Future-Proofing Local Government:
National Workforce Strategy
2013-2020

ACELG
Australian Centre of Excellence
for **Local Government**

LOCAL GOVERNMENT MANAGERS AUSTRALIA
NATIONAL OFFICE

Future-Proofing Local Government:
National Workforce Strategy 2013–2020

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An Australian Government Initiative

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Glossary of Key Terms

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACELG	Australian Centre of Excellence for Local Government
ACLG	Australian Classification of Local Governments
ACTU	Australian Council of Trade Unions
ALGA	Australian Local Government Association
ALGWECensus	Australian Local Government Workforce and Employment Census, formerly known as the National Minimum Data Set (NMDS)
ANZSIC	Australian and New Zealand Standard Industrial Classification
ANZSOG	Australian and New Zealand School of Government
APS(C)	Australian Public Service (Commission)
AWPA	Australian Workforce and Productivity Agency, formerly Skills Australia
Baby boomers	Also known simply as Boomers. According to McCrindle Research and ABS, refers to people born between 1946 and 1964.
CALD	Culturally and Linguistically Diverse
CLG	Centre for Local Government at University of Technology, Sydney (UTS)
COAG	Council of Australian Governments
CSHISC	Community Services and Health Industry Skills Council
DBCDE	Department of Broadband, Communications and the Digital Economy
DEEWR	Department of Education, Employment and Workplace Relations, formerly known as Department of Employment and Workplace Relations (DEWR)
DRALGAS	Department of Regional Australia, Local Government, Arts and Sport, formerly known as Department of Regional Australia (DORA)
E-Scan	Environmental Scan produced by an Industry Skills Council (ISC)
EEO	Equal Employment Opportunity
E-Government	Electronic (or mobile) Government – a whole-of-government approach to better engagement with citizens
EHA	Eastern Health Authority, South Australia
EVP	Employee Value Proposition
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
Generation Y	Also known as Gen Y, Generation Next or Millennials. According to McCrindle Research and ABS, refers to people born from 1980 to 1994.
Generation Z	Also known as Gen Z. According to McCrindle Research and ABS, refers to people born 1995 to 2009.
GSA	Government Skills Australia, also known as Government and Community Safety Industry Skills Council

IBSA	Innovation and Business Skills Australia Industry Skills Council
ICT	Information and communication technology
ISC	Industry Skills Council
IPWEA	Institute of Public Works Engineering Australia
Jurisdictions	The six Australian states plus Northern Territory
KPIs	Key Performance Indicators
LGA	Local Government Association, in each state and the Northern Territory
LGMA	Local Government Managers Australia
LGPMC	Local Government and Planning Ministers' Council
LGPU	Local Government Practice Unit of ACELG
LLN	Language, Literacy and Numeracy
MAV	Municipal Association of Victoria
mLearning	Mobile Learning – a means of learning using online technology
National Associations	ALGA, LGMA National
NBN	National Broadband Network
NMDS	National Minimum Data Set, the forerunner to the Australian Local Government Workforce and Employment Census (ALGWECensus)
OECD	Organisation for Economic Co-operation and Development
OH&S	Occupational Health and Safety
PDA	Personal Digital Assistant, or Personal Data Assistant – a mobile electronic device
Professional Associations	Encompasses LGMA, national state/territory and skill-specific associations such as the Planning Institute of Australia (PIA), the Institute of Public Works Engineering Australia (IPWEA), the Australian Institute of Building Surveyors (AIBS)
RDA	Regional Development Australia
SKE	Society for Knowledge Economics
SSA	Service Skills Australia Industry Skills Council
State Associations	The LGA for each state and territory
States and Territory	Including New South Wales (NSW), Northern Territory (NT), Western Australia (WA), South Australia (SA), Victoria (Vic), Queensland (Qld) and Tasmania (Tas)
SEE	Survey of Employment and Earnings
TEL	Technology Enhanced Learning
The Strategy	*Future Proofing Local Government: National Local Government Workforce Strategy 2013 – 2020*
UTS	University of Technology, Sydney
VET	Vocational Education and Training
WELL	Workplace English Literacy and Language program

Executive Summary

EXECUTIVE SUMMARY

This National Local Government Workforce Strategy ('the Strategy') is designed to future-proof the challenges faced by local government, and to move the sector towards a more sustainable workforce through retention, attraction and development to 2020 and beyond, at a time when Australia is confronted by decreasing supply and an increasing demand for skilled workers.

As a direct provider of local services with significant responsibility for administrative and governance functions that enable delivery, local governments are significant stakeholders within communities and the broader service delivery environment. Increasingly, local governments are becoming the principal providers of government services to local communities on behalf of state, territory and Commonwealth governments, as a more contextually responsive and localised approach to government service delivery is seen to be the most appropriate model.

Accordingly, local governments are often significant local employers and require a diverse workforce that encompasses a wide range of occupations. In many rural and remote communities, local governments are the primary economic drivers and the only levels of government delivering essential social and community services. Without effective local governments, local economies and communities struggle to operate, especially in regional Australia. In addition, as the functions of local government increase and expand, workforce capacity, capability and innovation become even more critical.

Development of the Strategy

The Strategy is intended to build on and reinforce existing good practices in workforce planning and development, and to facilitate improvements. It embraces the principles of workplace diversity and equity as essential elements in the creation of a flexible and multi-skilled workforce.

The Strategy is based on the understanding that a rigorous and long-term approach to retaining, attracting and developing a skilled, committed and inclusive workforce will enable local governments to be more sustainable and capable partners of state and federal governments in advancing the quality of life of their communities.

The Strategy has three main elements:

- a set of strategies and actions from which state and territory jurisdictions, local government associations and councils can assemble an implementation plan suited to their particular circumstances and needs
- the collection of data from the Australian Local Government Workforce and Employment Census (ALGWECensus, formerly the National Minimum Data Set) that will inform the sector's workforce development
- regular monitoring of progress, together with ongoing development of programs necessary to support improvements to the skills and capacities of the local government workforce.

Strategies and Actions

The eight strategies and their associated actions are designed to form a consistent national methodology for workforce development in order to encourage a strategic approach to meeting current and emerging challenges.

1. Improving Workforce Planning and Development

The first strategy explores workforce demands and skill shortages, and identifies the extent to which planning for these exists in councils, and what barriers exist. Data gathered through the ALGWECensus informs where demands and shortages lie, as does information from the Environmental Scans of the various Industry Skills Councils. The identification of demands and skill shortages is an essential first step in developing an informed and appropriate workforce.

2. Promoting Local Government as a Place-Based Employer of Choice

As a local employer with national reach, local government is uniquely placed to position its employment offerings to retain and attract workers. This is explored in the second strategy. The focus is on place-based Employment Value Propositions (EVPs) and removing barriers to workforce mobility.

3. Retaining and Attracting a Diverse Workforce

The third strategy is about workplace diversity and equity. A flexible and multi-skilled workforce is informed by the multi-faceted community which it serves. The diversity of the workforce encapsulates the tapping of underemployed talent, the re-engagement of former employees, a focus on women in leadership, increasing the participation of Indigenous Australians and those from a culturally and linguistically diverse (CALD) background, and the recruitment of skilled migrants.

4. Creating a Contemporary Workplace

Flexibility and sustainability are the key issues of the fourth strategy. By being responsive to the needs and desires of the current and potential workforce, local government is better equipped to combat skill shortages and retain and attract workers. New ways of working flexibly and sustainably can include job sharing, flexible working hours, compressed working weeks, part-time work, and working from home.

5. Investing in Skills

Combating skill shortages and ensuring the sector has the skills it requires to deal with current and future service needs is the focus of the fifth strategy. There are opportunities to increase skills by taking advantage of government training programs, and by utilising good people management.

6. Improving Productivity and Leveraging Technology

Embracing and investing in technology to increase workplace productivity are the key themes of strategy six. Broadband rollout and the potential benefits it provides is a critical contributor to the national productivity agenda, along with other investments in technology to allow the sector to be more productive.

7. Maximising Management and Leadership

Strategy seven is focused on enabling staff to realise their potential through effective leadership and good people management. Retention focuses on cultivating staff to perform at their best through the maximisation of leadership and by building capacity for good management.

8. Implementation and Collaboration

The final strategy is about implementation and integration so that all of the strategies and their actions can be properly aligned and realised. It is about tailoring actions to particular circumstances in a changing political and operating environment at national, state and local levels.

Data Collection, Implementation and Monitoring

The lack of accurate local government workforce data to date presents challenges for local government workforce capacity building, and for innovation both across the sector and within local governments. It also limits the ability of local governments to identify opportunities and foster innovation through cross-sectoral and inter-governmental collaborations in regional development.

As such, the strategies will be implemented in conjunction with the collection of data through the ALGWECensus. Many of the actions call for the preparation of leading practices, case studies and practitioner guides and notes. These will be distributed to the sector on a regular basis to assist with implementation. They will be supported by an online resource that will be regularly updated.

The implementation of the Strategy will be largely dependent on the local context and input from state jurisdictions. To that end, it is intended for each state and the Northern Territory to develop their own action plans. These plans will determine the speed and context of local activity. A self-assessment tool will be developed by the Australian Centre of Excellence for Local Government to enable councils to identify gaps in their workforce development functions.

Successful implementation of the Strategy through appropriate retention, attraction and development strategies will result in a sustainable local government workforce and a workforce that has both the capacity and the capability to meet the needs and aspirations of its communities.

About The Australian Centre of Excellence for Local Government (ACELG)

This Strategy has been prepared by Local Government Managers Australia (LGMA) on behalf of the Australian Centre of Excellence for Local Government (ACELG), which was set up in 2008 as an initiative of the Australian Government. It has five consortium partners: LGMA, the Centre for Local Government at the University of Technology, Sydney (UTS), the University of Canberra, the Australian and New Zealand School of Government (ANZSOG), and the Institute of Public Works Engineering Australia (IPWEA).

The ACELG mandate is to enhance professionalism and skills in local government, showcase innovation and best practice, and facilitate a better-informed policy debate. This is being achieved through six main program areas: research and policy foresight; innovation and better practice; governance and strategic leadership; organisation capacity building; rural-remote and Indigenous local government; and workforce development. This Strategy falls under the workforce development program area, however elements of the Strategy may be implemented under other program areas.

ACELG is particularly grateful to those who assisted in writing and editing drafts of this Strategy during its two-year development process, including staff and partners of ACELG, consultants, associates and others.

I. Setting the Scene

I. SETTING THE SCENE

This National Local Government Workforce Strategy explores the workforce challenges faced by local government and proposes actions for the sector to move towards a more sustainable workforce through retention, attraction and development.

To set the scene for the Strategy, the National Framework Statement for Local Government Workforce Development, as outlined below, is proposed for consideration and adoption by federal, state and territory ministers for local government, and by the Australian Local Government Association (ALGA). It is arranged along similar lines to previous joint statements on local government sustainability. Sound workforce management is a key factor in the statement.

National Framework Statement for Local Government Workforce Development

Scope and Purpose of this Framework

This National Framework sets out the background, vision, goals and principal elements of a national strategy to address skill shortages and enhance the capability and professionalism of the local government workforce. The framework is designed to provide guidance to governments and councils. It aims to secure the benefits of shared experience and resources and, as far as possible, consistency in practices across Australia, but it does not seek to impose uniformity or 'one size fits all' measures.

This framework relates to a range of Council of Australian Governments (COAG) commitments with relation to the Australian workforce in the following two areas:

• women in local government
• the upgrading of workforce skills as part of COAG's drive to improve national productivity.

