

23 January 2023

Australian Skills Guarantee Team
Department of Employment and Workplace Relations
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Canberra ACT 2601

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Submission on the *Australian Skills Guarantee Discussion Paper*

Thank you for the opportunity to respond to the discussion paper which will inform the design and implementation of the Australian Government's 'Australian Skills Guarantee' ('the Guarantee').

The Australian Local Government Association (ALGA) is the national voice of local government, representing 537 councils across the country. In structure, ALGA is a federation of state and territory local government associations.

ALGA welcomes the development of this Discussion Paper and strongly supports the need for Governments to invest in the skills and training of Australia's workforce.

ALGA notes the Australian Skills Guarantee Discussion Paper includes a number of issues and questions on which the Department is seeking input. This submission provides a comment on a few important issues raised in the Discussion Paper and does not attempt to address each question as they arise. ALGA would welcome the opportunity for further detailed discussion on this matter.

1. Local government acknowledges the opportunities and benefits of applying a Guarantee to major Commonwealth funded construction and facilities management projects.
2. ALGA supports the inclusion of paid cadets in the Guarantee, as defined in the Discussion Paper and strongly supports gender equality and supports Option 1 – the inclusion of apprentices, trainees and Cadets as outlined in Chapter 4 – Targets from Women in the Discussion Paper.

3. It is not clear from the Discussion Paper how the Guarantee would apply to local government projects funded by the Commonwealth. However, if the Guarantee is intended to apply to local government projects the higher financial threshold of \$20M (or greater) included in the Discussion Paper should be applied. This would help to take into account differences in local labour market conditions, low unemployment levels and skills shortages.
4. While ALGA supports the policy intent of the Guarantee, funding to incentivise local governments to employ additional apprentices and trainees without mandatory hiring requirements would better enable local governments to deliver the objectives of the Guarantee in a practical manner. This would cater for the diverse sizes and capabilities of local governments across the nation.

ALGA strongly supports the need to address skills shortages and promote apprentices, traineeships and cadets across the economy and in particular through local government. In this regard, ALGA will be presenting a budget proposal to the Government seeking assistance to invest in the local government workforce. Many local governments have constrained financial resources and are dealing with the impacts of natural disasters, so support will be needed for investment in the local government workforce.

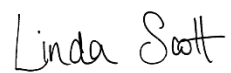
Australia's 537 local governments collectively employ over 190,000 workers, making local government a major national employer. From the [2022 Local Government Workforce Skills and Capability Survey Final Report](#) commissioned by the Federal Department of Infrastructure, Transport, Regional Development, Communications and the Arts, over 91% of the respondent local governments reported skills shortages in 2021-22, compared to 69% in 2018.

Across the sector, approximately two thirds of local governments reported impacted or delayed project delivery due to job vacancies, skills shortages, skills gaps and training needs. The predominant factors influencing skills shortages are a tight labour market for skilled workers, funding certainty and an inability for councils to compete with private sector remuneration and locational disadvantages.

Whilst Australia's 537 local government will have differing views on the mandatory requirement of one in ten hours worked by trainees, apprentices and cadets on projects covered by the Guarantee, ALGA would be keen to work with the Government on practical ways to attract and retain a skilled workforce within local government.

Thank you again for the opportunity to comment on the Australian Skills Guarantee Discussion Paper. We would be pleased to further discuss strategies which could be implemented to achieve the objectives of the Guarantee for our sector. Please contact Liz de Chastel, Executive Director Policy on Tel: 02 6122 9443.

Yours sincerely

A handwritten signature in black ink that reads "Linda Scott". The signature is written in a cursive, flowing style.

Cr Linda Scott
National President