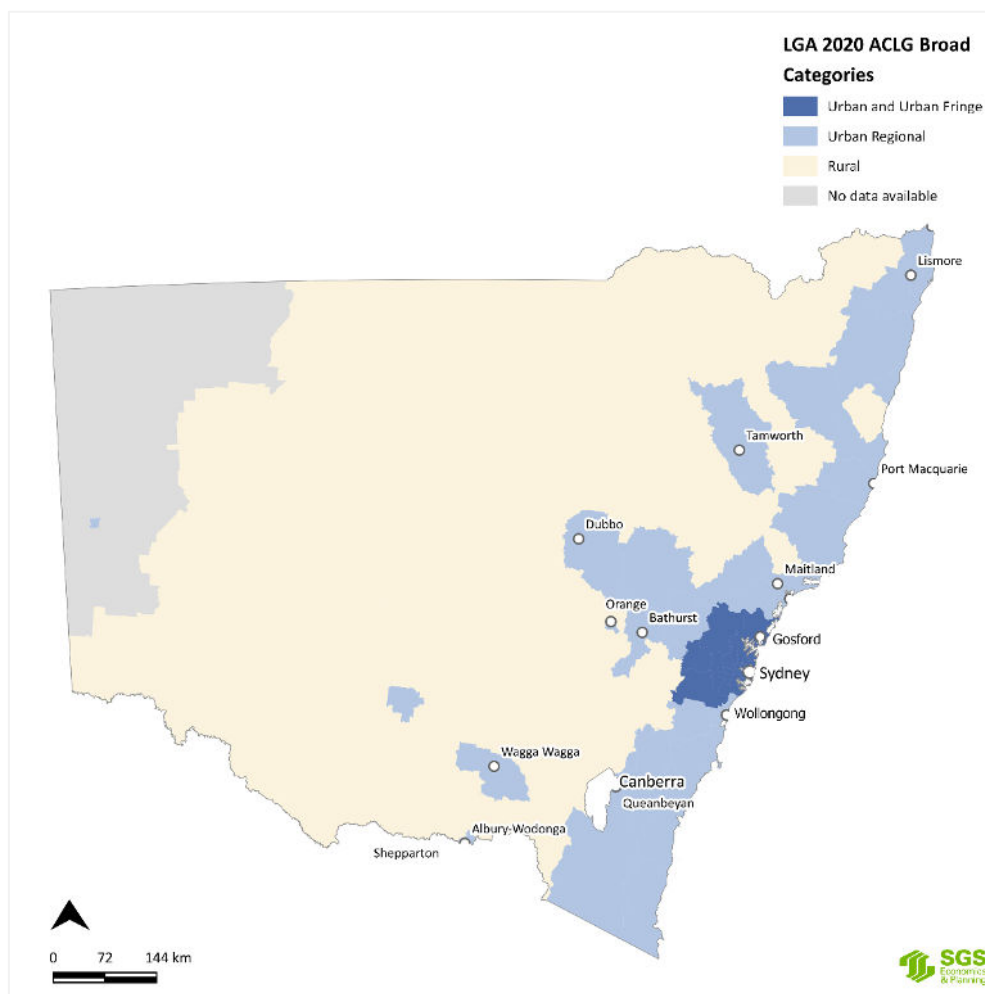
Local governments in Australia perform crucial roles and functions in the public interest to advance community wellbeing, economic and social development, and sound environmental management. These include, under delegation from State/Northern Territory governments:

- Being a democratic, representative, informed and responsible decision-maker in the interests of local and regional communities,
- Providing and coordinating a wide and growing range of services and facilities that benefit both residents and visitors,
- Managing and expanding its activities and resources in a socially just and sustainable manner,
- Providing for the welfare, wellbeing and interests of individuals and groups within its community,
- Representing the interests of its community to the wider community and other tiers of government,
- Planning at the local and regional level for measured development and to protect and conserve the environment, and
- Participating in public policy development and planning and investment activities with state, territory and federal government in order to address key regional and national agendas; the other spheres of government.

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<sup>7</sup> 2018 Local Government Workforce and Future Skills Report – NSW.

**FIGURE 2: LGA BY ACLG BROAD CATEGORY, NEW SOUTH WALES**



Source: SGS (2022)

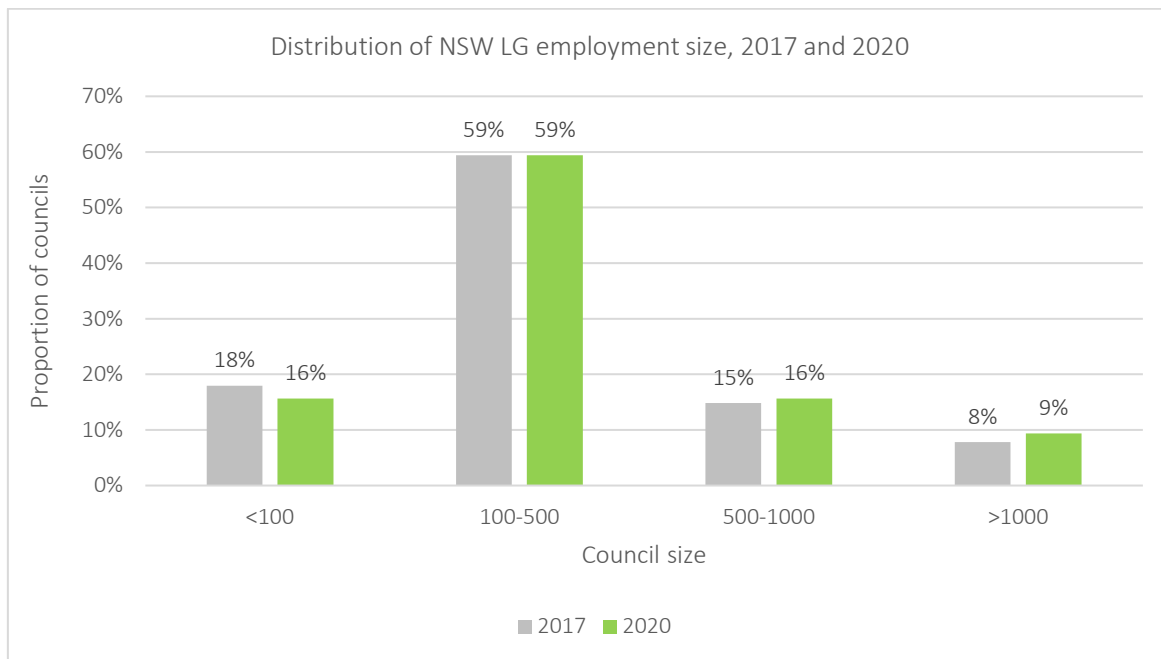
## 2.2 Employment numbers

The NSW local government sector employed 48,828 FTEs at 30 June 2020; a 1% increase over the previous 12 months (48,108 FTEs at 30 June 2019) and a 7% increase since 2017.<sup>8</sup> In 2019-20, employment size varied significantly across NSW local governments, ranging from 47 FTEs at Central Darling Shire Council to 2,585 FTEs at Central Coast Council (**Figure 3**).

An analysis of employment size across all local governments shows that the NSW LG sector is dominated by mid-size local governments of between 100-500 FTEs, which account for 59% of all local governments. Compared to 2017, there is a slightly lower proportion of small local governments (16% in 2020 compared to 18% in 2017) and a slightly higher proportion of larger local governments whose workforce exceeds 500 FTEs, suggesting overall growth in the LG sector workforce.

<sup>8</sup> NSW Office of Local Government (2020), *Time Series Data*, <https://www.olg.nsw.gov.au/public/about-councils/comparative-council-information/your-council-report/>

**FIGURE 3: DISTRIBUTION OF EMPLOYMENT SIZE, NSW LG 2017 AND 2020**

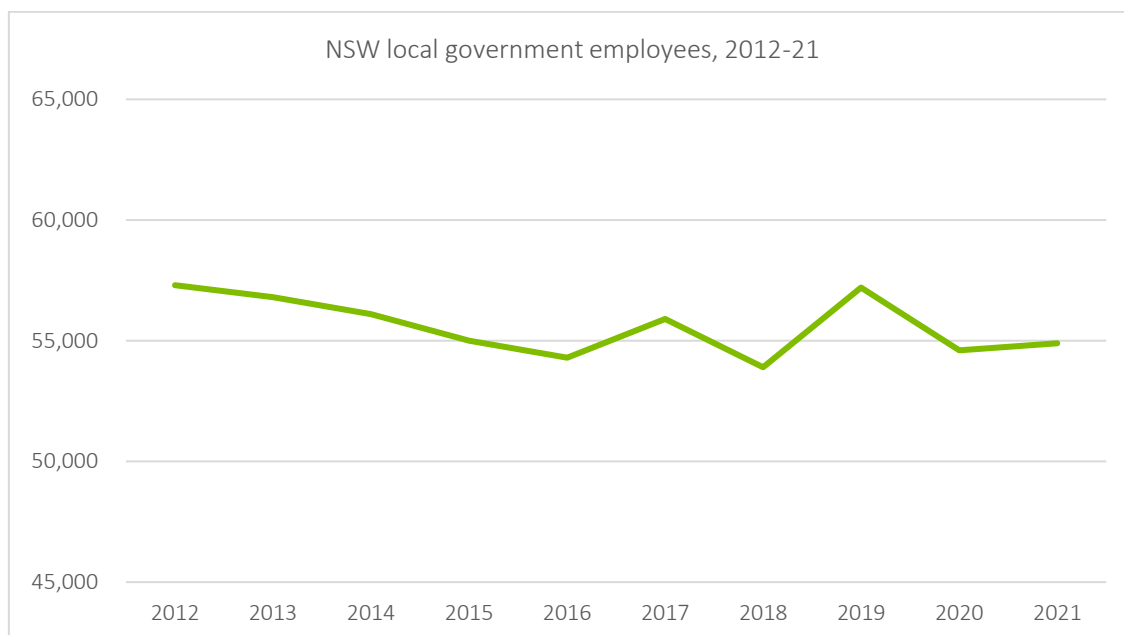


Source: NSW OLG Time Series Data, 2016/17, 2019/20

The above distribution of employment size roughly reflects the distribution represented by the 56 respondents to the 2022 LG survey. However, relative to the state distribution, the 2022 LG survey collected responses from more large local governments > 500 FTEs (32% respondents fell within this category, compared to 25% state based on state wide data). There was also lower representation of mid-sized local governments (100-500 FTEs) in the 2022 survey (52% of respondents, compared to 59% across the state).

The number of local government employees in NSW has been relatively stable over the last 10 years, staying within approximately +/- 3% of the average employee count for the period (**Figure 4**).

**FIGURE 4: LOCAL GOVERNMENT EMPLOYMENT IN NSW, 2012-21**



Source: ABS Employment and Earnings, Public Sector, 2012-21

In October 2020, increases in headcount were reported by 30.4% of NSW local governments due to expansion in services, projects, LGA size and shifts in organisational structure, while 12.5% reported a headcount decrease due to retirements and pandemic-related impacts.<sup>9</sup> 57.1% of local governments reported that their headcount had remained the same in the 12 months to October 2020.

26 participating local governments (46%) believe that by June 2022, the size of their workforce would increase, while 24 (43%) believe it would stay the same. 3 local governments believe that it would decrease while 2 local governments were unsure.

## 2.3 Employment categories

The 2022 LG survey results show that in 2021, 68% of the NSW LG workforce are full-time employees, 11% are part-time, 19% are casual and 2% are apprentices or trainees. Compared to the 2018 survey results, these figures represent a slight decrease in the full-time and part-time workforce, and a slight increase in the casual workforce.<sup>10</sup>

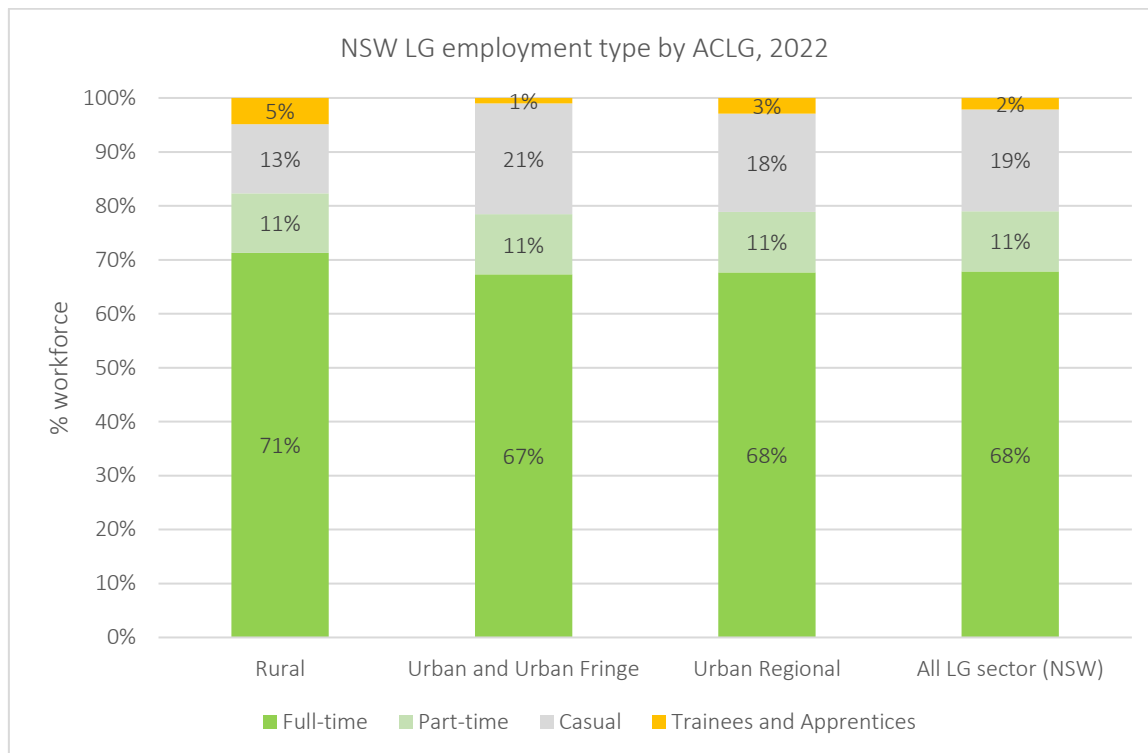
When analysed by broad ACLG category (Rural, Urban and Urban Fringe, and Urban Regional), the data shows that Rural local governments in NSW employ the highest proportions of full-time and workers and apprentices/trainees. Urban and Urban Fringe local governments employ the highest proportion of casual workers, while the proportion of part-time workers is stable across ACLG categories at 11%. These figures are benchmarked against the NSW all of sector split in **Figure 5**.

<sup>9</sup> Unpublished report on skills shortages in NSW Local Government.

<sup>10</sup> LGNSW (2018), *Local government workforce and future skills report – NSW*.



**FIGURE 5: NSW LG EMPLOYMENT TYPE BY ACLG, 2022**



Source: 2022 LG Survey

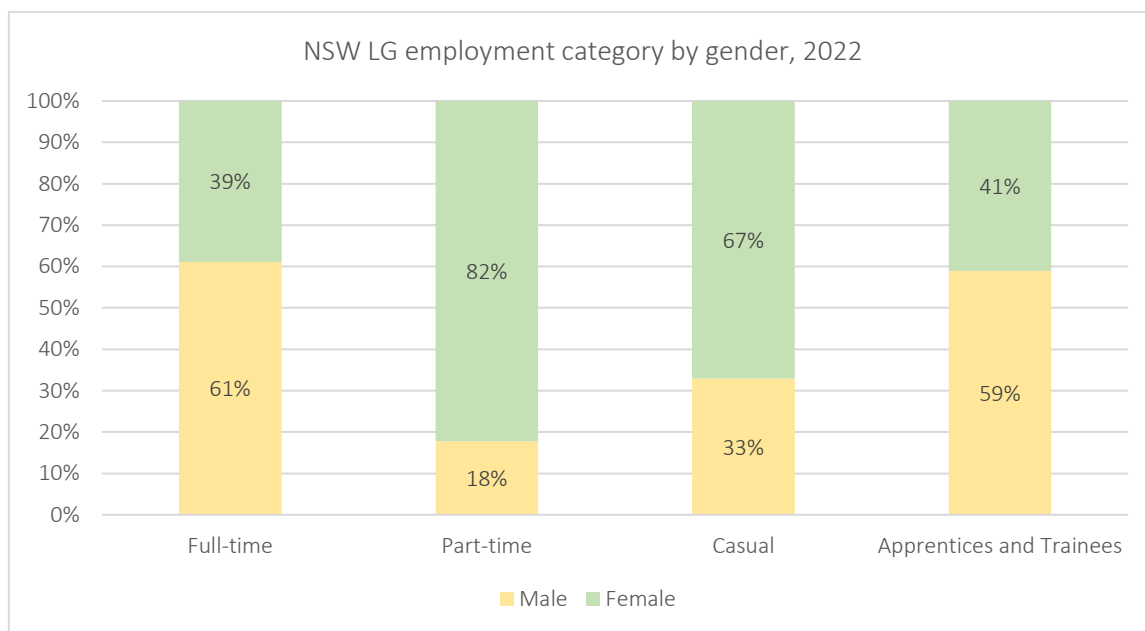
## 2.4 Employment gender profile

Among the 56 local governments who participated in the 2022 LG survey, the gender breakdown of their workforce was 51% male and 49% female. These figures suggest improved progress toward gender equality in the NSW LG workplace, compared to the (statewide) 2016 split of 58.7% male and 41.3% female (Figure 6).<sup>11</sup>

An analysis of employment type by gender reveals that there remains significant variation in the proportion of males and females employed in a full-time, part-time and casual capacity (Figure 6). Similar to the 2018 survey trend, there is a much higher proportion of women employed in part-time and casual roles across the NSW LG sector. Conversely, there is greater male participation in apprenticeship and traineeship arrangements in the sector.

<sup>11</sup> LGNSW (2018), *Local government workforce and future skills report – NSW*.

**FIGURE 6: NSW LG EMPLOYMENT CATEGORY BY GENDER, 2022**



Source: 2022 Survey

## 2.5 Employment turnover

Based on the 2022 survey data, 54 local governments (96%) experienced a higher proportion of ‘unplanned’ turnover<sup>12</sup> (ranging from 1-27% of total FTE) compared to the proportion of retiring employees (1-4% total FTE for all local governments with the exception of one that experienced 19% of their workforce retiring) in the 12 months to 30 June 2021. The areas experiencing the greatest staff turnover included: water operations<sup>13</sup> (affecting 25.6% local governments), plant operators (9%), and aged, disability and childcare services (9%).

Over the same period, local governments reported between 1 and 590 new entrants to their respective workforces. There were 12 local governments whose total number of employees leaving in the year to 30 June 2021 (retiring and unplanned) exceeded the number of new entrants to their workforce. 9 of these local governments are classified as Urban and Urban Fringe or Urban Regional local governments. Local governments were not asked to specify reasons for their workforce decline between 2020-21, which could be due to the combined impacts of changes to organisational structure, difficulties in attracting staff replacements, and other factors.

## 2.6 Employee length of service

46 local governments reported their employee’s length of service in the 2022 survey. 40% of their combined workforce had been employed for 1-5 years, followed by 16% for 6-10 years and 13% for less

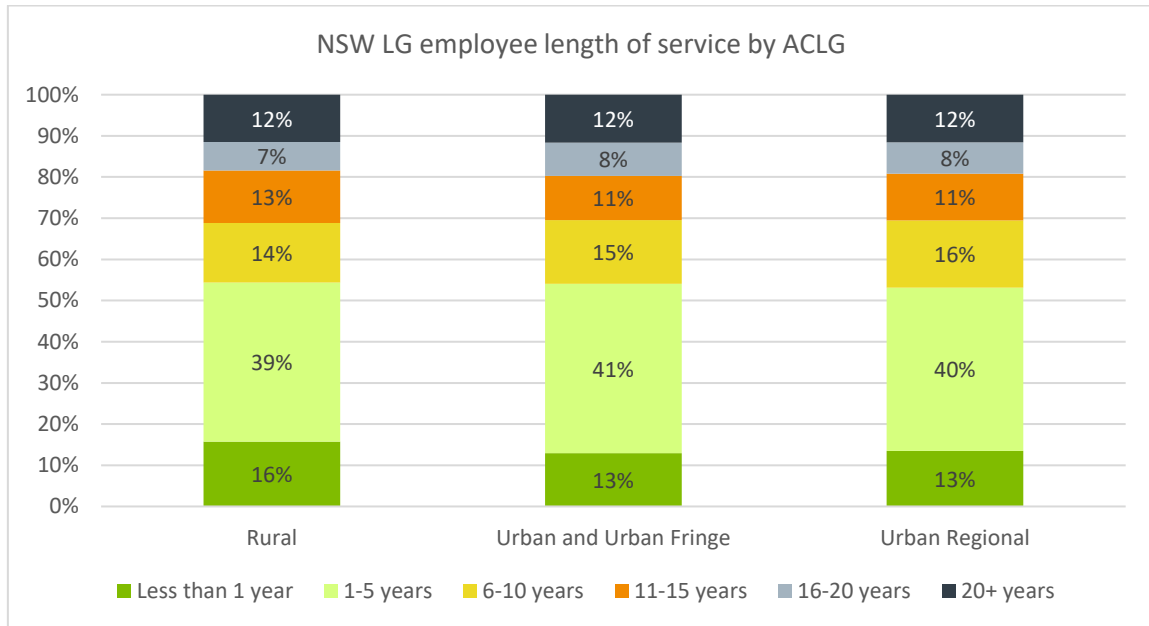
<sup>12</sup> This category excludes casual, limited tenure, redundant and retiring employees.

<sup>13</sup> The shortage of water operators is calculated from responses of rural and regional local governments only, as metropolitan local governments are serviced by State Government water authorities.

than a year. 12% of the combined workforce had been at their local government for 20 or more years (Figure 7).

Further analysis to understand the length of service by ACLG broad category is shown in Figure 7. Overall, the distribution of employees’ length of service is similar across the classifications. The 1-5 year tenure group is the largest cohort (comprising between 39-41% of the workforce), followed by the employees who have been at their local government between 6-10 years.

**FIGURE 7: NSW LG EMPLOYEE LENGTH OF SERVICE BY ACLG BROAD CATEGORY, 2022**



Source: 2022 LG Survey

## 2.7 Workplace diversity

47 local governments provided data on the number of employees identifying as being of Aboriginal and Torres Strait Islander origin. The five local governments with the highest rates of Aboriginal and Torres Strait Islander workforce participation, ranging from 11-20% of FTEs in 2021-22, were: Warrumbungle Shire, Moree Plains, Dubbo Regional, Lachlan and Narromine. This figure may be higher for several reasons, including that some local governments do not currently track this information and because employee identification of Aboriginal and Torres Strait Islander status is voluntary.

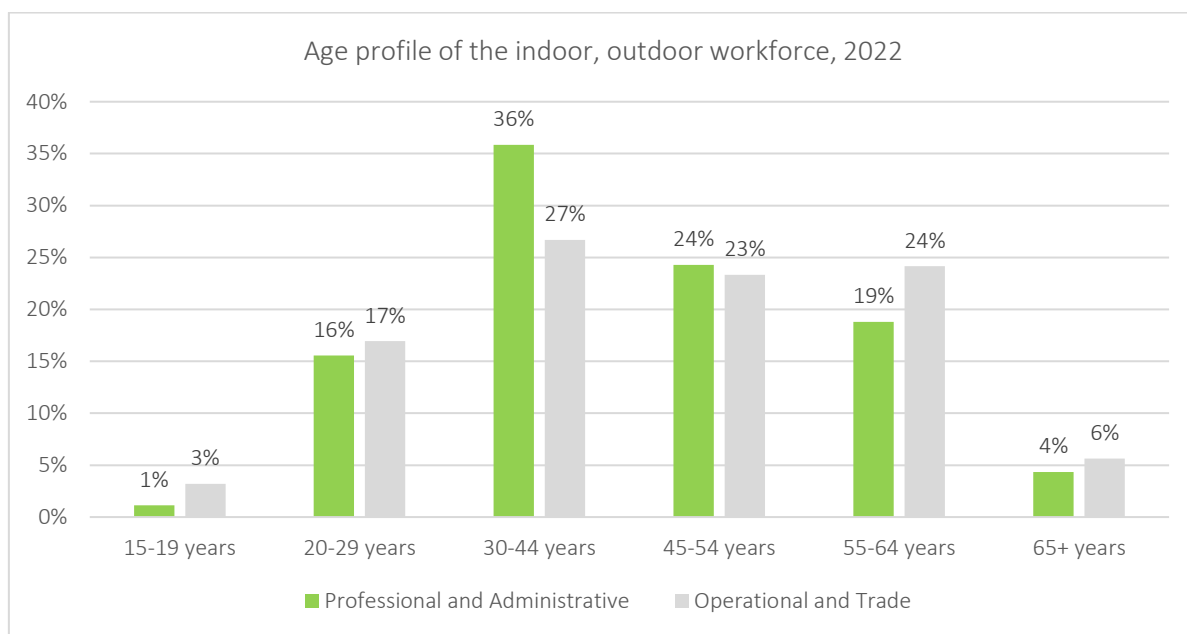
9 local governments responded that they were either unsure of, or did not record, the number of employees identifying as being of Aboriginal and Torres Strait Islander origin.

21 local governments provided information on employees who identified as Culturally and Linguistically Diverse. As a percentage of 2021 FTEs, the local governments with the highest proportion of CALD employees were Fairfield City Council (51%), Inner West Council (41%), and City of Ryde (36%). These are all Urban and Urban Fringe local governments per the 2020-21 ACLG. 24 local governments provided information on employees with a disability, ranging from <1 to 6% of 2021 FTEs.

## 2.8 Workforce age profile

Figure 8 shows the proportional age profile of the Professional and Administrative (indoor) and Operational and Trade (outdoor) workforce. For both categories, there is a lower proportion of younger (15-19 years) and older (65+ years) workforce, which reflects the trend from the 2018 survey. Certain trends have continued since 2018, such as the higher proportion of Professional and Administrative workers in the 30-44 year age group, and the higher proportion of Operational and Trade employees in the 55-64 age group.

FIGURE 8: AGE PROFILE OF THE LG INDOOR, OUTSIDE WORKFORCE, NSW 2022

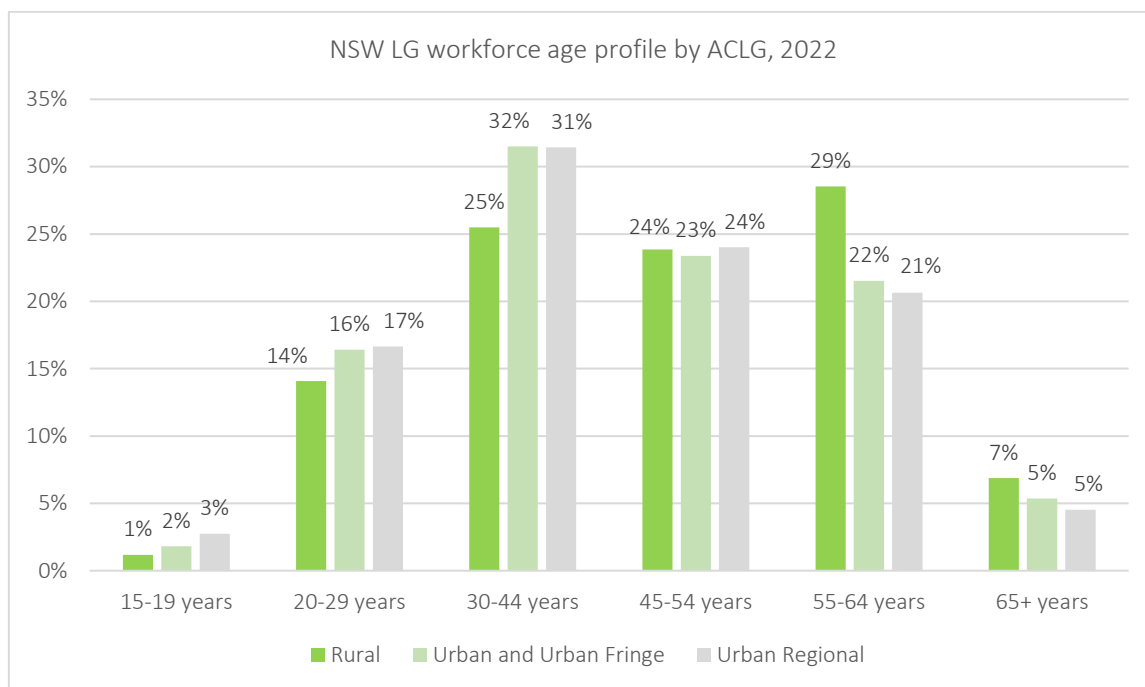


Source: 2022 LG Survey

The age breakdown of NSW’s LG workforce by ACLG shows that Rural local governments have a higher proportion of older workers, particularly in the 55-64 year age group (Figure 9). In comparison, Urban local governments have a higher proportion of employees aged between 20-44 years. When compared to the 2018 survey data,<sup>14</sup> there are no discernible shifts in the age distribution of employees across the ACLG categories.

<sup>14</sup> 2018 Local Government Workforce and Future Skills Report – NSW, p. 21.

**FIGURE 9: NSW LG WORKFORCE AGE PROFILE BY ACLG, 2022**



Source: 2022 LG Survey

## 2.9 Aboriginal and Torres Strait Islander Workforce in Local Government

### 2.9.1 Aboriginal and Torres Strait Islander employment participation levels in local government

The participation levels of employees who identified as being Aboriginal and Torres Strait Islander origin varied across local governments. The total number of Aboriginal and Torres Strait Islander employees as a percentage of New South Wales’ local government workforce is shown in **Table 1** below, compared to the national figures. Note that these figures may be under-reported as not all local governments collect this information, and it is also voluntarily provided by employees.