Councils that take a rigorous and long-term approach to retaining, attracting and developing a skilled, committed and inclusive workforce will be more sustainable. They will advance the wellbeing of their communities, and they will be capable partners of state and federal governments.

This framework acknowledges that an increasing number of local governments are already engaged in sound workforce planning and development, and that workforce planning is mandatory in two jurisdictions – NSW and Western Australia – and strongly encouraged in others. This framework is thus intended to build on and reinforce existing good practice, and to facilitate ongoing improvements in this field.

Guiding Principles for a National Approach

This framework seeks a consistent national approach to local government workforce development and a cooperative effort within local government and between all spheres of government. It rests, however, on four key principles that recognise the need to tailor strategies and actions to differing local circumstances and needs:

• Workforce development is, in the first instance, primarily a matter for individual local governments, their associations and professional bodies. Within reasonable limits they

must be able to identify local needs and implement local strategies according to their priorities and resources.

- Workforce capability is not an issue for councils to address alone. There is an opportunity to establish a closer alignment between the workforce development initiatives of the three spheres of government that can create more productive workplaces in the national interest.

- Action by local governments, and implementation of this framework, must sit within the context of the legislative and operating framework of each state and territory. Jurisdictions should be able to assess local government workforce development needs in accordance with their particular circumstances, policies and programs.

- There are significant benefits in sharing experiences, expertise and resources between jurisdictions and in achieving a substantial degree of consistency in practices across Australia. However, a national framework should not restrict state and territory local governments in their approaches to improving the skills and capabilities of their workforces. The national framework should be used as a baseline, and there may be additional elements councils and their jurisdictions may wish to pursue.

Vision

The broad vision of this framework is to ensure that Australian local government has:

- the workforce capability it requires for a productive, sustainable and inclusive future
- the capacity to develop and use the skills of its workforce to meet the needs and aspirations of its communities.

Goals

The framework's goals are aligned with a set of strategic themes, so that they become implementable and measurable. They are:

- to guide local government workforce planning and development
- to encourage local government to invest in skills and technology to achieve productivity gains
- to enhance local government as a contemporary workplace with a diverse workforce
- to position local government as a place-based employer
- to improve local government management and leadership practices
- to foster collaboration between federal, state, territory and local governments to implement workforce reform.

Strategic Themes

A consistent national approach to workforce development will reinforce the important contribution local government makes towards the advancement of local and regional communities and the provision of essential services and infrastructure. It should encourage a strategic approach to meeting current and emerging challenges.

Improving Workforce Planning and Development

Understanding local government's workforce needs and the demographics of the current labour supply enables a detailed assessment of the shortages and gaps. This is an essential first step in the development of actions to successfully retain, attract and develop the appropriate workforce.

Promoting Local Government as a Place-Based Employer of Choice

Local government is uniquely placed to contribute to local growth initiatives through the employment of local resources. The individual local governments that are spread across Australia provide excellent close-to-home employment opportunities for prospective employees.

Retaining and Attracting a Diverse Workforce

Given the increased competition for skilled employees across all industries, resourceful employers continue to embrace principles of workplace diversity and equity. These principles are essential elements in the creation of a flexible and multi-skilled workforce. Just as importantly, local government workforces should more closely reflect the diverse communities they serve. This will enable the provision of community-focused services and facilities that address the diverse needs of multi-faceted communities.

Creating a Contemporary Workplace

Workplace flexibility and work redesign are key means for both retaining and attracting workers, especially those faced with the demands of caring for family members, studying or transitioning into retirement. Local government needs to be responsive to the needs and desires of its current and potential workforce in order to effectively compete for skilled and talented employees.

Investing in Skills

Currently, skill shortages exist in a range of mission critical professions. Demand for workers is increasing across all areas and there is a need to recruit a wide variety of skilled and semi-skilled labour to fully resource local government's requirements. As such, it is timely that local government:

- takes advantage of a range of government training programs to upskill and retain current staff to avoid the high cost of turnover
- invests in ongoing training and professional development of staff to enable them to be more productive.

Improving Productivity and Leveraging Technology

Australian governments are making significant investments in improving our nation's productivity. Local government needs to understand the demands of the national productivity agenda and how it can make a contribution.

Maximising Management and Leadership

High performing workplaces spend more time and effort in managing staff in order for them to perform to their potential. Enabling staff to realise their potential requires effective leadership, including good people management.

Implementation and Integration

Local government workforce planning and development needs to be aligned with other reforms occurring in a changing political and operating environment at the national, state and local levels.

Background to the Framework

In 2008, the then Local Government Planning Ministers' Council (LGPMC) and the Prime Minister agreed on the need for a local government workforce strategy to address skills shortages and enhance the professionalism of local government. The then Local Government Joint Officers Group, which reported to the LGPMC, subsequently agreed that the strategy would be designed around the themes of attraction, retention and skills development.

This framework therefore complements three existing national frameworks on local government financial sustainability measures:[1]

- Framework 1: Assessing local government financial sustainability (May 2007)
- Framework 2: Asset Planning and Management (May 2009)
- Framework 3: Financial Planning and Reporting (May 2009).

The Australian Government's Local Government Reform Fund provided funding for the development of this framework and its associated strategies. Ministers agreed that the Australian Centre of Excellence for Local Government should undertake this work, with input from state and territory jurisdictions, local government associations and peak professional bodies. ACELG has also undertaken the development of a National Minimum Data Set, now known as the Australian Local Government Workforce and Employment Census, covering the characteristics of the local government workforce and the participation of women in local government. This improved database will allow further refinement of this framework and the associated Strategy.

Progress Towards Implementation

All jurisdictions and local government associations should agree to contribute to effective implementation of this framework, which will be coordinated by a Local Government Workforce Development Strategy Committee (the 'Strategy Committee') comprising representatives of local government organisations, Industry Skills Councils and employee organisations.

There will be three main elements of implementation, which are detailed in this Strategy:

- a set of strategies and actions from which jurisdictions, associations and councils can assemble an implementation plan suited to their particular circumstances and needs
- collection of data from the ALGWECensus that will inform the sector's ongoing workforce development
- regular monitoring of progress, together with ongoing development of programs necessary to support improvements to the skills and capacities of the local government workforce.

The Strategy Committee will report to the Inter-jurisdictional Working Group of senior officials on an annual basis, and will be supported by ACELG. In addition, the Strategy Committee will be tasked with ensuring the Strategy is effectively linked to other relevant national and state strategies, policies and initiatives. Performance indicators will be developed to help measure progress of Strategy implementation.

1   Local Government Planning Ministers Council (LGPMC), *Local Government Sustainability Frameworks*

Structure of this Strategy

There are six components and sections to this strategy as shown in the diagram below.

Figure 1 – Structural components of the Strategy
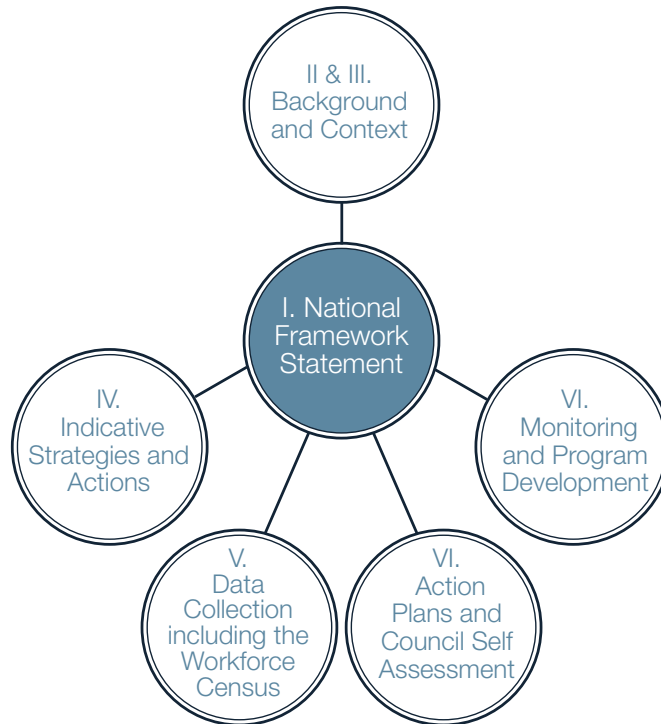
Section I (this section) sets the scene and includes the National Framework Statement, around which all the other sections are based.

Section II provides background information on how the Strategy came about and how it fits in with the activities of LGMA and ACELG.

Section III documents the strategic context: the key challenges facing local government in workforce retention, recruitment and development.

Section IV details the eight strategies, how they came about and why they have been formulated. At the end of each strategy are proposed actions for jurisdictions, individual councils, local government associations (LGAs) and employee organisations to apply in ways which suit their particular circumstances.

Section V details the data collection, including the Australian Local Government Workforce and Employment Census that will assist in the implementation and monitoring of the Strategy.

Section VI sets out an approach to jurisdictional action plans and development of council self-assessment tools for implementation. This section then concludes the Strategy by setting out an approach to ongoing monitoring and program development, and focuses on governance and oversight.

II. Background to the Strategy

II. BACKGROUND TO THE STRATEGY

In 2008, then Local Government and Planning Ministers' Council and the Prime Minister agreed on the need for a local government workforce strategy to address skill shortages and enhance the professionalism of local government. Subsequently, the LGPMC tasked local government officials with developing a draft strategy in consultation with stakeholders which would also deal more broadly with workforce planning, career development and retention, as well as the participation of women and Indigenous people in the local government workforce. The issue of Indigenous participation was referred to the Department of Local Government in Queensland for preparation of a separate paper, with input from appropriate departments in Western Australia and the Northern Territory.

The development of a local government workforce strategy also relates to a range of commitments by the Council of Australian Governments regarding the Australian workforce, particularly *Closing the Gap in Indigenous Advantage* which has six targets, including halving the gap in employment outcomes between Indigenous and other Australians by 2018.[2] The other important COAG commitment relates to the upgrading of workforce skills generally as part of a drive to improve economic participation of working age Australians and to increase national productivity and innovation.[3]

Workforce development and productivity are also key elements in improving local government sustainability and its long-term capacity to deliver the required services and infrastructure. State and territory ministers responsible for local government had determined in May 2006 that the financial sustainability of many local governments was a significant concern, and that a series of nationally consistent frameworks should be developed to provide a basis for enhancing financial sustainability and asset management. Three frameworks, as previously mentioned, were adopted in March 2007 and enhanced in May 2009 along the following lines:

- assessing local government financial sustainability
- asset planning and management
- financial planning and reporting.

In 2010 the newly established Australian Centre of Excellence for Local Government was requested to develop the workforce strategy and follow-up actions with respect to the sustainability frameworks. Funding for this work was provided by the Australian Government in early 2011 through the Local Government Reform Fund. The funding provided for four interrelated projects:

- the national local government workforce development strategy
- the design and initial collection of National Minimum Data Set (now known as ALGWECensus) covering workforce characteristics and the participation of women in local government
- the preparation of a practice note and training program on long-term financial planning
- the development of a National Assessment Framework for asset and financial management.

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2   Council of Australian Governments (COAG), *Closing the Gap in Indigenous Disadvantage*, accessed March 2013 at http://www.coag.gov.au/closing_the_gap_in_indigenous_disadvantage
3   COAG, Standing Council on Federal Financial Relations, *National Agreement for Skills and Workforce Development*

These projects involved extensive consultation with local government organisations, federal, state and Northern Territory agencies, and other key sector stakeholders.

