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OUTCOMES



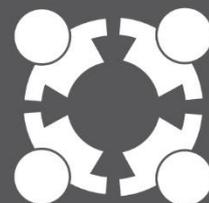
INTEGRITY



BOLDNESS



TEAMWORK



Local Government

2018 Draft Industry Skills Forecast

For Public Consultation

Skills Forecast

Name of IRC: Local Government

Name of SSO: SkillsIQ Limited

About SkillsIQ Ltd.

SkillsIQ supports 17 Industry Reference Committees representing diverse ‘people-facing’ sectors. These sectors provide services to people in a variety of contexts such as customer, patient or client. The Industry Reference Committees are collectively responsible for overseeing the development and review of training package products, including qualifications, serving the skills needs of almost 50 per cent of the Australian workforce.

Sector Overview

Local governments play a key role in the Australian economy. As a sector, local government nationally employs just under 187,000 Australians, owns and manages non-financial assets with an estimated written-down value of \$408 billion (in 2015 -2016), raises around 3.6% of Australia’s total taxation revenue per annum, and has an annual operating expenditure of around \$35 billion (2015-16)¹. Local government owns and maintains about 650,000 kilometres of local road, a significant amount of public transport infrastructure and more than 200 airports.²

Across Australia there is substantial diversity in the roles and functions of local governments both between and within jurisdictions. This diversity is partly attributable to differences in legislative and governance frameworks for local government, as well as councils’ particular geographical features, the size and density of their populations and their respective financial capacities.³

All have an important role in providing leadership in community, economic and infrastructure development and a range of services and social functions. There are 537 local governing entities across Australia⁴ servicing metropolitan, regional, rural and Aboriginal and Torres Strait Islander communities.

It is noted that training package products in support of federal and state government workforces are housed in a separate Public Sector Training Package that is overseen by a another IRC. There is also a Public Safety training package that includes training package products for sectors such as firefighting and emergency operations, search and rescue, SES (state emergency service) operations and community safety.

¹ Australian Local Government Association (ALGA) 2018 -19 Federal Budget Submission, Invest in Australian Communities Make it Local, December 2017 https://alga.asn.au/site/misc/alga/downloads/submissions/2018/ALGA_Budget_Submission_2018_2019.pdf

² Australian Local Government Association 2006 Local Government Roads and Transport Strategy 2006–2016 Published by: Australian Local Government Association

³ Productivity Commission 2017, Local Government, Shifting the Dial:5 year Productivity Review, Supporting Paper No 16, Canberra

⁴ Australian Local Government Association (ALGA) 2018 -19 Federal Budget Submission, Invest in Australian Communities Make it Local, December 2017 https://alga.asn.au/site/misc/alga/downloads/submissions/2018/ALGA_Budget_Submission_2018_2019.pdf

The “Business” of Local Government

The provision of services often involves networks of varying complexity and processes associated with:

- tendering
- procurement and supply
- contractors
- community engagement
- revenue collection, expenditure and financial management
- governance
- requirements defined in regulatory frameworks.

Changes in the services being provided, as well as changes to the way in which they are provided, are a feature of the sector. This is being experienced in other countries as well as Australia. An example of a contemporary framework developed by the OECD identifies the following four areas which represent specific tasks and for which specific skills are required: ⁵

1. Policy advice and analysis
2. Service delivery and citizen engagement
3. Commissioning and contracting
4. Managing networks.

A wide and diverse range of engagement, commercial, legal and regulatory skills is required within a strategic context which is characterised by rapid change. Local Government service delivery can be complex, with services increasingly delivered by networks of agents who may or may not be directly employed by the government. ⁶

Robust governance is essential in establishing and maintaining public trust in this sector.

⁵ OECD Public Governance Reviews, Skills for a High Performing Civil Service

⁶ OECD Public Governance Reviews, Skills for a High Performing Civil Service

The Australian Local Government Association has identified the following general functions⁷:

- Infrastructure and property services, including local roads, bridges, footpaths, drainage, waste collection and management.
- Provision of recreation facilities, such as parks, sports fields and stadiums, golf courses, swimming pools, sport centres, halls, camping grounds and caravan parks.
- Health services such as water and food inspection, immunisation services, toilet facilities, noise control, meat inspection and animal control.
- Community services, such as child care, aged care and accommodation, community care and welfare services.
- Building services, including inspections, licensing, certification and enforcement.
- Planning and development approval.
- Administration of facilities, such as airports and aerodromes, ports and marinas, cemeteries, parking facilities and street parking.
- Cultural facilities and services, such as libraries, art galleries and museums.
- Water and sewerage services in some states.
- Other services, such as abattoirs, sale-yards and group purchasing schemes.

Functions range from regulatory responsibilities to those associated with service delivery, some of which will be specific to a community's needs.

Local Government Workforce Structure

Local government staff structures vary. However, all consist of elected representatives, administration/corporate services and council staff.

The diversity and breadth of the sector present challenges in national frameworks and highlight the need for flexibility.

This general framework demonstrates the breadth of the diversity in this sector as a necessary precursor to any consideration of the sector on a national basis in relation to workforce planning and skills development.

⁷ Pugalis, L., Tan, S.F., 2017, *The Role of Local Government in Local and Regional Economic Development*, University of Technology Sydney. ISBN 978-0-646-97763-8 Published September 2017 Document version 1.0

Legislative Framework

This legislative framework is significant from a structural perspective and has major implications with respect to the revenue streams of local governments and how they operate. There are three levels of government in Australia – federal, state and local (councils).

Many federal government policy initiatives require implementation at the local government level, so authority is shared between the three tiers of government. There are significant expectations of the role of local government in respect to climate change, water management services, environmental management and emergency management and the provision and maintenance of infrastructure and facilities.

Recent research studies document how fragmented and complex this framework is and describe the implications for the role of the local government sector in tandem with other governments in meeting economic growth objectives and broader socioeconomic outcomes.⁸ These studies analyse the significance of local and regional economic development in Australia's overall economic performance and prosperity.

State or territory governments define the power of local governments and determine the geographical areas for which those governments are responsible. The number, population or catchment areas and the overarching governance (including performance management) arrangements of local governments are the responsibility of the states.⁹

The various states' Local Government Acts generally outline:

- how councils are established
- how elections are run
- how and when councils meet
- how rates are charged
- how revenue can be earned or raised through borrowing
- how councils spend money
- what councils can do.

In addition to the Local Government Acts there are a range of other instruments which mean the regulatory framework is complex in its application regarding the way in which local governments operate and deliver services.

The strategic planning process and its implementation, including workforce planning, at the local government level is heavily influenced by financial capacity and available resources, the parameters of which are largely outside the direct control of the local government business entity.

⁸ Pugalis, L, Tân SF 2017, The Role of Local Government in Local and Regional Economic Development, University of Technology Sydney, Published September 2017 ; Transitioning Regional Economies – Productivity Commission Initial Report, Australian Local Government Association (ALGA) Submission to the Productivity Commission , 31 July 2017

⁹ Productivity Commission 2017, Local Government, Shifting the Dial: 5-year Productivity Review, Supporting Paper No 16, Canberra

Categorisation

Although there is much diversity in the local government sector it is possible to identify categories and groupings of individual councils for the purposes of analysis or obtaining comparative information. There are a range of systems, but naming conventions for local governments vary across Australia. This creates challenges for the implementation of any consistent national system of performance indicators. In general, publications tend to specify the criteria used to define or make comparisons within the sector, or for the purpose of analysing aggregated studies.