**TABLE 1: ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYMENT IN NSW LG, 2022**

Jurisdiction	# responding local governments with Aboriginal and Torres Strait Islander employees	% responding local governments with Aboriginal and Torres Strait Islander employees	% of total local government employees who identify as Aboriginal and Torres Strait Islander
New South Wales	47	83.9%	2.5%
Australia	132	62.9%	8.2%

Source: 2022 LG Survey

**Table 2** shows the number of local government employees in respondent local governments in New South Wales who identify as being of Aboriginal and Torres Strait Islander origin, compared to the national figure that is based on 210 respondent local governments.

**TABLE 2: TOTAL ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYEES IN RESPONDING NSW LOCAL GOVERNMENTS, 2022**

Jurisdiction	# total employees with Aboriginal and Torres Strait Islander origin in responding local governments	# total employees in responding local governments	% of total employees who identify as Aboriginal and Torres Strait Islander origin in responding local governments
New South Wales	590	28,060	2.1%
Australia	2,927	93,024	3.1%

Source: 2022 LG Survey

### 2.9.2 Aboriginal and Torres Strait Islander age profile in local government

The proportion of Professional and Administrative and Operational and Trade employees identifying as of Aboriginal and Torres Strait Islander origin is shown in **Table 3**. The 15-19 year age group contains the highest proportion of Aboriginal and Torres Strait Islander participation in the workforce, across both Professional & Administrative and Operational & Trade workforce categories.

**TABLE 3: ABORIGINAL AND TORRES STRAIT ISLANDER PARTICIPATION IN THE NSW LG INDOOR, OUTDOOR WORKFORCE, 2022**

Workforce category	15-19 years	20-29 years	30-44 years	45-54 years	55-64 years	65+ years
Professional & Administrative	4.6%	2.1%	1.2%	0.7%	0.6%	0.8%
Operational & Trade	4.0%	3.1%	3.0%	2.1%	1.5%	2.0%

Source: 2022 LG Survey

### 2.9.3 Aboriginal and Torres Strait Islander trainees and apprentices in local government

**Table 4** shows the number of local governments in New South Wales that have Aboriginal and Torres Strait Islander trainees and apprentices. Compared the national sample of 210 respondent local governments, a higher proportion of New South Wales respondents said they employed Aboriginal and Torres Strait Islander trainees and apprentices.

**TABLE 4: NSW LOCAL GOVERNMENTS WITH ABORIGINAL AND TORRES STRAIT ISLANDER TRAINEES AND APPRENTICES, 2022**

Jurisdiction	# responding local governments with at least 1 Aboriginal and Torres Strait Islander trainee and apprentice	# local governments who answered this question	% responding local governments who answered this question, with Aboriginal and Torres Strait Islander trainees and apprentices
New South Wales	18	49	36.7%
<b>Australia</b>	<b>55</b>	<b>179</b>	<b>30.7%</b>

Source: 2022 LG Survey

The number of trainees and apprentices in New South Wales that have identified as Aboriginal and Torres Strait Islander is shown in **Table 5**. Compared to the national sample of 210 respondent local governments, New South Wales local governments have a lower proportion of Aboriginal and Torres Strait Islander trainees and apprentices.

**TABLE 5: TOTAL ABORIGINAL AND TORRES STRAIT ISLANDER TRAINEES AND APPRENTICES IN NSW LG, 2022**

Jurisdiction	# total trainees and apprentices with Aboriginal and Torres Strait Islander background in responding local governments	# total trainees and apprentices in responding local governments	% of total trainees and apprentices who identify as Aboriginal and Torres Strait Islander in responding local governments
New South Wales	50	594	8.4%
<b>Australia</b>	<b>165</b>	<b>1,353</b>	<b>12.2%</b>

Source: 2022 LG Survey

#### 2.9.4 Aboriginal and Torres Strait Islander cadets in local government

**Table 6** shows the number of local governments in New South Wales that have Aboriginal and Torres Strait Islander cadets, and the number of cadets of Aboriginal or Torres Strait Islander origin. Compared to the national sample of 210 respondent local governments, a higher proportion of New South Wales respondents said they employed Aboriginal and Torres Strait Islander cadets. **Table 7** presents the number of cadets in New South Wales who identified as being of Aboriginal and Torres Strait Islander origin. The proportion of total cadets who identify as Aboriginal and Torres Strait Islander is comparable to the national figure, based on a sample of 210 respondent local governments.

**TABLE 6: RESPONDING NSW LOCAL GOVERNMENTS WITH ABORIGINAL AND TORRES STRAIT ISLANDER CADETS, 2022**

Jurisdiction	# responding local governments with at least 1 Aboriginal and Torres Strait Islander cadet	# local governments who answered this question	% responding local governments with Aboriginal and Torres Strait Islander cadets who answered this question
New South Wales	4	46	8.7%
<b>Australia</b>	<b>6</b>	<b>169</b>	<b>3.6%</b>

Source: 2022 LG Survey

**TABLE 7: TOTAL ABORIGINAL AND TORRES STRAIT ISLANDER CADETS IN NSW LG, 2022**

Jurisdiction	# total cadets of Aboriginal and Torres Strait Islander origin in responding local governments	# total cadets in responding local governments	% of total cadets who identify as Aboriginal and Torres Strait Islander origin
New South Wales	5	136	3.7%
<b>Australia</b>	<b>7</b>	<b>229</b>	<b>3.1%</b>

Source: 2022 LG Survey

## 2.10 Capability and Productivity

The depth and breadth of skills within a workforce is a key determinant of organisational capability and capacity and are closely linked to productivity. Organisational capability and capacity do not just improve performance, but they help achieve it in the first place. How dynamic that organizational capability and capacity is will also be something that is relevant to outcomes but, as a primary focus, local governments must be enabled organisationally to perform for its local area. Building workforce capability, also termed 'human resource development', is therefore fundamental to improving the performance of any institution, including local government.

Recent research undertaken by SGS Economics and Planning for the Australian Local Government Association on local government's productivity found that local government plays an important role in the productivity of the wider economy through regulation, service delivery, infrastructure provision, climate change adaptation/mitigation and emergency management and recovery.<sup>15</sup> The research also found that local government's productivity as a service provider is impeded by financial insecurity, difficulties in securing skilled workers and challenges in digital transformations. The survey results discussed in the following chapters, sheds some light on these challenges.

<sup>15</sup> ALGA (2022), Submissions to Productivity Commission, <https://alga.com.au/submission-to-productivity-commission/>



## 3. NSW Survey Results: Skills Shortages

This chapter presents the results on skills shortages in the Local Government workforce in New South Wales.

### 3.1 Occupational skills shortages

51 of the 56 participating local governments (91%) reported that they were experiencing skills shortages in 2021-22, compared to 85.5% of respondents in 2018 (2018 Survey).

The following tables, **Table 8**, **Table 9** and **Table 10**, summarise the most common occupational skills shortages experienced during 2020-21, whether local governments had to recruit less skilled applicants, and whether they believe that these occupational skills shortages will be a critical issue in the future. They have been further broken down by ACLG category (Rural, Urban and Urban Fringe, and Urban Regional).

Since 2018, engineers, urban and town planners, building surveyors and project managers have remained the top four professional skill shortage occupations; listed by 40-60% of participating local governments (**Table 8**). Since 2018, accountants have emerged as the fifth most common professional skill shortage, despite not being listed in the top ten in 2018.

Labourers, supervisors and team leaders, and tradespersons were the most common shortages among trade occupations, listed by 28-38% of local governments. Waste water and sewerage operators is an emerging skills shortage area, listed by 30% of participating local governments in the 2022 survey compared to 11% of local governments in 2018.

**TABLE 8: NSW LG OCCUPATIONAL SKILL SHORTAGES IN 2020-21**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	30	60%
	Urban & Town Planners	26	52%
	Building Surveyors	24	48%
	Project Managers	20	40%
	Accountants	17	34%
	Computing/ICT Professionals	15	30%
	Building Surveying Technicians	12	24%
	Asset and Facilities Managers	11	22%
	Engineering Technicians	11	22%
	Community development & engagement officers	10	20%
	Computing/ICT technicians	10	20%
	Environmental health officers	10	20%
	Governance/Risk managers	10	20%
	Human resource professionals	10	20%
	WH&S professionals	10	20%
Operational and Trade	Labourers	19	38%
	Supervisors/team leaders	18	36%
	Water treatment operator <sup>16</sup>	14	36%
	Waste water/sewerage operator <sup>17</sup>	15	30%
	Tradespersons - Automotive	14	28%
	Tradespersons - Mechanical	14	28%
	Tradespersons - Plumber	11	22%
	Truck drivers	11	22%
	Tradespersons - Horticultural	10	20%
	Care persons (aged, disability)	9	18%
	Customer service workers	9	18%
	IT/ICT technicians	9	18%

Source: 2022 LG Survey

### 3.1.1 Occupational skill shortages by ACLG

The following tables, **Tables 8A, 8B** and **8C** are of the current occupational skill shortages in the New South Wales local government by ACLG category, which are respectively: Rural, Urban and Urban

<sup>16</sup> As above.

<sup>17</sup> The shortage of water operators is calculated from responses of rural and regional local governments only, as metropolitan local governments are serviced by State Government water authorities.

Fringe, and Urban Regional. The top occupations with skill shortages are similar in the three ACLG categories.

Rural, Urban and Urban Fringe and Urban Regional local governments have all reported engineers, urban and town planners, and building surveyors as the top occupations with skill shortages. Shortages of asset and facilities managers appear to be less of an issue in Urban and Urban Fringe local governments compared to the other two ACLG categories. The three types of local governments have also commonly recognised supervisors/team leaders and labourers to be the top Operational and Trade occupations with shortages.

**TABLE 8A: OCCUPATIONAL SKILL SHORTAGES IN NSW RURAL LOCAL GOVERNMENTS IN 2020-21**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	9	39%
	Urban & town planners	9	39%
	Accountants	8	35%
	Project managers	7	30%
	Building surveyors	5	22%
	Asset and facilities managers	5	22%
	WH&S professionals	5	22%
	Environmental health officers	4	17%
	Engineering technicians	4	17%
	Human resource professionals	4	17%
	Computing/ICT technicians	4	17%
	Governance/risk managers	4	17%
Operational and Trade	Labourers	10	43%
	Waste water/sewerage operator	9	39%
	Supervisors/team leaders	7	30%
	Care persons (aged, disability)	7	30%
	Truck drivers	7	30%
	Customer service workers	6	26%
	Water treatment operator	6	26%
	Tradespersons - Mechanical	5	22%
	Tradespersons - Automotive	5	22%
	Tradespersons - Plumber	4	17%
	Store persons	4	17%
	Tradespersons - Horticultural	4	17%

Source: 2022 LG Survey

**TABLE 8B: OCCUPATIONAL SKILL SHORTAGES IN NSW URBAN AND URBAN FRINGE LOCAL GOVERNMENTS IN 2020-21**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	7	41%
	Urban & town planners	7	41%
	Building surveyors	7	41%
	Computing/ICT professionals	6	35%
	Building surveying technicians	5	29%
	Environmental health officers	4	24%
	Community development & engagement officers (includes youth, sport & rec, arts & events officers)	3	18%
	Supervisors/team leaders	3	18%
Operational and Trade	Tradespersons - Horticultural	1	6%
	Tradespersons - Construction	1	6%
	Tradespersons - Electrical	1	6%

Source: 2022 LG Survey

**TABLE 8C: OCCUPATIONAL SKILL SHORTAGES IN NSW URBAN REGIONAL LOCAL GOVERNMENTS IN 2020-21**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	13	81%
	Building surveyors	12	75%
	Urban & town planners	10	63%
	Project managers	10	63%
	Accountants	6	38%
	Computing/ICT professionals	5	31%
	Engineering technicians	5	31%
	Asset and facilities managers	5	31%
	Governance/risk managers	5	31%
	Procurement managers/officers	5	31%
	Building surveying technicians	4	25%
	Community development & engagement officers (includes youth, sport & rec, arts & events officers)	4	25%
	Computing/ICT technicians	4	25%
	Librarians	4	25%
Operational and Trade	Supervisors/team leaders	8	50%
	Water treatment operator	8	50%
	Labourers	7	44%
	Tradespersons - Mechanical	7	44%
	Tradespersons - Automotive	7	44%
	Tradespersons - Plumber	6	38%
	Waste water/sewerage operator	5	31%
	Tradespersons - Horticultural	5	31%
	Tradespersons - Fabrication	5	31%
	Tradespersons - Electrical	4	25%
	Truck drivers	4	25%

Source: 2022 LG Survey

### 3.2 Recruitment of less skilled applicants

Local governments also said they resorted to the recruitment of less skilled applicants to mitigate shortages of building surveyors, engineers, urban and urban town planners, and project managers, among others (Table 9).

**TABLE 9: NSW LG RECRUITMENT OF LESS SKILLED APPLICANTS, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Building surveyors	20	35%
	Engineers	19	33%
	Urban & town planners	15	26%
	Project managers	13	23%
	Governance/risk managers	10	18%
	Community development & engagement officers (includes youth, sport & rec, arts & events officers)	9	16%
	Computing/ICT professionals	9	16%
	Accountants	8	14%
	Asset and facilities managers	8	14%
	WH&S professionals	8	14%
Operational and Trade	Water treatment operators <sup>18</sup>	13	33%
	Supervisors/team leaders <sup>19</sup>	14	25%
	Waste water/sewerage operator	11	19%
	Labourers	10	18%
	Care persons (aged, disability)	7	12%
	Tradespersons - Automotive	7	12%
	Tradespersons - Plumber	7	12%
	Customer service workers	6	11%
	Tradespersons - Horticultural	6	11%
	Tradespersons - Mechanical	6	11%

Source: 2022 LG Survey

### 3.2.1 Recruitment of less skilled applicants by ACLG

Tables 9A, 9B and 9C provide a breakdown of the overall survey results for recruitment of less skilled applicants by ACLG Category respectively: Rural, Urban and Urban Fringe, and Urban Regional.

The occupations where local governments have employed less skilled applicants mostly align with the occupations they experienced skills shortages in. The top occupations are similar across the ACLG categories. Rural, Urban and Urban Fringe and Urban Regional local governments have identified engineers, building surveyors, urban and town planners, supervisors/team leaders and labourers as areas where they have recruited less skilled applicants.

<sup>18</sup> As above.

<sup>19</sup> The shortage of water operators is calculated from responses of rural and regional local governments only, as metropolitan local governments are serviced by State Government water authorities.

**TABLE 9A: RECRUITMENT OF LESS SKILLED APPLICANTS IN NSW RURAL LOCAL GOVERNMENTS, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	7	30%
	Community development & engagement officers (includes youth, sport & rec, arts & events officers)	6	26%
	Governance/risk managers	6	26%
	Asset and facilities managers	5	22%
	WH&S professionals	5	22%
	Building surveyors	4	17%
	Accountants	4	17%
	Environmental health officers	4	17%
	Project managers	4	17%
	Computing/ICT professionals	4	17%
	Computing/ICT technicians	4	17%
	Urban & town planners	4	17%
Operational and Trade	Waste water/sewerage operator	7	30%
	Water treatment operator	7	30%
	Labourers	6	26%
	Care persons (aged, disability)	6	26%
	Supervisors/team leaders	5	22%
	Customer service workers	4	17%
	Truck drivers	4	17%
	Tradespersons - Plumber	3	13%
	Waste management / Recycling operator	3	13%
	Plumbing inspectors	3	13%

Source: 2022 LG Survey

**TABLE 9B: RECRUITMENT OF LESS SKILLED APPLICANTS IN NSW URBAN AND URBAN FRINGE LOCAL GOVERNMENTS, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	4	24%
	Building surveyors	4	24%
	Urban & town planners	3	18%
	WH&S professionals	2	12%
	Environmental health officers	2	12%
	Project managers	2	12%
	Computing/ICT professionals	2	12%
	Engineering technicians	2	12%
	Human resource professionals	2	12%
	Building surveying technicians	2	12%
Operational and Trade	Supervisors/team leaders	2	12%
	Tradespersons - Plumber	2	12%
	Labourers	1	6%
	Care persons (aged, disability)	1	6%
	Waste management / Recycling operator	1	6%
	Tradespersons - Mechanical	1	6%
	Tradespersons - Horticultural	1	6%
	Tradespersons - Automotive	1	6%

Source: 2022 LG Survey



**TABLE 9C: RECRUITMENT OF LESS SKILLED APPLICANTS IN NSW URBAN REGIONAL LOCAL GOVERNMENTS, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Building surveyors	12	75%
	Urban & town planners	8	50%
	Engineers	7	44%
	Project managers	6	38%
	Building surveying technicians	4	25%
	Computing/ICT professionals	3	19%
	Governance/risk managers	3	19%
	Librarians	3	19%
	Surveyors	3	19%
	Asset and facilities managers	3	19%
	Procurement managers/officers	3	19%
Operational and Trade	Supervisors/team leaders	7	44%
	Water treatment operator	6	38%
	Tradespersons - Automotive	4	25%
	Waste water/sewerage operator	4	25%
	Labourers	3	19%
	Tradespersons - Mechanical	3	19%
	Tradespersons - Horticultural	3	19%
	Tradespersons - Construction	3	19%
	Tradespersons - Plumber	2	13%
	Customer service workers	2	13%
	Accounts/pay roll clerk	2	13%
Tradespersons - Fabrication	2	13%	

Source: 2022 LG Survey

### 3.3 Critical Occupational Skill Shortages

The surveyed local governments also indicated that the most common occupational skill shortages in 2021 would be critical in the future (**Table 10**). Many of the most critical occupational skill shortages in both the Professional and Trade categories were also ranked highly by local governments who participated in the 2018 survey. However, a closer comparison to the 2018 survey results suggests that

shortages of accountants, computing and ICT professionals, mechanical tradespersons, and waste water and sewerage operators<sup>20</sup> have become more critical in the last few years.<sup>21</sup>

**TABLE 10: NSW LG CRITICAL OCCUPATIONAL SKILL SHORTAGES IN THE FUTURE, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	36	63%
	Building surveyors	35	61%
	Urban and town planners	31	54%
	Project managers	23	40%
	Accountants	22	39%
	Computing/ICT professionals	21	37%
	Human resource professionals	17	30%
	Asset and facilities managers	16	28%
	Building surveying technicians	14	25%
	Environmental health officers	14	25%
Operational and Trade	Water treatment operator <sup>22</sup>	17	44%
	Tradespersons – Mechanical	20	35%
	Waste water/Sewerage operator <sup>23</sup>	19	33%
	Labourers	17	30%
	Supervisors/team leaders	17	30%
	Accounts/Payroll clerk	13	23%
	Tradespersons – Automotive	13	23%
	IT/ICT technicians	12	21%
	Truck drivers	12	21%
	Customer service workers	11	19%
	Tradespersons – Construction	11	19%
	Tradespersons – Plumber	11	19%

Source: 2022 LG Survey

<sup>20</sup> Shortages in water and wastewater occupations relate only to regional and rural local governments in NSW. In metropolitan areas, state-owned enterprises oversee water services.

<sup>21</sup> LGNSW (2018), *Local Government Workforce and Future Skills Report New South Wales*.

<sup>22</sup> The shortage of water operators is calculated from responses of rural and regional local governments only, as metropolitan local governments are serviced by State Government water authorities.

<sup>23</sup> As above.

### 3.3.1 Critical occupational skill shortages by ACLG

Tables 10A, 10B and 10C provide a breakdown of the overall survey results for future critical occupational skill shortages by ACLG Category respectively: Rural, Urban and Urban Fringe, and Urban Regional.

The top future critical shortages in Professional and Technical occupations identified in Rural, Urban and Urban Fringe and Urban Regional local governments in NSW are more similar than those that are Operational and Trade.

**TABLE 10A: CRITICAL OCCUPATIONAL SKILL SHORTAGES IN NSW RURAL LOCAL GOVERNMENTS IN THE FUTURE, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Engineers	15	65%
	Building surveyors	15	65%
	Urban & town planners	14	61%
	Accountants	11	48%
	Project managers	11	48%
	Environmental health officers	10	43%
	Human resource professionals	8	35%
	Asset and facilities managers	8	35%
	Building surveying technicians	7	30%
	WH&S professionals	7	30%
	Contract managers / officers	6	26%
	Computing/ICT professionals	6	26%
Operational and Trade	Waste water/Sewerage operator	13	57%
	Water treatment operator	10	43%
	Tradespersons - Mechanical	8	35%
	Supervisors/team leaders	8	35%
	Labourers	8	35%
	Truck drivers	7	30%
	Care persons (aged, disability)	7	30%
	Customer service workers	6	26%
	Accounts/pay roll clerk	6	26%
	Tradespersons - Automotive	6	26%

Source: 2022 LG Survey

**TABLE 10B: CRITICAL OCCUPATIONAL SKILL SHORTAGES IN NSW URBAN AND URBAN FRINGE LOCAL GOVERNMENTS IN THE FUTURE, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Computing/ICT professionals	7	41%
	Engineers	6	35%
	Urban & town planners	6	35%
	Building surveyors	5	29%
	Accountants	4	24%
	Human resource professionals	4	24%
	Project managers	3	18%
	Environmental health officers	3	18%
	Building surveying technicians	3	18%
	Community development & engagement officers (includes youth, sport & rec, arts & events officers)	3	18%
	Governance/risk managers	3	18%
Operational and Trade	Tradespersons - Mechanical	5	29%
	Supervisors/team leaders	3	18%
	IT/ICT technicians	3	18%
	Youth support worker	3	18%
	Truck drivers	2	12%
	Accounts/pay roll clerk	2	12%
	Tradespersons - Plumber	2	12%
	Tradespersons - Construction	2	12%
	Tradespersons - Electrical	2	12%
	Labourers	1	6%
	Customer service workers	1	6%
	Tradespersons - Automotive	1	6%
	Waste management / Recycling operator	1	6%
	Tradespersons - Horticultural	1	6%
	Tradespersons - Fabrication	1	6%

Source: 2022 LG Survey

**TABLE 10C: CRITICAL OCCUPATIONAL SKILL SHORTAGES IN NSW URBAN REGIONAL LOCAL GOVERNMENTS IN THE FUTURE, 2022**

Category	Occupation	# responding local governments	% responding local governments
Professional and Technical	Building surveyors	15	94%
	Engineers	14	88%
	Urban & town planners	11	69%
	Project managers	8	50%
	Computing/ICT professionals	7	44%
	Accountants	7	44%
	Asset and facilities managers	7	44%
	Procurement managers/officers	6	38%
	Human resource professionals	4	25%
	Building surveying technicians	4	25%
	Governance/risk managers	4	25%
	Librarians	4	25%
	Engineering technicians	4	25%
	Computing/ICT technicians	4	25%
Operational and Trade	Labourers	8	50%
	Tradespersons - Mechanical	7	44%
	Water treatment operator	7	44%
	Supervisors/team leaders	6	38%
	Tradespersons - Automotive	6	38%
	Tradespersons - Horticultural	6	38%
	Waste water/Sewerage operator	6	38%
	Accounts/pay roll clerk	5	31%
	Tradespersons - Construction	5	31%
	Tradespersons - Electrical	5	31%
	Tradespersons - Fabrication	5	31%

Source: 2022 LG Survey

### 3.4 Drivers of skill shortages

The key drivers of skills shortages varied considerably. 20 of the 44 local governments who responded to this question said an inability to compete with market remuneration, particularly in the mining industry, was a primary driver of skills shortages. A lack of suitably qualified applicants was the second most common driver, followed by regional or rural location.

Some Urban Fringe local governments noted the construction boom in the Sydney metropolitan area that made it difficult to compete for labour. Other local governments also cited real estate shortages,

housing affordability, local government's brand identity and demand for flexible working arrangements as contributing factors to the skills shortages.

### **3.5 Time to fill vacancies**

43 local governments (76%) said they were running under staff complement, representing a range of 1-242 vacancies at the local government level. This is equivalent to between 1-22% of the local governments' FTEs. There were 14 local governments who reported vacancies of 10-22% of their 2021 FTEs; these were mid-sized (100-500 FTEs) to larger local governments (> 500 FTEs) representing a mix of Rural (6 local governments) and Urban Regional (5 local governments) and Urban and Urban Fringe local governments (3).

Generally, it takes 1-3 months to fill staff vacancies for Professional and Administrative as well as Operational and Trade positions (41 local governments reported this timeframe for each employment category). This is a similar lead time to filling vacancies based on the 2018 survey. There were 4 local governments who reported taking 6-12 months or more to fill vacancies in Professional and Administrative roles, compared to 2 local governments for Operational and Trade roles.

The most common reason behind the length of time to fill vacancies was difficulty in attracting staff with the right skills and experience (37 local governments), followed by 11 local governments who report a lack of priority given by managers to filling vacancies and 11 who said the pandemic had impacted local government's ability to attract out-of-region staff. Some local governments also noted that perceptions of regional living were sometimes a barrier to attracting staff, as were cost of living challenges where country pay did not match city house prices.

Local governments were asked to select the most successful strategies for filling vacancies in skill shortage occupations. 41 local governments (73%) said they used advertising and social media platforms, followed by 35 (63%) who reskilled and upskilled their employees and 22 (39%) who looked to graduate employment pathways. One local government said they were paying above market rates to secure talent, while another suggested a combination of generous relocation assistances and Memoranda of Understanding were useful for enabling employees to work across local governments. One Rural local government said that no strategies had been successful to date, and anticipated deepening skills shortages and unfilled vacancies.

One local government said they employed two staff on the Temporary Skills Shortage Visa to work in finance and engineering roles, while another local government said it previously had staff under this visa arrangement.

### **3.6 Hardest to fill occupations**

16 local governments identified Engineers as the hardest to fill occupation, followed by 14 local governments who said that Building Surveyor positions were the hardest to fill. Town Planning was named by 13 local governments as the second hardest to fill occupation.

Local governments were also asked to note other occupational areas in which they experienced recruitment challenges. In 2021-22, they included: nursing, plumbers, water network operators, road safety officers, mechanics, asset managers, ICT staff for data management and technology project managers, accountants, and human resources professionals.

### 3.7 Skills gaps and additional skills required

42 local governments (75%) indicated that they were experiencing skills gaps across occupations ranging from engineers to arborists, librarians, civil designers, professional, corporate and finance areas.

Local governments were asked what new or additional skills would be required to mitigate these critical skills gaps. 25 local governments said that a combination of skilling initiatives, tertiary or trade qualifications, and on the job experience were needed to bridge skills gaps. Some local governments also specified the need for soft skills, such as emotional intelligence, people management, ideation (design thinking), reasoning and problem solving.

### 3.8 Drivers of skills gaps

Local governments identified the following key drivers of critical skills gaps by occupational area:

- Engineers – market competitiveness and remuneration, limited talent pool to draw from;
- Building surveyors – legislative changes, insurance costs and challenges in recruiting for regulatory roles, inability to attract qualified staff to regional or rural locations;
- Plant operations – inability to compete with private sector remuneration; and
- Administrative and professional services – limited staff with local government experience, scarcity of workers with finance and corporate experience.

Many of the key drivers were also identified from the 2018 survey.<sup>24</sup>

### 3.9 Current approaches to addressing skills gaps and shortages

37 local governments (66%) indicated that vacancies, skills shortages, skills gaps or training needs have impacted or delayed project delivery. Among the NSW local governments who participated in the 2022 survey, the most popular approach for addressing skills gaps and shortages was to provide opportunities to act up and/or across in other roles (33 local governments). 31 local governments said they provided informal on-job training, followed by 29 local governments who offered targeted training and 29 who provided coaching and mentoring. 14 local governments said they facilitated secondments or exchanges to other workplaces.

Local governments who provided additional comment said they:

- Offered an extensive range of online learning with comprehensive development plans, support for external education and leadership opportunities;
- Were working to understand the needs for workforces to professionalise;
- Did not have sufficient internal skills to mentor and coach their workforce. This was exacerbated by the COVID-19 pandemic and its impacts on staff development;
- Had plans to review salary structures and implement a market component policy; and

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<sup>24</sup> 2018 Local Government Workforce and Future Skills Report – New South Wales, p. 37.

- Used apprenticeship, trainee and cadetship programs to grow their workforce.

25 local governments (44.6%) said they undertook service and/or resource sharing with other local governments. In terms of staff resourcing, share arrangements relate to rangers, waste collection functions, road safety officers and road crew, finance, HR and technology personnel. In relation to service sharing, some local governments shared training opportunities and the travel costs for training facilitators, as well as audit committee services.