An interim draft workforce strategy was circulated to stakeholders and agreed to in principle by all state and territory jurisdictions in October 2011. It was originally intended that information from the ALGWECensus would be used to complete the Strategy. However, given the need to negotiate arrangements with jurisdictions, it has not been possible in the timeframe available to undertake national data collection as planned. Instead, ACELG has mined a range of data sources to inform this Strategy. Further input and feedback from stakeholders has also been invaluable for ensuring that the strategies and actions proposed are soundly based. A list of those consulted is provided in Appendix 1.

ACELG has undertaken this work as part of its Workforce Development program, managed by the Local Government Practice Unit based at the national office of LGMA, one of ACELG's five consortium partners. Prior to the establishment of ACELG, LGMA coordinated the preparation of the 2007 *Local Government Skills Shortage Strategy* and the 2010 Workforce Blueprint, working with the National Local Government Workforce Development Reference Group. The present Strategy draws on that earlier work, and the reference group continues to meet under ACELG's umbrella. LGMA and ACELG also convene an annual National Local Government Workforce Development Forum to maximise stakeholder input and discussion of current issues. It is envisaged that these arrangements will continue as central elements of this Strategy's implementation.

III. Strategy in Context

III. STRATEGY IN CONTEXT

The Local Government Workforce

Australia currently has 566 local government authorities, comprising 555 councils, 10 declared local governing bodies located in Indigenous and remote communities, plus the ACT.[4] The ACT is a special case because of its territorial functions, therefore for the purposes of this Strategy there are 565 local governments, and according to 2012 Australia Bureau of Statistics (ABS) figures, as of June 2012 local government employs around 192,500 people across Australia. This is 3,000 less than at the same time a year earlier.[5] Prior to this recent fall, the size of the local government workforce had increased steadily up to 2011. According to ABS data, in 2007–08, there were 171,700 employees in the local government sector in Australia, while in 2010–11 this had increased to 195,500, an increase of 13.9% over the period.[6]

Figure 2: Australian Local Government Employees, 2007–12
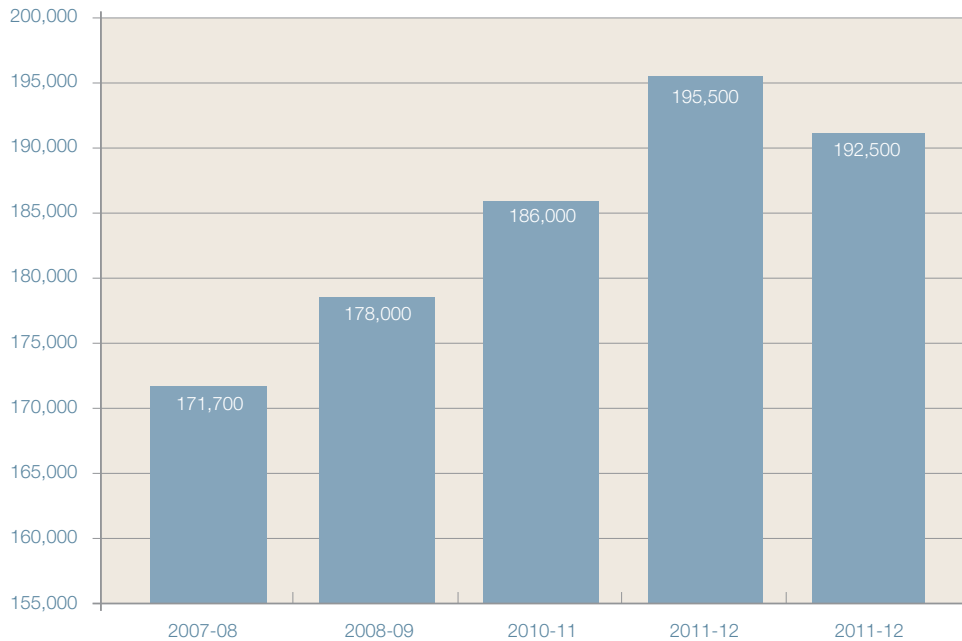
Source: ABS, 'Employment and Earnings, Public Sector Australia', 2011-2012, Cat 6248.0, Table 1

Of the total number of employees in the public sector in Australia, in 2011–12 there were 250,000 employees (or 13.2%) in the Federal Government, 1,449,600 employees (or 76.6%) in state governments across the country, and as mentioned earlier, 192,500 employees (or 10.2%) in the local government sector.[7]

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4   Department of Regional Australia, Local Government, Arts and Sport (DRALGAS), *Local Government National Report*, 2008-09
5   Australian Bureau of Statistics (ABS), *Employment and Earnings, Public Sector Australia*, 2011-2012, Cat 6248.0, released December 2012
6   Ibid, Table 1
7   Ibid, Table 1

Why Local Government Matters

Local government in Australia delivers substantial levels of government services, including community, social, health, physical, regulatory and environmental services, amongst others. Local government also manages considerable economic activity, and provides significant employment across the country. In many rural and remote communities, local councils are the major employers, the primary economic drivers and the only level of government delivering essential social and community services.

Increasingly, local government is becoming the principal provider of services to local communities on behalf of state, territory and federal government agencies. Administrative and governance functions required to enable and support government's role in service delivery are also more responsive, manageable, effective and appropriately provided at the local level. Consequently, there are a diverse range of government roles, responsibilities and activities required by local government to efficiently and innovatively deliver the full range of local services that satisfy divergent community and stakeholder needs. Without an effective local government, local economies and communities would struggle to operate, especially in regional Australia.

Government Services Across the Country

Of the total number of government employees, as noted above, there are 10.2% in the local government sector, but local government employees are more spread out across the country than their state or federal colleagues.

The Australian Classification of Local Governments (ACLG) divides Australia into urban, regional and rural classifications. An urban area is one that has a population of more than 20,000 that is part of an urban centre of more than 1,000,000 people, or with a population density of more than 600 persons/km^2. This is generally a capital city. A regional area is one that has a population of more than 20,000 that is part of an urban centre of less than 1,000,000 people, or with a population density of more than 30 persons/km^2. This is generally a large town within a few hours of a major capital city. A rural area is one that has a population of less than 20,000 and a population density of less than 30 persons/km^2 and less than 90% of the local governing body population is urban. This is generally a remote country town.[8]

With these definitions in mind, a projection of local government workforce geographic distributions has been made.

Figure 3: Workforce Distribution by Urban, Regional and Rural Areas[9]

Sector	Urban	Regional	Rural
Local Government	41%	41%	18%
State Government	71%	24%	5%
Federal Government	82%	16%	2%

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8   DRALGAS, *Local Government National Report 2009-10*, definitions derived from Appendix F, p. 255-7
9   Projections conducted by ACELG utilising ABS 2011 Census data. The projection combines place of work Census data for local government administrators and state level local government workforce estimates from the 2011 SEE. The projection then categorises the local government workforce according to urban, regional and rural geographic classifications of the ACLG. Data for the projections was obtained using the ABS TableBuilderPro 2011 data for local, state and central government administrator 4-digit ANZSIC occupation codes, specifically *Local Government Administration (7530)*, *State Government Administration (7520)* and *Central Government Administration (7510)*; and *Employment and Earnings, Public Sector Australia*, 2011-2012, Cat 6248.0

This projection shows that in regional and rural areas in particular, the local government sector presents an opportunity to play a leading and active role in inter-governmental collaboration that can enhance regional and rural community outcomes.

Supply and Demand, Innovation and Productivity

Despite the opportunities, demand and supply imbalances inherent in the localised service delivery approach present a range of challenges. To ensure local services continue to respond to ever-changing and often challenging contexts and community needs, a multi-skilled workforce is required to administer and govern the systems and processes that enable and support the full delivery of services.

Partnerships are key to fostering innovation, while collaborative efforts often align the diverse range of skills required to generate new methods of productive organisation. In the local service delivery environment, *input demand factors* are the individual characteristics of local community needs, whilst *supply factors* are characteristics of the workforce involved in the entire service delivery process.

The unique interaction between these factors provides potential opportunity for innovation in the service delivery process, ultimately leading to more efficient and contextually responsive local community outcomes.

Defining Workforce Planning and Development

Workforce planning and development are critical to this process. Standards Australia defines the synergy between workforce planning and workforce development in the following way:

> Workforce planning and development is a management technique used to effectively manage workforce demand and supply. It is the process used to align the needs of a business with those of its workforce. Workforce development is the outcome of workforce planning and is linked to the broader economic context that involves building and supporting a skilled workforce to meet economic need.

> Workforce planning and development is an urgent issue in the Australian business community. It is strategic and operational and needs to be successfully integrated into overall business strategy and corporate objectives. Workforce development strategies are relevant to the entire workforce, permanent full-time and part-time staff, contractors, casuals as well as volunteers.[10]

Another government agency defined workforce development as:

> Those policies and practices which support people to participate effectively in the workforce and to develop and apply skills in a workplace context, where learning translates into positive outcomes for enterprises, the wider community and for individuals throughout their working lives.[11]

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10   Standards Australia, *Workforce Planning Handbook*, HB 299 – 2008
11   Skills Australia (Australian Workforce and Productivity Agency), *Australian Workforce Futures: A National Workforce Development Strategy*, 2010, p.7

Quantifying Workforce Data

Although data to assess *input demand factors* for local government services is available from the ABS and a range of other sources, the same cannot be said for *input supply factors* that are key to enabling and supporting delivery of local government services and the local government workforce. Lack of accurate data reflecting local government workforce characteristics is a significant impediment to workforce capacity building and to supporting opportunities for innovation in local government service delivery.

The ABS and local governments currently collect a limited amount of data on the local government workforce. Where data is available, it is estimated for national or state levels and on a whole of workforce basis. For example, the ABS currently collects data for the local government and broader public sector workforces using the Survey of Employment and Earnings (SEE). The SEE uses the Australian and New Zealand Standard Industrial Classification (ANZSIC) to categorise local government occupations and provide public sector workforce estimates. The SEE uses a sample survey size of 2,000 entities with an Australian Business Number (ABN) to produce annualised projections of total state, federal and local government employees.

There are approximately 18 local government occupations as part of ANZSIC. However, in producing the SEE, the ABS combines these occupations into whole of workforce figures for local government. Although the SEE is the most readily accessible data available on the local government workforce, the use of a broad sampling survey technique necessarily limits the ability to adequately quantify and categorise the sector's workforce.

Furthermore, ANZSIC local government categorisations are limited to those occupations directly employed by local governments. Whilst these occupations undoubtedly comprise a significant component of the local government workforce, the available data does not adequately account for the full scope of occupations required for the unique delivery models, such as joint venture or regional partnership arrangements, in use across local government services.

The utility of such data to inform service delivery processes and local government decision making at the localised level of supply is limited. The limited ability of decision makers to accurately define workforce supply in turn constrains the building of skill capacities across the workforce, the delivery of contextually responsive workforce strategies and the monitoring of workforce planning and development.

Workforce Occupational Groupings

The range of occupations employed by Australian local government is vast. However, of the total number of people employed in local government it is difficult to enumerate the total number of distinct occupational roles in the sector due to a range of factors, including variations by jurisdiction and responses to demand, technology and growth. The ALGWECensus divided the main occupations into four main streams and these seem consistent with how the occupation streams are generally classified:

- Corporate services / governance (includes finance, customer service, IT, councillor support, strategy and policy, human resources, community engagement, communications, contracts, procurement, etc.)
- Engineering / infrastructure (includes traffic, engineering and technical services, roads, waste, design and architecture, etc.)