A comprehensive example of this can be found in the Annual *State of the Regions* (SOR) Report, coordinated by the Australian Local Government Association.¹⁰

In summary, the Local Government sector is a service provider operating along commercial business lines. Community service streams are included in these lines of business and the sector is subject to the disciplines of strategic management within a public governance framework. As a result, there can be issues affecting local government service delivery that are outside the control of municipalities, and this has an impact on workforce planning, skills development and training resources.

Within this context, the Local Government Industry Reference Committee (IRC) has responsibility for 18 qualifications, packaged in the *LGA04 Local Government Training Package*. The training package products are currently the subject of a major update to strengthen their alignment to industry expectations in relation to the skills required for job roles now and in the future.

¹⁰ National Institute of Economic and Industry Research/Australian Local Government Association, *State of the Regions Report*, July 2017
Local Government Draft 2018 Industry Skills Forecast For Public Consultation

Existing Qualification Framework

Nationally recognised Local Government qualifications (as at November 2017)

The VET qualifications that cater to this sector are as follows:

LGA10104	Certificate I in Local Government
LGA20104	Certificate II in Local Government
LGA30104	Certificate III in Local Government
LGA40104	Certificate IV in Local Government
LGA50712	Diploma of Local Government
LGA10204	Certificate I in Local Government (Operational Works)
LGA20204	Certificate II in Local Government (Operational Works)
LGA30304	Certificate III in Local Government (Operational Works)
LGA40404	Certificate IV in Local Government (Operational Works)
LGA50404	Diploma of Local Government (Operational Works)
LGA60104	Advanced Diploma of Local Government (Operational Works)
LGA30208	Certificate III in Local Government (Health and Environment)
LGA40308	Certificate IV in Local Government (Health and Environment)
LGA50208	Diploma of Local Government (Health and Environment)
LGA30404	Certificate III in Local Government (Regulatory Services)
LGA40504	Certificate IV in Local Government (Regulatory Services)
LGA50604	Diploma of Local Government (Regulatory Services)
LGA40204	Certificate IV in Local Government Administration
LGA50104	Diploma of Local Government Administration
LGA40604	Certificate IV in Local Government (Land Management)
LGA40708	Certificate IV in Local Government (Planning)
LGA50508	Diploma of Local Government (Planning)
LGA70108	Graduate Certificate in Local Government Management

Registered Training Organisation Scope of Registration

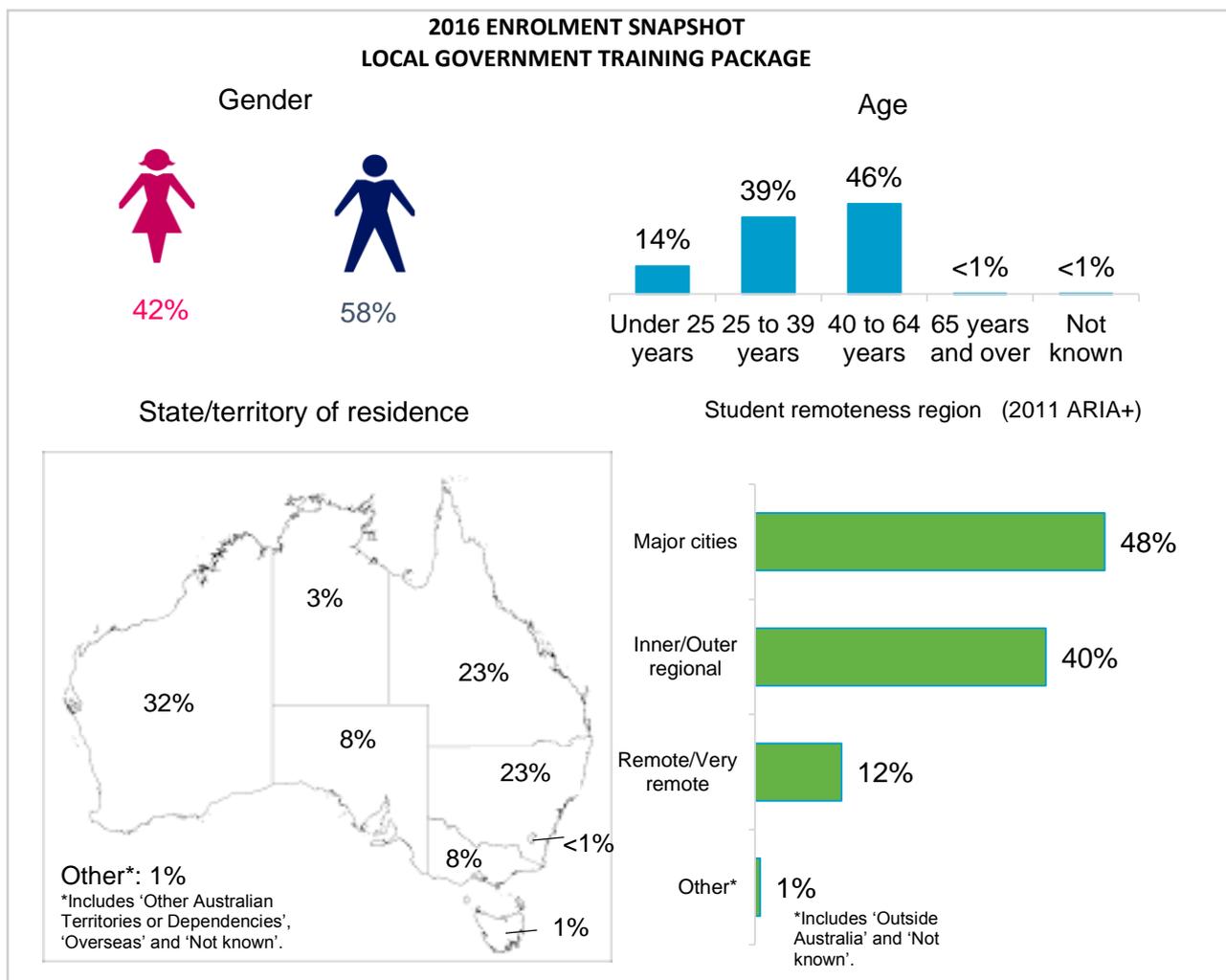
Table 1 indicates the number of Registered Training Providers (RTOs) with Local Government qualifications on scope. This data is current as at 17 October 2017 per the listing on the National Register of VET (www.training.gov.au).