Over the last 3 years, 42 local governments (75%) had engaged with state or federal education, training or other initiatives such as:

- The NSW Government's Smart and Skilled funding, which entitles eligible students to government-subsidised training and/or government funding for courses in priority areas;<sup>25</sup>
- NSW TAFE digital literacy programs;
- VERTO's wage subsidy program. VERTO is a training and employment services provider that supports apprentices and employers across NSW, ACT and Victoria;<sup>26</sup>
- Various forms of traineeships, including horticultural traineeships, partnering with UNSW for trainee engineers; and
- The Boosting Apprenticeship Commencements wage subsidy, which supports businesses and Group Training Organisations to build the skilled worker pipeline.<sup>27</sup>

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<sup>25</sup> NSW Government (2017), *Smart and skilled*, <https://smartandskilled.nsw.gov.au/about>

<sup>26</sup> VERTO (2022), *Skill to transform*, <https://www.verto.org.au/>

<sup>27</sup> Australian Government Department of Education, Skills and Employment (2021), *Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements*, <https://www.dese.gov.au/boosting-apprenticeship-commencements#:~:text=The%20Boosting%20Apprenticeship%20Commencements%20wage%20subsidy%20supports%20businesses%20and%20Group,to%20support%20sustained%20economic%20recovery.>



## 4. NSW Survey Results: Training Needs and Challenges

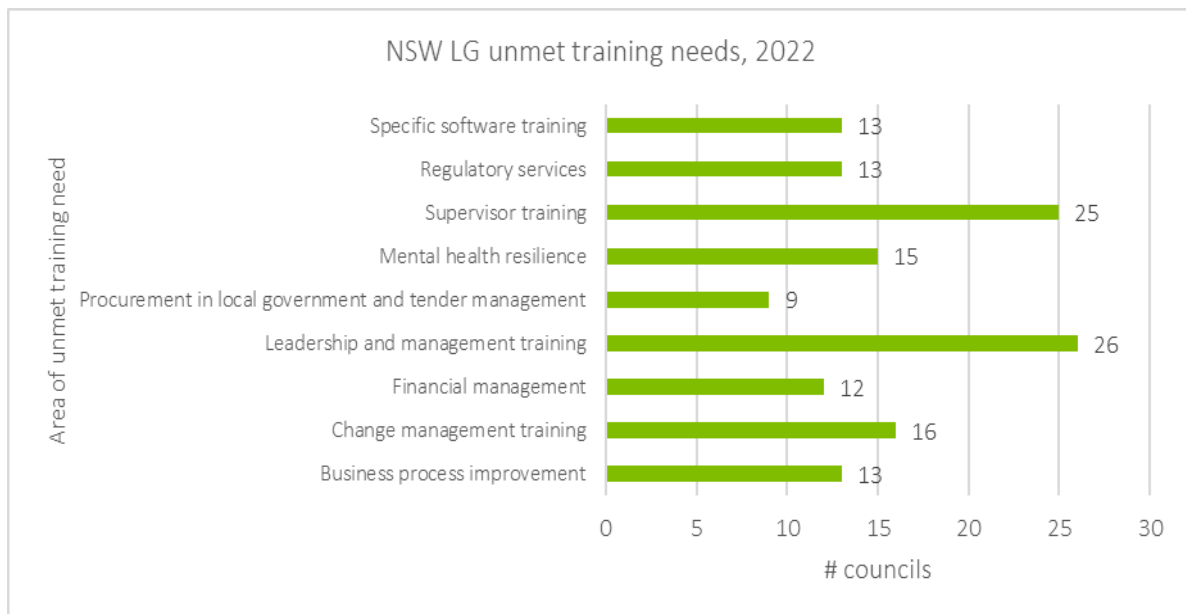
This chapter presents the results on the local government’s training needs and challenges in New South Wales.

### 4.1 Unmet training needs and drivers

39 (70%) of the 56 responding local governments reported unmet training needs in 2021-22. This is almost double the 36% of 2018 respondents who reported unmet training needs (Figure 10).<sup>28</sup>

The most common areas of unmet training need experienced by NSW local governments in 2022 were leadership and management training (26 local governments), supervisor training (25) and change management training (16). Local governments also identified unmet training needs in water operations, chainsaw and chemical courses, internal compliance (such as Code of Conduct), and noted that the COVID-19 pandemic had delayed the rollout of practical training and/or job-specific training.

FIGURE 10: UNMET TRAINING NEEDS IN THE NSW LG SECTOR, 2022



Source: 2022 LG Survey

Local governments were asked to select the primary drivers of unmet training need from a list and highlights the widespread training disruptions from the COVID-19 pandemic across a range of business areas. The results are shown in Table 11.

<sup>28</sup> 2018 Local Government Workforce and Future Skills Report, NSW.

**TABLE 11: NSW LG UNMET TRAINING NEEDS AND DRIVERS, 2022**

Driver of unmet training need	% local governments responding
Lack of access to appropriate training due to COVID	66%
Unable to source quality training programs and/or trainers that can be delivered locally	39%
Employees haven't had time to attend training	30%
Lack of time to organise training	23%
Unable to source training programs with relevant content	20%
Council budget is insufficient for this training	18%
Travel cost of sending staff away to attend training is too high	16%
Other	16%
Lack of support from managers/supervisors to send staff on training courses	11%

Source: 2022 LG Survey

Some local governments also noted that the following factors contributed to unmet training needs:

- A pivot to online learning during the pandemic created challenges in access to technology for operational staff;
- New training packages were unavailable;
- Lack of follow up and complexity with Registered Training Organisations (RTO), combined with HR staff shortages at local government to promote continuity of RTO engagement;
- Executive level changes; and
- A lack of clear business direction.

## 4.2 Joint training and development

6 local governments said that they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs) and 4 of them provided details of partnerships with:

- Bara Barang to provide mentoring for Aboriginal and Torres Strait Islander trainees, and to work with local government's supervisors;
- Yarn Up to provide online awareness training to the Senior Management Team in 2021;
- Murrook - Worimi Local Aboriginal Land Council.

### 4.3 Training expenditure

27 local governments reported that expenditure on learning and development remained the same between 2021-22. 15 local governments said that it had decreased and 10 local governments said that it had increased. A breakdown by ACLG broad category in **Table 12** below shows that there was a greater proportion of Urban Regional local governments who decreased training expenditure, whereas a greater proportion of Rural local governments maintained prior year training expenditure.

**TABLE 12: NSW LG CHANGE IN TRAINING EXPENDITURE BY ACLG BROAD CATEGORY, 2020-21**

Change in training expenditure	Rural	Urban & Urban Fringe	Urban Regional
Decreased	5 (23%)	3 (21%)	7 (44%)
Increased	3 (14%)	3 (21%)	4 (25%)
Remained the same	14 (64%)	8 (57%)	5 (31%)

Source: 2022 LG Survey

Several local governments estimated the percentage change in training expenditure from FY19/20 to FY20/21. 4 local governments reported a 0.5-57% increase due to rising course costs, increases in tertiary assistance applications and increased funding toward Certificate II and Certificate IV qualifications. A further 9 local governments reported between 6.5-60% decrease in training expenditure due to cost savings measures, budget cuts, and impacts to funding from the 2019/20 bushfire and COVID-19 pandemic. For some local governments, these decreases were temporary and are expected to recover in subsequent years.

### 4.4 Preferred delivery mode

Local governments were asked to select their preferred of four delivery modes: in-person, self-paced learning, virtual delivery and blended learning, i.e. a mix of all options. 25 local governments preferred blending learning while 26 preferred face-to-face delivery. No local government selected either self-paced learning or virtual delivery as their preferred mode (**Table 13**). A breakdown by ACLG broad category reveals that Rural local governments tended to prefer in-person delivery, while Urban Regional local governments preferred blended learning.

**TABLE 13: NSW LG PREFERRED TRAINING DELIVERY MODE BY ACLG BROAD CATEGORY, 2022**

Preferred delivery mode	Rural	Urban & Urban Fringe	Urban Regional	Total
Blended learning	8	8	9	25
In person, face-to-face delivery	13	6	7	26

Source: 2022 LG Survey

14 of the 26 local governments who preferred in person training said that the pandemic's travel restrictions were a major challenge to training delivery. 9 of the 25 local governments who preferred blended training said that access to technology and digital infrastructure was a challenge, particularly for operational staff. Other challenges to blended training models include access to trainers who are willing to travel to regional locations, time and cost implications, as well as resistance from those in the workforce who prefer face to face training.

#### 4.5 Uptake of training arrangements

25 (44.6%) local governments do not believe they are taking on enough trainees and/or apprentices to meet future skilling needs, compared to 29 (51.7%) who believe they are. Reported barriers to growing trainee and apprenticeship participation can be considered under three broad themes:

- Resource constraints – some local governments did not have capacity to supervise trainees and apprentices, or were unable to meet the time commitments to train and mentor them in addition to existing workloads.
- Supply constraints – some local governments said that availability and quality of applicants was a barrier, alongside a general lack of interest from the community.
- Cultural constraints – one local government identified strategic direction as a barrier to greater uptake, while another said that trainees rarely stayed on or applied for permanent positions after completing the traineeship.

24 urban local governments<sup>29</sup> said they employed between 2 and 14 cadets, compared to 7 rural local governments who employed 1-2 cadets. Only 3 of these local governments said they employed Aboriginal and Torres Strait Islander cadets; others either did not collect this data or did not employ.

19 of the 31 local governments employed cadets in engineering. Other occupational areas were less common, such as in planning (3 local governments) and strategic planning (2 local governments).

#### 4.6 Factors impacting future skilling needs

Local governments were surveyed on any internal or external factors that would impact their future skilling needs. An ageing workforce was the most common response (82% of local governments), followed by major council or external infrastructure projects (71%) and increasing governance and compliance (59%) (**Table 14**).<sup>30</sup> Other factors that NSW local governments identified were:

- Increased competition for talent in and around the LGA due to LGA growth;

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<sup>29</sup> Based on the ACLG broad categories 'Urban Regional' and 'Urban and Urban Fringe'.

<sup>30</sup> These percentages are significantly higher than in the 2018 survey despite a similar number of participating local governments, e.g. the most common emerging issue in 2018, the impact of major infrastructure projects, was identified by 29% of local governments. The 2018 to 2022 comparison should therefore be interpreted with care. Local governments could select more than one emerging issue in the 2022 survey, but it is possible that this was not the case in the 2018 survey.

- Changing and future workforce needs, including the ability for employees to work remotely such that there is less demand in some regions for local employment;
- Workforce professionalisation;
- Redundancies and restructures; and
- Ability for skilled and qualified overseas candidates to enter Australia.

A comparison with 2018 responses shows that in 2022, concerns about an ageing workforce overtook major infrastructure projects and technological change (previously ranked as having the most and second greatest impact) as the most common issue that will impact on local governments' future skilling needs.

**TABLE 14: FACTORS IMPACTING FUTURE SKILLING NEEDS IN NSW LG, 2022**

Factor	# responding local governments	% responding local governments
Ageing workforce	46	82%
Major council or external infrastructure projects	40	71%
Increasing levels of governance and compliance	33	59%
Technological change	32	57%
Changes in government funding levels	29	52%
Growth in local government area	27	48%
Climate change	10	18%
Other	8	14%

Source: 2022 LG Survey

#### 4.7 Changing job roles and requirements

Local governments were asked whether they had undertaken any analysis or forecasting of changing roles and skills requirements of their workforce, specifically due to digital disruption or advances in technology. A comparison of 2022 and 2018 responses is shown in **Table 15** below. Based on the survey sample, it suggests that a greater proportion of local governments are forward planning in response to the impacts of digital disruption or technological advancements (39% in 2022, up from 31% in 2018).

**TABLE 15: PROPORTION OF NSW LG UNDERTAKING ANALYSIS OF FUTURE ROLES AND REQUIREMENTS, 2022**

Analysis of future roles and requirements	2018	2022
No	54.5%	53.6%
Yes	30.9%	39.3%
Did not respond	14.5%	7.1%

Source: 2022 LG Survey

Local governments were also asked to identify new roles that would emerge over the next three years due to service delivery changes, technological advancements or other changes at local government. Their responses are grouped by theme:

- Digital skills of the future – several local governments said cyber security would be a focus, as well as a desire for more automated information gathering, and improved IT infrastructure and digital officers to support and connect remote communities.
- An increasing focus on renewables – a sustainability theme underpinned several local government suggestions that renewable energy, resource recovery, environmental sustainability, biodiversity and natural resources roles would emerge in the next few years.
- Facilitating community connection – some local governments also highlighted the potential for community focused roles and arts and cultural development officers.

#### **4.8 Impacts of recent events on workforce attraction and retention**

Local governments were asked to rate the impacts – minimal, moderate, or significant – of recent events on workforce attraction and retention. The COVID-19 pandemic had the most significant impact across the survey participants, with 45 local governments rating it as having either moderate or significant impact. Natural disasters, skilled migration trends and long-term funding certainty had the least impact on workforce attraction and retention among survey respondents. Overall, changing local/regional economies and housing pressures had a moderate impact; both factors were identified by 31 local governments as having moderate or significant impact.

Local governments were also asked to discuss the workforce impacts of supply shortages and interruptions to road, rail and digital connectivity. 9 local governments reported nil or minimal impacts from these events, while others said workforce supply shortages were slowing project completion rates.

## 5. Survey Results: Focus Group Insights

This chapter presents the collective findings of the national, state and territory focus groups that were conducted to obtain additional qualitative information to complement the survey data.

### 5.1 Introduction

As part of this project, SGS undertook additional qualitative research to complement the survey's quantitative findings, especially in relation to skills and workforce drivers, workforce development initiatives and focus group discussions to gain additional insights. This included a scan of workforce development ideas and initiatives in Australia and internationally, focus group discussions with several national employer bodies and the State Local Government Associations and a small number of local governments in each jurisdiction attended by human resources managers and/or chief executive officers.

Some of the raw material we gathered is included in the following Appendices:

- **Appendix F** includes a small selection of local government workforce development initiatives in Australia.
- **Appendix G** presents the Local Government Information Unit's (LGIU) review of international best practice policy for workforce and skills/capability development in the Local Government sector, including skills shortages, leveraging partnerships, remaining agile and responding to macrotrends.
- **Appendix H** is a summary of a recent OECD Policy Manual for Local Government on future proofing adult learning systems in recognition of the long term economic, social and health consequences of the COVID-19 pandemic, ongoing structural changes including automation and digitalisation, demographic changes and the transition to a 'green' economy.

### 5.2 Future Workforce Needs – Insights from the Focus Groups

Focus groups held with local government stakeholders across all state and territories confirmed that the findings of the 2018 survey are equally relevant today. But it was not clear whether the results of the 2018 survey had any significant effect on policy and practices regarding local government's efforts to tackle workplace skills and capability issues. Nevertheless, recruitment and retention, high training costs, busy workloads and a lack of skilled professionals in key sectors were all noted as ongoing challenges for the sector. Beyond this, the focus groups identified a number of common themes, as discussed below.

#### 5.2.1 Current strategies to meet future skills needs

The 2022 survey responses and focus group discussions proposed a number of different pathways for local governments to address their skills and capability needs:

- Better workforce planning, such as more detailed forecasting and developing an employee retention program.
- Sector remuneration benchmarking for critical roles.
- Developing local government-specific training programs/courses, especially in particular fields such as environmental health, digital technology, project management, lifecycle asset management, supervision, workforce planning and human resource management.
- Enabling more local decision making between local governments and training providers, and building on existing relationships with educational institutions, and training and education providers.
- Providing support for traineeships, apprenticeships and cadet programs and for fee-free and onsite training.
- Improved access to trainers, particularly in regional areas, to reduce training costs.
- Facilitating pathways for international students and skilled migrants.
- Assistance to incentivise skilled retirees to re-enter the workforce.
- Improved infrastructure and the provision of housing to address housing shortages, improved public transport services, reliable internet and facilities, or even increased tax incentives to attract and retain skilled candidates to regional areas.

Interestingly, the recent Regional Australia Institute (RAI, 2021) report and the OECD (2022) both emphasise the importance and added value of collaboration and cooperation on a regional scale with like-minded businesses and community organisations as a way of yielding regionally relevant opportunities and outcomes. These reports are discussed in more detail in **section 6.3.3** and in **Appendix H**.

### 5.2.2 The need for greater flexibility in how a role is structured and recruited

There was a recognised need for alternative models for how local governments recruit and retain staff. Stakeholders noted that how roles are described and the band they fall within can be a hurdle, particularly when looking to provide the flexibility to find and hire good people. It was noted that the actual roles carried out by staff look quite different in rural and regional local governments compared to larger metropolitan local governments, and between local governments facing different challenges. In rural local governments, the need to fill multiple roles through one position can provide a great opportunity to build diverse skill sets.

Requirements around more advanced roles and merit-based requirements were identified as barriers to attracting a more agile workforce. There was a recognised need, and a desire, to **think differently about job design**, and how to best communicate what a role actually involves and requires. For example, a council in the Northern Territory is looking at how to design roles to meet the current need (which vacancies need to be covered) rather than simply trying to recruit for conventional roles, which don't reflect the working reality in many local governments.

Ultimately there was a recognition of the need for a stronger focus on identifying candidates who have the soft skills, a willingness to learn on the job and to give them the chance to develop a career in local government. What procedures can allow for people to move around internally? How can we tap into opportunity by thinking differently?



The shift to contract-based roles, in part due to positions being tied to grant funding, is making it **difficult to fund ongoing positions** in turn making it harder to keep good people who want the security of ongoing roles.

Where there are skills shortages, some local governments are breaking the **salary structures** to make remuneration packages more attractive for recruitment. Senior officers are now negotiating outside of enterprise agreements, allowing for greater flexibility when it comes to remuneration. Common law contracts are also being used to allow people to be paid a little higher, however this can only apply to contract positions as permanent staff must be on the enterprise bargaining agreement.

Thinking differently about how to attract staff, Coomalie Community Government Council are looking at trialing a **four-day working week** as they are unable to offer the same benefits and remuneration as their competitors. However, another council noted that flexibility had been a hallmark of the local government sector, but with the shift to hybrid work more broadly, that was no longer a key benefit when recruiting.

### 5.2.3 The need for attractive career pathways in the local government sector

Stakeholders saw a gap in how the opportunities of working in local government are articulated outside the sector. Mentoring of young staff was seen as important to encourage them to think about a career in local government, rather than viewing it as a stepping stone to working for state government or the private sector. For larger local governments, such career paths are easier and evident, whereas for smaller local governments such career paths are generally non-existent.

Smaller local governments therefore often find it more difficult to attract skilled staff due to the lack of clear career pathways. This struggle to attract a diverse workforce suggests there is merit in taking a sector wide view of career pathways in local government. Some local governments will struggle to attract young or mid-career practitioners. Others might offer complex roles that provide a unique ability to develop a diverse skill set within a discipline which can be particularly beneficial when starting a career in local government. Remote local governments often look for multi-discipline people as roles are broader, but often there isn't a defined career path. Rural local governments are frequently seen as stepping stones, with staff eager to move onto larger urban and metropolitan centres. For example, it was noted that rural local governments invest in skilling staff, especially in professional roles, only to find that they get taken by larger local governments in regional or metropolitan centres or beyond local government and into the private sector.

With local governments struggling to engage people early in their career, cadetships, apprenticeships or internships are seen as ways to engage young people. For example, sometimes a university internship placement can later become a positive full-time role. It was noted there is a role for the sector to showcase itself, engaging with university students about employment and career opportunities. Equally, there was the opportunity to create awareness of the unique administrative areas, like executive assistants in the broader community.

The need to **engage a more diverse workforce** as a means of both increasing participation and widening the pool of potential job applicants is evident. The stakeholders considered training and development options that begin with practical certificates or a diploma, with the option of then building up to a degree as the preferred model. Central Desert Regional Council in the NT are designing a model for road crew staff to progress from outdoor labour-oriented work to project management work. This is

similar to the Women in Building program in Victoria<sup>31</sup> which offers a number of enrolment opportunities from an advanced diploma through to a degree in Building Surveying, equips the trainee to be registered and employed as an Municipal Building Surveyor in Victoria. And in Tasmania, a council is working with regional jobs hubs to find people with the right skillset locally. These are just a couple of examples where there is a recognised need to grow local skills ecosystems, which is consistent with suggestions by both RAI (2022) and the OECD (2022), mentioned earlier.

For **professional development**, the stakeholders identified a range of soft skills, specifically the need for **resilience** and ability to cope with change and emotional intelligence, along with the ability to think creatively, particularly around **service re-design and innovation**. One focus group participant noted the challenge facing younger planning staff who have to deal with the public and are often treated quite poorly, with flow-on effects for recruitment and retention. This highlighted the need for soft skills that are not always viewed as essential or relevant by senior executives in a council, creating a barrier to adopting this type of training.

It was noted that not only was training prohibitively expensive, some local governments find training is not providing value for money and desired improvements in staff capability and expertise. This could be addressed by sharing training across local governments, particularly in regional areas, along with efforts to **integrate the learning into the work environment** and exploring different ways to upskill, such as job sharing and job rotation, but this is difficult when people are already working to capacity.

Local government as a sector needs to be proactive in deciding collectively, what sort of education and skills training programs it requires, and then talking to the universities and TAFEs about how it wants its needs to be met. At UTS, the Centre for Local Government established an effective two-way conversation through a broad-based advisory board, and then developed packages that ‘mixed and matched’ local governments’ needs for both short courses and graduate qualifications. Local government, through their state Local Government Associations, could work with the university sector to adopt this approach more widely.

#### 5.2.4 The impact of housing shortages on recruitment

The shortage of affordable housing in regional centres across Australia is presenting significant recruitment challenges for local government. Many local governments report difficulty in proceeding with finalising recruitment selections when it becomes evident for the successful applicant that they are unable to find adequate housing for their family. The housing problem has become more exacerbated in some key regional areas where there has been an influx of people relocating away from the major capital cities in search of different lifestyle choices, enabled by more flexible working arrangements (arising from workplace responses in mitigating the impact of the COVID-19 pandemic). At the same time, there is potential to access new talent pools if the partners of relocating employees are seeking employment opportunities.

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<sup>31</sup> Government of Victoria, Department of Jobs, Precincts and Regions (2020), *Women Building Surveyors Program Guidelines*, [https://www.localgovernment.vic.gov.au/\\_\\_data/assets/pdf\\_file/0028/168337/Women-Building-Surveyors-Program-Guidelines.pdf](https://www.localgovernment.vic.gov.au/__data/assets/pdf_file/0028/168337/Women-Building-Surveyors-Program-Guidelines.pdf)

### 5.2.5 The need for collaboration and innovation in service delivery

Stakeholders identified an interest in, and a need for collaboration and innovation in service delivery. Greater regional collaboration was raised as one way to find innovative solutions to these shared resourcing and service delivery challenges. This included the need to share resources and opportunities between local governments and how to build the relationships to enable it to occur, possibly through a collaboration group or secondments. As evidenced by the data in part 5.2.1 in **Chapter 5**), the take-up of regional collaboration opportunities is quite low, with only 27% of responding Local Governments utilising regional staff sharing arrangements. One example that stands out in this space is the Central NSW Joint Organisation's commitment to HR coordination across 11 local government local governments in central western NSW. The JO has established three sub-groups dealing with HR, training and workforce development and these sub-groups coordinate activities and resources across the region. A selection of Australian and international examples are discussed in **Chapter 6** with more details provided in **Appendices F, G and H**.

Interest was also expressed in shared services, for instance, for a central finance pool, particularly for smaller rural local governments. Ideas for a centre of excellence in a region were also discussed, identifying which council does what best and how that resource can be shared. Another idea was that of a pooling of skillsets, an employment type service where people are available to work in several rural locations. The need for more common templates for things like a workforce plan was also raised.

Regional/remote local governments in the Northern Territory have had to base head offices in regional centres with access to services to attract staff, but even then, it is a challenge attracting people.

### 5.2.6 The need for improved cultural competency training for all staff and cultural safety for Aboriginal and Torres Strait Islander workforce

The focus group on Aboriginal and Torres Strait Islander workforce in local government raised several matters including the lack of adequate and consistent data on Aboriginal and Torres Strait Islander workforce in local government on matters such as staff retention, turnover, employment conditions that take account of cultural obligations, the occupations held by Aboriginal and Torres Strait Islander employees, the lack of a career path, and cultural safety.

The two stand-out issues were the need for cultural competency training for all employees and improved cultural safety for Aboriginal and Torres Strait Islander employees. Both of these matters were seen as two-way problems. Firstly, that all local government employees should undertake regular cultural competency training to ensure there is universal understanding of how to develop and maintain healthy working relationships between non-Indigenous employees and Aboriginal and Torres Strait Islander employees. Secondly, that employment conditions and working environments are adapted such that Aboriginal and Torres Strait Islander employees are able to fulfil their cultural obligations without feeling disadvantaged or discredited in any way in terms of their employment status or ability to be in the workplace.

### 5.2.7 A more agile approach to workforce planning

Workforce planning is defined as ‘ensuring that the right people with the right competencies are in the right jobs at the right time’.<sup>32</sup> Strategic workforce planning engages in ‘a continuous process of shaping the workforce to ensure it is capable of delivering organisational objectives now and in the future’.<sup>33</sup>

There are explicit legislative requirements for local government workforce planning in three jurisdictions: New South Wales, Victoria and Western Australia. The details are summarised in **Table 16**.

While the legislative requirements for workforce planning may not be so explicit in other jurisdictions, local governments are nevertheless expected, if not still required, to address workforce planning matters in their community strategic plans or operational plans on a cyclical basis.

There is acceptance that workforce planning is a necessity for larger local governments. However, the smaller local governments participating in the forums stated that the statutory requirement in Victoria for example, imposes expectations on them that they will never be able to deliver on, because they don’t have the workforce and no additional resources are provided by the State to do the work. The prevailing view among focus group participants and key employer associations SGS interviewed, is that the longer-term plans are fine and serve a useful purpose, but they also need to be supported by 12-monthly reviews in order to maintain their currency.

The ongoing skills shortages and recruitment and retention challenges are impacting on local governments’ workforce planning. Local governments are responding to this challenge by applying a principles-based approach to people decision making, that is focussed on what is needed and flexible planning for an inclusive and diverse organisation. There was a general shift to higher-level, long-term workforce plans, and away from a focus on staff numbers. A twelve-month people/resource plan would then sit underneath to ensure key projects get across the line. More often than not, a good staff development/training manager to drive the implementation of the plan is what is required.

Another local government was focused on identifying those few roles that are critical for strategy delivery and getting the best people in their local governments into those top five or so positions. That is, look internally and match the top five people with the top five positions.

Across the board there was a recognition of the need to think differently, to focus on what local governments are trying to achieve and then, how do they best deliver that.

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<sup>32</sup> Taylor (2005), *People resourcing*, 2<sup>nd</sup> Edition, Chartered Institute of Personnel and Development (CIPD), London.

<sup>33</sup> Government of Western Australia, Department of Local Government (2021), Workforce Planning – A toolkit for Western Australia Local Governments, [https://www.dlgsc.wa.gov.au/docs/default-source/local-government/integrated-planning-and-reporting/integrated-planning-and-reporting-workforce-planning.pdf?sfvrsn=30330366\\_4](https://www.dlgsc.wa.gov.au/docs/default-source/local-government/integrated-planning-and-reporting/integrated-planning-and-reporting-workforce-planning.pdf?sfvrsn=30330366_4)

**TABLE 16: OVERVIEW OF LEGISLATIVE WORKFORCE PLANS REQUIRED IN CERTAIN AUSTRALIAN STATES**

State / Territory	Workforce Plans / Strategies	Comments
<b>New South Wales</b>	Workforce Development Plan, 4 years Workforce Management Strategy, 4 years	The NSW Office of Local Government lists areas that the Workforce Management Strategy should address: <ul style="list-style-type: none"> <li>An ageing workforce;</li> <li>Succession planning;</li> <li>Providing opportunities to create and retain positions for young people;</li> <li>Incentives and programs to support the council as an employer of choice;</li> <li>Learning and development;</li> <li>Performance management;</li> <li>Recruitment strategies to fill skills gaps;</li> <li>Workforce diversity.</li> </ul>
<b>Victoria</b>	Strategic Resource Plan (human resources), 4 years	The Foundational Workforce Plan Guide <sup>34</sup> outlines the following workforce documentation hierarchy: <ul style="list-style-type: none"> <li>Strategic workforce plan: to guide long-term strategic improvements using benchmarkable data;</li> <li>Operational workforce plan: to plan and monitor operational improvements;</li> <li>Foundational workforce plan: to meet basic business and legislative requirements.</li> </ul>
<b>Western Australia</b>	Workforce Plan, 4 years Workforce Planning is one of the four key components of the Integrated Planning and Reporting Framework and Guidelines in place across the local government sector in Western Australia.	The Workforce Planning Toolkit for local governments in Western Australia <sup>35</sup> The Toolkit breaks the process down into four steps: <ul style="list-style-type: none"> <li>Analysis of Internal and External Environment and Workforce.</li> <li>Strategic Community Plan Workforce Implications.</li> <li>Corporate Business Planning Strategies to meet Future Workforce Needs.</li> <li>Monitoring and Evaluation of Outcomes.</li> </ul>

Adapted from Tan & Artist (2013), *Strategic planning in Australian local government: A comparative analysis of state frameworks*, [https://opus.lib.uts.edu.au/bitstream/10453/42122/3/ACELG\\_2013\\_Strategic-Planning-and-Reporting.pdf](https://opus.lib.uts.edu.au/bitstream/10453/42122/3/ACELG_2013_Strategic-Planning-and-Reporting.pdf); and NSW Office of Local Government (2022), *Workforce Planning*, <https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting/support-for-implementation-of-ipr-framework/workforce-planning/>

<sup>34</sup> Victorian Department of Jobs, Precinct and Regions (2021), *Foundational Workforce Plan Guide*. [https://www.localgovernment.vic.gov.au/\\_\\_data/assets/pdf\\_file/0021/174621/LG-Act-2020-Implementation-Foundational-Workforce-Plan-Guide.pdf](https://www.localgovernment.vic.gov.au/__data/assets/pdf_file/0021/174621/LG-Act-2020-Implementation-Foundational-Workforce-Plan-Guide.pdf)

<sup>35</sup> Western Australian Government (2012) *Workforce Planning. The Essentials. A Toolkit for Western Australian Local Governments*. [https://www.dlgsc.wa.gov.au/docs/default-source/local-government/integrated-planning-and-reporting/integrated-planning-and-reporting-workforce-planning.pdf?sfvrsn=30330366\\_4](https://www.dlgsc.wa.gov.au/docs/default-source/local-government/integrated-planning-and-reporting/integrated-planning-and-reporting-workforce-planning.pdf?sfvrsn=30330366_4)

Additional observations include:

- CEO roles have the highest turnover and many in senior executive roles do not want to move up to CEO as they see it is a particularly difficult and highly charged position, politically.
- Succession planning is really difficult.
- There is a lack of workplace planning skills in many local governments.
- Need a greater focus on retention, particularly when looking at female participation and inclusion.
- A lot of legislation impacts workforce planning.