- Human / community services (includes human resources, community development, organisational performance, libraries, child care, recreation including pools, etc.)
- Planning and environment (includes strategic planning, land use, regulatory services including rangers, parking officers and services, development, town planners, natural resource management, environment and sustainability, etc.).

With the ever-changing and expanding portfolio of roles and the general growth in the local government workforce, the sector continues to be an attractive employer offering stable jobs. In NSW for example, according to a census carried out in 2010, 74 per cent of all local government jobs were permanent.[12] Although this figure is just for NSW (stemming from a comprehensive census of local government employees) and includes full- and part-time permanent staff, it appears to be indicative of a national trend for local government. According to a recent report by the Australian Council of Trade Unions (ACTU), only 60% of workers in the Australian workforce as a whole are permanent full- or part-time.[13]

In other respects, the characteristics of the local government workforce mirror those of the Australian workforce as a whole. The average annual earnings of local government employees in the 2010–11 financial year was $51,726,[14] on par with average annual earnings of $52,525 in May 2010 for all Australian employees.[15]

Workforce Challenges Leading to Skill Shortages

The overall employment trend has been one of growth despite the fall in employee numbers in 2011-12. The sector did not experience a significant fall in total numbers during the Global Financial Crisis and it therefore appears that local government has been faring quite well within the overall labour market. However, the sector continues to face the following significant and persistent workforce challenges:

- skill shortages in some mission-critical occupations
- intense competition for both skilled and semi-skilled workers in locations affected by mining
- inadequate levels of knowledge management and succession planning associated with the expected widespread retirement of mature workers
- technological changes requiring the local government workforce to upgrade qualifications and skills, including language, literacy and numeracy skills.

In 2009, in an address to the National Local Government Skills Forum, the then Minister for Employment Participation said:

> The rapid development of new technologies, globalisation, changes in employment patterns and the ageing of the labour force has resulted in workforce skill shortages in areas such as management, engineering and urban planning, to name a few … You also face significant challenges in attracting and retaining skilled local government staff, ensuring the ongoing training and development of local government personnel and establishing local government as an employer of choice.[16]

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12   NSW Department of Premier and Cabinet, Division of Local Government, *2010 Census of Local Government Employees: Report on Findings,* August 2011, p.18
13   Australian Council of Trade Unions (ACTU), Secure Jobs, *Insecure Jobs, Anxious Lives: the growing crisis of insecure work in Australia,* September 2012, p.4
14   ABS, *Employment and Earnings, Public Sector Australia*, 2011-2012, Cat 6248.0, Table 1
15   ABS, *Employee Earnings and Hours, Australia*, May 2010, Cat 6306.0
16   The Hon Brendan O'Connor MP, Minister for Employment Participation, *National Local Government Skills Forum*, 19 February 2009, Melbourne

III. STRATEGY IN CONTEXT

Under the various scenarios developed by Skills Australia in its 2010 *Australian Workforce Futures* report, it is predicted that by 2025 some 76 per cent of employed people will have a non-school qualification (an educational attainment other than those of primary or secondary education).[17] This increasing need for higher qualifications necessitates a stronger commitment by employers to training and skills upgrading, as well as strategies to retain existing workers and attract new workers in a highly competitive market.

Skill shortages, according to the Department of Education, Employment and Workplace Relations (DEEWR), exist:

> ...when employers are unable to fill or have considerable difficulty filling vacancies for an occupation, or significant specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and in reasonably accessible locations.[18]

Skill shortages regularly change in line with national and local economic conditions, and as such there is great variation each year in the figures. A 2012 study found that:

> Fifty per cent of employers in Australia are finding it difficult to fill key positions within their organisations, down from 54 per cent in 2011. [But] Australian results are still well above the global average of 34 per cent, and above the Asia Pacific average of 45 per cent. Australia is ranked fourth out of 41 countries for talent shortages.[19]

Overall, it seems that although there are clearly disciplines and occupations in which Australia still has shortages, according to a widespread Australian study released in June 2012:

> Employers found it easier to recruit skilled workers in 2011–12 and shortages are less widespread than they were in 2010–11. [However], shortages are mainly for experienced and specialist workers, and are particularly evident for automotive trades, engineering professions and associates, resource sector occupations, agriculture and horticulture occupations, food trades, child care occupations and some electro-technology and telecommunications trades.[20]

Many of the occupations identified as having shortages are prominent in the local government sector.

Government Skills Australia's 2012 Environmental Scan identified engineers, planners, childcare staff, environmental health workers, surveyors and managers as the most difficult for local government to recruit.[21] Some of the reasons given for the shortages include salary; competition from other sectors, particularly the resources sector; lack of suitably skilled candidates; and the attractive positions offered by other employers. Other reasons identified by employers for their inability to fill vacancies included a requirement for successful applicants to have a significant number of years of experience along with their qualifications, and qualified applicants being deemed unsuitable if they lacked the required post-qualification experience.[22]

17   Skills Australia (Australian Workplace and Productivity Agency), *Australian Workforce Futures: A National Workforce Development Strategy*, 2010, p.8-15
18   Department of Education, Employment and Workplace Relations (DEEWR) definition, *http://deewr.gov.au/skill-shortages*
19   Mining for Skills, *Talent Shortage Survey results reveals one in two Australian employers struggle to fill key roles*, 29 May 2012, quoting a Manpower Group survey, *http://miningforskills.com.au/?tag=skills-shortage*
20   DEEWR, *Skill Shortages Australia*, June 2012, p.4
21   Government and Community Safety Industry Skills Council, Government Skills Australia, *GSA 2012 Environmental Scan,* p.11
22   DEEWR, op. cit.

Regional Australia and the Mining Boom

The impact of skill shortages varies significantly across Australia due to the impact of the mining boom. The viability of some rural, regional and remote communities has been strained because skilled workers are attracted by the mining sector, though only a relatively small proportion of employees work in mining:

> Mining companies are constantly struggling to find the skilled workforce they need to meet increasing production targets and to service new projects coming online. This has led to poaching of workers from other industry sectors, a problem that is particularly acute in small, regional workforces because it leaves state and local government agencies, as well as other private sector employers facing their own skills shortages.[23]

Sometimes the workers are poached from other industries but often they are poached from overseas, and not just in the mining industry. According to a June 2012 survey, '70.2 per cent of large companies across the nation indicated that they would consider hiring staff from overseas in order to fill skills shortfalls while more than half the 511 companies surveyed across the nation said they already employ overseas workers'.[24]

As well as labour and skill shortages, the mining industry has caused local councils to become resource constrained, 'making it very difficult for them to respond to community and industry demands for better infrastructure and services in the context of rapidly expanding service delivery requirements. Councils are turning increasingly to the mining companies themselves to fund additional infrastructure, with varying degrees of success'.[25] One example of a successful cooperation between a local council and the mining sector is in the City of Gunnedah in northern regional NSW:

> TAFE New England Institute submitted a proposal for a multimillion dollar capital works project to the Department of Education and Communities. The Gunnedah Coal Producers' Group (GCPG) of mining companies in the region has worked closely with the Institute to help map the future workforce needs for the sector and supports the proposal. The centre would be located at the Gunnedah TAFE Campus site and will service up to 200 students per day in four trade areas: Engineering, Heavy Vehicle Mechanical, Electro-technology, and Resources and Infrastructure Operations. The proposed facility allows for a dedicated space for the University of New England to provide higher degrees or pathways for industry, and would provide greater career opportunities for mining workers and especially people from New England and North West.[26]

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23 Centre for Social Responsibility in Mining (CSRM), University of Queensland, *Local government, mining companies and resource development in regional Australia: Meeting the governance challenge*, July 2012, p.11
24 Sydney Morning Herald (SMH), *Companies look abroad to combat skills shortage*, 13 June 2012, quoting the Australian Institute of Management National Salary Survey
25 CSRM, op. cit. p. 16
26 Namoi Valley Independent (NVI), *$10million Trades Training Centre to solve mining skills shortage*, 2 August 2012

Regional Case Study: Queensland [27]

According to the Local Government Association of Queensland (LGAQ), shortages experienced by local government in Queensland are most acute in resource and construction-related occupations. This is due to the commencement of major infrastructure and resource projects and recovery from the flood damage due to Cyclone Yasi. Overall, 70 per cent of Queensland councils are running below their full staffing establishment levels.

Legislative changes, the ageing workforce and water and waste management reform are also affecting skill and labour demand. The LGAQ report identifies the top five skill shortage occupations in Queensland local government as:

- plant operators (including grader operators)
- engineers (civil works, specialist, development, design)
- civil works foremen
- environmental health officers
- plumbers.

Councils expect shortages to persist in these occupations and that shortages will emerge for:

- DA planners
- draftspersons
- water / waste water operators
- strategic planners
- truck drivers
- accountants
- HR professionals
- asset managers
- surveying / cartographic technicians. This list is significantly different from that posted in previous years.

Forty-nine per cent of Queensland councils reported a shortage of town planners in 2007, but by 2011 only 29 per cent were reporting shortages. Shortages of building certifiers had also eased – 56 per cent of councils reported shortages in 2007, but only 18 per cent were reporting shortages in 2011. In addition, one-quarter of Queensland councils have had to employ Human Resource professionals who are "lesser skilled persons in this field. Councils predict that this occupation will be a critical issue for them into the future."

27   Local Government Association of Queensland (LGAQ), *Industry Skills and Workforce Development Report: Current and Future Skill Needs within the Queensland Local Government Sector*, June 2012 – all data from report.

Turnover

According to the ABS, turnover for the national workforce was 11.5 per cent in 2008, down to 8.8 per cent in 2010, and back to 10.6 per cent by 2012.[28] By comparison, according to a Queensland study, the average turnover for the local government sector in 2010 was 12.6%, and this had decreased to 9.9% by 2012.[29]

It should also be noted that there are sharp regional variations in turnover rates. Some rural and remote areas in Queensland recorded turnover rates above 30 per cent, with civil construction and plant operation jobs related to the mining and construction industries largely responsible for such high turnovers in some of these rural and remote local government areas.[30] While Queensland may not be typical of local government nationally, it provides a useful benchmark for turnover due to extensive competition from the private sector, predominantly in the construction, community health and mining sectors.

Retention and Succession Planning

Local government's skill shortages will be exacerbated over the next decade by the retirement of mature age workers. Nationally, the average age at retirement (for those who have retired in the last five years) is 62.5 years for men, and 60.3 years for women.[31]

Local government employees are generally older than the average Australian employees. The challenge for councils will therefore be to:

• retain mature talent to ensure business continuity and service delivery
• implement a range of workforce practices and investment in systems that will support succession planning and achieve transfer of skills and knowledge.