Table 1

Code	Qualification title	No. of RTOs with qualifications on scope
LGA10104	Certificate I in Local Government	0
LGA20104	Certificate II in Local Government	6
LGA30104	Certificate III in Local Government	10
LGA40104	Certificate IV in Local Government	7
LGA50712	Diploma of Local Government	6
LGA10204	Certificate I in Local Government (Operational Works)	0
LGA20204	Certificate II in Local Government (Operational Works)	4
LGA30304	Certificate III in Local Government (Operational Works)	8
LGA40404	Certificate IV in Local Government (Operational Works)	8
LGA50404	Diploma of Local Government (Operational Works)	6
LGA60104	Advanced Diploma of Local Government (Operational Works)	1
LGA30208	Certificate III in Local Government (Health and Environment)	2
LGA40308	Certificate IV in Local Government (Health and Environment)	1
LGA50208	Diploma of Local Government (Health and Environment)	4
LGA30404	Certificate III in Local Government (Regulatory Services)	4
LGA40504	Certificate IV in Local Government (Regulatory Services)	8
LGA50604	Diploma of Local Government (Regulatory Services)	2

LGA40204	Certificate IV in Local Government Administration	10
LGA50104	Diploma of Local Government Administration	7
LGA40604	Certificate IV in Local Government (Land Management)	1
LGA40708	Certificate IV in Local Government (Planning)	7
LGA50508	Diploma of Local Government (Planning)	6
LGA70108	Graduate Certificate in Local Government Management	1

Source: Training.gov.au. RTOs approved to deliver this qualification. Accessed 17 October 2017.



Source: NCVER VOCSTATS (Program enrolments 2016 by various breakdowns) Base count n=1,075

General notes on statistics:

1. Enrolment data is sourced from NCVER VOCSTATS (program enrolments and completions 2014 – 2016), accessed October 2017.
2. It is important to note that not all training providers are currently required to submit enrolment and completion data through the NCVER VOCSTATS database, and therefore some figures presented may underrepresent the true number of enrolments and completions for a qualification. From 2018, however, **all** training providers will be required to submit data, and, as a result, the current discrepancies noted between the national NCVER figures and actual attendance should be minimal in future releases. The data presented in this report is shown for indicative purposes.
3. Figures reflect public and private RTO data.
4. Superseded qualifications, and their respective enrolment and completion data, are not tabled.

Table 2 shows the Enrolments for each qualification from 2014-2016.

Table 2

Qualification	Enrolments	2014	2015	2016	Total
LGA10104 - Certificate I in Local Government ₁	E	0	0	0	0
LGA10204 - Certificate I in Local Government (Operational Works) ₁	E	0	0	0	0
LGA20104 - Certificate II in Local Government	E	10	3	3	16
LGA20204 - Certificate II in Local Government (Operational Works)	E	7	0	22	25
LGA30104 - Certificate III in Local Government	E	107	71	66	237
LGA30208 - Certificate III in Local Government (Health and Environment)	E	1	0	2	4
LGA30304 - Certificate III in Local Government (Operational Works)	E	166	72	50	292
LGA30404 - Certificate III in Local Government (Regulatory Services)	E	6	35	57	99
LGA40104 - Certificate IV in Local Government	E	9	10	2	15
LGA40204 - Certificate IV in Local Government Administration	E	43	32	17	95
LGA40308 - Certificate IV in Local Government (Health and Environment)	E	0	2	5	10
LGA40404 - Certificate IV in Local Government (Operational Works)	E	44	44	75	162
LGA40504 - Certificate IV in Local Government (Regulatory Services)	E	208	372	406	987
LGA40604 - Certificate IV in Local Government (Land Management) ₁	E	0	0	0	0

LGA40708 - Certificate IV in Local Government (Planning)	E	32	41	28	102
LGA50104 - Diploma of Local Government Administration	E	13	196	209	416
LGA50208 - Diploma of Local Government (Health and Environment)	E	0	11	16	22
LGA50404 - Diploma of Local Government (Operational Works)	E	5	6	6	14
LGA50508 - Diploma of Local Government (Planning)	E	1	47	41	93
LGA50604 - Diploma of Local Government (Regulatory Services)	E	3	4	0	4
LGA50712 - Diploma of Local Government	E	26	53	41	120
LGA60104 - Advanced Diploma of Local Government (Operational Works)	E	0	0	0	1
LGA70108 - Graduate Certificate in Local Government Management ₁	E	0	0	0	0

Source: NCVER VOCSTATS, TVA program 2016, accessed November 2017

₁ No NCVER data on this qualification.

National peak bodies and key industry players

The list below represents a range of organisations that perform a variety of key roles in this sector. These organisations and their networks are well placed to offer industry insights at the time of training package review. Industry engagement will include a broad and inclusive range of stakeholders beyond those included in this list, as relevant to the nature of training package product review.

State Government Departments

- Office of Local Government NSW
- Department of Local Government Sport and Cultural Industries, and Department of Communities (WA)
- SA Office of Local Government
- Local Government Victoria
- Queensland of Local Government
- NT Government
- ACT Government

State/Territory Local Government Associations

- Local Government Association of Northern Territory
- Local Government Association of Queensland
- Local Government Association of South Australia
- Local Government Association Tasmania
- Western Australian Local Government Association
- Local Government of New South Wales
- Municipal Association of Victoria

Unions

- United Services Union
- Australian Services Union
- Australian Workers Union

Professional Associations

- Institute of Public Works Engineering Australasia (NSW)
- Local Government Engineers Association (LGEA)
- Environmental Health Australia
- Planning Institute of Australia
- Local Government Professionals Australia Federation
 - Local Government Professionals Australia (National)

- Local Government Managers Australia (LGMA), QLD
- Local Government Professionals Australia, NSW
- LG Pro Vic
- Local Government Professionals Australia, TAS
- Local Government Professionals Australia, SA
- Local Government Professionals Australia, WA
- Local Government Professionals Australia, NT
- Department of Infrastructure, Regional Development and Cities
- Registered training organisations, both public and private
- Large and small private employers across metropolitan, regional, rural and remote areas
- University of Technology, Sydney, Institute for Public Policy and Governance, Centre for Local Government
- Victorian Local Governance Association (VLGA)
- ICLEI (Local Governments for Sustainability, formerly International Council for Local Environmental Initiatives)

Workforce Challenges and Opportunities

The following factors have a significant impact on the skills requirements of Councils' workforces:

- Regulatory changes, including workforce credentials to perform specific services.
- Councils' accountability to residents and ratepayers as to how public money is spent and the quality of council services provided.
- The increasing complexity of service delivery.
- The management of the public/private/civic interface. Local Government is the local face of national policy, and individual councils can hold views that aren't necessarily synergistic with the federal government's policies on a range of issues as the first-line of communication about the local impacts of water management, road safety, climate change and sustainability policies, etc.
- The required safeguards in the system which assign clear roles and responsibilities with respect to elected officials and council workers to mitigate the impact of high profile cases of governance failures. There is a requirement for increased transparency in order to give credibility to practices, governance and ethics.
- The increasing breadth and frequency of the application of technology in business processes - for example, asset management (which includes property, plant and equipment) and the coordination of maintenance activities, service delivery and community access.

- The management of the direct and indirect effects of unemployment, particularly youth unemployment in rural and regional Australia.
- The management of services to relevant populations in line with demographic expectations: for example, the aged, families, the unemployed, students, housing density, local industry employment, etc.
- Carrying out the legal responsibilities of a road authority.
- Recognising, encouraging, and implementing innovative solutions to local government problems.