While the majority of participants in the focus groups were from the human resources areas of local governments, there was a general feeling of the need for greater active involvement of individuals and team leaders from across their organisations in workforce planning and staff development, particularly the need to identify 'good people' and find opportunities for them to progress internally.

### **5.2.8 Building a future ready local government workforce**

The key foundations of a future ready workforce, were identified as:

- Skills flexibility, the ability to move into different roles
- Hybrid working for those that can work that way
- Strong communication and engagement skills – the skills and confidence to engaging with community as this is increasingly a part of more council roles and a challenge for many, particularly for younger people.
- A focus on strategy, finance and engagement – how staff productivity can be improved, how to capture performance and feed it into decision making.
- Strong basic IT skills, supported by more specialist IT skills with the capacity to develop online services.
- Strong leadership, with leadership training to increase female participation and help drive change.
- A culture of mentoring and coaching.
- Strong in professional literacy – this is a gap in knowledge around what is required within local government when it comes to report writing and the capabilities of the more junior staff who are collecting data and writing emails.
- Data analytics and reporting skills – a current gap in many local governments where it is not done as well, or as efficiently as it could be.
- The shift to the digitisation of statutory and strategic planning will require several occupations to upskill.
- Public health and sanitation as renewed area of focus for local government given the public health issues raised by COVID-19.

### **5.2.9 State specific challenges**

While there was a great deal of commonality amongst the focus groups discussions, three state specific challenges are identified that are worth noting because they highlight the kind of state-wide challenges that local governments in those jurisdictions have to contend with.

Western Australia: local government is unable to compete with the mining sector in some occupations, especially project management, and this has been made worse by the border closures which has seen many companies such as BHP now only recruiting from within Western Australia.

Victoria: It was noted that the new *Local Government Act 2020* (Vic) has been overwhelming in terms of all the new requirements for polices, strategies and plans and reporting requirements, often requiring multiple staff to assist on the same issue. Occurring alongside the COVID-19 pandemic, it was a particularly difficult time for staff to cope with the demands presented by the new legislation.

Northern Territory: Remoteness and distance is a significant challenge, along with culture shock in remote communities when people arrive but aren't quite prepared for the reality. There are challenges of low connectivity in terms of roads, no NBN network and certain areas with no 4G connectivity, which need to be addressed, mostly by the Commonwealth Government. For local governments there is tension between the desire to be innovative, imagine new ways of working and developing the workforce and skillset, and a lack of consistent digital connectivity. Embracing new digital technologies in these environments is simply not possible.

The diversity between local governments in service delivery, and in the expectations of councillors, senior officers and the community (how expansive or innovative their thinking is) is a challenge, along with a lack of governance skills among elected members. One of the biggest challenges for regional shires in the NT is the sheer size of their LGAs and the risks they have to manage in remote settings.

### 5.3 Greater Agility, Flexibility and Collaboration

The focus group discussions confirmed many of the findings from the Survey, while also providing insights into the needs and challenges that local governments across Australia are currently having to contend with.

The focus group findings suggest that there is both a need and a desire for **local government to be more agile and flexible** in how it designs the roles required to meet each council's organisational needs, how they recruit for these roles, how they train and mentor staff, and with a view to encouraging a career in local government.

Skills shortages are being experienced across the country and across industries, which extend well beyond the local government sector and in many cases have only been exacerbated by the Covid-19 pandemic (RAI, 2022). While local government alone cannot address these matters, there are opportunities to help lead solutions to address these shortages, from increasing local participation, to redesigning roles, functions and job descriptions to working with education and training providers to tailor suitable training and development pathways, as both RAI (2022) and the OECD (2022) are suggesting.

The focus groups stated that many regional and rural local governments are facing staff recruitment and retention challenges, but there was also recognition of the need for more collaborative and innovate approaches by local governments on a regional scale rather than attempting to address these challenges individually. This is not a new idea and it has been tried by different local governments in the past. As the need becomes more pressing it would suggest that there is a growing imperative to explore different models. The model developed by the Central NSW JO has shown some success in addressing difficult skills training and development challenges (see **Appendix F**) and that there is considerable merit in sharing activities and resources on a regional scale.

Local governments therefore need to see their workforce skills and capability challenges in a broader context and work more cooperatively and collaboratively to develop what the OECD (2022) calls local skills ecosystems. This is discussed in more detail in part 6.3 in **Chapter 6**.



## 6. Towards 2030: Advancing Skills and Productivity

This chapter discusses the macro trends and local drivers impacting local government workforce skills and capabilities, and draws together material from the survey results, from the focus groups and the broader secondary research into international and local best practice and policy for workforce and skills/capability development in the local government sector. The analysis points to fresh approaches (notably at the regional level), broader collaborative approaches and new ways of thinking about tackling persistent, endemic skills shortages (such as job/process re-design, organisational change). The need for more and better workforce planning and increased cooperation between councils is also highlighted.

### 6.1 NSW Local Government's Future Workforce

#### 6.1.1 Future workforce profile

Local governments were asked about the employment categories that they currently employ and their outlook on whether these types of employees would increase, decrease or stay the same. Their responses are tabled below and highlight that (**Table 17**):

- 75% of responding local governments currently employ full-time employees and part-time workers;
- 41% of responding local governments expect the number of part-time workers to increase, while 36% believe full-time workers will increase;
- 32% of responding local governments expect a decrease in labour hire arrangements;
- Around 40% of local governments expect the number of casual, full-time and independent contractors to stay the same.

**TABLE 17: NSW LG OUTLOOK ON FUTURE WORKFORCE PROFILE BY EMPLOYMENT CATEGORY, 2022**

Employment category	Current Profile	Do not employ	Decrease	Increase	Stay the same
Casual Employees	73%	-	25%	23%	39%
Fly in fly out workers	4%	63%	-	2%	4%
Freelancers	9%	50%	4%	4%	9%
Full Time Employees	75%	-	11%	36%	43%
Independent Contractors	59%	9%	20%	11%	36%
Labour Hire	50%	18%	32%	5%	27%
Part Time Employees	75%	-	4%	41%	43%
Service Centres	5%	50%	2%	4%	5%
Volunteers	54%	7%	4%	25%	30%

Source: 2022 LG Survey

### 6.1.2 Future workforce skills needs

Flexible training (used by 79% of responding local governments) and targeted training and development (70%) were the most common approaches to meeting future skills needs. 66% of local governments also sought improved access to educational opportunities as part of their future skilling strategy. A smaller proportion of local governments engaged industry partnerships and regional staff sharing arrangements.

12 local governments said they were using a range of additional strategies:

- Offering flexible work opportunities, such as remote working;
- Conducting succession planning and developing a workforce ageing strategy;
- Providing internal mentoring as part of phased retirement arrangements.

**TABLE 18: STRATEGIES USED BY NSW LG TO MEET FUTURE SKILLS NEEDS, 2022**

Strategy	# responding local governments	%responding local governments
Flexible training and development	44	79%
Targeted training and development programs	39	70%
Improved access to educational opportunities	37	66%
Building industry partnerships	14	25%
Other	12	21%
Regional staff sharing arrangements	9	16%

Source: 2022 LG Survey

Local governments identified a range of resources and/or assistance that would help them to meet future skills needs:

- Funding for a range of supports including fee-free and onsite training, to support employment growth in environmental and digital roles, and to support local governments in offering more competitive remuneration;
- Workforce planning, such as more detailed forecasting and developing an employee retention program;
- Greater access to trainers, particularly in regional areas, which would reduce training costs;
- Facilitating pathways for international students and skilled migrants;
- Incentivising skilled retirees to re-enter the workforce;
- Supporting more local decision making between local governments and training providers.

## 6.2 Workforce Skills and Productivity Drivers

The focus group discussions identified the following three areas as drivers of change in workforce skills and productivity: workforce skills shortages arising from the COVID-19 pandemic; responding to the impacts of climate change; and the technological revolution (also known as the Fourth Industrial Revolution).<sup>36</sup>

### 6.2.1 COVID-19 pandemic impacts

The COVID-19 pandemic has precipitated a number of shifts in our lifestyles and values, and particularly our workplaces and work practices, employment conditions and new opportunities to work remotely. Our major cities endured differing periods of shutdowns as we managed the waves of infections and the arrival of vaccines.

While local government has played a crucial role in supporting local communities during the pandemic, it is also evident that beyond the immediate impacts on workforce capacity and skills, there are also wider implications playing out. And the impacts of the COVID-19 pandemic played out differently for local governments across the country. For example:

- COVID-19 advanced the use and implementation of digital technology into many facets of life including public service delivery, which will have a lasting impact on the workplace, even for functions that cannot be performed remotely. It has shown employers and employees what can be achieved through technology and working away from a conventional office or dedicated service centre.
- In their 'Rebalancing the Nation' report, the Regional Australia Institute (RAI) (2021) states that net migration from our capital cities to our regions reached the highest level recorded by the ABS since it started measuring internal migration in 2001. In 2020, 43,000 Australians moved to regional areas from capital cities. RAI (2021) believes the pandemic has thrown into stark relief

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<sup>36</sup> Philbeck, T. and Davis, N. (2018). 'The Fourth Industrial Revolution' *Journal of International Affairs*. 72 (1): 17–22.

the opportunities for a regional lifestyle as remote working has broadened the horizons of possibilities for many people.

- Many local governments reported that the COVID-19 vaccine mandates had been a challenge and they had lost staff as a result.
- Many local governments expressed concerns about losing environmental health staff as the demand for their skills in other contexts suddenly escalated, creating gaps in being able to fill positions requiring a high level of skills in environmental health inspection.
- Participants in the focus groups told SGS that more local government workers are considering leaving the sector because of their experiences of working during the pandemic, citing in particular, the extra demands placed on delivering face-to-face services.
- Workers nearing retirement bringing forward their retirement plans due to COVID-19.
- The pandemic has disproportionately impacted on women in science and engineering, according to the Australian Academy of Science.<sup>37</sup>
- State-border closures and International border restrictions also affected the recruitment of workers from out-of-state and from overseas.
- While WA struggled with closed border limiting their ability to attract staff externally from elsewhere within Australia as well as internationally, it increased competition amongst existing staff. Meanwhile, one local government in SA found they had more interstate applicants than previously and provided financial assistance to assist with relocation, even though some applicants thought they could do the job remotely.

Overall, the COVID-19 pandemic has brought on the need for new skill sets in local government, especially in relation to IT management and capability with staff having to work from home and for more services having to be made available online rather than continuing to be delivered over the counter. Many local governments, especially smaller local governments, struggled with getting staff to take up new technologies and get up to speed with IT capability. One factor that has emerged from the pandemic is the need for greater flexibility and multi-skilling of staff so as to make the best use of new opportunities.

## 6.2.2 Responding to the impacts of climate change

The extent and costs of the devastation caused by recent natural disasters (droughts, bushfires and floods) on the eastern seaboard are hard to determine. These events have also shown the increasing exposure to natural disasters and the impacts of climate change that Australians are facing from our capital cities to our regions.

Recent natural disasters have also revealed the difference that local governments can make in terms of responding to disasters, and how much more important mitigation, planning and preparedness will become if immediate relief stalls and the severity and frequency of such disaster events are increased by climate change (LGIU Australia, 2022). The quality of the information local governments rely on is

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<sup>37</sup> Australian Academy of Science (2021), *Impact of COVID-19 on women in the STEM workforce*, <https://www.science.org.au/files/userfiles/support/documents/impact-covid-women-stem-asia-pacific.pdf>

critical to the effectiveness of both their plans and their capabilities to respond to emergencies more generally.

The most recent reports from the Intergovernmental Panel on Climate Change are emphasising the need for concerted action to reduce greenhouse gas emissions if the world is to achieve its target of limiting global warming to no more than 1.5 degrees Celsius by the end of this Century. The IPCC believes local governments play a vital role in influencing mitigation and adaptation strategies, especially through their land use planning and development and environmental management responsibilities.<sup>38</sup>

However, Cities Power Partnership<sup>39</sup> reports that only 169 of Australia's 537 local governments<sup>40</sup> are members of its program connecting local governments with shared emissions reduction project targets and interests across the pledge areas of renewable energy, energy efficiency, sustainable transport and community advocacy. The Cities Power Partnership report notes that local governments play a leading role in responding to climate change; but local governments face financial and other barriers in responding to natural disasters, bolstering infrastructure resilience, and reducing greenhouse gas emissions contributing to global warming.

The ALGA has said that local governments face financial and other barriers including labour shortages and the need for new organisational skills and knowledge in order to cope with the increasing impacts of climate change, that state and federal government assistance is falling short of what is required, and that it is seeking a targeted disaster mitigation program at the level of \$200 million per annum for four years to strengthen community resilience response and recovery costs.<sup>41</sup>

Accepting the realities of climate change and making adaptations to mitigate global warming is a key area where local governments can play a far more active role, despite the absence of clear leadership from higher levels of government.

### 6.2.3 Technology and Digitisation – The Fourth Industrial Revolution<sup>42</sup>

The scope of technologies that can impact on government services—and, in turn, our lives—is far-reaching, from robots that clean parks to systems that can create personalised cybersecurity by observing and learning from users' behaviours.

In particular, five technologies are demonstrably significant for local governments, including artificial intelligence (AI) and robotics; autonomous vehicles; digital government; automation; and efforts to increase cybersecurity.

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<sup>38</sup> IPCC Special Report on the impacts of global warming of 1.5°C. LGiU Policy Briefing for Australian local governments. <https://lgiu.org/briefing/ipcc-special-report-on-the-impacts-of-global-warming-of-1-5c/>.

<sup>39</sup> <https://citiespowerpartnership.org.au/>

<sup>40</sup> Australian Local Government Association, *Local Government Key Facts and Figures*. <https://alga.com.au/facts-and-figures/>

<sup>41</sup> Australian Local Government Association (2021), *ALGA responds to new warnings of growing climate change impacts at the local level*, <https://alga.com.au/alga-responds-to-new-warnings-of-growing-climate-change-impacts-at-the-local-level/> and see also the Statement from 30 Australian Mayors and Councillors [https://citiespowerpartnership.org.au/wp-content/uploads/2022/03/FV\\_Mayor-and-Councillor-Flood-Statment\\_March-2022-.pdf](https://citiespowerpartnership.org.au/wp-content/uploads/2022/03/FV_Mayor-and-Councillor-Flood-Statment_March-2022-.pdf)

<sup>42</sup> The primary source for much of this discussion is drawn from the following: Five technology trends impacting state and local governments. [https://business.comcast.com/community/docs/default-source/white-papers/comcast\\_govt-techrends\\_wp\\_3.pdf](https://business.comcast.com/community/docs/default-source/white-papers/comcast_govt-techrends_wp_3.pdf)

- **Artificial intelligence** (AI) is already being used to handle tasks that would otherwise take much longer to perform. AI therefore presents significant opportunities to increase productivity and performance.
- Use of **autonomous vehicles** can also make significant inroads to efficiency while also reducing greenhouse gas emissions, provided they are powered from renewable energy sources.
- **Digital applications** can be used to access information quickly and easily, enabling citizens to, for example, lodge planning and building applications, to see in real time where local roadworks are occurring to avoid unnecessary delays, or to help improve the user experiences.
- **Automation and robotics** can help governments perform some functions more efficiently, particularly where tasks are boring and repetitive or higher safety risks to workers. This is particularly evident in construction and roadworks for example.
- **Cybersecurity.** As we become more reliant on information technologies (IT), it is no longer a matter of whether IT security systems will be breached, but rather when and how robust our IT systems are to avoid being corrupted or jeopardised for any length of time.

As Business Comcast<sup>43</sup> concludes, State and local governments are quickly reaching the point where adoption of new technologies is inevitable. Indeed, the efficiency and effectiveness of any government agency is dependent on the technologies it uses to provide services and protect the health and welfare of its citizens. As these new technologies loom on the horizon to help governments better serve their citizens, it is not only the networks on which these technologies rely that must be robust and flexible enough to handle the increased traffic, local governments' workforces must also be suitably qualified and experienced to handle the transition and make the most of the opportunities on offer.

### 6.3 Workforce Development Initiatives

This section summarises our secondary research into domestic and international initiatives on workforce development.

#### 6.3.1 Similar challenges in other countries

Local governments in other countries face many similar problems and future challenges to Australian local governments, albeit within their own institutional, economic, social and cultural contexts. For example, construction skills shortages are affecting public infrastructure projects in the UK, Europe, US, Canada, South Africa, Hong Kong among others. Local and state governments in many countries lost significant headcount during the global recession of 2007-08 and the concomitant contraction in public budgets. The UK, NZ, USA and Canada are also experiencing shortages of skilled professional planners.

Shared issues play out differently across countries. Australia and UK both struggle with shortages in professional urban and regional planners but in different ways: Australia struggles with a shortage in regional and remote areas, whereas the UK has shortages across the board with an increased levels of development assessment activity. In both countries, local government has an 'image problem' in that it

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<sup>43</sup> Business Comcast (2018) Five technology trends impacting state and local governments. [https://business.comcast.com/community/docs/default-source/white-papers/comcast\\_govt-techtrends\\_wp\\_3.pdf](https://business.comcast.com/community/docs/default-source/white-papers/comcast_govt-techtrends_wp_3.pdf)

is not seen by younger people as a choice of career path. Despite these differences, there is a good deal of common ground and therefore useful insights can be gained from international practice.

### 6.3.2 Australian initiatives

In Australia, local government workforce development initiatives have focussed on capability frameworks and skills strategies, and some local governments are collaborating at a regional scale to not only economise on costs, but also to maximise the benefits from their skills development training programs within their region.

For example, the Local Government Capability Framework authored by Local Government NSW clarifies the objects of professional development across the range of local government services. It responds to a desire for a more consistent foundation on which to conduct recruitment, workforce planning and staff development (see **Appendix F** for details).

The Local Government Skills Strategy, a program that was funded by the NSW Government (Training Services NSW) and managed by the NSW Office of Local Government, which aimed to build the workforce capability of the NSW local government sector by offering local governments improved access to professional training by facilitating pre-vocational training programs targeting local government skill priorities; encouraging and supporting local governments to increase their intake of apprentices and trainees, including upskilling their supervisors and managers; and facilitating training in skill priority areas for existing local government employees (see **Appendix F** for details).

Central NSW JO's initiatives in identifying and taking up opportunities for inter-governmental cooperation on matters relating to the joint organisation area, including facilitating stronger regional cooperation and collaboration in recruitment, staff retention, skills development and training and human resource management in the region (see **Appendix F** for details).

Careers at Council was established in late 2019, to encourage active and passive candidates to work in local government via informative content, social media (LinkedIn and Facebook), Google advertising and links with a wide range of government, industry and career sites. It was identified in the 2013-2020 National Local Government Workforce Strategy and the 2016-2020 NSW Local Government Workforce Strategy, and is now recognised by the Commonwealth and NSW Governments as the careers and jobs portal for local government (see **Appendix F** for details).

The Centre for Local Government at the UTS Institute for Public Policy and Governance currently offers training and short courses in several areas of related to local governance, formal local government qualifications, and advisory and research services for local government (see **Appendix F** for details).

In Western Australia, the Construction Training Fund (CTF) is a statutory authority established to ensure Western Australia's building and construction industry can meet demand for skilled workers. It collects a levy of 0.2 percent on all construction projects valued above \$20,000 AUD. CTF then return this levy to the industry via training subsidies, programmes and grants, reducing costs of apprenticeships, trainees and mid-career upskilling. South Australia's Construction Levy charges 0.25 percent on construction projects valued over \$40,000 AUD to pay for training for construction workers, especially those in small and medium enterprises. The aim of these funds is to grow the overall pool of skilled construction workers.

### 6.3.3 Regionalisation revisited

It is notable that the Regional Institute of Australia (RAI, 2022) found that regional leaders are calling for regional policy development to focus on education and skills development rather than the implementation of large infrastructure projects, because in December 2021, there were over 70,000 job vacancies across regional Australia and 60 per cent of employers outside the capital cities were having trouble recruiting staff.

The recent Regional Australia Institute report on *'Rebalancing the Nation'* (RAI, 2022) identifies the following key factors as being crucial to Australia's future:

- The importance of the population narrative, both in attracting workforce and skills to regional Australia and in ensuring that Australia does not become a nation of crowded mega-cities.
- RAI's regional jobs vacancy map and monthly regional jobs update continue to highlight the availability and quality of jobs in regional Australia.
- The importance of strengthening liveability has emerged as key to the quality of life in regional Australia, including the availability of housing, services and infrastructure.
- Regional economic growth, equipping regions with the knowledge and tools they need to understand their unique opportunities for growth and how to harness innovation to increase their productivity.
- Disaster recovery and resilience seeking to ensure that regional communities and businesses stay strong in a future impacted by climate change.
- The importance of place-based planning and decision-making, calling for an elevation of regional voices and leadership.

Given that around two-thirds of local governments in Australia are regional or rural, these factors are also of significance to local government. For example:

- While the bulk of Australia's population growth continues to occur in our major cities, there are many good reasons why Australia needs to 'not become a nation of crowded mega-cities'. As noted by RAI, the COVID-19 pandemic has precipitated the largest shift of net migration away from our major capital cities to regional Australia in more than 20 years.
- There are jobs available in local government in regional Australia, and indeed, many career opportunities in many different occupations.
- Local governments are responsible for local land use planning and development and also play a vital role in local community development, contributing directly to liveability. While local government is not a direct housing provider, it can play a key role through its land use planning and development regulatory activities to create conducive conditions for new housing developments or diversification of existing residential land.
- Local governments play a very active facilitation role in supporting local and regional economic development opportunities through land use zoning, rate exemptions or waivers or other incentives.
- As discussed earlier in this report, local governments play a vital role, not only in disaster recovery, but also in improving infrastructure resilience and reducing carbon emissions in their



jurisdictions. These roles will only increase as the impacts of climate change keep escalating, as we have already seen in many parts of regional Australia over the past two to three years.

- As the local planning authority for their jurisdiction, local governments are responsible for place-based planning in their local cities, towns and regions.

Local governments workforce skills and capabilities are at the heart of these challenges, and should not see itself in isolation of the opportunities and challenges presented by key events such as Covid-19. As RAI concluded, there is an opportunity to seize the unique moment in time, to plan and shape the nation for generations to come (RAI, 2021).

#### 6.3.4 Capacity development

In other countries reviewed (**Appendix G**), a range of activities have been deployed to build capacity in local government workforces, including:

- Providing advice, toolkits and consultancy support for workforce planning;
- Training or retraining the unemployed/under-employed and embedding a culture of improvement/career development at all levels;
- Redesigning jobs to remove non-essential requirements and allow optimal use of available expertise;
- Bringing back retired personnel with a focus on mentoring/knowledge transfer (as in this example of civil engineer shortages for public works in South Africa);<sup>44</sup>
- Leveraging infrastructure investment/public procurement to fund and provide local jobs/apprenticeship opportunities;
- Marketing local government/sub-national government as an attractive career choice (see the Yukon (Canada) government's People Plan<sup>45</sup> for a discussion about branding – the Yukon government has been a Top 100 employer in Canada since 2014);
- Outreach into schools and universities to improve knowledge and appeal of construction or other shortage sectors, including internships and cadetships;
- Expanding the recruitment pool, by targeting under-represented groups such as women and minorities or recruiting skilled migrants;
- Adopting innovation/new technologies to reduce demand for workforce and increase productivity (for example offsite construction, pre-cast concrete or automation).

Case studies and examples of 'best practice' feature regularly in the process of policy assemblage and advocacy on public policy issues. Rigorous evaluation and comparison of these policy efforts are less common, despite the fact that these later steps are often essential to determining whether a policy program has had any kind of effect or caused progress towards a policy objective. This puts into question the value of some of these examples and highlights the need for a rigorous process of policy development.

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<sup>44</sup> Mabusela (2011), *Skills shortage in transportation engineering – education perspective*, [https://repository.up.ac.za/bitstream/handle/2263/17366/Mabusela\\_Skill%20%282011%29.pdf?sequence=1](https://repository.up.ac.za/bitstream/handle/2263/17366/Mabusela_Skill%20%282011%29.pdf?sequence=1)

<sup>45</sup> Government of Yukon (2019), *People Plan: A plan for the Government of Yukon's public service 2019-2023*, <https://yukon.ca/sites/yukon.ca/files/psc/people-plan-2019-2023.pdf>

Whether it is even possible to transfer examples of prior practice into new policy in a different context is also highly relevant. The term ‘transfer’ belies the essential role that the existing structure and function of institutions will play in the success of new ideas:

“New programs cannot be constructed on green field sites. They must be introduced into a policy environment dense with past commitment.”<sup>46</sup>

Acknowledging this, the roles and structures of institutions, including local governments will need to shift over time if the impacts of the technological revolution are to be taken seriously. The goal of the above discussion is therefore to inform efforts for policy assemblage and shifts, not to shut them down. Case studies and examples of good practice elsewhere can be a valuable way of stimulating discussion and prompting ideas, although they should not be solely relied on without further scrutiny and contemplation. Local government in Australia could benefit from seizing the critical moments, such as the shift to new technologies to deliver a wider range of services arising from the pandemic and the impact of workforce shortages to diversify and/or upskill existing staff and provide opportunities for career development. For example, the RAI (2022:20) argues that regional Australia could benefit from rebuilding regional learning opportunities in both the VET (trades) and higher education sectors and the OECD (2022) argues by creating stronger local skills ecosystems by greater levels of cooperation and collaboration across different levels of government, business and community organisations on a regional scale. While the RAI learning systems model may not be the most suitable in all circumstances, it can vastly improve efficiencies, especially for smaller and lower-resourced councils in regional areas.

The OECD (2022:50) found that at the local and regional scales, the fragmentation of responsibilities across different levels of government and the broad range of skills required by local governments presents both a challenge and an opportunity. The OECD (2022) also found that the consequences of changing skills needs are felt acutely at the local level, through skills mismatches and skills shortages, as well as the displacement of workers without the skills sought by their employers. This is why, as part of their efforts to make local economies more resilient, many cities and regions are engaging in efforts to improve adult learning systems. The OECD’s (2022) policy manual for local government on future-proofing adult learning systems concludes that local governments can make a difference in the development of future-ready adult learning systems creating strong local skills systems through the following actions:

- **Understanding local skills demand:** Differences in local industry structures translate into differences in current and future skills requirements across different local labour markets. National skills analyses may not always capture or prioritise what matters most locally. Local governments are typically in a much better position to understand, and when possible, respond to, the immediate needs and consequences of labour market transitions for their local area. Especially if they act regionally, as the Central NSW JO case study demonstrates.
- **Cultivating/Promoting inclusive cultures of lifelong learning:** The community-based nature of many forms of adult learning often makes it possible to integrate learning elements in locally-led community activities. There are different ways to participate in formal, non-formal and informal

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<sup>46</sup> Rose, R. (1993), *Lesson-drawing in public policy: a guide to learning across time and space*, Chatham House Publishers, London.

learning opportunities. Local governments can work with small and medium-sized enterprises and local community organisation to raise awareness of the needs and opportunities. Local social economy actors such as non-profits may be providing opportunities to develop job readiness skills among those who struggle with traditional ways of learning.

- **Strategically tailoring needs and bridging gaps:** Local governments can draw on their proximity to the many actors involved in the planning and delivery of education and training, including training providers and employers, to bring some order to the otherwise fragmented adult learning systems. They can also fill gaps, in particular for those most in need (OECD, 2022:10).

As the OECD (2022) observes, local skills ecosystems requires strong relationships among employers, learning and training providers, local governments and social partners. It also benefits from greater co-ordination across different levels of government on learning and skills relevant for the labour market. A local strategy that brings everyone to the table, with sufficient financial means, will be needed to confront the challenges ahead.

## 6.4 Conclusions: Advancing Local Government's Skills and Productivity

The Productivity Commission recently released its Interim Report of its **5-year Productivity Inquiry: The Key to Prosperity**.<sup>47</sup>

The Commission identifies the following key areas of policy focus:

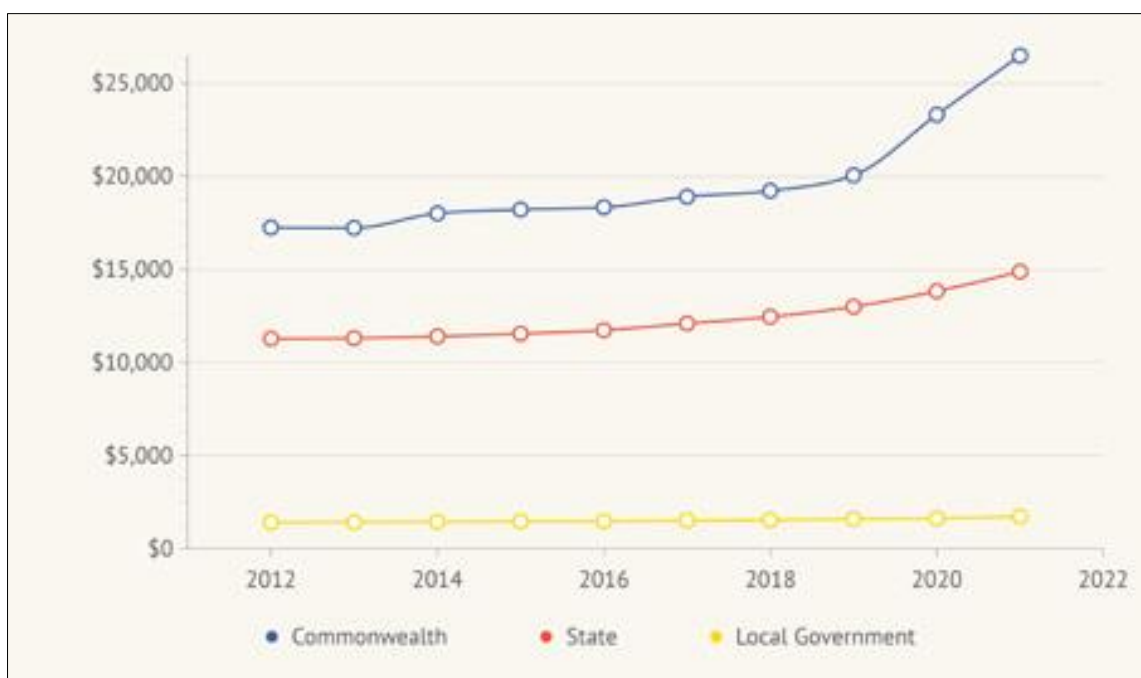
- *Innovation policy and diffusion of new processes and ideas: Policies that foster a business environment that encourages efficiency, innovation and diffusion.*
- *Data policy, digital technology and cyber security: The economy-wide importance of data and the digital technologies that generate and use data, as general purpose technologies that could boost productivity in many areas of the economy, including services.*
- *A productivity-friendly business environment: Limiting impediments to business investment, a flexible workforce, sound regulation and an efficient approach to decarbonising the economy.*
- *A skilled and educated workforce: The importance of education in driving productivity growth through increasing human capital and creating settings conducive to technological breakthroughs and adoption.*

Local Government is a pacesetter when it comes to efficient delivery of government services. Over the past nine years, local government has been fairly effective in getting value from the resources available to it, compared to the other spheres of government in Australia. For example, in relation to outlays per capita, local government saw only a 23 per cent increase, compared to more than 50 per cent for the Commonwealth and 32 per cent for State governments (**Figure 11**). In relation to total employment, between 2012 and 2021 total employment numbers in local government barely changed and on a per capita basis it fell by 11 per cent – yet services to the community were maintained at a reasonable standard, indicating a significant productivity gain by local government.