Inclusive Workforce

2011 Census data indicates that Indigenous people currently comprise 2.5 per cent of Australia's population and their numbers are growing at a faster rate than the non-Indigenous population.[32] COAG has set a target for at least 2.6 per cent of public sector employees to be Indigenous across all classifications by 2015.[33]

In the local government sector, accurate national figures on Indigenous employment do not exist, but most estimates suggest that the current figure is lower than the COAG target. In some regional, remote and rural councils with large Indigenous populations, the Indigenous employment figures are much higher, and in other areas they are significantly lower. Methodologies and ideas on how to achieve the COAG target, and why such initiatives are important, are issues discussed in ACELG's 2012 *National Local Government Indigenous Employment Position Paper*.[34]

The only figures that currently exist are from the 2010 NSW local government census. They indicate that Aboriginal and/or Torres Strait Islander people make up 1.3 per cent of all employees in local government, from a representation of 2.2 per cent in the local population.[35]

28   ABS, *Labour Mobility*, February 2012, Cat 6209.0
29   LGAQ, op. cit, p.10
30   Ibid, p.11
31   ABS, *Retirement and Retirement Intentions*, 2010-11, Cat 6238.0
32   ABS, 2011 Census Data, *Aboriginal and Torres Islander Peoples, Indigenous Community Profile*
33   GOAG, *National Partnership Agreement on Indigenous Economic Participation*, February 2009
34   ACELG, *Closing the Gap Through Place Based Employment: National Local Government Indigenous Employment Position Paper,* November 2012
35   NSW Department of Premier and Cabinet, Division of Local Government, *2010 Census of Local Government Employees: Report on Findings,* August 2011, p.11

Culturally and Linguistically Diverse employees make up 4.7 per cent of the local government workforce, from a representation of 20.1 per cent in the local population.[36]

These figures for the state of NSW indicate that the local government sector has some way to go to achieve a workforce that is representative of its communities. While there are some targets, such as COAG's in place, to encourage councils to achieve greater workforce diversity, for the most part, activity across the sector is limited. The Australian Government acknowledges that there are numerous groups across the country that have not participated in the workforce or are underemployed, and as such do not experience the economic benefits of work.[37] To this end the Australian Government is providing incentives to employers to increase workforce participation.

Gender Equality

Women continue to be under-represented in the local government workforce. The NSW census found that women make up 46% of the local government workforce in that state,[38] whereas according to a May 2012 research article, nationally the figure is 43%.[39] However, preliminary analysis from the ALGWECensus suggests that the numbers are even lower, with women making up just 39.2% of all employees in local government. Of these, women were the majority (62.75%) in the human and community services category but a significant minority (only 15.4%) in the engineering and infrastructure category.[40]

Current Responses

In 2009 COAG implemented a $6.7 billion national agreement which aims to improve the skills of the workforce by 2020. The funds are intended to double higher qualification completions (at the diploma and advanced diploma levels), and halve the proportion of people aged 20–64 without Certificate III qualifications.[41]

The Australian Government implemented the COAG agreement with annual budgetary allocations designed to incentivise employers to upgrade their employees' skills and qualifications. In addition, the Australian Government has increased its commitment to the skilled migration program, which local government is beginning to utilise.

Apart from COAG, the Australian Government, through the Regional Development Australia (RDA) Fund, a national network of 55 committees aimed at creating partnerships between governments, regional development organisations, local businesses, community groups and other key regional stakeholders, is endeavouring to incentivise local government to:

• support infrastructure needs and enhance economic and community development[42]
• collaborate with the private sector to support local solutions and economies
• collaborate with local communities to develop education, skills and job plans
• work with 'out of work householders' to develop innovative workforce projects.[43]

36   Ibid, p.12
37   Australian Treasury, Budget 2011-12, *Building Australia's Future Workforce: trained up and ready for work*, May 2011
38   NSW Department of Premier and Cabinet, Division of Local Government, op. cit., p.4
39   LG Focus, *Stark Gender Imbalance*, May 2012
40   Preliminary findings from the Australian Local Government Workforce and Employment Census, 2012-13, *not yet published*
41   COAG, Standing Council on Federal Financial Relations, *National Agreement for Skills and Workforce Development*
42   The Hon Simon Crean MP, Minister for Regional Australia, Regional Development and Local Government, *Driving regional economic development through localism*, address to the Regional Development Australia National Forum, 3 March 2011
43   Australian Treasury, Budget 2011-12, *Building Australia's Future Workforce: trained up and ready for work*, May 2011, p.28

Since the Fund's inception, 'local councils and communities in every state are pushing ahead with new local infrastructure projects in partnership with the Australian Government' and currently there are around '300 grant projects around Australia'.[44]

Embracing Change

Local government's workforce will need to adapt to major technological changes over the next decade. These changes, when implemented, will effectively drive productivity growth. Technological change will be influenced by:

- innovations and applications emerging on the back of the National Broadband Network (NBN) rollout
- greater utilisation of mobile applications and computing
- Web 2.0 interactive collaborations and open source data
- social networking and crowd sourcing.

These technological advances will require new skills as well as a new mindset, placing an even greater premium on the language, literacy and numeracy skills of the workforce, including digital literacy.

Workforce Development and Training

The Council of Australian Governments aims to:[45]

- halve the proportion of Australians aged 20–64 without qualifications at Certificate III level and above between 2009 and 2020
- double the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.

To meet these goals within its own workforce, local government needs to significantly increase investment in training and developing its workforce. Data on post-school qualification levels in local government is scarce, as is data on current training investment. However, according to Government Skills Australia's 2012 Environmental Scan,[46] 43 per cent of council respondents indicated that a limited training budget was a barrier that prevented them from offering training solutions to their workforces, while 39 per cent of council respondents cited the high cost of training as a problem. Other barriers included time, availability of providers and the identification of specific training needs.

Skilling the Workforce

For local government throughout Australia to meet its various COAG minimum skills targets, it will need to invest in data collection and training procedures similar to those adopted by Queensland local government. LGAQ uses its annual workforce census to collect data from councils on a range of workforce indicators. This data enables the LGAQ to present an evidence-based argument for capacity building. Recently this has seen some $13.77 million in funding, under the Productivity Places Program, being made available to the Queensland local government sector. Regular data collection enables LGAQ to monitor the sector's workforce investment and commitment to activities such as training.

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44   Regional Development Australia (RDA), *Regions across Australia making the most of Australian Government funds*, 14 September 2012
45   COAG, Standing Council on Federal Financial Relations, *National Agreement for Skills and Workforce Development*, p. 3
46   Government and Community Safety Industry Skills Council, *GSA 2012 Environmental Scan*, p.11

The Local Community

Local government is well placed to work in partnership with a range of local, regional, state and national stakeholders to address place-based workforce challenges. In local communities, local government plays a number of roles that influence the local workforce in the following ways:

- Direct employment – as a major employer in many communities local government plays a significant role by employing local people and influencing local workforce participation. As previously mentioned, local government employs 192,500 people across Australia.

- Indirect employment – as a major business in many communities, local government is responsible for procurement of goods and services which influence the local economy and local job creation. For example, local government expenditure in 2010–11 was $29.23 billion, which included $6.45 billion on housing and community amenities, $6.64 billion on transport and communications, and $4.36 billion on recreational and cultural activities.[47]

- As the third tier of government, local government is responsible for implementing policies, regulations and incentives to stimulate local economic development and local job creation and is increasingly taking on this role to benefit their communities.

Local Context

The ultimate purpose of this Strategy is to ensure the workforce remains skilled, capable and adaptable for the next decade and beyond. Each council is responsible for engaging its own employees and will need to play a part in implementing the strategies and ensuring they are modified to fit with the council's culture, structure, and local circumstances. Offered here is the broader context in which the strategies fit, and the methods for monitoring and implementing the actions.

Many of the Strategy's actions call for the preparation of leading practices, case studies and practitioner guides and notes. These will be aligned with the data and distributed to the sector on a regular basis to assist with implementation. They will be supported by an online resource that will be regularly updated. The pace of implementation and the production of practitioner guides and resources will be subject to funding and will also be determined by each state jurisdiction based on local needs.

47   ABS, *Government Finance Statistics*, 2010-2011, Cat 5512.0, 'Table 339'

IV. Eight Strategies and Actions

IV. EIGHT STRATEGIES AND ACTIONS

This section sets out a 'menu' of strategies and actions that flow from the eight broad strategic themes introduced in the National Framework Statement in Section I, and that can be adapted to the circumstances and needs of jurisdictions, regions and individual councils. There can be no 'one-size-fits-all' approach to workforce planning and development, and the scope and rate of implementation will depend on the available resources.

To reiterate, the eight strategies are:

1. Improving Workforce Planning and Development

2. Promoting Local Government as a Place-Based Employer of Choice

3. Retaining and Attracting a Diverse Workforce

4. Creating a Contemporary Workplace

5. Investing in Skills

6. Improving Productivity and Leveraging Technology

7. Maximising Management and Leadership

8. Implementation and Collaboration

66 The eight strategies and their associated actions are designed to form a consistent national methodology for workforce development in order to encourage a strategic approach to meeting current and emerging challenges. 99

IV. EIGHT STRATEGIES AND ACTIONS

Strategy 1: Improving Workforce Planning and Development

Strategy 1:
Improving Workforce Planning and Development

Needs Analysis, Planning and Data Collection

Workforce planning and development need to be improved in order to create a more resilient, resourceful and skilled local government workforce. However, before improvements and changes can be made, it is critical to know where planning and development currently stands.

With funding provided by the Australian Government through the Local Government Reform Fund, ACELG is currently developing the ALGWECensus for the local government workforce. This census will assist councils with workforce planning and development.

Developing an accurate picture of the national local government workforce – the demand on talent and skills and the demographics of supply – will enable the sector to obtain a detailed assessment of workforce shortages and gaps. As the role of local government evolves in line with community needs, expectations and labour market changes, it will be necessary to assess workforce needs and requirements on an ongoing basis to ensure the sector has the capacity to meet its evolving responsibilities.

An essential first step in the development of actions to successfully retain, attract and develop the workforce, will be to analyse national and state local government workforce data. There is no existing national local government workforce data to enable strategic analysis of needs and requirements, while local government workforce data at a state level is patchy at best.

Councils maintain their human resource data in various forms and systems and many do not have the capacity to set up and maintain complex human resource management information systems. The best system for the collection of workforce data for the ALGWECensus would be an automated one in which councils would produce the required data in a standard digital format.

The ALGWECensus will also provide a foundation of workforce data that will be used to project and model the sector's future skills and development requirements. Furthermore, the ALGWECensus data will provide an accurate picture of the number of staff employed on a full- and part-time basis, as well as those employed in a permanent or casual capacity. This will be useful data for comparison against trends in other sectors as well as other countries.

The ACTU has identified a quarter of all employees in Australia (over 2 million workers) as casual employees or 'insecure workers', meaning they 'have no entitlement to many of the benefits that we have long associated with employment, such as paid annual or personal leave or payment or notice of termination or redundancy'.[48] This figure has over the last few decades continued to rise. According to the same report, Organisation for Economic Co-operation and Development (OECD) figures suggest that 'only Spain, with a high proportion of seasonal work in agriculture, outranks Australia'[49] in the 'insecure worker' stakes.

In the local government sector, figures for NSW and Queensland indicate that less than one-fifth of employees are casual or 'insecure' according to the ACTU definition. In NSW for instance, 18% of the local government workforce is casual, with a higher percentage of casual employees in metropolitan and regional councils, as opposed to rural councils.[50] In Queensland, on the other hand, recent figures indicate that 90.26% of the local government workforce is permanent,[51] meaning that very few are casual. Despite these local government figures, general employment trends in Australia and globally show that casualisation is on the rise.

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48 ACTU, Secure Jobs, Better Future, *Insecure Jobs, Anxious Lives: the growing crisis of insecure work in Australia*, September 2012, p.6
49 Ibid, p.4
50 NSW Department of Premier and Cabinet, Division of Local Government, *2010 Census of Local Government Employees: Report on Findings,* August 2011
51 LGAQ, *Annual Workforce Census*, March 2012

Role of Industry Skills Councils

Recognised and funded by the Australian Government, Industry Skills Councils (ISCs) monitor the labour market and the needs of employers to develop the competencies required through relevant training packages. Their mandate is to bring together industry, educators and governments and unite them in a common industry-led agenda for action on skills and workforce development.[52]

Due to the large variety of occupational roles in local government, ten out of the eleven ISCs intersect with the sector's workforce, through the training packages they provide and/or their skill sets. Local government is primarily covered by the following ISCs:

- Government Skills Australia (GSA) is the national Industry Skills Council for government and community safety sectors, including local government. GSA represents local government administration, which accounts for more than 30% of the sector's workforce.