The need for soft skills within local government is recognised and evidenced in a variety of both accredited courses and non-accredited training. Targeted programs to ‘fill the gap’ between formal qualifications and the skills necessary for the performance of job roles have also been implemented. Industry has reported frustration with applicants who have tertiary qualifications and yet who lack the skills required for the job roles for which they are applying.

Challenges associated with developing these skills include the need for a consistent definition of what they are and how best to structure training package products to flexibly align to Local Government contexts.

Regional and remote communities

According to ABS (2016) data¹¹, in 2016 approximately two-thirds of Australia’s population (16.24 million people) lived in greater capital cities and one-third (7.97 million people) lived in the rest of Australia. The age distribution as of June 2016 saw a higher representation of people aged 20 to 44 years residing in capital cities. People in this age group represented 38% of the combined capital city population, compared with 30% of the population in the rest of Australia. This is reflective of younger adults preferring cities where they can access education, employment and other opportunities. In contrast, older adults aged 45 years and over made up a smaller proportion of the population in capital cities (37%) than the rest of Australia (45%).

Creating a sustainable workforce in regional and remote communities raises additional challenges, including how best to support a workforce that generally has a lower qualification profile and greater difficulties accessing training and professional development, as well as the broader issues ranging from the higher cost of living to housing shortages. Regional and remote councils face difficulties recruiting, attracting and retaining staff, with the main contributing reasons being uncompetitive salaries, a lack of suitably skilled workers, and geographical remoteness.

Continued support for effective programs addressing the development and employment growth of Aboriginal and Torres Strait Islander employees is critical, especially in regional and remote areas where councils face difficulties in attracting and retaining staff. Within communities these programs have an important relationship with broader programs such as *Closing the Gap* (housing, health, early childhood development, education, economic participation and remote service delivery). In addition, a workforce familiar with matters of cultural significance, including communication

¹¹ Australian Bureau of Statistics (ABS) 2016, *3235.0 Population by age and sex, regions of Australia, 2016*, viewed 16 October 2017, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3235.0>.

methods and respected networks, has a critical advantage in the delivery of municipal services and infrastructure within Indigenous communities.

Skill sets appear to be valued in the Local Government sector, and the current update of Training Package products examines how clusters of elective Units of Competency across qualifications could also be defined as skill sets to increase flexibility and allow for the targeted upskilling of new and existing workers.

The potential for skill sets aligned to job functions to strengthen flexibility and facilitate workforce planning during times of change is particularly evident where specific needs must be addressed. For example:

- Where there are significant changes in the scope of council activities – for example, where contract management, service delivery and strategic planning require the upskilling of the existing workforce
- Where there is a need to build consistency in the knowledge and skills-base of elected officials; for example, in respect to business processes and/or governance/ethics, common purpose, financials, etc.
- Where there is potential to upskill staff members in order to increase capacity by enabling them to acquire specific skill sets
- Where officers need a greater range of skills than they currently hold
- Where there are evident gaps in skills knowledge in specialised areas, e.g. economic development
- Where there are procurement processes including specification preparation and tender assessment
- Where there are complex safety management functions, including WHS system development and implementation, and road safety assessment and management function, including road safety auditing and training in traffic control at worksites
- When there are changes in demographics and a need to work with diverse populations.

Labour Mobility

Australia has an ageing population, with projections that people aged 65 and over will double in number by 2057¹². This will have specific implications for local government as employees aged 50 years or over are estimated to represent 37% of the local government workforce, compared to the Australian average of 29%¹³.

Regions with a significant proportion of residents who are over 65 and relying on pensions as their sole income, for example, will continue to be challenged when it comes to paying for what society considers to be essential services.

In other regions, youth unemployment is deemed to be both a significant economic and social issue.

¹² Australian Government 2017, Australian Institute of Health and Welfare, <https://www.aihw.gov.au/reports-statistics/population-groups/older-people/overview>, updated 22 June 2017, viewed 24 October 2017

¹³ Hastings, C., Ryan, R., Gibbs, M & Lawrie, A. 2015, *Profile of the Australian Local Government Workforce 2014 Report*, Australian Centre of Excellence for Local Government (ACELG), University of Technology, Sydney. Local Government Draft 2018 Industry Skills Forecast For Public Consultation

All local councils compete with the wider employment sector to attract and retain suitable staff. In order to overcome any perceived obstacles to attracting and retaining staff, councils need to position themselves as organisations that workers will want to work for and in which they will be able to build careers.

In addition, mobility between the local government and other sectors is enabled where employees are able to develop and build on broad-based transferable skills. This is particularly relevant where councils are competing to attract younger workers to mitigate an ageing workforce and the attendant loss of expertise when those older workers retire.

The role of pathways and apprenticeship and traineeship programs is significant in this sector. There is particular value in these programs where local governments are major regional employers. The training package products need to accommodate appropriate arrangements for young people to develop broad-based transferable skills and support youth employment programs.

- *Meaningful apprenticeship or traineeship programs in the new training packages could provide local pathways to job roles and a foundation for further skills development and career opportunities.*

The *National Local Government Workforce Strategy 2013-2020* incorporates strategies focused on improving the experience of workers in local councils. The first relevant strategy identified involves the promotion of local government as a 'place-based' employer of choice. As a place based employer, local government can develop significant competitive advantages in the areas of:

1. Connection – working with the local community
2. Contribution – producing high quality infrastructure, services, and social, economic and environmental outcomes, and
3. Credibility – offering the opportunity for work within an organisation focused on public value and community well-being¹⁴.

Other strategies include ways of creating a contemporary workplace and promoting the professional development of employees.

¹⁴ Australian Centre of Excellence for Local Government (ACELG) 2013, *Future-proofing local government: national workforce strategy 2013-2020*

Gender Equality

Recent studies in the public and private sectors have focused on the number of women in leadership positions in Australia. At the last round of local government elections, women accounted for just 32% of all candidates and were elected to 30% of positions. Even fewer (24%) of mayoral candidates were women but, again, almost all were elected. Women account for a higher proportion of staff positions (46%) but this falls as the management level rises. Only 11% of council chief executives are women.¹⁵ As part of a renewed commitment to gender equality in local government administrative leadership, Local Government Professionals Australia convened a workshop in May 2017 to identify the barriers and develop strategies in a draft action plan for achieving 50/50 gender balance by 2030. The workshop raised a number of issues highlighting how gender equality is consistent with effective leadership and delivering better local government that is responsive to the needs and aspirations of Australian communities.

In an ACELG (Australian Centre for Excellence in Local Government) Survey¹⁶, collectively a quarter of local governments reported either having an established workforce plan (10%) or being in the process of implementing one (17%), while the majority of local governments (61%) reported that they were developing such a plan.

In the survey, councils were asked to describe, in their own words, what they considered to be the top three challenges they face in terms of their workforce development.