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<sup>47</sup> <https://www.pc.gov.au/inquiries/current/productivity/interim1-key-to-prosperity>

**FIGURE 11: GOVERNMENT EXPENDITURE PER CAPITA, BY AUSTRALIAN GOVERNMENT SECTOR (2012-2021)**



Source: SGS Economics and Planning (2022) *Research for submission to Local Government Productivity Inquiry*. Prepared for the Australian Local Government Association.

Local government delivers a wide range of services. This is an outworking of community expectations of participatory democracy, the need by other levels of government for local service delivery and the endemic presence of market failures. These services typically include, but are not limited to aged care and disability, arts and culture, business services, cleaning and waste management, community development, emergency management, environmental management, equality and diversity, family and children’s services, health and safety, local laws and permits, parks, gardens playgrounds, pets and animals, planning and development assessment, roads and transport, sport and recreation, and youth services.

Ideally, local government’s provision of these services should be governed by the subsidiarity principle.<sup>48</sup> That is: local governments should have full discretion over the tax / spend trade-offs in genuinely local matters ranging across infrastructure provision, service delivery and execution of regulatory functions, and treated as an equal partner when delivering services on behalf of other spheres of government.

However, local government’s productivity is impeded by a lack of subsidiarity in the system. Local governments are held back by poor policy settings by other spheres of government, such cost shifting, inadequate fiscal equalisation and being denied adequate discretion over local revenue raising to

<sup>48</sup> Subsidiarity is an organisational and democratic principle stating that matters ought to be handled by the smallest (or the lowest) entity capable of carrying out the function. The principle relates to organisational efficiency but also concerns the sharing of power between stakeholders. The principle of subsidiarity also relates to the use and support of local capacity where such capacity exists. Devolution to the lowest viable level often allows for more responsive and efficient services that are better suited to the local context (Wensing, 2019:324).

support service delivery in line with local preferences. Local governments struggle financially with difficulties in maintaining assets, challenges in attracting and retaining skilled workforce, patchy take up of digital and data technologies. Local government is also regularly called upon to be a provider of last resort, with examples including climate change adaptation, affordable housing and health and childcare services.

Notwithstanding these challenges, local government is an efficient provider of government services, when compared to other spheres of government.

A healthy and productive local government sector is clearly important to local communities as 'consumers' of municipal services, such as those listed above.

However, local governments are also mandated to boost the productivity of other sectors in the economy and directly impacts broader economic productivity in several different ways, including:

- Providing local infrastructure (i.e. roads, cycleways, green space networks, clean streets and parks);
- Providing land for housing, businesses and community facilities;
- Mitigating externalities in development (i.e. development assessments, building controls, separation of incompatible uses);
- Better local labour markets (i.e. providing/facilitating child care services, facilitating access to training, supporting social enterprises);
- Business clusters and innovation (i.e. promoting local business districts or hubs, supporting business incubators);
- Place making and visitor economy (i.e. hosting tourism centres, tourism infrastructure, culture and the arts, safe and clean streets and parks);
- Climate mitigation and adaptation (i.e. mapping and managing climate change hazards, emergency management and recovery, renewable energy networks); and
- supporting the circular economy (i.e. resource recovery and reuse, management of landfill).

The key drivers of a productive economy as articulated by the Productivity Commission include:

- The presence of dynamic firms operating in flexible markets
- A labour force geared to the needs of the future, and
- A widespread capacity to leverage new technologies.

The range of local government functions listed above variously impact these drivers. Local government can be a critical agent or key partner in advancing these pre-conditions for productivity, or it can play a broader support role, as illustrated in **Figure 12**.

**FIGURE 12: HOW LOCAL GOVERNMENT SUPPORTS PRODUCTIVITY**

	DYNAMIC FIRMS/ FLEXIBLE MATTERS	FUTURE LABOUR FORCE	LEVERAGING NEW TECHNOLOGIES
PROVIDING URBAN INFRASTRUCTURE	Local government is a critical agent		Local government is a critical agent
PROVIDING LAND FOR HOUSING	Local government is a critical agent		
PROVIDING LAND FOR BUSINESS	Local government is a critical agent		
MITIGATING EXTERNALITIES IN URBAN DEVELOPMENT	Local government is a critical agent		
BETTER LOCAL LABOUR MARKETS	Local government plays a support role	Local government is a key partner	
BUSINESS CLUSTERS & INNOVATION	Local government is a critical agent	Local government is a key partner	Local government is a critical agent
PLACE MAKING & VISITOR ECONOMY	Local government is a critical agent		
CLIMATE MITIGATION & ADAPTATION	Local government is a key partner		Local government is a critical agent
CIRCULAR ECONOMY	Local government is a critical agent		Local government is a critical agent

<span style="display:inline-block; width:15px; height:10px; background-color:purple; border:1px solid black;"></span> Local government is a critical agent
<span style="display:inline-block; width:15px; height:10px; background-color:gold; border:1px solid black;"></span> Local government is a key partner
<span style="display:inline-block; width:15px; height:10px; background-color:darkgreen; border:1px solid black;"></span> Local government plays a support role

Source: SGS Economics and Planning (2022) *Research for submission to Local Government Productivity Inquiry*. Prepared for the Australian Local Government Association.

Local Government’s productivity is ultimately about how effective it is in delivering a wide range of desired community outcomes, including:

- The equity and accessibility of core local government services,
- The appropriateness of the services provided, and
- The technical efficiency and quality of the local government sector.

To achieve these outcomes, local government relies on a highly skilled workforce embracing almost 400 occupations.

Barriers to increasing local government productivity includes the struggle to recruit qualified employees, the slow take up of digital and data technologies and operational constraints or funding limitations imposed by other spheres of government.

The 2022 Local Government Workforce Skills and Capability Survey has shown that local governments play an important role in workforce development, both for their own productivity and that of their host regions. The key findings of this research show that:

- Local government is a major national employer with over 190,800 workers in almost 400 occupations. And that it plays an important role as an anchor organisation and in increasing productivity through utilising endogenous talent and innovation.
- Local governments continue to experience skills shortages in several occupations, exacerbated by the impacts of the COVID-19 pandemic, the impacts of climate change and the accelerated take-up of technology and digitisation of services.
- Local governments are grappling with significant challenges in relation to recruitment and retention of skilled staff and accessing training opportunities to enhance workforce skills and capability. Employee attrition and an ageing workforce are ongoing and an escalating difficulty.
- Local governments are having difficulties in securing the right quantum and mix of skills to support local service provision which is affecting not only local government's productivity, but also the productivity of host localities and regions.
- Barriers to effective workforce planning and management include a shortage of resources within local government, a lack of skilled workers and the loss of corporate knowledge as employees retire or resign.

## Appendix A: 2022 Survey Respondents

### Australian Classification of Local Governments (ACLG), 2020-21

ACLG short name	ACLG long name	ACLG broad category (for analysis only)
RAL	Rural Agricultural Large	Rural
RAM	Rural Agricultural Medium	
RAS	Rural Agricultural Small	
RAV	Rural Agricultural Very Large	
RSG	Rural Significant Growth	
RTL	Rural Remote Large	
RTM	Rural Remote Medium	
RTS	Rural Remote Small	
RTX	Rural Remote Extra Small	
UCC	Urban Capital City	
UDL	Urban Developed Large	
UDM	Urban Developed Medium	
UDS	Urban Developed Small	
UDV	Urban Developed Very Large	
UFL	Urban Fringe Large	
UFM	Urban Fringe Medium	
UFS	Urban Fringe Small	
UFV	Urban Fringe Very Large	
URL	Urban Regional Large	Urban Regional
URM	Urban Regional Medium	
URS	Urban Regional Small	
URV	Urban Regional Very Large	



## 2022 responding local governments in NSW by ACLG

State/Territory	Local Government Area	ACLG	2018 participant
New South Wales 56 respondents	Albury (C)	URM	
	Ballina (A)	URM	Y
	Bathurst Regional (A)	URM	
	Bayside (A)	UDV	
	Bega Valley (A)	URM	
	Blacktown (C)	UDV	Y
	Bland (A)	RAL	Y
	Blayney (A)	RAL	
	Blue Mountains (C)	UFL	
	Bogan (A)	RAM	Y
	Cabonne (A)	RAV	
	Camden (A)	UFL	Y
	Canterbury-Bankstown (A)	UDV	
	Carrathool (A)	RAM	Y
	Cumberland (A)	UDV	
	Dubbo Regional (A)	URM	Y
	Fairfield (C)	UDV	Y
	Georges River (A)	UDV	Y
	Greater Hume Shire (A)	RAV	
	Griffith (C)	URS	
	Hay (A)	RAM	
	Inner West (A)	UDV	
	Junee (A)	RAL	Y
	Kempsey (A)	URS	
	Ku-ring-gai (A)	UDV	Y
	Kyogle (A)	RAL	
	Lachlan (A)	RAL	Y
	Lake Macquarie (C)	URV	Y
	Lockhart (A)	RAM	Y
	Maitland (C)	URL	Y
	Mid-Coast (A)	URL	
	Moree Plains (A)	RAV	
	Mosman (A)	UDM	
	Narromine (A)	RAL	Y
Oberon (A)	RAL		
Parramatta (C)	UDV		
Penrith (C)	UFV	Y	
Port Stephens (A)	URL	Y	

Queanbeyan-Palerang Regional (A)	URM	Y
Randwick (C)	UDV	Y
Rous County Council		Y
Ryde (C)	UDV	Y
Shellharbour (C)	URL	Y
Singleton (A)	URS	Y
Snowy Valleys (A)	RAV	Y
Temora (A)	RAL	Y
Tenterfield (A)	RAL	Y
Upper Hunter Shire (A)	RAV	
Upper Lachlan Shire (A)	RAL	Y
Uralla (A)	RAL	
Wagga Wagga (C)	URM	Y
Walgett (A)	RAL	
Warrumbungle Shire (A)	RAL	
Wentworth (A)	RAL	
Wingecarribee (A)	URM	Y
Wollondilly (A)	UFM	Y
Woollahra (A)	UDM	Y

## Appendix B: 2022 Survey Form

### Local Government Skills Shortage Survey - 2022

#### Local Government Skills Shortage Survey - 2022

##### Introduction

Local governments provide vital services for our communities. Your council's ability to deliver relies on your in-house expertise and ability to build a future-ready workforce.

This ALGA national survey quantifies current and future skills and training needs at the local level.

The results will be aggregated (your individual responses will not be identified) to strengthen the evidence that underpins State and Federal policy setting and investment in skills and workforce development.

##### Instructions

Please take 30-60 mins to complete this survey by 31 January 2022. Due to the subjective nature of some questions, you may wish to seek insights from other Council officers. It has six sections and does not need to be completed in one sitting.

You may pause progress and resume it at any time. To save progress, you must click on the NEXT button at the end of the section you are working on. You can rejoin the survey by using the original link. Once you have completed all six sections, press SUBMIT.

##### Aims

1. To identify current and emerging skills needs of Local Government.
2. To identify change drivers, opportunities and barriers to enhancing local government workforce capability.

##### Additional information

The Australian Local Government Association (ALGA) has commissioned this survey into workforce and skills capability across local government. ALGA is the national voice of local government, representing 537 councils across the country. In structure, we are a federation of state and territory local government associations.

SGS Economics and Planning is overseeing survey implementation and reporting, in consultation with ALGA and the State and Territory Local Government Associations. SGS is a public policy advisory business with a strong track record of collaborating with government on market-leading research, policy development, demographic analysis and economic assessment to shape sustainable communities and places.

This survey builds on the 2017 Local Government Skills Shortage Survey, which established critical evidence of local government's existing skills base and future needs. This evidence has since supported advocacy at both State and Federal levels in relation to the sector's workforce capability.

**1. Contact details**

<b>Name</b>	<input type="text"/>
<b>Council</b>	<input type="text"/>
<b>State/territory</b>	<input type="text"/>
<b>Email</b>	<input type="text"/>
<b>Phone</b>	<input type="text"/>

## Local Government Skills Shortage Survey - 2022

### Key HR Metrics

2. Please indicate the total number of FTEs at June 30, 2021 (include all staff usually considered FTEs, exclude casual and contract staff)

3. Please indicate the total number of employees within council as at June 30th 2021 (including full time, part time, fixed-term and casual employees and including employees covered by common law agreements)

4. How many employees identify as being of Aboriginal and/or Torres Strait Islander origin?

5. Please indicate the number of employees by their length of service (please round down partial years of service):

Less than 1 year

1-5 years

6-10 years

11-15 years

16-20 years

20+ years

6. Please indicate the number of ongoing Full Time Employees employed by council:

Male

Female

7. Please indicate the number of ongoing Part Time Employees employed by council:

Male

Female

**8. Please indicate the number of Casual Employees employed by council:**

Male

Female

**9. Please indicate the number of Trainees & Apprentices employed by council:**

Male

Female

**10. How many Trainees & Apprentices identify as being of Aboriginal and/or Torres Strait Islander origin?**

**11. Please indicate the total number in each age group for Trainees & Apprentices employed by council?**

15-19 years

20-29 years

30-44 years

45-54 years

55-64 years

65+ years

Do not directly employ  
(please specify how  
trainees and apprentices  
are employed)

**12. By June 30, 2022 how do you anticipate that the size of your Council workforce will have changed?**

Increased

Decreased

Stayed the same

Have no idea

**13. Do you think that your council is taking on enough trainees/apprentices to meet your future skilling needs?**

Yes

No

If not, what is stopping council employing more Trainees/apprentices?

**14. How many staff does your council currently employ under a cadetship arrangement?**  
*(a cadetship is defined as the employment of a tertiary level student or graduate under a structured program or a fixed duration as part of their studies. It excludes unpaid work experience.)*

**15. How many staff employed under a cadetship arrangement identify as being of Aboriginal and/or Torres Strait Islander origin?**

**16. Please indicate in which fields/occupational areas the cadets are employed:**

field/occupation #1

field/occupation #2

field/occupation #3

**17. Please indicate the total number in each age group for Professional & Administrative Officers** *(example occupations include Engineers, Urban and Town Planners, Building Surveyors, Project Managers, Environmental Health Officers, Building Surveying Technicians, Allied Health Professionals):*

15-19 years

20-29 years

30-44 years

45-54 years

55-64 years

65+ years

**18. Please indicate the total number of employees of Aboriginal and/or Torres Strait Islander origin in each age group for Professional & Administrative Officers:**

15-19 years

20-29 years

30-44 years

45-54 years

55-64 years

65+ years

19. Please indicate the total number in each age group for Operational & Trade Employees (*example occupations include Labourers, Customer Service Workers, Waste Management/Recycling Operations, Water Treatment Operators, Plumbers, Mechanics, Horticulturalists*):

15-19 years	<input type="text"/>
20-29 years	<input type="text"/>
30-44 years	<input type="text"/>
45-54 years	<input type="text"/>
55-64 years	<input type="text"/>
65+ years	<input type="text"/>

20. Please indicate the total number of employees of Aboriginal and/or Torres Strait Islander origin in each age group for Operational & Trade Employees:

15-19 years	<input type="text"/>
20-29 years	<input type="text"/>
30-44 years	<input type="text"/>
45-54 years	<input type="text"/>
55-64 years	<input type="text"/>
65+ years	<input type="text"/>

21. Please indicate the total number of retiring employees (excluding casuals and all types of phased retirements) whose employment ceased during the 12 month period to June 30, 2021

22. Please indicate the total number of employees (excluding casual, limited tenure, redundant and retiring employees) whose employment ceased during the 12 month period to June 30, 2021

23. In which areas have you experienced the greatest turnover of staff (please identify key occupational areas – engineers – water treatment operators - etc)

Key occupational area #1

Key occupational area #2

24. Please indicate the total number of new entrants (employees only) to your workforce (including full time, part time, casual) during the 12 month period to June 30, 2021



**25. Please indicate the number of employees currently identifying as (if information is not recorded by council please leave blank):**

Culturally and Linguistically Diverse people	<input type="text"/>
People with a disability	<input type="text"/>

**Local Government Skills Shortage Survey - 2022**

**Skills Shortages (General)**

26. Is your Council currently experiencing any skill shortages?

Yes

No

27. If you answered yes, please rank the top 5 occupations hardest to fill (1 indicating the hardest to fill):

Engineers	▼
Town Planners	▼
Plant Operators	▼
Building Surveyors	▼
Environmental Health Officers	▼

Other (please specify)

28. What are the key drivers/reasons behind your council's current skills shortages?

Key driver/reason #1

Key driver/reason #2

Key driver/reason #3

29. What strategies have been most successful in filling vacancies in skill shortage occupations? select all that apply:

Contingent workers

Advertising and social media platforms

External recruitment agencies

Graduate employment

Reskilling and upskilling employees

Other (please specify)

**30. Do you employ any staff on the Temporary Skill Shortage visa?**

Yes

No

**31. If you answered yes in question 30, please indicate:**

How many staff are employed under this arrangement

The fields/occupations they are employed in

**32. Is your Council currently running below your full staffing complement? (Exclude vacancies of less than 6 weeks).**

Yes

No

If you answered yes, by how many staff are you down?

**33. On average (in months) how long does it take you to fill vacancies in the following areas:**

Professional & Administrative positions

Operational & Trade positions

**34. If it is taking you over 3 months to fill vacancies, what is the primary reason for this? select all that apply**

Difficulty in attracting staff with the right skills and experience

Managers holding vacancies open for budgetary reasons

Lack of priority given by managers to filling vacancies

Impact of COVID in attracting out-of-region staff

Other (please specify)

**35. Have vacancies, skills shortages, skills gaps or training needs impacted or delayed project delivery?**

Yes

No

36. Does the council share services/resources with any other council, if so what?

Yes

No

Please specify the service(s)/resource(s)

Local Government Skills Shortage Survey - 2022			
Skills Shortages in specific occupational areas			
37. Please complete the table for Professional and Technical occupational skill shortages by selecting check boxes to indicate YES			
	During 2020/21 has your Council experienced a skills shortage in this skill area?	In recruiting to these positions has your Council employed less skilled applicants?	Will a skill shortage in this profession be a critical issue for your Council in the future?
ACCOUNTANTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ALLIED HEALTH PROFESSIONALS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ASSET and FACILITIES MANAGERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUILDING SURVEYORS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUILDINGSURVEYING TECHNICIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMUNITY DEVELOPMENT & ENGAGEMENT OFFICERS (includes Youth, Sport & Rec, Arts & Events Officers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMPUTING/ICT PROFESSIONALS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMPUTING/ICT TECHNICIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CONTRACT MANAGERS/OFFICERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ECONOMIC DEVELOPMENT MANAGERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENGINEERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENGINEERING TECHNICIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENVIRONMENTAL HEALTH OFFICERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENVRO HEALTH TECHNICIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FLEET MANAGERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GOVERNANCE/RISK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	During 2020/21 has your Council experienced a skills shortage in this skill area?	In recruiting to these positions has your Council employed less skilled applicants?	Will a skill shortage in this profession be a critical issue for your Council in the future?
HUMAN RESOURCE PROFESSIONALS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LANDSCAPE ARCHITECT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LIBRARIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROCUREMENT MANAGERS/OFFICERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROJECT MANAGERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SOLICITORS/LEGAL PROFESSIONALS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SURVEYORS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SURVEYING TECHNICIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
URBAN & TOWN PLANNERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WELFARE WORKERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WH&S PROFESSIONALS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

38. Please detail any other Professional and Technical areas in which your Council experienced a skills shortage during 2020/21

Professional area #1

Professional area #2

Professional area #3

39. In that Professional or Technical area please indicate if:

	In recruiting to this position has your council employed less skilled applicants?	Will a skill shortage in this profession be a critical issue for your council in the future?
Professional area #1	<input type="checkbox"/>	<input type="checkbox"/>
Professional area #2	<input type="checkbox"/>	<input type="checkbox"/>
Professional area #3	<input type="checkbox"/>	<input type="checkbox"/>

40. Please complete the table for Skilled Workers by selecting check boxes to indicate YES

	During 2020/21 has your Council experienced a skills shortage in this skill area?	In recruiting to these positions has your Council Employed Less Skilled Applicants?	Will a skill shortage in this profession be a critical issue for your Council in the future?
ACCOUNTS/PAY ROLL CLERK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CARE PERSONS (aged, disability)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DRAFTSPERSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CUSTOMER SERVICE WORKERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IT/ICT TECHNICIANS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LABOURERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PLUMBING INSPECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
STORE PERSONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SUPERVISORS/TEAM LEADERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CARTOGRAPHERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS - Plumber	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS - Mechanical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS- Fabrication	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS - Automotive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS - Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS - Construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRADESPERSONS - Horticultural	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TRUCK DRIVERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WASTE WATER/SEWERAGE OPERATOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WATER TREATMENT OPERATOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WASTE MANAGEMENT / RECYCLING OPERATOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	During 2020/21 has your Council experienced a skills shortage in this skill area?	In recruiting to these positions has your Council Employed Less Skilled Applicants?	Will a skill shortage in this profession be a critical issue for your Council in the future?
YOUTH SUPPORT WORKER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>41. Please detail any other Skilled areas in which your Council experienced a skills shortage during 2020/21</b>			
Skilled area #1	<input type="text"/>		
Skilled area #2	<input type="text"/>		
Skilled area #3	<input type="text"/>		
<b>42. In that Skilled area please indicate if:</b>			
	In recruiting to this position has your council employed less skilled applicants?	Will a skill shortage in this profession be a critical issue for your council in the future?	
Skilled area #1	<input type="checkbox"/>	<input type="checkbox"/>	
Skilled area #2	<input type="checkbox"/>	<input type="checkbox"/>	
Skilled area #3	<input type="checkbox"/>	<input type="checkbox"/>	



## Local Government Skills Shortage Survey - 2022

### Skills Gap

43. Are there occupations in which your council is experiencing skill gaps?

Yes

No

44. In which occupations are these gaps most critical. Please indicate below

Occupation with Skills  
Gaps #1

Occupation with Skills  
Gaps #2

Occupation with Skills  
Gaps #3

45. In those occupations with a critical skill gap what new or additional skills are required. Please indicate below

Occupation with Skills  
Gaps #1

Occupation with Skills  
Gaps #2

Occupation with Skills  
Gaps #3

46. In those occupations with a critical skill gap what are the key reasons/drivers behind these gaps? Please indicate below

Occupation with Skills  
Gaps #1

Occupation with Skills  
Gaps #2

Occupation with Skills  
Gaps #3

47. How is your council addressing these skill gaps? Indicate all that apply:

- Offering targeted training courses
- Coaching and mentoring
- Providing informal on-job training
- Providing secondments or exchanges to other workplaces
- Providing opportunities to "act up" or "across" other roles

Other (please specify)

48. Has your Council engaged with state or federal education, training or other initiatives to support workforce retention and attraction in the last 3 years? For example, a traineeship, apprenticeship program, or wage subsidy program.

- Yes
- No

If you answered yes, please specify the program / initiative.

## Local Government Skills Shortage Survey - 2022

### Emerging Skilling Needs

49. Which internal or external factors will impact on your Council's future skilling needs? Select all that apply:

- Changes in government funding levels
- Major council or external infrastructure projects
- Technological change
- Growth in local government area
- Ageing workforce
- Increasing levels of governance and compliance
- Climate change

Other (please specify)

50. Has your council undertaken any analysis or forecasting of changing roles and skills requirements of your workforce - specifically due to the impact of digital disruption or to advances in technology?

- Yes
- No

51. What new roles do you see emerging over the next 3 years as a result of changes in service delivery, technological advancements or other changes at council?

## Local Government Skills Shortage Survey - 2022

### Training Needs

52. Are there training needs within your workforce that you have been unable to address in 2020/21?

- Yes  
 No

53. Please select the unmet training needs for your council. Select all that apply:

- Business process improvement  
 Change management training  
 Financial management  
 Leadership and management training  
 Procurement in local government and tender management  
 Mental health resilience  
 Supervisor training  
 Regulatory services  
 Specific software training

Other (please specify)

54. What are the main drivers behind the unmet training need? Select all that apply:

- Unable to source training programs with relevant content  
 Unable to source quality training programs and/or trainers that can be delivered locally  
 Employees haven't had time to attend training  
 Council budget is insufficient for this training  
 Lack of time to organise training  
 Lack of support from managers/supervisors to send staff on training courses  
 Travel cost of sending staff away to attend training is too high  
 Lack of access to appropriate training due to COVID

Other (please specify)

**55. Have you undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs)?**

Yes

No

If so, please provide the details of the ACCO and whether the exercise was beneficial to Council.

**56. How has your Council's expenditure on learning and development changed this year compared to last?**

Increased

Decreased

Remained the same

By what percentage has it changed (% as comparison to 2019/20 financial year)?

**57. Why has expenditure on learning and development changed? Please specify the main reason for this change.**

**58. What is your preferred mode of delivery for training?**

In person, face-to-face delivery

Self-paced learning

Virtual delivery (e.g. zoom)

Blended learning (mix of the above)

**59. What are the challenges associated with offering or accessing this type of training identified in question 58?**

**Local Government Skills Shortage Survey - 2022**

**Future Workforce Profile**

60. Please indicate which of the following types of workers council currently employs to deliver services (Current Profile) and also indicate how you anticipate this profile might change in the future.

	Current Profile	Future Workforce Profile- Remain the Same	Future Workforce Profile- Increase	Future Workforce Profile- Decrease	Do not employ
Full Time Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Part Time Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Casual Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labour Hire	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independent Contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Freelancers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service Centres	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Volunteers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fly in fly out workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

61. Please indicate the impact of these recent events on workforce attraction and retention:

	Minimal impact	Moderate impact	Significant impact
COVID-19 pandemic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Natural disasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changing local/regional economy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Housing pressures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term funding certainty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Skilled migration trends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/> Other (please specify)	<input style="width: 300px; height: 20px;" type="text"/>		

**62. Please indicate how these events have impacted workforce attraction and retention at your council:**

Supply shortages

Interruptions to road, rail, digital connectivity

Other (please specify)

**63. What is your council currently doing to meet future skills needs? Select all that apply:**

Regional staff sharing arrangements

Building industry partnerships

Flexible training and development

Improved access to educational opportunities

Targeted training and development programs

Other (please specify)

**64. What would help your Council to meet future skills needs?**

## Appendix C: 2022 Additional Consultation

To date, SGS has consulted with the following stakeholder groups and individuals to qualitatively supplement the 2022 survey data collection. Membership for the State and Territory level focus groups comprised volunteer local governments.

Focus Groups	Date	Attendees
<b>National</b>	13 December 2021	Institute of Public Works Engineering Australasia
		Environmental Health Australia
		Planning Institute of Australia
		Department of Education, Skills and Employment
		National Indigenous Australians Agency
		Department of Infrastructure, Transport, Regional Development and Communications
		Australian Local Government Association
<b>Queensland</b>	9 February 2022	Fraser Coast Regional Council
		Sunshine Coast Council
		Carpentaria Shire Council
		Cassowary Coast Regional Council
		Mareeba Shire Council
<b>Victoria</b>	10 February 2022	Borough of Queenscliff
		Strathbogie Shire Council
		Pyrenees Shire Council
		Banyule City Council
		City of Boroondara
		Moorabool Shire Council
		City of Whittlesea
		Moira Shire Council
		Golden Plains Shire Council
		Glen Eira City Council
City of Greater Dandenong		
<b>Northern Territory</b>	15 February 2022	Alice Springs Town Council
		Barkly Regional Council



		Belyuen Community Government Council
		Central Desert Regional Council
		Coomalie Community Government Council
		City of Palmerston
		City of Darwin
		East Arnhem Regional Council
<b>New South Wales</b>	16 February 2022	The Hills Shire Council
		Richmond Valley Council
		Tamworth Regional Council
		Bathurst Regional Council
		Namoi Regional Organisation of Councils
		Riverina Joint Organisation
<b>Western Australia</b>	22 February 2022	City of Canning
		City of Busselton
		City of Bunbury
		City of Stirling
		City of Wanneroo
<b>South Australia</b>	24 February 2022	City of Onkaparinga
		Streaky Bay District Council
		Light Regional Council
		Yorke Peninsula Council
		Clare and Gilbert Valleys Council
		Southern Mallee District Council
<b>Tasmania</b>	25 February 2022	Break O'Day Council
<b>Interviews</b>	February 2022	TAFE Directors Australia
	March 2022	Environmental Health Australia
	March 2022	NSW Office of Local Government (DPE)
	March 2022	Western Australia Financial, Administrative & Professional Services Training Council
	March 2022	Central NSW Joint Organisation
	April 2022	Planning Institute of Australia
	April 2022	Planned Resources, a boutique recruitment agency
	TBC	National Indigenous Australians Agency

## Appendix D: 2021 ABS Census data on the NSW local government sector

This Appendix reports sector wide metrics on the NSW local government workforce that are drawn from the 2021 ABS Census conducted in August 2021. It supplements the results of the 2022 Local Government Workforce Skills and Capability Survey, to which 56 local governments in NSW responded.