  For more information, see: www.governmentskillsaustralia.gov.au

- Innovation and Business Skills Australia's (IBSA) occupational groups include a high proportion of knowledge workers, including managers and administrators who work closely with professionals such as accountants, human resources personnel and business managers. IBSA's industries are part of the transformation of Australia into an economy centred on services and knowledge. IBSA's occupations account for over 30% of the Australian workforce, representing an estimated 4.1 million workers, and its six industry sectors contribute around one-quarter of Australia's GDP.

  For more information, see: www.ibsa.org.au

- Service Skills Australia (SSA) is the ISC for the service industries. Employment in these industries constituted 21.3% of the Australian workforce in 2010–2011.[53] Within those industries, sport, fitness, and outdoor and community recreation is the largest group represented in the local government sector.

  For more information, see: www.serviceskills.com.au

- Community Services and Health Industry Skills Council (CSHISC) serves two important industries which are experiencing significant workforce challenges – community services and health. There are currently more than 1.35 million paid community services and health workers in Australia, and a further 323,000 are expected by 2015. Combined, these two industries form the fastest growing industry group in Australia, yet the demand for services is expected to continue to outstrip the availability of workers. Sixty per cent of the current community services and health workforce is likely to retire during the next 10 years. Over the next 20 years these workers are likely to become clients.

  For more information, see: www.cshisc.com.au

Each ISC produces an annual Environmental Scan (E-Scan), which provides a clear strategic understanding of existing and emerging skill shortages, and the context and driving force behind the continuous improvement of each ISC's training packages for the coming year. The E-Scans review factors currently impacting on workforce development within each ISC's industry and consider the responsiveness of training packages and the broader training system. From the sector's perspective, the E-Scans also provide key data on local government occupational roles across related ISCs. The workforce planning and development activity of the sector is linked to the work of the ISCs and this should continue to be reflected in the E-Scans.

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52   Industry Skills Councils (ISCs) website, *http://www.isc.org.au/about.php*, accessed 29 January 2013
53   ABS, *Labour Force, Australia, Detailed, Quarterly*, August 2011, Cat 6291.0

Public Service Blueprint

As an example of clear strategic understanding, the Australian Public Service Commission (APSC) already has an indicative reform framework to implement a sustainable workforce plan known as *Ahead of the Game: Blueprint for Reform of Australian Government Administration*.[54] Under the proposed reforms, the APSC will establish an Australian Public Service wide workforce planning framework that addresses recruitment, learning and development and performance management processes. Employees would be assisted with the diversification and deepening of their skills through obtaining a wider range of career experiences.

In addition to the APSC Blueprint, various state local government departments have established similar workforce development frameworks and guidelines. Some have resulted in legislative mechanisms, while others have introduced workforce development capacity programs.

The APSC Blueprint, as well as the state initiatives, recommend development of a strengthened performance framework that supports all employees in identifying their strengths and areas for improvement, and promotes constructive feedback from relevant sources, such as from supervisors, peers, subordinates and stakeholders as appropriate to the nature of the roles.

" Developing an accurate picture of the national local government workforce will enable the sector to obtain a detailed assessment of workforce shortages and gaps. "

54   Published by the Department of Prime Minister and Cabinet (DPMC), *Ahead of the Game: Blueprint for Reform of Australian Government Administration,* March 2010

Actions for Strategy 1*
Improving Workforce Planning and Development

Workforce Planning and Development

That ACELG, together with state / territory agencies and LGAs, takes responsibility for:

- researching the extent to which workforce planning and development is being implemented by councils
- identifying the needs and barriers faced by councils when implementing workforce planning and development
- developing online resources including leading practice case studies, practitioner guides and notes to assist the sector with the implementation of workforce planning and development.

The Australian Local Government Workforce and Employment Census

That ACELG, together with state / territory agencies, LGAs and councils, takes responsibility for:

- implementing regular collections of local government workforce data, subject to the availability of appropriate funding
- monitoring, reviewing and analysing the data returns and other sources for significant workforce trends
- developing strategies and making recommendations to the sector as required from time to time on improvements relating to the sector's workforce
- exploring the option of automated collection of workforce data for the ALGWECensus
- modelling the sector's future skills and development needs.

Industry Skills Councils

That GSA and other related ISCs partner with ACELG for:

- collecting and sharing market intelligence on local government skill shortages, emerging skills, development needs, workforce issues and challenges
- aligning local government workforce planning and development activity with the agenda of the sector and of ACELG.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

IV. EIGHT STRATEGIES AND ACTIONS – Strategy 1: Improving Workforce Planning and Development

Strategy 2: Promoting Local Government as a Place-Based Employer of Choice

Strategy 2:
Promoting Local Government as a Place-Based Employer of Choice

War for Talent

Australian workplaces are in a 'war for talent'. To succeed, councils need to rethink their employment strategies and better position their employment offerings in order to retain and attract workers.

Place-Based Thinking

The 'Commitment to Regional Australia' agreement between the Australian Labor Party and the independent Members of Parliament (Windsor and Oakeshott) following the 2010 federal election called for the adoption of 'place-based thinking and localism' to address the unique issues faced by regional Australia.[55] This can be seen as part of:

> ...a new paradigm of local and regional development [which] emphasises the identification and mobilisation of endogenous potential, that is, the ability of places to grow drawing on their own resources, notably their human capital and innovative capacities. This approach aims to develop locally-owned strategies that can tap into unused economic potential in all regions and are the basis for strategies that tackle questions of sustainable development and human wellbeing.[56]

There are some 565 local governments spread across Australia. Each one has the opportunity to draw on its local resources and contribute to the concept of place-based development. Such an approach to employment and development would both tackle under-utilised economic potential and help to improve community cohesion by mobilising and enhancing the capacity and skills of local people.[57] This applies particularly to Indigenous Australians in rural and remote regions.

Work Motivation

A study of work motivation based on a survey of more than 50,000 employees at 59 global organisations found that three key elements of organisational culture were crucial to workforce engagement. The elements were connection, contribution and credibility.[58] As a place-based employer, local government can find significant competitive advantage in these three areas as follows:

- *connection* – working in the local community
- *contribution* – producing high quality infrastructure, services, and social, economic and environmental outcomes
- *credibility* – working in an organisation focused on public value and community wellbeing.

Local government needs to do more to position itself as an attractive career option and to communicate this to prospective employees.

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55 DRALGAS, *The Australian Labor Party and Independent Members Agreement*, 7 September 2010
56 Tomaney, J., *Place-Based Approaches to Regional Development: Global Trends and Australian Implications*, Australian Business Foundation, Centre for Urban and Regional Development Studies, Newcastle University (UK) and Institute of Regional Studies, Monash University, November 2010
57 Ibid
58 Corporate Executive Board, *Driving Performance and Retention Through Employee Engagement*, 2004

Value Proposition

Effective employer branding for the purposes of retention and attraction is often referred to as the Employee Value Proposition (EVP). [59] The EVP aims to:

- define what the organisation would most like to be associated with as an employer
- highlight the attributes that differentiate the organisation from other employers
- clarify what employees and the employer 'get' from the employment deal (balancing the value that employees are expected to contribute with the value from employment that they can expect in return).

When investigating their work options, employees tend to consider three key elements: remuneration and benefits, growth opportunities, and work environment. Where an organisation's brand or EVP is strong enough, workers will be more easily attracted and retained even if some aspects of the employment offering are less attractive than those of some competitors.

Local Government Associations

Three state local government associations (LGAs) have invested significantly in developing and rolling out employment marketing and branding campaigns for their local governments. These include the South Australian "Shape your World" campaign, the Western Australian "Get on Board" campaign, and Queensland's "The fabric that brings Queensland communities together" campaign. In addition, Victoria has undertaken research to formulate a detailed approach to employment branding and marketing campaigns.

There may be advantages in developing core messages from various state approaches. These core messages could be promoted nationally as local governments' employment value proposition. This could provide the essence of a national message promoting local government employment that is delivered in each state and adapted to the local context. Some councils have also taken significant steps in defining their EVP and these may be good exemplars.

National Value Proposition

An effective national EVP for local government might therefore focus on employee growth opportunities and the work environment. Local government can provide a range of growth opportunities for its employees, such as personal and professional development as well as interesting and challenging work. Moreover, if local, state and territory and federal governments work together, significant professional development opportunities can be provided through transfers, secondments and promotions across the tiers of government.

One of the major selling points for local government as an employer is its occupational diversity. As a place-based employer with national reach, local government offers a significant variety of secure employment environments from urban to remote and everything in between, for professionals, skilled and semi-skilled workers.

Barriers to Mobility

As we continue to promote the sector as a place-based employer with national reach, an increase in talent moving between jurisdictions is expected. As the mobility of local government talent increases it is important there are no barriers to mobility.

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59 Barrow, S. and Mosley, R., *The Employer Brand, Bringing the Best of Brand Management to People at Work*, John Wiley & Sons Ltd, West Sussex, England, 2005

Actions for Strategy 2 *
Promoting Local Government as a Place-Based Employer of Choice

Place-based Employment Value Proposition

That ACELG, together with state / territory agencies and LGAs, and ALGA, takes responsibility for:

- researching the EVPs developed by various state local government associations and councils
- developing a national EVP around core messages including positioning councils as place-based employers with national reach
- encouraging councils to integrate the core messages in their promotion and attraction campaigns
- exploring funding for a national campaign to raise awareness of local government as a national place-based employer.

Mobility

That state / territory agencies and LGAs, and federal agencies take responsibility for:

- identifying and addressing barriers to workforce mobility.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

66 As a place-based employer with national reach, local government offers a significant variety of secure employment environments from urban to remote and everything in between, for professionals, skilled and semi-skilled workers. 99

IV. EIGHT STRATEGIES AND ACTIONS

Strategy 3: Retaining and Attracting a Diverse Workforce

Strategy 3:
Retaining and Attracting a Diverse Workforce

Diverse Workforce

In 2005, the Australian Government published a report which predicted that:[60]

> With the potential shortfall in workers over the next five years being as large as 195,000 and spread unevenly across industries and occupations, many firms could face a difficult task in obtaining the workers they need. This is true especially for firms hiring high proportions of tradespeople and some lesser skilled occupations and for firms engaging in mining and manufacturing.

The report went on to say that:

> A tight labour market and the ageing of the population, combined with current skill shortages, could therefore have adverse consequences for many businesses unless they adapt. While some businesses are becoming more aware of the ageing workforce issues and the need to adjust their retention and recruitment practices, more needs to be done. As labour shortages increase, employers will need to be innovative to attract the shrinking supply of available talent. The workforce of the future will be more diverse; it will consist of more older workers, more parents, more people with disabilities and more people wanting to work part-time; so new strategies will be needed.

The report concluded that employers will need to create and maintain a more diverse workforce by:

> Retaining mature-age employees, mentoring and coaching new employees to improve their productivity, increasing education and training for existing employees, improving the work/family balance for their employees to attract and retain workers with children and/or those caring for elders, providing childcare facilities in or near the workplace, modifying the workplace and tasks so that they can be performed by employees with various levels and disability, and taking advantage of government incentives to try out new employees with different characteristics from their current employees.