The foremost challenge reported was the ageing workforce and the high levels of impending retirements (19%). Other issues relating to the ageing workforce included knowledge management/transfer (11%), the difficulty in attracting younger workers to council (10%), and the investment required in new machinery/tools due to the decreasing physical capacity of workforce (10%). Challenges relating to skills shortages (19%), recruitment competition (19%), and competition with city councils (11%) are also key concerns. Identified challenges to workforce development relating to human resource management included a lack of workforce planning resources (18%), staff retention (15%), leadership development (15%), and succession planning (10%).

Nearly one in five councils mentioned “legislative requirements/training/skills not available” as an issue. Local governments may not always be able to access the skills and qualifications needed for specific roles, either because training is not available locally (for regional and rural councils) or, more broadly, because state legislation requires qualifications which are no longer available or not transferrable from other jurisdictions.

These issues remain relevant in the sector and are being raised in discussions regarding the update to the training package products. As the consultation process extends as part of the update process, it is expected that these issues will continue to be reported as ongoing challenges.

¹⁵ Evans, M and Haussegger V, Gender Diversity Co-Design Workshop Report 2017 LG Professionals Australia National Congress, <https://www.lgprofessionalsaustralia.org.au/uploads/3/7/4/2/37423121/online-gender-diversity-co-design-workshop-1.pdf>; <http://www.5050foundation.edu.au/>

¹⁶ Hastings C, Ryan R, Gibbs M & Lawrie A 2015, Profile of the Local Government Workforce 2014 Report Australian Centre for Excellence for Local Government, University of Technology Sydney Local Government Draft 2018 Industry Skills Forecast For Public Consultation

Employment Skills and Outlook

Local government nationally employs just under 188,900 Australians¹⁷. As an employer, local government requires a diverse workforce that encompasses a wide range of occupations, requiring a very broad range of skills of its personnel.

The outlook for the employment skills required by this sector involves roles in the following broad categories:

1. Councillors, who are elected members
2. Council staff and administration.

The business activities of local governments have given rise to a reassessment of the roles and responsibilities required. This is evidenced in various workforce planning and capability frameworks as well as in international OECD studies and research published by the Australian Productivity Commission, local governments themselves and their related Associations.¹⁸

Integrated planning and reporting frameworks are sometimes mandated under the states' respective Local Government Acts. An example is found in NSW, where councils are required to prepare a set of planning documents, including a mandatory workforce management plan.¹⁹

Although there is no national reporting framework, the Australian Local Government Association does publish the annual *State of the Regions* Report (SOR).²⁰ This report provides an annual stock-take of the economic wellbeing of Australia's regions and their prospects for economic development and employment growth. These reports identify the importance of individual context in respect to any insights or trends and include a comprehensive snapshot of each local government entity which, among other things, emphasises the diversity of the sector.

The SOR divides Australia into 67 regions and allocates every local government authority to a regional type or zone. The report provides a detailed analysis as to how these regions are performing and then analyses the likely consequences of current issues if they remain unresolved. The current report is titled *2017–2018: Pillars of Regional Growth*.

There is significant variation in workforces' requirements and capabilities. For example, smaller rural and regional governments often face difficulties in being able to provide and maintain the necessary range of technical and professional skills – for example, engineering IT and health-related roles – required to undertake their functions. Some individual local governments have responded by sharing professional and technical staff between councils where it is possible to do so.²¹

¹⁷ Australian Local Government Association (ALGA) n.d. *Facts and Figures on Local Governments in Australia*, viewed 16 October 2017, <http://alga.asn.au/?ID=59&Menu=41,8>.

¹⁸ **OECD Public Governance Reviews, Skills for a High Performing, Civil Service**; National Institute of Economic and Industry Research/Australian Local Government Association, *State of the Regions Report* July 2017

¹⁹ NSW Local Government Workforce Strategy 2016-2020, Prepared by Local Government NSW, in collaboration with industry partners <http://www.lgnsw.org.au/key-initiatives/workforce-development-strategy>, accessed 6 2 2018

²⁰ State of the Regions Reports have included 2016 – 17 Supporting a Prosperous Visitor Economy. 2015 – 16: Inequality between and within Regions, 2014-2015 Regional Development in a Globalised Economy. Refer to www.aqlga.asn.au for a complete listing of the Reports commencing 1998-99, and access to recent Reports.

²¹ Productivity Commission 2017, *Local Government, Shifting the Dial: 5-year Productivity Review, Supporting Paper No 16*, Canberra

Generic Skills Ranking

Note: The 12 generic skills listed below, including the descriptors, were provided by the Department of Education and Training for ranking purposes. For the 2018 ranking exercise, an 'Other' generic skill option was included in the list to capture any additional key skills for an industry. Please note that, in this case, no other generic skills were identified.

1	LEARNING AGILITY / INFORMATION LITERACY / INTELLECTUAL AUTONOMY	Ability to identify a need for information. Ability to identify, locate, evaluate, and effectively use and cite the information. Ability to develop a working knowledge of new systems. Ability to work without direct leadership and independently.
2	MANAGERIAL / LEADERSHIP	Ability to effectively communicate with all functional areas in the organisation. Ability to represent and develop tasks and processes for desired outcomes. Ability to oversee processes, guide initiatives and steer employees toward achievement of goals.
3	CUSTOMER SERVICE / MARKETING	Ability to interact with another human being, whether helping them find, choose or buy something. Ability to supply customers' wants and needs. Ability to manage online sales and marketing. Ability to understand and manage digital products.
4	COMMUNICATION / COLLABORATION / SOCIAL INTELLIGENCE	Ability to understand/apply principles of creating more value for customers and collaborative skills. Ability to critically assess and develop content with new media forms and persuasive communications. Ability to connect in a deep and direct way.
5	TECHNOLOGY AND APPLICATION	Ability to create/use of technical means, understand their interrelation with life, society, and the environment. Ability to understand/apply a scientific or industrial processes, inventions, methods. Ability to deal with mechanisation/ automation / computerisation.
6	DESIGN MINDSET/ THINKING CRITICALLY / SYSTEM THINKING / PROBLEM SOLVING	Ability to adapt products to rapidly shifting consumer tastes and trends. Ability to determine the deeper meaning or significance of what is being expressed via technology. Ability to understand how things that are regarded as systems influence one another within a complete entity, or larger system. Ability to think holistically.
7	FINANCIAL	Ability to understand and apply core financial literacy concepts and metrics, streamlining processes such as budgeting, forecasting, and reporting, and stepping up compliance. Ability to manage costs and resources, and drive efficiency.
8	ENVIRONMENTAL / SUSTAINABILITY	Ability to focus on problem solving and the development of applied solutions to environmental issues and resource pressures at local, national and international levels.
9	LANGUAGE, LITERACY & NUMERACY (LLN)	Foundation skills of literacy and numeracy.
10	DATA ANALYSIS	Ability to translate vast amounts of data into abstract concepts and understand data based reasoning. Ability to use data effectively to improve programs, processes and business outcomes. Ability to work with large amounts of data.
11	ENTREPRENEURIAL	Ability to take any idea and turn that concept into reality / make it a viable product and/or service. Ability to focus on the next step / closer to the ultimate goal. Ability to sell ideas, products or services to customers, investors or employees etc.
12	STEM Science, Technology, Engineering and Maths (STEM)	Sciences, mathematics and scientific literacy.