### Employment by category and gender

According to the ABS Survey of Employment and Earnings, employment in NSW's local government was 54,600 people as at June 2020.<sup>49</sup> As at August 2021, there were 50,225 workers employed in the NSW local government sector (ABS, 2021).

The 2021 ABS Census data also indicates that in August 2021:

- A breakdown by employment category of the 2021 ABS Census reveals there were 74.0% full-time employees, 18.0% part-time employees and 8.0% employees who were not at work during Census week. In 2016, the breakdown was 75.6% full-time, 19.6% part-time, and 4.8% who were not at work during Census week, and
- The gender breakdown of the NSW local government workforce was 55.6% male and 44.4% female. This represents a decline in the proportion of males and an increase in females since the 2016 Census, which was 58.7% male and 41.3% female.<sup>50</sup> Despite this, the NSW local government workforce still lags the Commonwealth and the NSW State Government in female participation (50.6% and 65.3% respectively), as well as the private sector (46.5%).

### Diversity

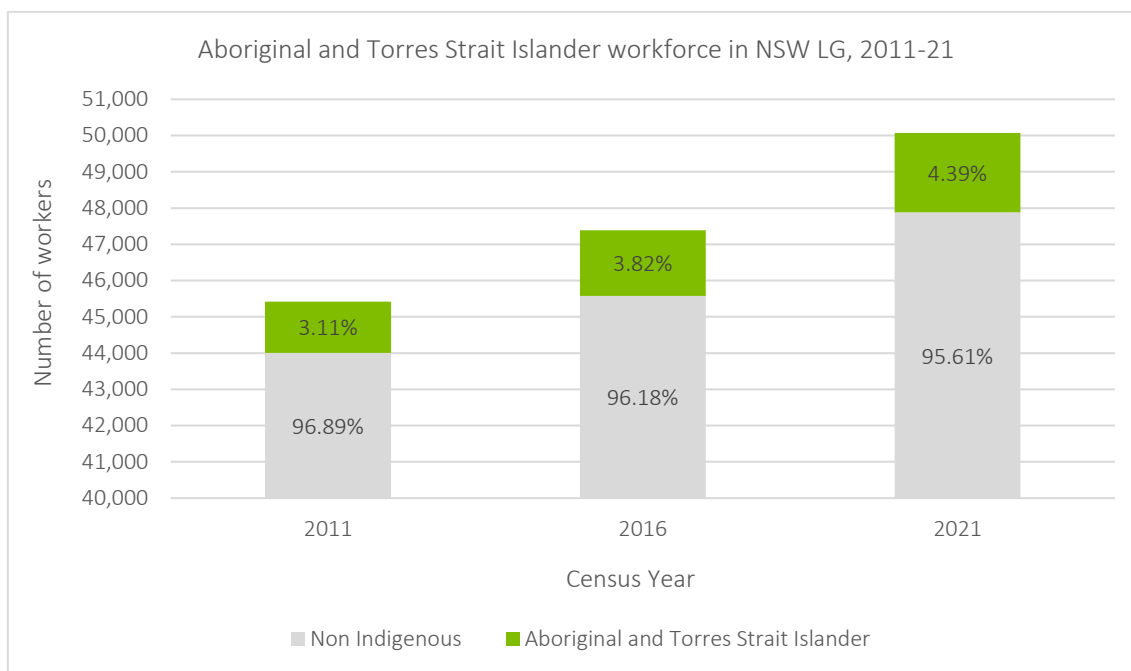
Based on the 2021 ABS Census, 4.4% of NSW's local government workforce identifies as Aboriginal and Torres Strait Islander. This proportion has been increasing since 2011:

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<sup>49</sup> ABS 2021, Employment and Earnings, Public Sector, Australia, <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/employment-and-earnings-public-sector-australia/latest-release#data-download>. The 2021/22 release is scheduled for late November 2022.

<sup>50</sup> 2018 Survey, citing ABS, 2016.

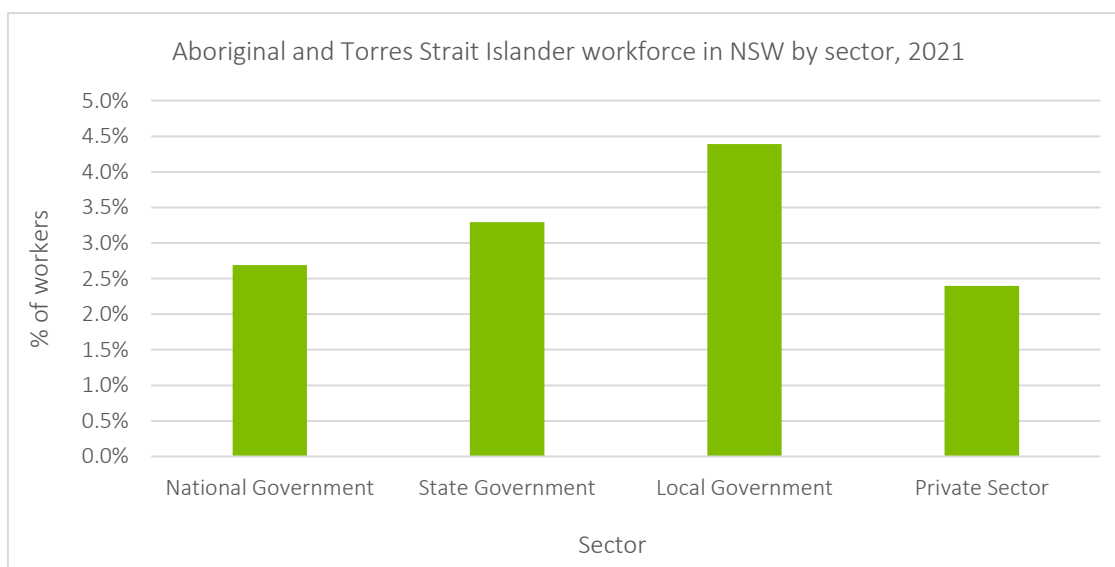
**FIGURE D13: ABORIGINAL AND TORRES STRAIT ISLANDER WORKFORCE IN NSW LG, 2011-21**



Source: ABS, 2011-21

Aboriginal and Torres Strait Islander participation in the NSW local government workforce is higher compared to the workforce in other sectors (**Figure D14**):

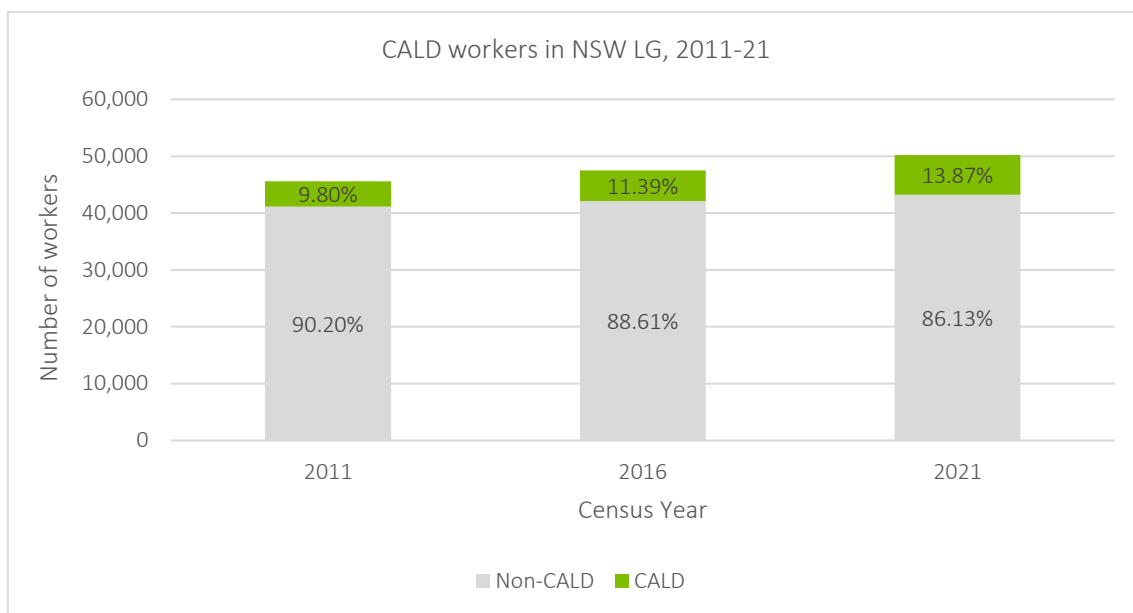
**FIGURE D14: ABORIGINAL AND TORRES STRAIT ISLANDER WORKFORCE IN NSW BY SECTOR, 2021**



Source: ABS, 2021

Based on the 2021 ABS Census, 13.9% of NSW’s local government workforce speaks a language other than English at home (**Figure D3**).

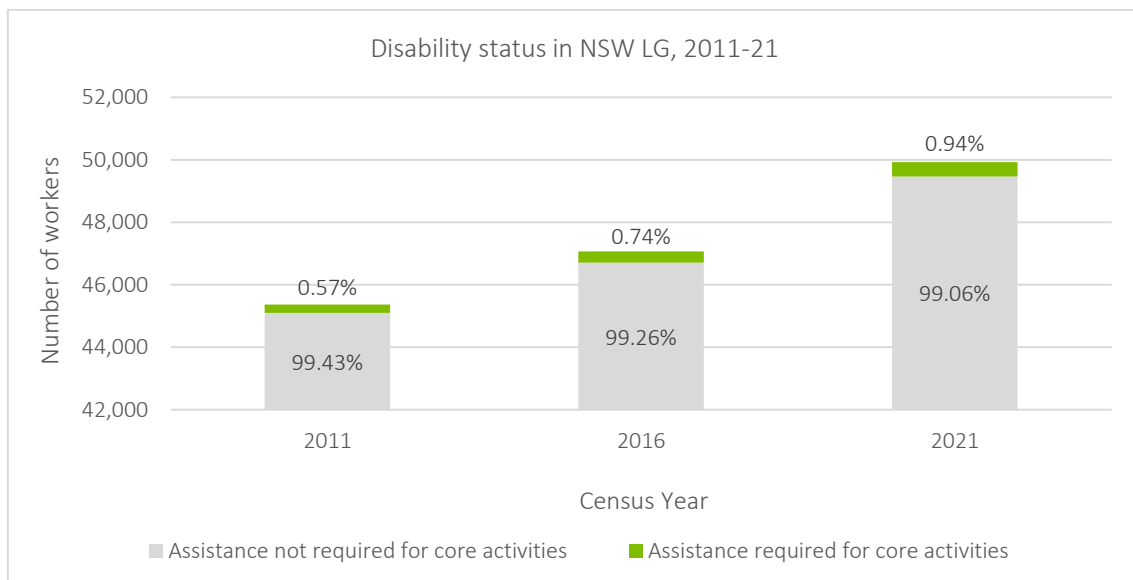
**FIGURE D15: CULTURALLY AND LINGUISTICALLY DIVERSE (CALD) WORKERS IN NSW LG, 2011-21**



Source: ABS, 2011-21

Since 2011, the proportion of workers in the NSW local government sector with disability status has risen slightly. The Census refers to this using the ‘core activity need for assistance’ concept. In 2021, 0.94% of NSW’s local government workforce required assistance for core activities. This was comparable to other sectors: 0.97% in the National government, 0.73% in NSW State government and 0.94% in the private sector.

**FIGURE D16: PEOPLE LIVING WITH A DISABILITY IN NSW LG, 2011-21**

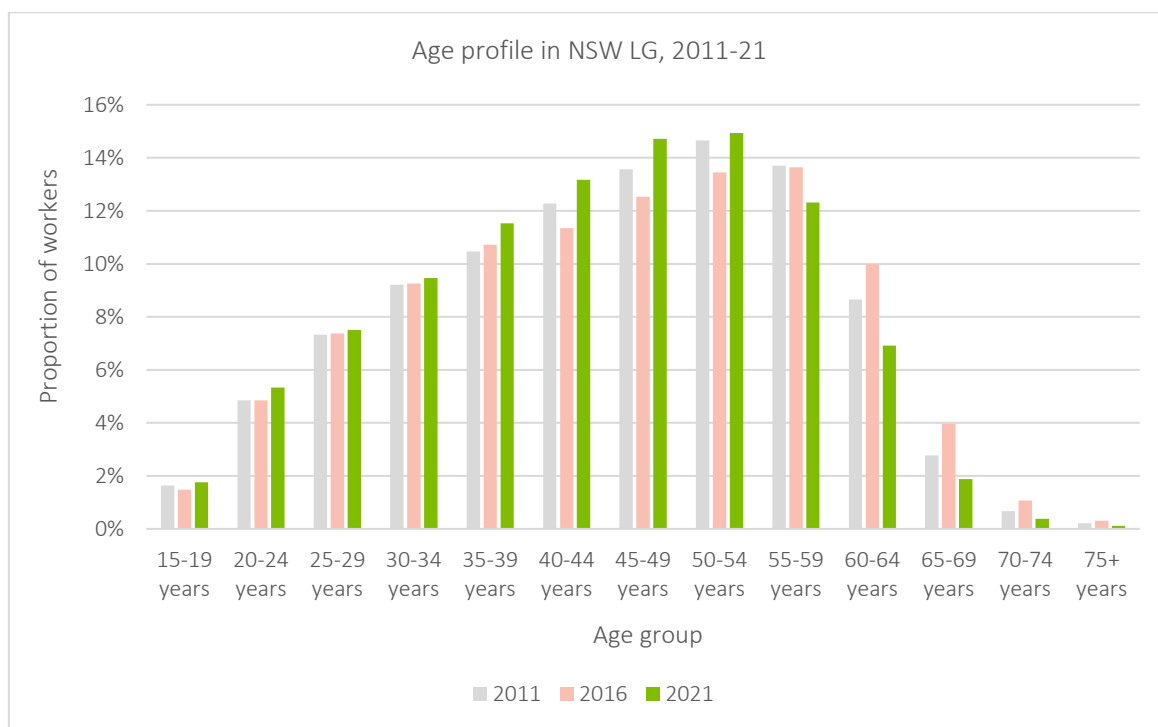


Source: ABS, 2011-21

### Age profile

In 2021, 51.2% of NSW’s local government workforce was aged over 45 years. This is lower than in previous years (55% in 2016 and 54.2% in 2011). While there are more workers aged between 25 and 54 than in the previous decade, there is a lower proportion of workers aged 55 years and over (**Figure D5**):

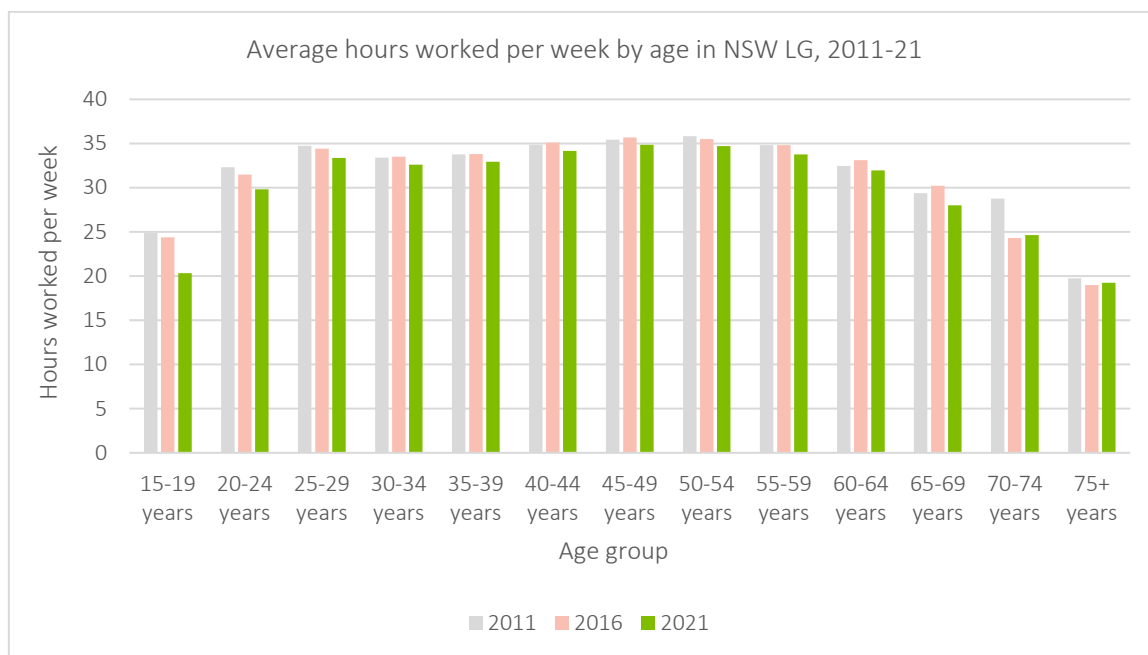
**FIGURE D17: AGE PROFILE IN NSW LG, 2011-21**



Source: ABS, 2011-21

The number of hours worked per week has remained relatively consistent over the past decade for each age group. One exception is the decline in average weekly hours worked for the 15-24 year age group: (**Figure D6**):

**FIGURE D18: AVERAGE HOURS WORKED PER WEEK BY AGE IN NSW LG, 2011-21**



Source: ABS, 2011-21

### Occupational profile

The greatest shifts in employment numbers by occupation between the 2011 and 2021 Census years are (Table D1):

- Specialist Managers (+1,615)
- Electrotechnology and Telecommunications Trades Workers (-1,179)
- Design, Engineering, Science and Transport Professionals (+1,055)
- Business, Human Resource and Marketing Professionals (+906)

Table D1 also highlights the largest proportionate changes in participation by occupation since 2011. These include: Specialist Managers (61%), ICT Professionals (39.9%), and Electrotechnology and Telecommunications Trades Workers (-82.9%). They also include occupations such as Protective Services Workers which have experienced a high proportionate change since 2011 (58.5%) due to a relatively low 2011 baseline (53 workers).

**TABLE D1: OCCUPATIONAL PROFILE OF NSW LG, 2011-21**

Occupation (ANZSCO)	2011	2021	% change
Design, Engineering, Science and Transport Professionals	3953	5008	26.7%
Specialist Managers	2646	4261	61.0%
Business, Human Resource and Marketing Professionals	2938	3844	30.8%
Other Clerical and Administrative Workers	2448	2831	15.6%
General Clerical Workers	2171	2327	7.2%
Engineering, ICT and Science Technicians	1947	2137	9.8%
Inquiry Clerks and Receptionists	1690	1870	10.7%
Mobile Plant Operators	1839	1666	-9.4%
Skilled Animal and Horticultural Workers	1463	1648	12.6%
Office Managers and Program Administrators	1386	1607	15.9%
Road and Rail Drivers	1683	1591	-5.5%
Construction and Mining Labourers	1796	1577	-12.2%
Carers and Aides	1504	1520	1.1%
Sports and Personal Service Workers	1054	1323	25.5%
Hospitality, Retail and Service Managers	973	1200	23.3%
Numerical Clerks	1227	1194	-2.7%
Farm, Forestry and Garden Workers	987	1087	10.1%
Machine and Stationary Plant Operators	798	1015	27.2%
Cleaners and Laundry Workers	846	979	15.7%
Labourers, nfd	877	967	10.3%
Other Labourers	790	916	15.9%
Health Professionals	733	859	17.2%
Automotive and Engineering Trades Workers	921	832	-9.7%
Health and Welfare Support Workers	892	728	-18.4%
Personal Assistants and Secretaries	800	699	-12.6%
ICT Professionals	479	670	39.9%
Chief Executives, General Managers and Legislators	522	613	17.4%
Construction Trades Workers	694	610	-12.1%
Other Technicians and Trades Workers	569	593	4.2%
Clerical and Office Support Workers	792	569	-28.2%
Legal, Social and Welfare Professionals	374	525	40.4%
Education Professionals	336	338	0.6%
Electrotechnology and Telecommunications Trades Workers	1423	244	-82.9%
Managers, nfd	222	239	7.7%
Machinery Operators and Drivers, nfd	193	237	22.8%

Technicians and Trades Workers, nfd	102	152	49.0%
Storepersons	192	139	-27.6%
Professionals, nfd	90	111	23.3%
Food Trades Workers	99	103	4.0%
Sales Assistants and Salespersons	76	89	17.1%
Protective Service Workers	53	84	58.5%
Sales Support Workers	90	79	-12.2%
Sales Representatives and Agents	50	75	50.0%
Arts and Media Professionals	46	72	56.5%
Factory Process Workers	62	65	4.8%
Clerical and Administrative Workers, nfd	60	54	-10.0%
Food Preparation Assistants	48	32	-33.3%
Hospitality Workers	55	29	-47.3%
Community and Personal Service Workers, nfd	11	14	27.3%
Farmers and Farm Managers	15	11	-26.7%
Not applicable	0	0	0

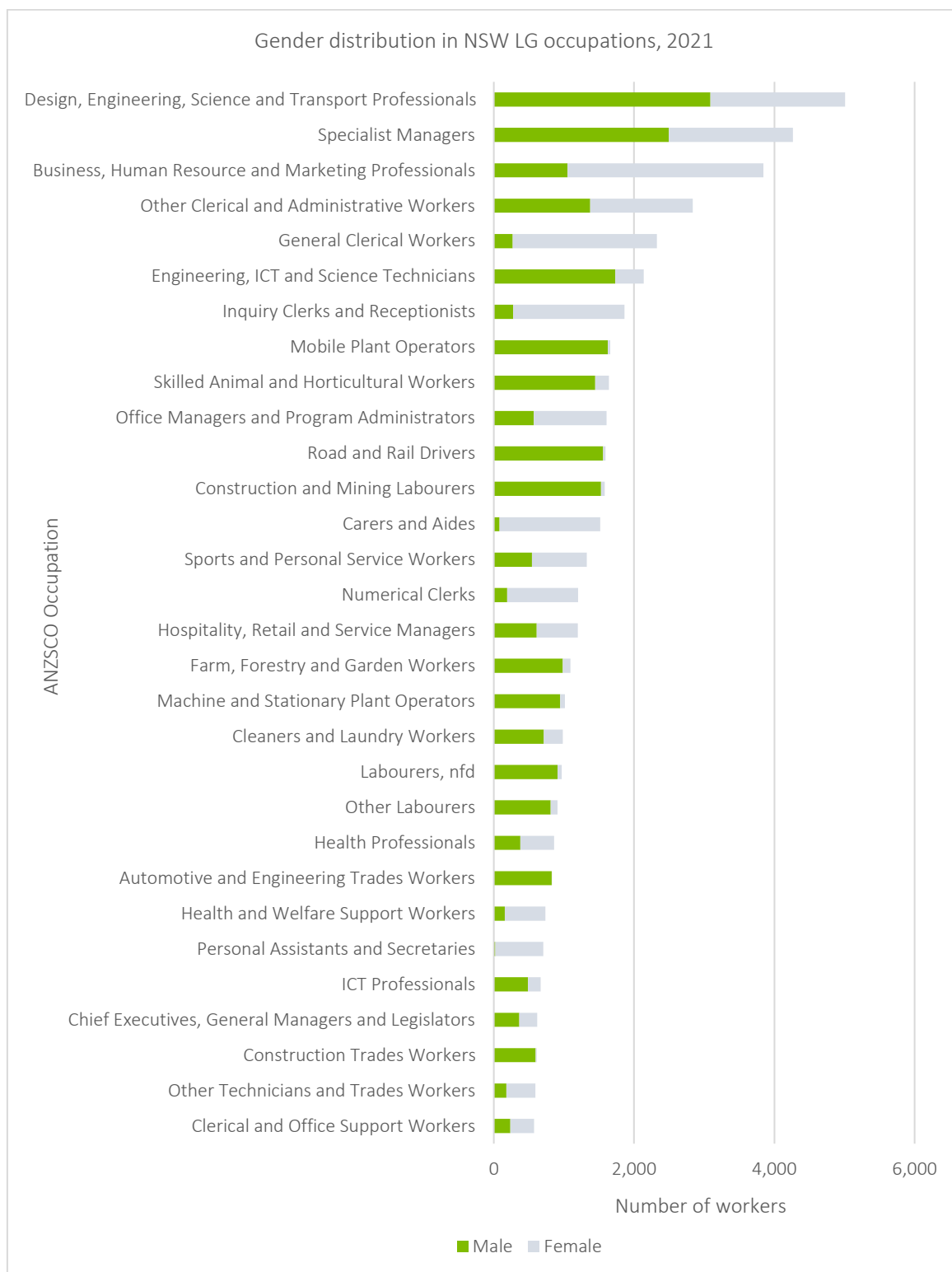
Source: ABS, 2011-2021

An analysis of the top 30 largest employing occupations in the NSW local government sector illustrates that there is a clear gender bias in some occupations (**Figure D7**).

- Occupations where employees are mostly male include: Farmers and Farm Managers, Sales Workers, Automotive and Engineering Trades Workers, Road and Rail Drivers, Mobile Plant Operators, Construction Trades Workers, and Machinery Operators and Drivers, among others.
- Occupations where employees are mostly female include: Personal Assistances and Secretaries, Carers and Aides, Inquiry Clerks and Receptionists, Office Managers and Program Administrators, General Clerical Workers, and Business, Human Resource and Marketing Professionals.



**FIGURE D19: GENDER DISTRIBUTION IN NSW LG OCCUPATIONS, 2021**



Source: ABS, 2021

Since 2011, there have been substantial increases in female participation in the following occupations:

- Specialist Managers (+804)
- Business, Human Resource and Marketing Professionals (+757)
- Design, Engineering, Science and Transport Professionals (+636)
- Other Clerical and Administrative Workers (+312)
- Hospitality, Retail and Service Managers (+212).

**Table D2** also highlights the largest proportionate changes in female participation by occupation since 2011. These include: Machine and Stationary Plant Operators (+423.1%), Specialist Managers (+83.4%), ICT Professionals (+78.2%), and Clerical and Officers Support Workers (-29%). They also include occupations such as Storepersons which have experienced a high proportionate change since 2011 (+260%) due to a low 2011 baseline (5 workers).

**TABLE D2: CHANGES IN FEMALE PARTICIPATION BY OCCUPATION, NSW LG, 2011 AND 2021**

Occupation (ANZSCO)	2011	2021	% change
Business, Human Resource and Marketing Professionals	2035	2792	37.2%
General Clerical Workers	1876	2055	9.5%
Design, Engineering, Science and Transport Professionals	1282	1918	49.6%
Specialist Managers	964	1768	83.4%
Inquiry Clerks and Receptionists	1432	1586	10.8%
Other Clerical and Administrative Workers	1148	1460	27.2%
Carers and Aides	1407	1438	2.2%
Office Managers and Program Administrators	916	1035	13.0%
Numerical Clerks	959	1009	5.2%
Sports and Personal Service Workers	640	781	22.0%
Personal Assistants and Secretaries	791	685	-13.4%
Hospitality, Retail and Service Managers	374	586	56.7%
Health and Welfare Support Workers	712	577	-19.0%
Health Professionals	309	480	55.3%
Other Technicians and Trades Workers	367	413	12.5%
Engineering, ICT and Science Technicians	279	406	45.5%
Legal, Social and Welfare Professionals	225	363	61.3%
Clerical and Office Support Workers	479	340	-29.0%
Education Professionals	300	321	7.0%
Cleaners and Laundry Workers	279	269	-3.6%
Chief Executives, General Managers and Legislators	176	255	44.9%
Skilled Animal and Horticultural Workers	145	197	35.9%
ICT Professionals	101	180	78.2%

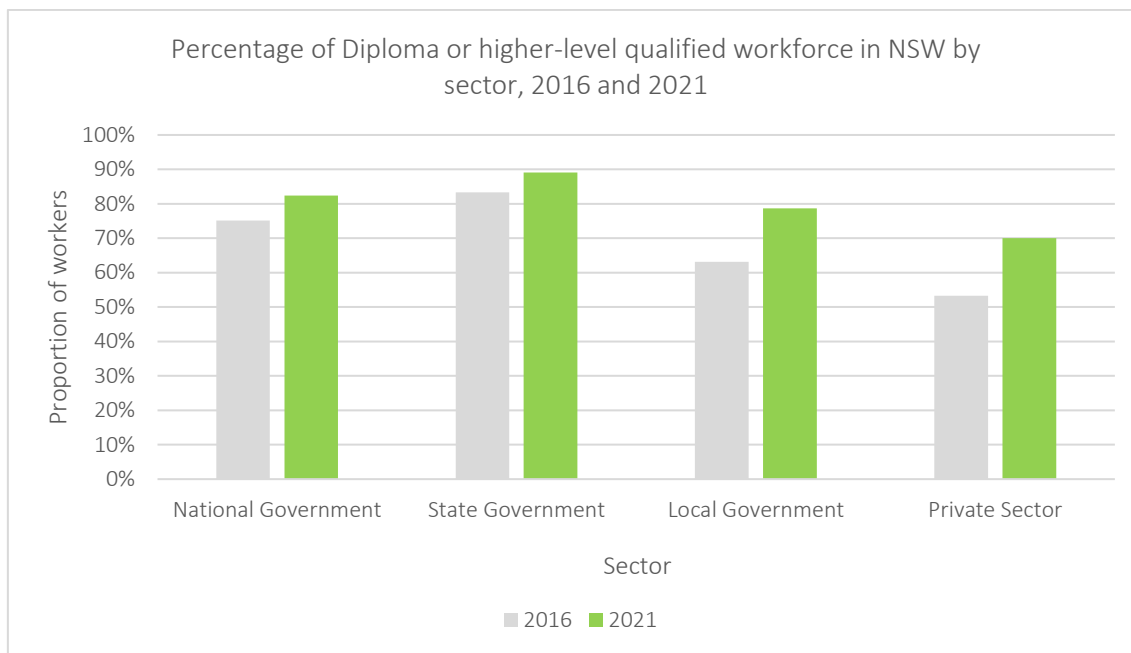
Farm, Forestry and Garden Workers	82	106	29.3%
Other Labourers	66	98	48.5%
Food Trades Workers	90	85	-5.6%
Managers, nfd	71	79	11.3%
Sales Support Workers	82	71	-13.4%
Machine and Stationary Plant Operators	13	68	423.1%
Professionals, nfd	52	67	28.8%
Labourers, nfd	32	63	96.9%
Construction and Mining Labourers	22	53	140.9%
Sales Assistants and Salespersons	42	50	19.0%
Sales Representatives and Agents	19	49	157.9%
Arts and Media Professionals	23	42	82.6%
Clerical and Administrative Workers, nfd	45	42	-6.7%
Mobile Plant Operators	23	35	52.2%
Road and Rail Drivers	25	34	36.0%
Food Preparation Assistants	40	27	-32.5%
Hospitality Workers	40	23	-42.5%
Protective Service Workers	16	23	43.8%
Storepersons	5	18	260.0%
Technicians and Trades Workers, nfd	5	17	240.0%
Factory Process Workers	10	17	70.0%
Electrotechnology and Telecommunications Trades Workers	10	16	60.0%
Construction Trades Workers	7	13	85.7%
Community and Personal Service Workers, nfd	6	9	50.0%
Machinery Operators and Drivers, nfd	3	7	133.3%
Automotive and Engineering Trades Workers	8	6	-25.0%
Farmers and Farm Managers	0	0	0.0%
Sales Workers, nfd	0	0	0.0%

Source: ABS, 2011 and 2021

## Education

Compared to other spheres of government, the local government workforce has a lower proportion of employees with a Diploma or higher-level qualification (**Figure D8**). Across all sectors, the proportion of Diploma or higher-level qualified workers has increased since the 2016 Census.