Business Case for Diversity

Ernst and Young argue that diversity and inclusiveness 'is not only a social responsibility, it's a business imperative. Diversity drives innovation, promoting creativity and more innovative solutions to problems'.[61] Ernst and Young acknowledge that nurturing diversity is essential to future success.

Ernst and Young's Oceania Managing Partner and CEO, Rob McLeod, who is a member of their Diversity Council, says:

> Building an inclusive culture and developing a diverse workforce is a prerequisite for business success in today's competitive landscape. The world has changed dramatically in recent times, providing us with both tremendous opportunities and significant challenges. If we are to capitalise on these opportunities and tackle the challenges ahead, we must ensure that we have the best and most engaged people working for us. We need to be open to new ways of thinking – we all need to get informed, get involved and take personal responsibility.[62]

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60   DEWR, *Workforce Tomorrow: Adapting to a more diverse Australian labour market*, 2005
61   Ernst & Young website, *http://www.ey.com/AU/en/About-us/Diversity-and-Inclusiveness*, accessed 29 January 2013
62   Ibid

Recruiting Outside the Square

The Productivity Commission argues that sustaining and supporting workforce participation is a key solution to labour force shortages.[63] As such, broadening the recruitment net, or 'recruiting outside the square', can help increase workforce participation across the community and assist organisations in the war for talent.

Local government can 'recruit outside the square' by:

- tapping into the following populations that are currently underemployed and under-represented in the workplace:
  - women in leadership
  - Aboriginal and Torres Strait Islander people
  - culturally and linguistically diverse communities
  - younger generations
- re-engaging former employees
- recruiting skilled migrants
- finding new ways of attracting mature talent.

Legislative Imperative

It is acknowledged that employment practices must adhere to state-based equal opportunity and anti-discrimination laws across Australia. Federal legislation that affects equality in the workplace includes:

- the *Equal Opportunity for Women in the Workplace Act 1999*
- the *Sex Discrimination Act 1984*
- the *Racial Discrimination Act 1975*
- the *Disability Discrimination Act 1992*
- the *Age Discrimination Act 2004*
- the *Fair Work Act 2009*.

Tapping the Underemployed Talent Market

Within most communities there exists an extensive pool of untapped local talent. This pool can include women and men with carer responsibilities, Aboriginal and Torres Strait Islander people, mature age workers and people from CALD backgrounds.[64] The underutilisation of these labour pools has been identified as a major problem that Australia will face in the coming 20 years.[65]

66 Local government can 'recruit outside the square' by tapping into populations that are currently underemployed and under-represented in the workplace 99

63 Warburton, J. and Bartlett, H., *Economic Implications of an Ageing Australia*, University of Queensland, Australasian Centre on Ageing, submission to the Productivity Commission, 2004
64 Culturally and Linguistically Diverse (CALD) includes all people from non-English speaking backgrounds.
65 Bretherton, T., *Understanding the undertow: innovative responses to labour market disadvantage and VET*, a program report of NCVER and DEEWR, University of Sydney, Workplace Research Centre, 2011

Women in Leadership

An important aspect of ensuring equity in the local government workforce is the participation of women across all levels of management. The *Women in Local Government Strategy 2009–2012*, proposed by the former Local Government and Planning Ministers Council in 2009, and endorsed by all states and territories, seeks to increase the proportion of women in senior management positions to 30% by 2020.[66] In 2010, the LGMA initiated the 'Year of Women in Local Government', as a response to 'a lower proportion of women working in local government than in other levels of government',[67] particularly at senior management levels. The purpose of the campaign was to:

> Raise awareness of and improve the current gender imbalance, to encourage women to stand as councillors, to help build women's capacity for senior positions, as well as to highlight the wonderful array of positive achievements that women are already contributing to in local government.[68]

Despite this, recent data shows that the sector is still a long way from its targets. NSW data collected in 2012 shows that three-quarters of executive positions were held by men.[69] This imbalance is likely replicated across the country, with preliminary data from the 2012 ALGWECensus suggesting that women make up 25.29% of directors and 32.61% of senior managers.[70]

Nationally, according to 2010 data, only 20% of senior managers in local government were women, only 5% of chief executives or general managers were women, and only 30% of elected representatives were women.[71] In Victoria, following the council elections of 2012, there is now a woman on every council across the state, with 30 female mayors (an all-time record) and overall, women make up 34% of all councillors, up from 29% following the previous council elections.[72]

It appears that for some measures the figures are moving in the right direction, with May 2012 data showing that 7% of local government chief executive officers are now female,[73] up from 5% two years earlier. But as in most industries, this is still a very low number. In local government however this is not necessarily because women are not successful in gaining senior roles. In fact, when they do apply for senior positions, women are more successful than men, but more often than not they are simply not applying for senior roles in great numbers. According to the 2009 McArthur *Gender Balance Report*, in the local government sector, four males applied for senior management roles for every one female, yet about a quarter of all women who applied were successful. Females made up 17 per cent of executive applications. 'Overall 23 per cent of females were successful in being appointed to the position', meaning that women had a higher success rate than their male counterparts.[74]

Women need to be encouraged and supported to apply for all roles, including senior management roles. Fewer than half of council employees are female, and an even smaller percentage of females are in senior management positions. This gender inequity can be overcome through training, mentoring opportunities and gender equity targets.

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66   Local Government and Planning Ministers' Council, Women in Local Government Strategy 2009-12, Attachment A, at www.5050vision.com.au/document/show/4
67   Australian Local Government Association (ALGA), *Women in Politics: Showing the Way in 2010*, p.6
68   Ibid
69   NSW Department of Premier and Cabinet, Division of Local Government, op. cit., p.17
70   Preliminary findings from the Australian Local Government Workforce and Employment Census, 2012-13, *not yet published*
71   ALGA, *Women in Politics: Showing the way in 2010*
72   Think Women for LG, Update 17 December 2012, at http://thinkwomenlg.org.au/
73   LG Focus, *Stark Gender Imbalance*, May 2012
74   McArthur, *Gender Balance Report*, December 2009, unpublished

Another way this gender imbalance can be overcome is by developing best practice, gender neutral recruitment and performance evaluation models for chief executives and senior managers. The Australian Standard on Gender Inclusive Job Evaluation and Grading was released in 2011. It 'outlines fair and transparent job evaluation processes and provides guidelines for auditing gender inclusiveness. Gender bias in job evaluation and remuneration is a significant contributor to the ongoing pay gap between men and women.'[75]

ACELG is currently preparing a fact sheet based on this standard, highlighting the areas of interest to local government, and encouraging further uptake of the standard. ACELG is also preparing a gender focussed report based on the ALGWECensus to highlight the participation of women in the local government workforce, which will be available with the Census data.

There is no doubt that gender equity at a management level leads to improved leadership and decision-making.[76] In a study across more than 230 public and private companies McKinsey found that companies with three or more women in senior management positions scored higher in organisational excellence.[77] Indeed, the same report three years later found 'companies with a higher proportion of women in their executive committees are also the companies that have the best performance.'[78]

State governments in NSW, WA and Tasmania all have policies regarding gender equity. In some cases councils will have to report against gender equity Key Performance Indicators as part of their workforce planning and reporting. Competition for skilled and experienced women in local government is not only going to come from outside the sector, but from inside the sector as councils who 'have got it right' will attract better quality female candidates.

Aboriginal and Torres Strait Islander People

Productivity Commission data has shown that of employed Indigenous males in 2008, 74 per cent worked full-time, as opposed to 86 per cent of the non-Indigenous population. This means that a higher proportion of Indigenous males worked part-time (26 per cent Indigenous compared to 14 per cent of non-Indigenous male employees). For employed females, the proportions working full- and part-time were approximately the same. While part-time work may be chosen over full-time work by many, statistics show that Indigenous underemployment is particularly common.[79]

The Indigenous population in Australia is growing at a faster rate and has a younger age profile than the non-Indigenous population. About 55 per cent of Indigenous Australians are under 25 years of age, compared with about 32.6 per cent of the rest of the population, as per the 2011 Census.[80] As such, the Indigenous population has the potential to be a valuable resource for Australia's workforce today and to be an essential source in the future.

Local government is well placed to utilise the growing Aboriginal and Torres Strait Islander populations and provide the employment benchmark for this population. As a place-based employer with a proven capacity to set up and deliver programs for long-term sustainable employment, local government has a significant competitive advantage in this area. However, a recent ACELG report found that, particularly in rural and remote locations, local governments and even Indigenous local councils have underemployed local Indigenous

75   Standards Australia, Media Release, *Australian Standard on Workforce Gender Inclusiveness*, 20 May 2011
76   Temin, D., *Making the Case for Gender Equity*, Forbes Magazine, November 2010
77   McKinsey & Company, *Women Matter: Gender diversity, a corporate performance driver*, 2007, p.12
78   McKinsey & Company, *Women Matter: Women at the top of corporations: Making it happen*, 2010, p.7
79   Productivity Commission, *Overcoming Indigenous Disadvantage: Key Indicators 2011*, Steering Committee for the Review of Government Service Provision, p.42
80   ABS, *2011 Census data*, release of 21 June 2012

workers.[81] The underemployment of the Aboriginal and Torres Strait Islander population was highlighted as a national issue in 2008. To encourage the employment of Indigenous people the Australian Public Service Commission summarised the business case for Indigenous employment in the public sector in *Building an Indigenous Employment Strategy Kit.* [82]

It should also be noted that:

> Under the *National Partnership Agreement on Indigenous Economic Participation (COAG 2008)*, COAG agreed to a national target of at least 2.6 per cent of public sector employment for Indigenous people by 2015, to reflect the expected proportion of the national Indigenous working age population share.[83]

Meanwhile, the 2009–10 State of the Service Report showed Indigenous representation in the Australian public sector to be 2.2 per cent.[84]

Employment of Indigenous people will ensure that local government can appropriately respond to the needs and aspirations of their communities whilst providing economic stimulus to local Aboriginal and Torres Strait Islander populations. Once successfully implemented, Indigenous employment would provide a profound multiplier effect with the potential to promote community cohesion and stability which will improve the lives of whole families and communities. ACELG is committed to increasing Indigenous workforce participation in local government through the release of its 2012 *National Local Government Indigenous Employment Position Paper* and the development and rollout of sustainable and replicable demonstration projects in key areas of need.[85] The learnings and evidence base from these demonstration projects will assist in informing and encouraging the replication of similar projects and increased workforce participation of Aboriginal and Torres Strait Islander people in local government nationally.