Future Skills Needs

Strategic Planning

Increasingly, the roles and responsibilities of senior local government officers include aspects of strategic planning across all facets of council activity.

The local government sector, as noted, comprises significant asset and resource bases and, when viewed as a business, requires the processes and disciplines of a commercial operation. Strategic planning and business planning skills are increasingly relevant as local government seeks to define parameters and performance measurements in the face of increasing responsibility (which some might call 'cost shifting') and static or reduced funding and revenue resources. Infrastructure management includes assets, services and the environment. There are also significant strategic planning issues in respect to road system safety and maintenance and capital renewal.

Service delivery

The complexity of public service delivery has grown in most countries as the channels for service delivery increase and services are increasingly delivered by networks of agents who may or may not be directly employed by the government. In many ways, client-facing employees are required not only to provide services, but also to help citizens to find their way through these complex service systems to get the help and services they need. This means that client-facing public employees need to have the skills in order to be more than transactional, and also need to act as guides or pathfinders to help citizens navigate complex webs of services, entitlements, benefits and eligibility requirements. This requires a detailed knowledge and awareness of the community and the government, and a need for highly developed communication skills, empathy and reflection, as well as a level of discretion and the empowerment to get issues resolved.²²

Increasing demand coupled with fiscal constraints means that there is increasing pressure to identify efficiencies, including those which can be achieved in work design and productivity. Technology has facilitated greater transparency in service delivery and performance which can be adopted in terms of establishing productivity measures. These can be applied to, for example, utility usage, the ability to weigh/predict volume in waste collection and processing, and infrastructure management, including assets, services and the environment.

Local governments are accountable to their communities and a structured review process has been adopted in some areas of the sector. Service delivery reviews form an ongoing process to ensure local government is delivering what the community needs in the most responsively and efficiently, especially with changing community needs and emerging external factors such as the need to respond to climate change. Establishing a review process builds the capacity of both staff and the community to think critically and systematically about current and future service needs. It also leads to innovation in service provision.²³

²² OECD, OECD Public Governance Reviews, *Skills for a High Performing Civil Service*

²³ SallyAnn Hunting, Roberta Ryan and Tim Robinson at the University of Technology Sydney, Centre for Local Government (UTS: CLG) and Australian Centre of Excellence for Local Government (ACELG), *Service Delivery Review – A 'how-to' manual for local government*, 2nd edition June 2015

A changing community expectation

Being at the forefront of government, local councils have the greatest capacity to identify and respond to changing and emerging community needs and expectations. To meet changing community expectation, local government must be able to understand and address the current and future needs of their communities, as well as the challenges and opportunities those communities face. This includes sound management of council finances, assets, and resources to create the best value; engaging the community; promoting fairness; maintaining asset and service standards; and meeting statutory responsibilities.

Risk Management

Local governments have a critical role in the management of risk and safety of communities in multiple key areas with high visibility.

For example, key areas of concern include:

- *Emergency Response Management*

Local governments play a central role in emergency management because of their primary responsibility for ensuring the safety of their communities and providing immediate emergency response following a disaster. Therefore, as first responders in emergency situations, local governments should be adequately prepared to provide immediate and continued assistance to their constituents. The updates to the training package products will need to include reference to other training packages prescribing standards in this area.

- *Counter-Terrorism*

The role of local government in counter-terrorism is often overlooked. The introduction of bollards in public places is a visible and recent example of a response to this threat.

According to Bergin (2017), there has been little attention given to determining the consequences for local government of a terrorist attack, which will involve financial costs but also cause damage to social and economic systems, to structures, to regional reputations and to the capabilities and roles of local government in enacting counter-terrorism prevention and response.

Updates to the training package products need to take into account the changing roles and skill needs of local governments in relation to counter-terrorism.

- *Community Safety*

The responsibility of ensuring the safety of the community does not rest only on the police. Governments, communities, and partnerships at all levels must be actively engaged. Local government represents the closest level of government to the community which is why it is uniquely placed to make sure that communities remain safe, secure, and vibrant.

In more than 20 countries, local authorities and communities are developing community-based policies and programs with the support of national government bodies that promote community safety (International Centre for the Prevention of Crime, 2001). Also, authorities are beginning to acknowledge that collaborative crime prevention efforts are likely to be more

effective than single agencies (such as a police department) working alone, and that targeted strategies using extensive analysis, monitoring, and evaluation, often yield better results.

Other

- Changing environmental legislation. The dynamic changes in this impact on local government compliance.
- Road safety and the implications of *Adopting the Safe System Approach*, as well as autonomous vehicles. Local roads comprise over 85% of the Australian road network.
- Playground safety. Frequent inspections of playgrounds and equipment are essential to ensure they are inclusive, safe, and up to standards.
- Risk management, in light of the ongoing changes to the legislative environment within which local government operates.

Leadership

Leadership skills are of significant importance in the local government sector. A structured framework to identify, develop and foster these skills is evidenced in some local governments, while others report a lack of resources and expertise to address them.

Formal training provides a foundation for the diverse skills associated with leadership, from technical skills to solving problems and managing change. One in four senior leaders in private sector organisations have no formal training beyond secondary school. The same is true of the majority of Australian-owned small or medium-sized organisations. Investing in leadership development is positively associated with leadership capabilities and self-efficacy, which in turn significantly improve workplace performance and innovation.²⁴ Integrity, and the importance of public trust, is also an important element of effective leadership in the sector.