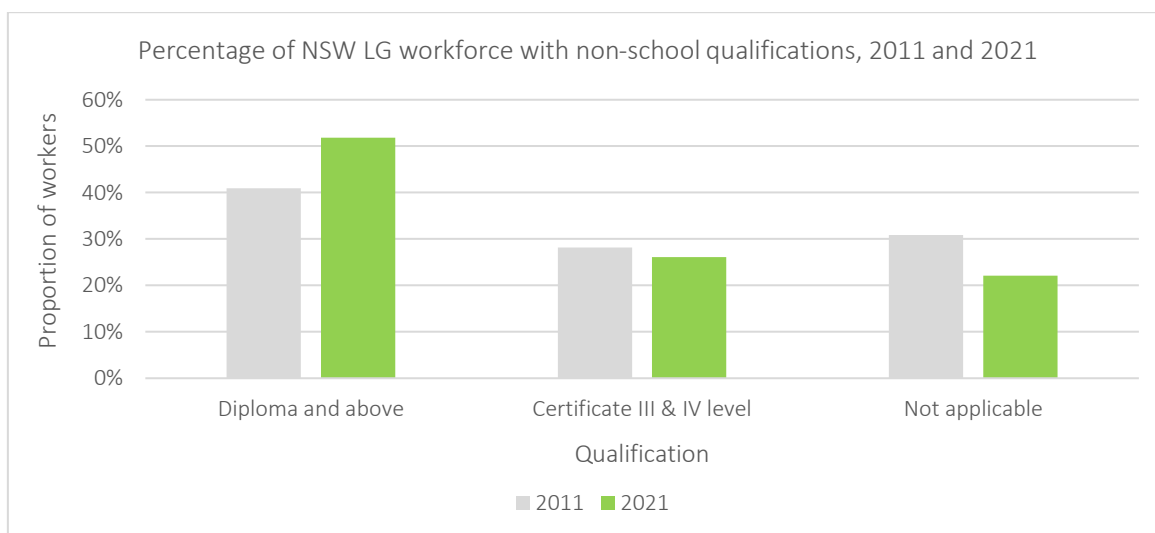
**FIGURE D20: PERCENTAGE OF NSW WORKFORCE WITH A DIPLOMA OR HIGHER-LEVEL QUALIFICATION, 2021**



Source: ABS, 2016 and 2021

A comparison of the proportion of NSW local government workforce with a Diploma across the last decade shows that it has increased, while the proportion with Certificate III and IV has decreased slightly (**Figure D21**).

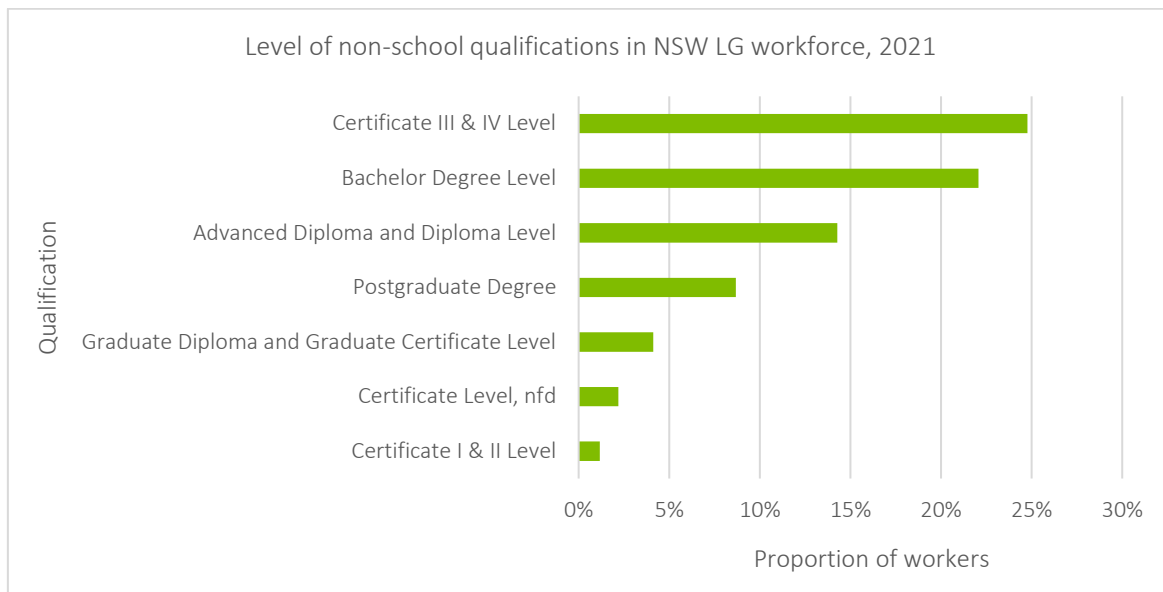
**FIGURE D21: PERCENTAGE OF NSW LG WITH NON-SCHOOL QUALIFICATIONS, 2011 AND 2021**



Source: ABS Census 2011 and 2021

In 2021, Certificate III and IVs were the most common qualification in the NSW local government sector (held by almost a quarter of workers), followed by Bachelor degrees (22.1%) and Advanced Diplomas and Diplomas (14.3%).

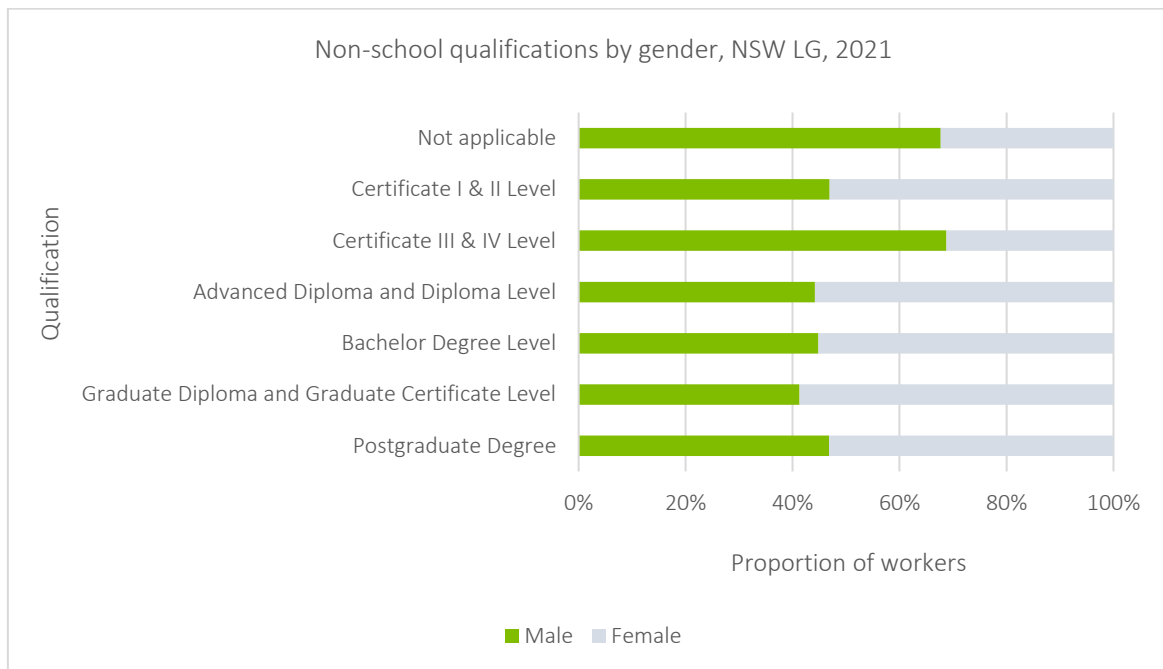
**FIGURE D22: NON-SCHOOL QUALIFICATIONS IN NSW LG, 2021**



Source: ABS, 2021

More females hold tertiary qualifications (i.e. Diplomas and above) than males, whereas there are more males with Certificate III and IV level qualifications (**Figure D11**). Similar to 2016, more than twice as many males as females do not hold non-school qualifications.

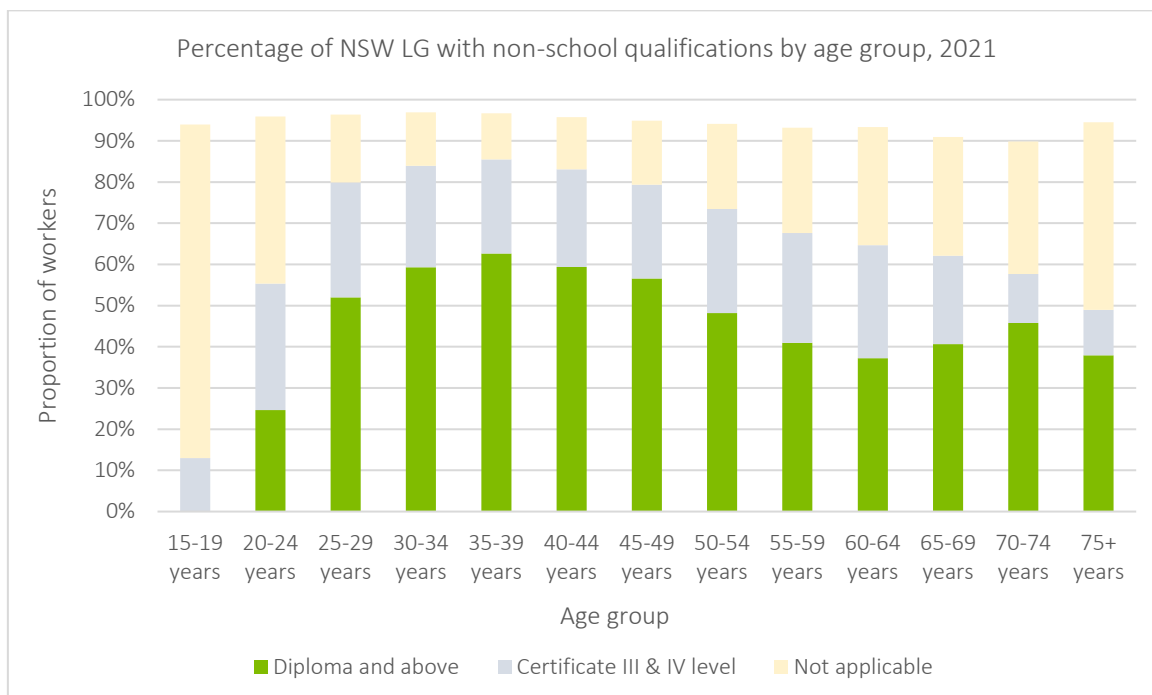
**FIGURE D23: NON-SCHOOL QUALIFICATIONS IN NSW LG BY GENDER, 2021**



Source: ABS, 2021

**Figure D24** shows that the level of qualification by age group peaks at 35-39 years, and declines for older age groups. This trend is also reflected in the 2016 Census data (2018 Report) and suggests a need to ensure that the workforce is suitably skilled and qualified to adapt to changing roles and skills requirements.

**FIGURE D24: PERCENTAGE OF NSW LG WITH NON-SCHOOL QUALIFICATIONS BY AGE GROUP, 2021**



Source: ABS, 2021. Note that percentages may not total 100% due to additional ABS reporting categories not shown (e.g. 'Not Stated')

## Appendix E: Details of Joint Training and Development Opportunities and Partnerships with Aboriginal Community Controlled Organisations (ACCOs)

The survey included a question about whether local governments had undertaken joint training and development opportunities with Aboriginal Community Controlled Organisations (ACCOs).

29 local governments said they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs), predominantly to offer cultural awareness training to council staff. 25 of the responding local governments provided further information on their partnerships with ACCO. This information is provided below.

### New South Wales

Six local governments said that they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs) and four of them provided details of partnerships with:

- Bara Barang to provide mentoring for Aboriginal and Torres Strait Islander trainees, and to work with local government's supervisory staff;
- Yarn Up to provide online awareness training to the Senior Management Team in 2021;
- Murrook - Worimi Local Aboriginal Land Council.

### Northern Territory

Seven of the eight responding local governments said that they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs). One local government did not respond to this question.

### Queensland

Six local governments said that they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs). Four local governments described their partnerships:

- With Minjerribah Moorgumpin Elders-in-Council, which had a positive effect on council's cultural competency and its creation of an inclusive, respectful and knowledgeable workplace;
- With Triballink Blackcard, Biral Tours, Mooloolah Kabi Kabi Lands Council for the provision of First Nations Cultural Awareness training and On-Country experiences;
- Between Torres Strait Island Regional Council and Yarrabah Aboriginal Shire Council to co-deliver a Cert IV in Social Housing as well as co-training with the Torres Strait Regional Authority (TSRA) and Torres Shire Council for Environmental Health Workers.

## South Australia

Two local governments said that they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs).

Another local government listed the following initiatives it was involved in:

- Establishing a First Nations People Advisory Group to Council;
- Procuring professional services from RAWsa, an Aboriginal Business Enterprise creating opportunities to grow the Aboriginal workforce and to provide economic independence and social inclusion for Aboriginal and non-Aboriginal people;<sup>51</sup>
- Partnering with Neporendi Aboriginal Forum Inc;
- Working with Kurna Yerta Aboriginal Corporation (KYAC), which manages native title rights and interests in parcels of reclaimed Kurna land in Tarntanya Country;<sup>52</sup> and
- Recognising the community role of Southern Traditional Owners Meyunna Patparta.

## Tasmania

Only one local government responded they had undertaken a joint training program with an Aboriginal Community Controlled Organisation and that the exercise was beneficial to the local government, however no further detail was provided.

## Victoria

Eight local governments said they had undertaken joint training and development with the following Aboriginal Community Controlled Organisations (ACCOs):

- First People Millewa Mallee Aboriginal Corporation;
- Djaara (Dja Dja Wurrung Clans Aboriginal Corporation).

Their feedback indicates that these have been beneficial for staff, helping to raise organisational cultural competency in the workforce

## Western Australia

Six local governments said that they had undertaken joint training and development with Aboriginal Community Controlled Organisations (ACCOs), including Julyardi Aboriginal Corporation.

In addition, in the Western Australian Local Government Association Salary and Workforce Survey for 2022, survey respondents were asked to prioritise 15 workforce topics for the 2021/22 financial year. The highest priorities the respondent local governments identified were workplace health and safety, and organisational culture and change, and workforce planning. The most noticeable change was wellness and mental health, moving from 12<sup>th</sup> place in 2018/19 to 4<sup>th</sup> place on 2020/21. Aboriginal cultural awareness was ranked 15<sup>th</sup> in both the 2019-20 and 2021-22 survey, but was not ranked at all in the 2018-19 survey.

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<sup>51</sup> RAWsa (2022), *Changing lives: empowerment through economic independence*, <https://rawsa.com.au/>

<sup>52</sup> Australian Government (2021), *ORIC Spotlight On: Taking care of elders, past and future*, <https://www.indigenous.gov.au/news-and-media/stories/oric-spotlight-taking-care-elders-past-future>



# Appendix F: Australian Local Government Workforce Development Initiatives

SGS undertook a scan of Australian Local Government workforce development initiatives to ascertain what is happening across the country. Based on the information available online and our consultation for the project, a selection of initiatives is highlighted below.

## NSW Local Government Capability Framework

The Local Government Capability Framework, authored by Local Government NSW, is a document which sets out the core capabilities, described as behaviours and attributes of all employees and elected members. It responds to a desire for a more consistent foundation on which to conduct recruitment, workforce planning and staff development.<sup>53</sup>

The Local Government Capability Framework is divided into four 'capability groups': Personal Attributes, Relationships, Results and Resources. There are also two other thematic headings, titled 'Workforce Leadership', which is for employees in management positions, and 'Civic Leadership', which is for elected members. As such, the Framework is applicable to the Mayor and Councillors in addition to council employees at all levels of seniority.

Individual capabilities sit under each of these group headings and refer to specific knowledge or skill areas of focus. Each capability is then detailed on a separate page within the Framework. This page describes the capability and respective levels of advancement, which it calls 'level descriptors'. These range from 'foundational' to 'highly advanced'. 'Behavioural indicators' offer a means of evaluation under each level descriptor, and are in the form of written statements.

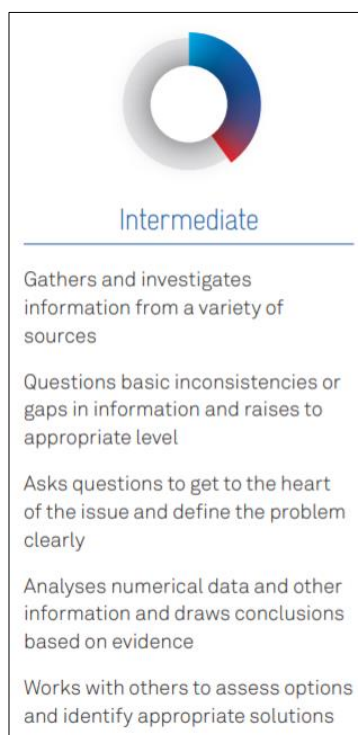
An example of the level descriptor and behavioural indicators for the 'Think and Solve Problems' capability is shown in **Figure F1** below.

Use of the Framework is optional for NSW local governments, although LGNSW acknowledges that its sector-wide influence will be magnified if at least some employees and councillors in a wide range of LGAs are familiar with the Framework. Collaborative development of the Framework with 'elected and workforce representatives across the state' is one way in which LGNSW has tried to create buy-in from its member local governments.

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<sup>53</sup> Local Government NSW (2017), 'Local Government Capability Framework', [https://capability.lgnsw.org.au/local\\_government\\_capability\\_framework.pdf](https://capability.lgnsw.org.au/local_government_capability_framework.pdf)

**FIGURE F1: EXAMPLE OF LEVEL DESCRIPTOR AND BEHAVIOURAL INDICATORS**



Source: Local Government New South Wales, 2017.

The Capability Framework’s traction in NSW has been difficult to measure. Initially, LGNSW had roughly 50% of local governments participate in introductory courses on the Framework. LGNSW has continued to run a couple of courses per year focusing on different aspects of the Framework – e.g. writing Position Descriptions, Implementing the Framework, Applying it to Recruitment etc. After four years, 10-15% of local governments in NSW (up to 20 of 128 member local governments of LGNSW) have fully implemented the Framework and about one-third have started to introduce the Framework (e.g. writing Position Descriptions aligned with the Framework, and to determine training for elected members). Most local governments seem to support the Framework in principle, but lack of resources (time) and competing priorities are hindering its widespread implementation, including the impacts of COVID-19, recent bushfires and floods. LGNSW reports that a couple of the local governments have employed staff dedicated to implementing the Framework across the organisation.

### **NSW Local Government Skills Strategy**

The Local Government Skills Strategy was a program funded by the NSW Government (Training Services NSW) and managed by the NSW Office of Local Government. It involved the allocation of approximately \$5 million in Smart and Skilled funding for vocational education and training for local government employees. It aimed to build the workforce capability of the NSW local government sector by offering local governments improved access to professional training.<sup>54</sup> The program had three main objectives underneath this broad aim:

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<sup>54</sup> NSW Office of Local Government (2018) ‘Circular to Councils; Local Government Skills Strategy’, <https://www.olg.nsw.gov.au/wp-content/uploads/2020/02/18-13.pdf>

- Facilitate pre-vocational training programs targeting local government skill priorities.
- Encourage and support local governments to increase their intake of apprentices and trainees, including upskilling their supervisors and managers.
- Facilitate training in skill priority areas for existing local government employees.

The program ran from 2018 – 2020 and funds were fully allocated, mainly to upskilling existing workers.

### Central NSW Joint Organisation (CNSWJO)

Central NSW Joint Organisation is a body corporate established on 11 May 2018 under Part 7 Chapter 12 of the *Local Government Act 1993* (NSW). The CNSWJO represents over 157,000 people covering an area of more than 47,000 sq kms, and includes the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, Weddin, and Central Tablelands County Council.<sup>55</sup>

The Central NSW JO's vision is to reflect the collective regional priorities and aspirations of its Member Local governments. In accordance with the *Local Government Act 1983* (NSW), its principal functions are:

- To establish strategic regional priorities for the joint organisation area and to establish strategies and plans for delivering those priorities;
- To provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities; and
- To identify and take up opportunities for inter-governmental cooperation on matters relating to the joint organisation area.

CNSWJO has established the following operational teams to manage workforce skills and capability matters in the region:

- Human Resources Managers Group (HR);
- WHS/Risk Management Group; and
- Training, Learning & Development (TLD) Working Group.

The HR Managers Group meets quarterly to provide advice to the CNSWJO on the full spectrum of HR matters of interest/concern to its member Local governments.

Over the past 7 years the CNSWJO has identified the training needs of 46 Water Operators and 52 Wastewater Operators across 9 of its member Local governments and sourced and co-ordinated the delivery of accredited training in the region for a total of 767 units of competency from the nationally accredited training system. In addition, the CNSWJO has sought training to the requirements of the National Certification Framework administered by the Water Industry Operators Association of Australia (WIOA). The HR Managers Group has recently decided to extend the water and wastewater training to include support for other skills shortages being experienced by local governments in the health and building surveying profession, critical to all Council's core operations. Initial scoping has been undertaken in collaboration with the HR Group and a working party has been formed which will examine how the skills shortages across the region could be addressed.

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<sup>55</sup> <https://www.centralnswjo.com/about>.

In 2022, the HR Managers Group will be looking at sharing recruitment policies and procedures so as to avoid reinventing the wheel, and at models for succession planning and talent management.

The TLD Group is a sub-group of the HR Managers Group and focusses on training and skills and typically meets three times per year. The TLD Working Group focusses on networking and opportunities for sharing training activities to minimise costs and increase outcomes for the region, including by liaising with NSW TAFE and other RTOs to seek out any training opportunities, and sometimes funding. CNSWJO will also often reach out to neighbouring local governments (who are not members of the CNSWJO) to offer places in training programs that the CNSWJO has scheduled to ensure an adequate number of enrolments to keep costs down.

The TLD Group also has carriage of the Safety Compliance Contract for the region. There are 10 training providers on the panel to deliver safety compliance training to CNSWJO member local governments and local governments can organise to have the training delivered directly or the training can be coordinated via CNSWJO's Training & Program Support Officer.

The WHS/Risk Management Group has carriage of the Councils' WHS induction program, which is now delivered online. Once a contractor completes the induction, the induction is valid for 5 years. Currently, just over 3,000 contractors hold a current WHS induction. The induction allows contractors to undertake the general WHS induction once and then it is valid across all participating member local governments; it does not replace a site-specific induction. The WHS/Risk Management Group is also currently focussing on mental health first aid training and WH&S compliance training. However, delivery has been stalled due to the lack of availability of suitable trainers arising from the implications of the Covid-19 pandemic. The WHS/Risk Management Group also receives regular presentations and updates from key WHS agencies in NSW, including Statewide Mutual, SafeWork NSW and StateCover. The HR and WHS/Risk Management Groups share each other's meeting minutes to increase transparency and coordination.

### **Careers at Council**

Careers at Council is a strategic response by the Local Government Associations to attract staff to local government and to develop an employee brand for the sector. This need was identified in the 2013-2020 National Local Government Workforce Strategy and the 2016-2020 NSW Local Government Workforce Strategy.

Careers at Council was established in late 2019 to encourage active and passive candidates to work in local government via informative content, social media (LinkedIn and Facebook), Google advertising and links with a wide range of government, industry and career sites. Careers at Council is now recognised by the Commonwealth and NSW Governments as the careers and jobs portal for local government, with listings on the Jobs Hub, Australian Apprenticeship Pathways and Careers NSW websites. The jobs of approximately 200 local governments are listed on the site which attracts around 1,000 visitors per day.

To raise awareness amongst graduates of the career opportunities in local government, Careers at Council has established a partnership with GradConnection which holds the largest national database of university students and graduates. Roles suitable for graduates are sent to prospective candidates undertaking or completing degrees in areas of skills shortage (engineering, planning and development, environment, project management and human resources).

Careers at Council also actively promotes employment opportunities to veterans through its participation in monthly ADF Transition seminars and to careers advisors via participation in industry information update events.

Careers at Council provides a foundation from which the sector could leverage recruitment advertising campaigns on a sector/regional/occupation basis and more detailed information about career pathways into and within local government.

### UTS Centre for Local Government

The Centre for Local Government is a section of the UTS Institute for Public Policy and Governance. The Centre has provided various training and advisory services to Australian local governments for over 30 years.<sup>56</sup> It is an example of a partnership between the local government sector and a major educational and research institution to extend local government's capability. In its heyday, the Centre had quite a strong research and policy development output, as well as tertiary education and broader public education about local government's role in Australian society and democracy.

Currently, there are three main streams of services offered by the Centre:

- **Training and short courses.** The Centre offers several training modules in subjects related to local governance, such as development assessment, community engagement and project management. These can be delivered 'in-house', meaning that their content can be customised according to the organisational objectives of a particular local government.
- **Formal local government qualifications.** These include graduate certificates, graduate diplomas and masters degrees in principles and practices of local government.
- **Advisory and research.** The Centre offers fee-for-service research and consultancy services in a range of local government functions. This includes both internal business governance and inputs to strategy development.

The Centre is currently restructuring to update its staffing and the range of services it offers. Its website states that this revamp will involve some kind of engagement with the local government sector to align its new program with the development needs of the sector. It may be worth re-engaging with UTS to see if they may be able to take up some of the challenges identified from the results of this survey.

### Workforce Planning Guidelines for Local Government in Tasmania

In 2016, the Local Government Association Tasmanian (LGAT) partnered with Burnie City Council, Circular Head Council, Waratah-Wynyard Council and the UTS Centre for Local Government to develop Workforce Planning Guidelines for local government in Tasmania.<sup>57</sup> A Reference Group established to shape and tailor the guidelines included: Break O' Day Council, Burnie Council, Circular Head Council, Glamorgan Spring Bay Council, Hobart City Council, Kingborough Council, and Waratah-Wynyard Council.

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<sup>56</sup> UTS (n.d.) 'Centre for Local Government', <https://www.uts.edu.au/research/institute-public-policy-and-governance/centre-local-government>

<sup>57</sup> UTS (2016), Workforce Planning Guidelines for Local Government in Tasmania, [https://www.skills.tas.gov.au/\\_\\_data/assets/pdf\\_file/0004/174937/Workforce\\_Planning\\_Guidelines\\_for\\_Local\\_Government.pdf](https://www.skills.tas.gov.au/__data/assets/pdf_file/0004/174937/Workforce_Planning_Guidelines_for_Local_Government.pdf)

The guidelines propose six steps to workforce planning and provide detailed descriptions, key questions to ask, case studies, and other resources to equip councils who are preparing a workforce plan:

- **1: Starting out** – This section guides councils to consider the scope and scale that is relevant to their local context of workforce planning. It also provides guidance on internal and external stakeholders, and relevant data and information sources when undertaking workforce planning.
- **2: Where are we now?** – This section guides councils to gather information about the current state, i.e. current workforce profile, current macro-trends and strategic context in which the council operates.
- **3: Where might we be in the future?** – This section provides guidance on qualitatively forecasting the external context, having regard to political, economic, social, technological, legal and environmental considerations.
- **4: What are the gaps?** – This section guides councils to assess current and future workforce gaps, and to prioritise these for action via a ratings-based risk matrix or other framework.
- **5: Strategies to assess the gaps?** – This section guides councils to identify strategies and actions that respond to the current and future gaps. It also provides a list of common gaps and issues, and potential strategies and actions in response to these.
- **6: Monitoring and evaluation** – This section highlights the ongoing and iterative nature of workforce planning, which suggests a need for workforce plans to be reviewed and outcomes to be evaluated.