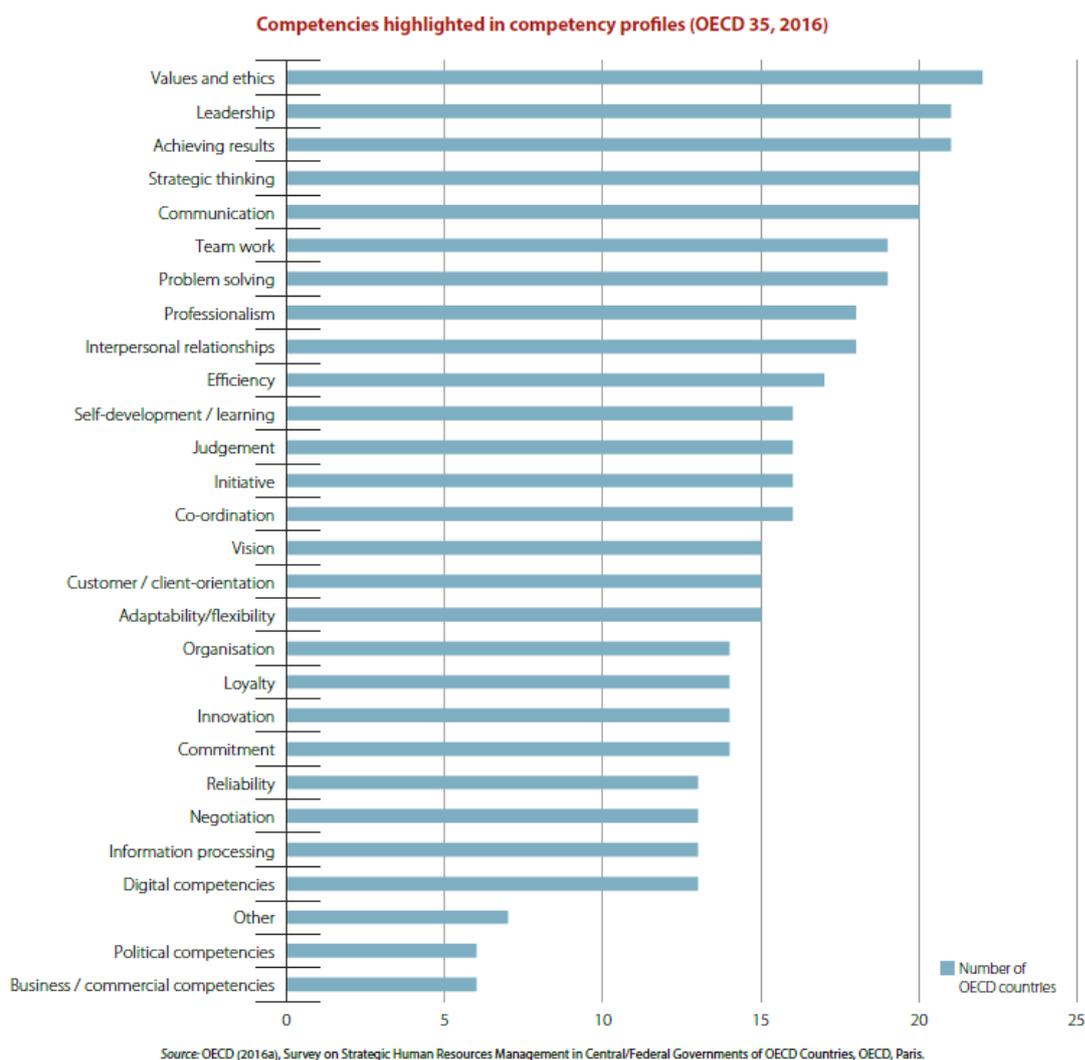
Governance

Public expectations of staff performance are significant in the local government sector. These expectations apply to all levels of the workforce and include elected officials.

A recent OECD study showed that most countries ranked Values & Ethics and Leadership as the most important qualities that their leaders should espouse.²⁵

²⁴ Australian Government 2016, Department of Employment, Centre for Workplace Leadership, *Leadership at Work: Do Australian leaders have what it takes?*

²⁵ OECD, OECD Public Governance Reviews, *Skills for a High Performing Civil Service*



Elected Members

Elected members have a challenging role and often take office ill-prepared, with neither the knowledge nor the skills required to carry out their responsibilities. There are no official prerequisites to stand as a candidate, and elected officials often represent diverse communities with competing priorities. Once elected, councillors can be responsible for overseeing multi-million-dollar budgets.

In South Australia, Western Australia and Tasmania, voting in local government elections is not compulsory, and this creates the risk that sectional interests can be overrepresented in decisions about service delivery priorities. This phenomenon has been the subject of research studies.²⁶ Until recently, SA was the only state that required that elected members received training in order to hold office. However, mandatory training is now being considered in most states²⁷.

Local government associations, councils, government departments and private providers now provide councillor-specific training in a wide range of topics and formats. Today there is a range of

²⁶ ACELG Issues Paper 2012 A National Review of Training and Development for Local Government Councillors; prepared by Sue Davey with Jenny Brands

²⁷ Ibid pp. 22 -25

high quality, relevant training and professional development opportunities available for local government councillors.

There are, however, some gaps in the training and professional development being offered, with significant differences from state to state.

There is also sector-wide interest in a nationally coordinated approach to providing accredited programs that cover the full range of knowledge and skills required to fulfil the role of councillor.

Preparation of newly-elected Councillors for their roles

Newly elected councillors can feel both overwhelmed and unprepared for the workload which faces them, as well as for the depth and breadth of the responsibilities which they will assume once elected. The 2016 Census of elected members in WA conducted by the University of WA found that approximately one in four elected members completing the survey had not completed Year 12 of secondary education.²⁸

Soft Skills

Soft skills include things like communication, teamwork, problem solving, emotional judgement, professional ethics and global citizenship. Deloitte Access Economics forecasts that two-thirds of jobs will be soft-skill intensive by 2030²⁹.

Soft skills are almost universally viewed as desirable but consistent definitions are elusive. Research in the Local Government sector has highlighted the need for skills in relation to collaboration within the sector, with the public and with external parties. These skills are highly valued and becoming more significant as the range of services and functions evolve.

A survey conducted in 2015 of over 450 business managers and executives in Western Sydney cited teamwork, communication skills and time management as being the most vital skills for job applicants (*TAFE NSW 2015*). Megatrends like technological advancement and globalisation will contribute to more demand for people with soft skills as the geographical barriers fall due to technology facilitating the much easier connection of people across countries. For decision-makers the ability to effectively communicate, problem-solve and think critically is important for success. Credentials for soft skills are beginning to emerge. The benefits to businesses are twofold. Firstly, recruitment processes can be made more efficient as credentials allow recruiters to pre-screen potential candidates for the requisite soft skills. Secondly, more targeted recruitment for soft-skilled candidates allows businesses to make savings versus training and developing their own workforces later on³⁰. These skills are vital to workers within the local government sector in the future as frontline staff often need to show empathy and display ethical judgement in respect to complex issues that can be personal in nature - as in, for example, the need to intervene in matters such as home renovations, neighbourhood disputes, and issues involving pet animals. Dealing with conflict in the course of one's work also involves utilising these skills, and is a requirement in many local government job roles where the enforcement of regulatory or legislative requirements is a vital component of the role – as is the case, for example, for parking rangers.

²⁸ WA Department of Local Government, Sport and Cultural Industries, Local Government Act 1995 Review – Phase 1 consultation Paper, 8 November 2017

²⁹ Deloitte Access Economics 2017, *Soft skills for business success*, DeakinCo, May 2017

³⁰ Deloitte Access Economics 2017, *Soft skills for business success*, DeakinCo, May 2017

There are a number of Units in the existing training package products that need to be updated to align with these aspects of job roles, and there are also cross-sector project considerations to be addressed. However, it is imperative that industry be satisfied that the specific needs of the local government workforce are met.

These skill requirements are not unique to Australia and are reflected in OECD research.

Technology

With the constant evolution of technology through automation, artificial intelligence (AI) and robots, the skills needed by the workforce today will be vastly different in the coming years. Technological disruption will require the ability to adapt, as it will change the process by which some jobs are carried out and possibly replace others entirely.

Australians are generally welcoming of technology and most believe that innovation and new technology development is vital for Australia's future prosperity³¹. There are some claims that, due to technology, approximately 40% of the workforce will be replaced by computers in the next 10 to 15 years³². This does not take into account, however, the fact that new technology also creates new jobs and often replaces inefficient processes. Also, rather than replacing a worker's role, the rise of technology and automation won't necessarily change what jobs workers do. Rather, it will change the way in which workers perform their jobs. Technological advancement has the ability not just to impact low-skilled workers by replacing menial tasks through automation, but also affect highly skilled workers through supplementary AI, or even by replacing cognitive tasks³³. It is imperative that training package products being developed or updated are flexible enough to incorporate rapid changes in technology and do not 'time-lock' training to current systems only.

Digital Literacy of the Workforce

Technology has had a major impact on how local governments engage with the community and stakeholders, particularly with respect to accessing and sharing information, the release of information to appropriate audiences, and engagement and transparency.

Digital literacy and competency in the use of different technological platforms are recognised as essential skills for the future. Without basic digital competencies a person will not have the skills to negotiate the digitally connected world which has now become the norm³⁴. Workers will need the ability to use digital technology in their jobs to access and use information and digital content; communicate and collaborate through digital technologies; manage their digital identity; develop digital content, and use and protect their digital devices, personal and organisational data and privacy³⁵.

³¹ Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

³² See for example http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/26792~Futureworkforce_June2015.pdf, <https://startupaus.org/startups-and-tech-companies-are-the-engine-room-for-australias-future-workforce/> and <http://reports.weforum.org/future-of-jobs-2016/chapter-1-the-future-of-jobs-and-skills/>

³³ Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

³⁴ Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

³⁵ Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

The digital transformation in governments is resulting in an ever-increasing number of ways in which local governments can interact with the community to identify issues and propose better policy and service solutions. Social media can allow governments at the local level to source ideas from the public to provide platforms for policy discussion, as well as providing information. Managing social media is a particular skill set that is not usually combined with policy expertise, and it requires a new and constantly updated skill set. A current cross-sector project is investigating the nature of consumer engagement through online and social media and considering the skills that are required now and will be required in the future.³⁶

There are emerging developments in defining national standards for Big Data skills, particularly those in relation to data management, data analytics and data driven decision-making, and identifying related skills needs shared by multiple industry sectors.³⁷ Additionally, there is a requirement for cybersecurity skills, particularly those utilised in relation to data confidentiality, protection and privacy, and there is a need to identify related skills needs shared by multiple industry sectors.³⁸ There are currently Cases for Change under consideration by the AISC that have been developed regarding cross-sector skills of this nature.

The 2017 *Digital Productivity Report* by the Local Government Association of Queensland noted that councils in Queensland have realised that there is a skills shortage in terms of digital literacy. 43% of councils in Queensland are committed to overcoming this shortfall by recruiting new staff who already have these skills or by training existing staff³⁹. Not only are councils in Queensland looking to upskill their workers in digital literacy but they are also looking to implement technology into their work practices, given their understanding that being digitally enabled and productive through technological advancements allows for enhanced communication and engagement with residents and their communities. Over the last six years, councils in Queensland have moved away from simply collecting data as a performance measure to a more strategic approach. This will afford more opportunities for councils to improve their processes and deliver better community outcomes⁴⁰.

Councils in Queensland are also becoming increasingly aware of the value of engaging with customers through social media, and are concentrating their efforts on Facebook. 57% of councils in Queensland report that they use social media to engage with customers⁴¹. This also means that staff will need the skills to be able to manage this new job function. The *Australian Workforce Strategy 2013-2020* recognises the need for councils to invest in the skills of their workforce and has highlighted this as a major strategic initiative⁴².

The Office for Local Government NSW has also identified the upskilling of staff as a major strategy and has outlined actions to complement the need to invest in skills, including developing state-wide strategies to increase the employment of apprentices and trainees in local government; developing a state-wide proposal for vocational education and training funding in order to address common skills

³⁶ <https://www.skillsiq.com.au/CurrentProjectsandCaseStudies/Consumerengagement>

³⁷ <https://www.skillsforaustralia.com/cross-sector-projects/big-data/>

³⁸ <https://www.skillsforaustralia.com/cross-sector-projects/cyber-security/>

³⁹ Local Government Association of Queensland (LGAQ) 2017, *Digital Productivity Report*

⁴⁰ Local Government Association of Queensland (LGAQ) 2017, *Digital Productivity Report*

⁴¹ Local Government Association of Queensland (LGAQ) 2017, *Digital Productivity Report*

⁴² Australian Centre of Excellence for Local Government (ACELG) 2013, *Future-proofing local government: national workforce strategy 2013-2020*

gaps among employees; and developing and implementing a capability framework that describes the capabilities required by councillors and employees of local government⁴³.

Procurement Skills

Local government purchasing processes need to be transparent to ensure public trust is not compromised by commercial transactions. The size and complexity of the transactions varies enormously and so too do the processes involved. Increasingly, local government departments also establish contractual relationships with third-party service providers to deliver services to citizens on their behalf. This can take many forms, from service contracts and grants to non-profits and social impact bonds. Expectations are that local government staff will be able to conduct complex impact assessments, cost/benefit analyses, risk management, forecasting and foresight, and assess value for money. This requires a range of commercial, legal and regulatory skills that go far beyond most countries' expectations of traditional procurement agents. They include knowledge of markets and the ways in which firms operate; how to design and manage contractual relationships in a way that provides value to all parties (and especially the public); and how to regulate markets. This necessitates not only commercial skills to establish and manage contracts, but also the ability to set market-based policy frameworks and design systems for providing feedback on how the various actors (regulators, commissioners, providers) are achieving policy objectives. Additionally, local government employees setting up and managing contracts need to have skills related to integrity and the management of conflicts of interest⁴⁴.

A significant aspect of procurement in the local government sector is the longer-term nature of managing the contracts. For example, a service delivery contract to local governments may extend over a number of years and require specialised knowledge of equipment, machinery and resource allocation. The contract management aspects are yet a further layer of complexity in the procurement function in this sector.

Road and infrastructure projects, in particular, often extend across networks and require a high degree of collaboration, both within the sector and with other tiers of government, as well as private businesses. Examples are road systems, water management, plant purchase and maintenance, etc.

⁴³ Local Government NSW (LGNSW) 2017, *NSW Local Government Workforce Strategy 2016-2020*

⁴⁴ OECD, *OECD Public Governance Reviews, Skills for a High Performing Civil Service*

Key Drivers for Change and Proposed Responses

The Local Government Training Package is currently undergoing a full update to ensure it is fit for purpose and aligned to current and future industry skill needs.

Significant changes in job roles related to health and environment, waste management, water management, procurement, and commissioning and controlling assets have been identified within a framework of governance and regulatory parameters. These contribute to some of the unique features of the skills and knowledge requirements within the local government sector.

In addition, the skills and knowledge requirements of elected officials are a significant consideration in the sector, particularly as public trust is critical to the integrity of local governments and the critical role they play in community leadership.

Proposed Schedule of Work

A major update of the Local Government Training Package is currently underway and due for completion in December 2018. It is possible that there will be future projects identified through the consultative work carried out as part of this review.

2018-19 Project Details

There is no further new work proposed for 2018 – 2019.

IRC Sign-off

The 2018 Industry Skills Forecast will be signed off by the IRC Chair prior to submission to the AISC.

END