# Appendix G: Local Government Workforce and Capability Planning: International Examples

## **Brief to Local Government Information Unit (LGIU), United Kingdom**

SGS Economics and Planning commissioned the Local Government Information Unit (LGIU) to review international best practice policy for workforce and skills/capability development in the Local Government sector. In particular, how the Local Government sector around the world is:

- Innovating to close skills gaps and shortages;
- Leveraging creative partnerships to identify future workforce needs and streamline training opportunities;
- Remaining agile through crises (e.g. Covid-19 pandemic, climate change) to support longer-term recovery;
- Responding to macro trends (e.g. an ageing workforce, digital transformation, structural changes to local economies) that are shaping the expectations and needs of the future workforce.

## **Review of international practice**

In the countries reviewed, a range of activities have been deployed to build capacity in local government workforces, including:

- Providing advice, toolkits and consultancy support for workforce planning;
- Training or retraining the unemployed/under-employed and embedding a culture of improvement/career development at all levels;
- Redesigning jobs to remove non-essential requirements and allow optimal use of available expertise;
- Bringing back retired personnel with a focus on mentoring/knowledge transfer (as in this example of civil engineer shortages for public works in South Africa);
- Leveraging infrastructure investment/public procurement to fund and provide local jobs/apprenticeship opportunities;
- Marketing local government/sub-national government as an attractive career choice (see the Yukon (Canada) government's People Plan for a discussion about branding – the Yukon government has been a Top 100 employer in Canada since 2014);
- Outreach into schools and universities to improve knowledge and appeal of construction or other shortage sectors, including internships and cadetships;
- Expanding the recruitment pool, by targeting under-represented groups such as women and minorities or recruiting skilled migrants; and

- Adopting innovation/new technologies to reduce demand for workforce and increase productivity (for example, offsite construction, pre-cast concrete or automation).

### **Case studies - Developing workforce plans**

#### UK - Local Government Association Workforce Planning Support

The LGA in England support local authorities with strategic workforce planning. As well as providing guides and tools, they are running a project providing more intensive capacity building to around 70 local governments, including:

- Interactive workforce planning workshops for senior leaders and managers;
- Reviews of talent management and workforce plans;
- Support with developing career pathways;
- People analytics; and
- Online Knowledge Hub forum for workforce planning professionals.

The support program has received good feedback, as shown in a recent Impact Report, with the vast majority of participating local governments reporting a positive impact on their organisations. The impact on 'delivering organisational priorities' and 'recruitment and retention' was particularly high.

For example, the LGA's Workforce Planning team recently supported two local governments in the Midlands to tackle difficulty in recruiting planning officers through redesigning jobs to separate out elements requiring a local on-site presence and specialist expertise that could be delivered remotely. This allowed them to share local planning officer resource and jointly recruit a senior planner who is based in another part of the country.

#### UK – London Councils

London Councils is one of local government's regional employers' organisations. It is supporting London borough local councils with a workplace planning tool, a spreadsheet which captures workforce data and helps local governments analyse demand, supply, gaps and scenario planning. The spreadsheet helps ensure data is robust and collected consistently.

London Councils also has a Workforce Planning & Intelligence Network (for sharing best practice amongst HR professionals) and a Recruitment Managers Network which reviews common areas of staff shortage and initiates joint projects and shared solutions to recruitment issues. For instance, London Councils ran a £1.85 million Employment Construction Careers programme (funded through European Social Fund) with seven boroughs and the City of London, which helped unemployed Londoners gain construction skills and qualifications across a range of areas, from site management to administration and security.

### **Case studies - Bridging the skills gap**

#### UK – Scottish Roads Collaboration Project

The Scottish Improvement Service is the national improvement organisation for local councils in Scotland. It provides capacity building support and facilitates collaboration between councils. One project is the Roads Collaboration Project bringing together the 32 Scottish roads authorities and Transport Scotland to deliver a well maintained road network. Through a workforce planning strand the



roads authorities are working with education providers and industry bodies such as the Institute of Civil Engineers to address labour shortages, through:

- Routes into leadership, a short course for aspiring roads managers;
- Work-based learning and apprenticeships, including graduate apprenticeships;
- Outreach to schools to market roads and civil engineering as a career choice; and
- Shared approach to delivering training to roads staff.

#### United States – NextGen Silicon Valley

NextGen is a commission of local governments in the region, including two county organisations and 36 cities, representatives of workforce investment boards, local government professional organisations and university career centre staff from San Mateo and Santa Clara Counties. Local government faces intensive competition from the private sector and a ‘baby boomer’ retirement wave, leading to labour shortages. NextGen runs a variety of programs every year to enhance knowledge about local government agencies, career opportunities and skill advancement. Programs upskill current employees with potential and attract young and diverse talent from universities, through:

- Management Talent Exchange - three-month placements in another local agency;
- Regional internships and outreach to university students;
- Tomorrow’s City-County Manager forum: one-day intensive workshop for emerging leaders; and
- Fellows Programme bringing specific expertise from universities into local government – benefiting the host organisation and growing a talent pipeline.

#### United States – Coconino County, Arizona

Coconino is the second largest county in US by area (outside Alaska). Serving a vast remote and rural area, the county has 1200 employees. Following serious budget cuts in the early 2010s, the county developed innovative cost-saving solutions to improve retention of skilled employees. The activities, which won two national awards, focused on work-life balance and employee engagement through:

- Flexible work arrangements: job sharing, phasing into retirement, flexible benefits such as staff being able to purchase up to 10 personal days a year, and tele-commuting (using technology to work from home);
- Employee involvement in workforce planning and an employee suggestions scheme; and
- Access to training and education for employees at every career stage, including classes for new/experienced supervisors; leadership training for managers; free online training; cross training; developing internal talent through the knowledge and experience of employees near retirement; and retirement planning classes.

Employees shaped the county’s recruitment and retention strategies. These have attracted a large and diverse pool of internal applicants (filling 40% of vacancies); reduced turnover by 6%; streamlined personnel policies; formed a pool of employees willing to work in other departments to decrease the use and cost of temporary employees; introduced teleconferencing options for employees in outlying areas who cannot travel to meetings due to budget cuts.

### United States - UpSkill Houston

The Greater Houston Partnership established UpSkill Houston as an industry-led partnership of employers, trade associations, education, government and non-profit/community organisations, using a model developed by the US Chamber Foundation's Talent Pipeline Management. The aim was to strategically expand the talent pipeline and attract talent to technical careers in sectors considered the drivers of the region's economy, including construction and petrochemicals. Activities include:

- Collaborations with community-organisations, public workforce systems and employers to attract and screen potential recruits, including those from low-income families;
- Women into Construction programmes (such as on-the-job training for three months trained 20 women to become pipefitter helpers);
- Partnering with schools to recruit juniors into pre-apprenticeship programmes; and
- Raising awareness of vital middle-skill (more than high school diploma but less than four-year degree) job opportunities in construction which employers struggle to fill.

### **Themes/learning points**

The following themes and learning points can be drawn from these and other experiences:

- Successful strategic workplace planning uses data and insight about the workforce to design and implement solutions: Action plans typically need a mix of short-term fixes and long term, sustained activities to 'grow our own' or expand the talent pool.
- Local councils can compete with the private sector on wider benefits and employee experience: Reviewing these and listening to employees' changing expectations sends a clear message that people are valued.
- Collaboration across local councils, tiers of government, other agencies and industry can unlock innovative solutions and, over time, build a talent pipeline that benefits the wider local economy as well as increasing local government's capability.
- Technology will bring about new ways of working (even in 'outdoor' roles) and open up alternative channels for delivering training and development: the pandemic may have overcome (some) employees' resistance to online/distance learning, teleconferencing and remote management.

# Appendix H: OECD Report Future-Proofing Adult Learning Systems in Cities and Regions: Summary

## Foreword

The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for better lives. The OECD's goal is to shape policies that foster prosperity, equality, opportunity and well-being for all, drawing on 60 years of experience and insights to better prepare the world of tomorrow.

In 2022, the OECD prepared a Policy Manual for Local Government on future proofing adult learning systems in cities and regions in recognition of the long term economic, social and health consequences of the COVID-19 pandemic, ongoing structural changes including automation and digitalisation, demographic changes and the transition to a “green” economy.

The OECD believes that in coming years, labour markets will face significant challenges. In this context, re- and upskilling of adults is an urgent priority for all at national, regional and local levels. To turn challenges into opportunities and to ensure that the supply of local skills matches constantly changing skills demands, there is a need to create strong adult learning systems for a more resilient and empowered society and productive economy.

Future-ready adult learning systems should provide clear re- and upskilling pathways for all individuals in need of training. This is especially important for groups that have a weaker attachment to the labour market such as the low-skilled, workers on non-standard contracts, long-term unemployed, individuals with a migration background, and youth not in employment, education or training.

Local governments have a critical role to play. As the level of government closest to citizens, they are well-placed to identify challenges faced by employers in the labour market as well as by workers falling through the cracks, which can vary significantly by locality. Indeed, current and potential workers, as well as employers, typically look for jobs and training opportunities in their neighbourhoods.

In addition, local governments can create a strong culture of adult learning that is effectively tailored to local needs, challenges and opportunities – a culture that is difficult to create through national initiatives alone. While there is growing awareness of this role, and many countries are decentralising responsibilities including those of adult learning, local governments still do not necessarily have the means and competences to respond to medium- and long-term needs.

To support local governments in their efforts to future-proof adult learning systems, this Policy Manual presents a range of policy options and concrete actions that can inspire and guide work at the local level. It is designed for both policy makers and practitioners at the local and regional level, but also for national policy makers to support their efforts in supporting the diversity of local needs.

## Definition of Adult Learning

For the purposes of the OECD Policy Manual, adult learning is defined as follows:

- Adult learning refers to adult education and training that is job-related and is expected to have a positive effect on performance and productivity at work.
- Adult learning includes three different types of education and training: 1) formal education and training, which leads to a formal qualification; 2) non-formal education and training that does not necessarily lead to formal qualifications, such as structured on-the-job training, open and distance education, courses and private lessons, seminars and workshops; and 3) informal learning, i.e. unstructured on-the-job learning, learning by doing or learning from colleagues.
- Adult learners are defined as individuals aged 25+ years who have left the initial, “first chance” education system (either primary, secondary, post-secondary or tertiary level) but are engaged in learning (OECD, 2001[1]; Werquin, 2010[2]; OECD, 2019[3]; OECD, 2019[4]).

## Introduction

Labour markets across the world are changing due to population ageing, increasingly rapid digitalisation and automation, evolving supply chain dynamics and the green transition.

With the COVID-19 crisis, many of the ongoing labour market changes are accelerating. Digitalisation and automation have picked up speed due to social distancing requirements as well as changing work habits and preferences. As well as the transition to more sustainable economies.

In this context of rapidly changing labour markets, adult learning systems are increasingly important. The extent to which individuals, firms and local economies can reap the benefits of ongoing changes and minimise the negative impact on workers will largely depend on the readiness of local adult learning systems.

Local governments are stepping up their efforts to make local economies more resilient and future-ready. The consequences of changing skills needs are felt acutely at the local level, through skills mismatches and skills shortages, as well as the displacement of workers without the skills sought by their employers.

Policies, regulations and funding for adult education and training are typically managed at the national level, yet needs can vary widely on the local level. Because skills needs differ across regions and local areas, national efforts can also only go so far in changing learning habits.

There are many reasons why local governments can make a difference in the development of future-ready adult learning systems, including:

- Understanding local skills demand;
- Cultivating/Promoting inclusive cultures of lifelong learning; and
- Strategically tailoring needs and bridging gaps.

Some groups are more at risk of experiencing job losses and long-term unemployment (or inactivity) due to changing skills requirements. Despite their obvious need for training, groups with weaker attachment to the labour market continue to be less likely to participate in adult learning programmes. For career guidance to be effective, its content must be adjusted to the specific needs of the individuals that participate and be linked more directly to the many local stakeholders involved in adult learning.

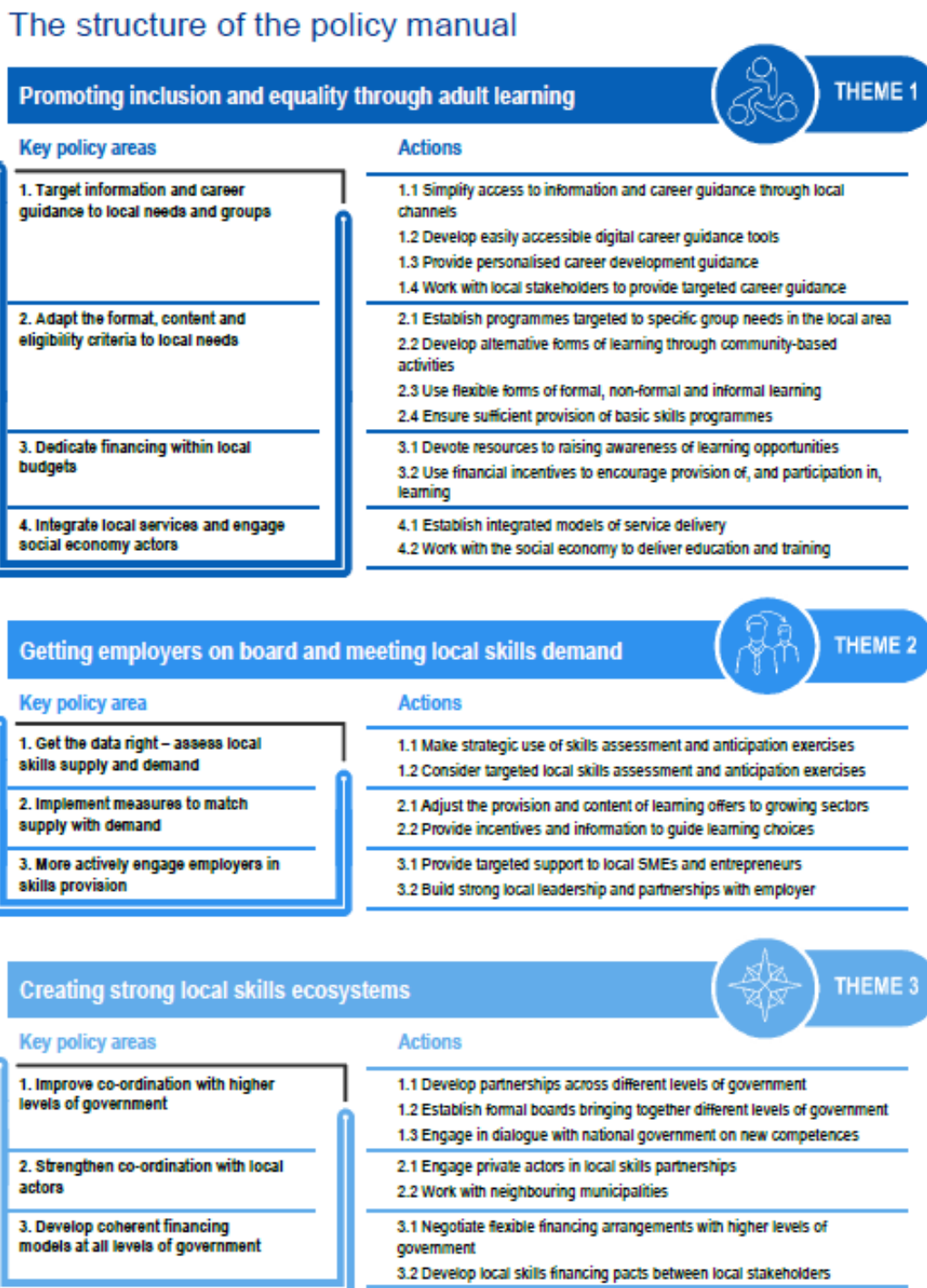
### Structure of the Policy Manual Key policy areas and actions

The Policy Manual is structured into three themes: Promoting inclusion and equality through adult learning; Getting employers on board and meeting local skills demand; and Creating strong local skills ecosystems, as shown in **Figure H1**.

Each theme includes key policy areas with suggestions as to how local governments can address issues with adult learning. Overall themes and suggestions include:

- Better coordination between levels of government and other stakeholders in the adult learning sector including financial and program-based coordination;
- Understanding and meeting local skill needs;
- Attempt to reach those marginalised as they are less likely to engage in adult learning; and
- Simplify access to adult learning information and programs.

FIGURE H1: OECD FUTURE PROOFING ADULT LEARNING – STRUCTURE OF THE POLICY MANUAL FOR LOCAL GOVERNMENT



### **Promoting inclusion and equality through adult learning**

This theme is important because the pandemic exacerbated already polarised labour markets in many cities and regions. While the ongoing changes to skills requirements have the potential to affect all workers, automation and digitalisation are skill-biased technologies that favour high-skilled workers at the expense of middle- and low-skilled workers. Especially vulnerable are workers in jobs that are characterised by simple and repetitive tasks. They are likely to bear the brunt of these changes, calling for more training to maintain labour market attachment.

Key policy area 1: Target information and career guidance to local needs and groups:

- Career guidance is a fundamental policy lever to help individuals successfully navigate a constantly evolving labour market.
- Many of the groups who face disadvantages in the labour market, including the low-skilled, use career guidance services less often than the reference population.
- One way to increase the use of career guidance among groups with weaker attachment to the labour market is to make it more easily accessible.
- Another way to ensure that information and career guidance is provided to the groups most in need is through mobile outreach services that are accessible for hard-to-reach groups and places.
- For career guidance to be effective, its content must be adjusted to the specific needs of the individuals that participate.

Key policy area 2: Adapt the format, content and eligibility criteria to local needs:

- The willingness to participate in adult training varies across groups, with lowskilled, workers in jobs at high risk of automation and older workers showing significantly less willingness to train than their counterparts
- One way to overcome the low willingness to train is through the provision of targeted adult learning programmes that take into account the specific characteristics and learning needs of certain groups.
- To make the targeting effective it should be data-driven to identify groups for whom targeted measures may be relevant and based on evaluations on what works.
- Another way to get groups with weaker attachment to the labour market engaged in adult learning programmes is through the development of alternative forms of learning.

Key policy area 3: Dedicate financing within local budgets:

- Financial issues present one of the main obstacles preventing adults from taking part in adult learning activities.
- Financial incentives directed at individuals or employers may come in many forms, e.g. wage and training subsidies, training vouchers, tax incentives, loans and individualised learning account schemes.
- The demand for training has increased significantly in the context of the COVID-19 pandemic.

Key policy area 4: Integrate local services and engage social economy actors:

- While adult learning is vital to improve labour market attachment among groups with weaker attachment to the labour market, additional support services may be necessary to reduce barriers to their participation in education and training.
- Responsibilities for these services tend to be divided between levels of government and often measures to ensure co-ordination are lacking.
- An important way of providing learning through integrated service models is through non-formal adult education or community education. Non-formal and community-based education is education that takes place outside the formal education sector and which aims at enhancing learning, fostering empowerment and contributing to civic society.

### **Getting employers on board and meeting local skills demand**

This theme is important because global megatrends, including digitalisation, the green transition and the ageing of societies, are changing the demand for skills. These transformations will destroy, transform and create jobs, but often not in the same place or time, or requiring the same type of skills. With COVID-19, many of the ongoing changes are likely to accelerate. Digitalisation and automation are likely to pick up in speed due to the introduction of social distance requirements among other things, and the green transition is likely to receive momentum as part of stimulus packages.

The effects of global changes vary significantly across local economies. Often labour market changes are concentrated in specific regions or sectors, and often there is a significant time gap between the destruction and creation of jobs – resulting in geographically concentrated skills mismatches. Compared to other sub-national areas, large cities tend to host substantial shares of high-skilled workers that work under standard contracts and with good teleworking options, which makes cities more resilient to ongoing changes. Yet, cities also host many low-skilled workers with little opportunity for teleworking. Many local areas show signs of misalignment between the provision of skills and the actual skills needed in the labour market. One such sign is the self-reported training needs among workers. Across OECD countries, 35% of workers report that they do not have all the skills needed to do their current tasks and need more training.

Key policy area 1: Get the data right – assess local skills supply and demand:

- Policy makes to understand local market needs skills assessment and anticipation (SAA).
- SAA often done at national or regional level can be intensive for local regions but may be required.

Key policy area 2: Implement measures to match supply with demand:

- Adjust adult learning policies in line with SAA findings.
- Importance of information.
- Local governments may regulate the provision of courses, course content and curricula to meet local skills demand and steer skills production towards those sectors.
- Another way to steer the choice of individuals and employers towards in demand skills is through information.
- Steering towards digital and green economies.

Key policy area 3: More actively engage employers in skills provision:



- Employers play a key role in the provision of adult training not least because a large share of training and education takes place in the workplace
- There are many ways that local governments can engage employers in adult learning policies. Includes lower costs, financial benefits and information of benefits
- SMEs, entrepreneurs and starts-up all face special challenges when it comes to the provision of training to their employees.
- Development of local employment partnerships.

### **Creating a local skills eco system**

This theme is important because adult learning systems funding and responsibilities are split across multiple levels of government and agencies. Adult learning systems also encompass a range of policies and programmes with different objectives and different target groups – including basic skills courses for the low-skilled, professional training for workers, activation and training for the unemployed, re- and upskilling of workers, or language classes for migrants. In addition, adult learning policies often overlap with other policy sectors including social, employment policies, economic development as well as other skills policies including higher education (HE) and vocational education and training (VET). At the local and regional level, the fragmentation of responsibilities and the broad range of stakeholders involved presents both a challenge and an opportunity.

Key policy area 1: Improve co-ordination with higher levels of government:

- In any system where responsibilities for adult learning policies are spread across levels of government, vertical co-ordination mechanisms are important.
- Many countries have taken steps to improve the co-ordination of adult learning systems across all levels of government. These includes pursuing collaborative partnerships across government levels and engaging in dialogue on the adjustment and transfer of responsibilities to lower levels of government.
- Multi-level partnerships.

Key policy area 2: Strengthen co-ordination with local actors:

- Within any given region or city, many different actors are involved delivering adult learning policies- These often include local government departments and authorities, public employment services, universities and schools, social partners, private training providers, and local businesses. All these actors have different responsibilities, pursue different goals, administer separate budgets, and often do not perceive themselves as being a part of a joint “system” (see Box 30). Alignment of interests among actors is unlikely to happen spontaneously; rather it requires effective co-ordination.

Engaging with non-government stakeholders and collaborating through local skills partnerships is a vital tool for local governments to deal with the inherent complexities of adult learning systems. The positive benefits of well-functioning local partnerships and skills ecosystems include:

- Providing valuable information to the policy-making and implementation process through experiences with the real-world effects of policies,
- Creating commitment and buy-in among relevant stakeholders to work towards a joined up local skills strategy,

- Mobilising and involving employers in the financing and provision of training, and
- Ensuring that the training provided meets the demand of the local economy.
- Cities can also look beyond their own administrative boundaries in developing partnerships by working with neighbouring municipalities or regions.

Key policy area 3: Develop coherent financing models at all levels of government.

- The financing model influences the quality and quantity of adult learning programmes, the behaviour and choice of providers, individuals and businesses, and the ability of local skills systems to match the local demand for skills.
- For local practitioners, the alignment of decision-making and financing responsibilities is crucial for their ability to put in place policies that work.
- The possible benefits from investment in adult learning are distributed among the public, individuals and businesses, but the incentives for these actors to invest in skills development are not always clear.
- Local skills financing pacts, signed by government actors as well as other stakeholders such as social partners, employers and training providers, can help overcome some of these challenges.

**Case Studies**

- Micro-credentials – which may be defined as short, targeted and flexible non-degree learning programmes – are gaining increasing policy traction in many countries in the face of rapidly shifting skills demand. These shorter skills-focused courses are often stackable, relatively cheap and fast, and aligned to the specific needs of industries/employers, which makes them an easy way for individuals in the working age to re- and upskill to meet immediate skills gaps in the labour market. Pg.24.
- In Canada, the federal government uses bilateral agreements between federal government, provinces and territories to allocate large amounts of annual funding to lower levels of government in the area of adult learning. The bilateral agreements stipulate the agreed-upon objectives that the funding should achieve and establish key features of the programmes to be delivered pg.47.
- Humber skills pledge. The main objective of the Skills Pledge is to encourage and help businesses access vital skills and training organisations to help them succeed and grow. More specifically, the ongoing partnership campaign seeks to encourage joint working between education and training providers, employers, local councils and organisations, including local public employment service offices. Pg.47.
- In co-operation with the Fundación Adsis and the JPMorgan Chase Foundation, the city of Madrid has developed a comprehensive training and employment project with the purpose to improve the employability opportunities of young people (18-30 years old) in the community of Madrid. The project includes 12 training itineraries that all relate to the “Circular Economy” and seeks to enable young people to have a quality job that contributes to the ecological transition. Pg.42.
- Excelsior is a skills assessment system created in co-operation between the Italian Ministry of Labour and UnionCamere (Italian Union of Chambers of Commerce, Industry, Handicrafts and Agriculture) in 1997 with the support of the European Union. Through a co-operation with the

network of regional and local Chambers of Commerce in Italy, the system provides data at regional and local levels on labour market trends, and the professional and training needs of companies across the country. Pg 37.

- Workforce Planning Ontario, a network of workforce planning boards, has the mandate to connect labour market stakeholders within the Canadian province of Ontario. Through a network of 26 planning boards that covers four regions across the province, Workforce Planning Ontario seeks to conduct localised research of ongoing labour market changes and identify skills shortages and future training requirements throughout Ontario pg.37.
- Through its Local Development Agency, Barcelona Activa set up the Barcelona IT Academy in 2017 to develop and upgrade the digital skills of professionals in the city. The main objective of the academy is to promote job opportunities, reinforce competitiveness, promote social inclusion, and reduce the gender gap in the digital sector. The IT Academy collaborates with IT companies to define training modules and provide job opportunities, and with academic institutions to promote Barcelona's work in this sector pg.41.

The full report can be found here:

- [https://www.oecd-ilibrary.org/employment/future-proofing-adult-learning-systems-in-cities-and-regions\\_11fa26cc-en;jsessionid=tvaWQwqjhJGTEA2qdQW3i6xS.ip-10-240-5-167](https://www.oecd-ilibrary.org/employment/future-proofing-adult-learning-systems-in-cities-and-regions_11fa26cc-en;jsessionid=tvaWQwqjhJGTEA2qdQW3i6xS.ip-10-240-5-167).

## Appendix I: Further Reading

### 2018 Local Government Workforce and Future Skills Reports

ALGA (2018) *Local Government Workforce and Future Skills Report Australia*, available at:  
<https://alga.com.au/local-government-workforce-and-future-skills-report-australia/>

LGAQ (2018) *Local Government Workforce and Future Skills Report – Queensland*, Unpublished.

LGASA (2018) *Local Government Workforce and Future Skills Report – South Australia*, Unpublished.

LGANT (2018) *Local Government Workforce and Future Skills Report – Northern Territory*, available at:  
<http://www.lgant.asn.au/wp-content/uploads/2019/05/LGWFSR-Report-September-2018.pdf>

LGAT (2018) *Local Government Workforce and Future Skills Report – Tasmania*, available at:  
[https://www.lgat.tas.gov.au/\\_\\_data/assets/pdf\\_file/0028/662329/LG-Workforce-and-Future-Skills-Report-Tasmania-Sept-2018-FINAL.pdf](https://www.lgat.tas.gov.au/__data/assets/pdf_file/0028/662329/LG-Workforce-and-Future-Skills-Report-Tasmania-Sept-2018-FINAL.pdf)

LGNSW (2018) *Local Government Workforce and Future Skills Report – New South Wales*, Unpublished.

MAV (2018) *Local Government Workforce and Future Skills Report – Victoria*, available at:  
[https://www.mav.asn.au/\\_\\_data/assets/pdf\\_file/0010/21889/Local-Government-Workforce-and-Future-Skills-Report-Victoria-Dec-2018.pdf](https://www.mav.asn.au/__data/assets/pdf_file/0010/21889/Local-Government-Workforce-and-Future-Skills-Report-Victoria-Dec-2018.pdf)

WALGA (2018) *Local Government Workforce and Future Skills Report – Western Australia*, Unpublished.

### Skills shortages and workforce development

OECD (2001) *Education Policy Analysis 2001*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/epa-2001-en>

OECD (2019[3]) *OECD Skills Outlook 2019 : Thriving in a Digital World*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/df80bc12-en>

OECD (2019[4]) *Getting Skills Right: Future-Ready Adult Learning Systems, Getting Skills Right*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264311756-en>.

OECD (2022) *Future-Proofing Adult Learning Systems in Cities and Regions. A Policy Manual for Local Government*. [https://www.oecd-ilibrary.org/employment/future-proofing-adult-learning-systems-in-cities-and-regions\\_11fa26cc-en;jsessionid=tvaWQwqjhJGTEA2qdQW3i6xS.ip-10-240-5-167](https://www.oecd-ilibrary.org/employment/future-proofing-adult-learning-systems-in-cities-and-regions_11fa26cc-en;jsessionid=tvaWQwqjhJGTEA2qdQW3i6xS.ip-10-240-5-167)

RAI (2022) *Rebalancing the Nation Regionalisation Consultation paper*, <https://www.regionalaustralia.org.au/home/wp-content/uploads/2022/03/Regionalisation-Consultation-Paper-RAI-2022.pdf>

Werquin, P. (2010) *Recognising Non-Formal and Informal Learning: Outcomes, Policies and Practices*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264063853-e>

### Key Reports

Regional Australia Institute (2022) *Rebalancing the Nation. Regionalisation Consultation Paper*. RAI, Canberra. <https://apo.org.au/sites/default/files/resource-files/2022-03/apo-nid317212.pdf>

LGIU Australia (2022) *Flooding in Australia: councils supporting each other*. Blog by Sid Hayward. [Flooding in Australia: councils supporting each other – LGIU](#).

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