Culturally and Linguistically Diverse Communities

According to reports, the proportion of people employed from CALD backgrounds in local government was substantially lower than in the general workforce.[86] For example, in Victoria the proportion of CALD local government employees was approximately half that in the federal public sector and in the Victorian workforce (both public and private). Through interviews and focus groups the research found that most local government organisations and managers were not focusing on the employment of immigrants, skilled or otherwise, in their Equal Employment Opportunity (EEO) or diversity strategies. [87]

The diversity profiles of local government workforces often do not match the diversity profiles of the communities they serve. When recruiting, it is important for local government managers to recognise that selection of a homogenous council workforce may deter a proportion of the local population from applying for roles as the work environment looks and feels too different from their wider social context. In this respect, diversity and cultural competence training is particularly important for ensuring managers and supervisors have the skills, knowledge and sensitivity to recruit and support a diverse workforce. Culturally sensitive supervisors are a key factor in successful and sustainable employment outcomes

81 Morris, Dr R., Edith Cowan University, *A Capacity Building Strategy for Rural-Remote and Indigenous Local Government*, March 2011, p.19; prepared for ACELG
82 Australian Public Service Commission (APSC) and DEEWR, *Building an Indigenous Employment Strategy: A starter kit for Commonwealth agencies*, 2011
83 Productivity Commission, *Errata — Overcoming Indigenous Disadvantage: Key Indicators 2011*
84 APSC, *State of the Service Report*, 2009-10
85 ACELG, *Closing the Gap Through Place Based Employment: National Local Government Indigenous Employment Position Paper*, November 2012
86 Bertone, S., et al, *Employment Barriers and Success Factors for Skilled Immigrants in the Melbourne Public Sector*, Victorian Local Governance Association, July 2011
87 Ibid

for employees from CALD backgrounds.[88]

Attracting Younger Generations

Current research indicates that members of Generation Y (those born from 1980 to 1994) respect employers who provide meaningful work and clear career progression, while also allowing employees to maintain an appropriate work/life balance. Additionally, young people value training and development opportunities in the workplace. Local government employment offers these work opportunities.

Local government can also harness the talents of younger generations by recognising that knowledge exchange can be a two-way process; young people can provide insights into how councils can engage with their generations and with new technologies, whilst older workers can share their experience and expertise. A reputation for valuing the knowledge and skills of Generation Y would make local government an attractive employment option for younger workers.[89]

As the age of many employees in the workplace increases, changes need to be made to attract younger people. Some of these changes are cultural. McCrindle Research says that 'today you end up with graduates managing teams with older people in them'.[90] Younger workers also tend to be very mobile unless they find a place of employment that offers them all that they are looking for.

According to Peter Sheahan, author of *Generation Y: Thriving (and Surviving) with Generation Y at Work*:

> There's never been a better opportunity for local government to attract some of the best talent that it's been crying out for in the last couple of years. A once-in-a-generation opportunity exists now for the public sector to really gain further ground on the private sector. It's good to be in local government right now.[91]

Talking about factors that attract young people, Sheahan says that matching private-sector salaries is highly important, but 'the point of difference could be the work/life balance.' Sheahan says that local government needs to recruit young people in a different way, and market itself in an innovative way. 'Of all the levels of government, none have more direct impact on the day-to-day lives of citizens than local government.'[92] This in particular is something that Gen Y and those coming up in Generation Z (born after 1995) often strongly identify with.

88   Olliff, L., *What Works: Employment strategies for refugee and humanitarian entrants*, Refugee Council of Australia, June 2010
89   McCrindle Research, *New Generations at Work: Attracting, recruiting, retraining & training Generation Y*, 2006
90   Dorizas, A., *Generation Next*, Mark McCrindle quoted in Government News Vol. 29, No. 5, June 2009, p.18
91   Dorizas, A., *Generation Next*, Peter Sheahan quoted in *Government News*, Vol. 29, No. 5, June 2009, p.18.
92   Ibid

Retaining Mature Talent

Australia has an ageing workforce, 'with almost two out of every five workers (38%) aged 45 years or older, up from 33% a decade ago'.[93] Local government has a high proportion of mature workers, many of whom may choose to remain in the workforce. The ABS considers persons aged 45 and over to be of mature age.[94] With that in mind, it should be noted that 'the median age for local government administration in 2011 was 44 years, compared with 39 years in all industries.' [95]

McCrindle Research says that the current median age in Australia is 37, and by 2020 it will be 40. By comparison, in 1980 it was 29. By 2020 there will be more 65-year-olds than one-year-olds, and as many aged 60–70 as aged 10–20. More than one in five will be aged over 60, with a life expectancy of 84. The Baby Boomers will be retired, with some approaching their 80s, whilst Gen Y and Z will together make up 49% of Australia's workforce.[96]

Attraction and recruitment gets us some way to creating an effective workplace, but with the number of mature workers in the local government workforce, it is also important for councils to develop and implement retention strategies to enable effective business and service continuity.

Due to their large numbers, retention strategies for mature talent are important, but similar retention strategies need to be developed for the entire local government workforce as it is more cost effective and less disruptive to retain staff than to lose staff and have to recruit new employees.

One mechanism for retaining the skills and knowledge of mature-aged workers is to offer a range of work options that meets mature-aged workers' capacities and work intentions. Such offers can include flexible work, mentoring, skill exchange and skill development in new technologies. At the same time local governments could promote a positive image of their mature workforce by sending a clear message that 'experience matters'.

Re-engagement of Former Employees

It may be possible for local governments to re-engage former employees, such as retirees, those who leave the workforce to look after children, those with carer responsibilities, or workers who moved to the mining sector or have for some other reason left permanent council employment. Offering flexible employment arrangements such as locums, and casual or part-time positions can facilitate the return of talented workers and bring significant skills and knowledge back to local government.

To support the re-engagement of former employees, local government could take an 'alumni' approach and develop a register of past employees who have links with the council and the community (such as owning property and/or having family members in the council workforce). Local government could use this register to provide regular updates on council and community activities and employment opportunities. Refresher training in local government activities, regulations and current technology could also be offered to former employees who re-engage with local government.

93 DEEWR, *Australian Jobs*, 2011, p.5
94 ABS, *Population projections, Australia 2006-2011*, 2011, Cat 3222.0
95 Stated by Ivan Neville, Labour Market Research and Analysis Branch, DEEWR, with statistics attributed to the ABS Labour Force Survey 2011. Presented in a session titled *Prospects for the Australian Labour Market* at the 5th National Local Government Workforce Development Forum, April 2012, convened by ACELG
96 McCrindle Research, *Australia in 2020: A Snapshot of the Future*.

Recruiting Skilled Migrants

For professions with specialised skills and qualification requirements, local governments may consider recruitment of skilled migrants through 457 Visas or other temporary residency visas. This recruitment strategy is particularly effective where the professionals require minimal Australian accreditation to commence working. The Western Australian Local Government Association (WALGA) as well as private sector recruiters have programs in place to recruit suitably skilled and experienced migrants to Australia to fill skill shortages in local government. While this may be seen as a short-term option, it may be part of a longer-term strategy for councils to acquire the desired skills.

Overseas sourcing of skilled employees will help to meet local government's needs over the next few years. However, the sector needs to recognise that sourcing overseas workers in large numbers is a high-cost stopgap solution. The cost of providing the following services adds to the cost of employing overseas talent:

• international attraction and selection
• skills and language testing through registered training organisations
• visa applications and processing
• medical checks and health insurance
• relocation services.

In addition there are potential productivity risks associated with overseas workers unfamiliar with Australian work practices, safety procedures and workplace cultures. In a recent article, Mick McMahon, the Chief Executive of the Skilled Group, indicated that overseas labour helps to manage an immediate skills gap, 'however, without a new, strategic approach to workplace mobility and flexibility – one that focuses on practical principles – Australia's competitiveness and productivity challenges will only be exacerbated in the long run.'[97]

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97   McMahon, M., *Long View on Skills Shortage*, Skilled Group, Australian Financial Review, 25 June 2012

Actions for Strategy 3 *
Retaining and Attracting a Diverse Workforce

Diverse Workforce

That state / territory agencies and LGAs, and ALGA take responsibility for:

- promoting the business case and the benefits of a diverse workforce that reflects the demographics of local communities

Tapping Underemployed Talent

That state / territory agencies and LGAs, along with ALGA and councils take responsibility for:

- encouraging councils to work with their neighbouring councils, the RDAs, and state and federal agencies to develop initiatives to tap into the local underemployed pools of talent.

Women in Leadership

That ACELG, state / territory agencies and LGAs, employee organisations and councils take responsibility for:

- undertaking research into barriers to women applying for senior management roles
- producing gender-based findings from the ALGWECensus
- producing fact sheets and creating best practice, gender neutral recruitment and performance evaluation models for senior roles, based on Australian standards
- developing initiatives that will increase the number of women applying for senior management roles.

Aboriginal and Torres Strait Islander People

That ACELG, ALGA, state / territory agencies and LGAs, and federal agencies take responsibility for:

- encouraging councils to adopt a COAG target of 2.6%, as a minimum, for employment of Aboriginal and Torres Strait Islander people
- encouraging and promoting increased Indigenous workforce participation in local government through:
  - development and promotion of a *National Local Government Indigenous Employment Position Paper*
  - development and roll-out of demonstration projects.

Actions for Strategy 3 *
Retaining and Attracting a Diverse Workforce
(continued)

Retaining Mature Talent

That ACELG, state / territory agencies and LGAs, and councils take responsibility for:

- researching the impact of an ageing workforce and develop a range of practitioner guides and notes to assist local government to retain mature talent.

Workplace Diversity

That state / territory agencies and LGAs, and councils take responsibility for:

- encouraging councils to create workplaces that reflect the demographics of, and make a difference to, their local communities, including through attracting younger employees and employees from CALD backgrounds.

Re-engagement of Former Employees

That state / territory agencies and LGAs take responsibility for:

- encouraging councils, particularly those impacted by mining activity, to develop an 'alumni' program for former employees with a view to future re-engagement.

Recruiting Skilled Migrants

That state / territory agencies and LGAs take responsibility for:

- encouraging councils to explore the utilisation of skilled overseas workers to address their short-term skill shortages.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

IV. EIGHT STRATEGIES AND ACTIONS

Strategy 4: Creating a Contemporary Workplace

Strategy 4:
Creating a Contemporary Workplace

Response to Workforce Needs

A 2010 report by Skills Australia estimated that the Australian workforce participation rate will fall in the near future due to the ageing population.[98] At the same time, demand for aged care facilities and services and activities to support 'ageing in place' will increase, putting pressure on local governments to respond. The reduced supply of available workers and the increased demand for council services will put local government in a difficult position in years to come. Each local government will need to be highly responsive to the needs and desires of its current and potential workforce if it wishes to compete with other sectors for skilled and qualified employees.

In addition, to fulfil local community and stakeholder needs, local government requires a multi-skilled workforce across the full range of service, administrative and governance roles, responsibilities and activities, across the depth and breadth of all occupations. As the functions of local government continue to evolve, identifying and analysing component parts of the workforce is challenging but of critical importance for ensuring current and future workforce capacity needs are met, and for encouraging innovation within, and advancement of, the sector.

Flexibility

Workplace flexibility and work redesign are key means for both retaining and attracting workers, especially those faced with the demands of caring for family members, study or transition to retirement. It is also commonly understood that people work best and cope better with work stress when they can balance work with the rest of their lives.[99] Providing flexibility in work modes promotes healthy work patterns that enable the retention of older workers and improves the quality of life for all employees. Research also confirms the positive effects of workforce flexibility for business, including increased profitability, productivity, and the attraction and retention of staff.[100]

However, one type of flexibility does not suit all situations. Different groups of employees, such as women and those transitioning to retirement, view flexibility in a variety of ways. For some, increasing current hours and responsibility would be most desirable, while for others, the opposite is the case.

Most workplaces employ workers from a range of generational cohorts, including school leavers, graduates, young professionals, mature-age workers and those nearing retirement. Each cohort has its own particular wants and needs based on its life stage. For example, when considering rewards for excellent work, a young professional might prefer time off for family activity whilst a mature worker might prefer a public acknowledgement or write-up in the local newspaper.

98   Skills Australia (Australian Workforce and Productivity Agency), *Australian Workforce Futures: A National Workforce Development Strategy*, 2010
99   Fagan, C., et al, Trades Union Congress (TUC), *Out of Time: Why Britain needs a new approach to working-time flexibility,* European Work and Employment Research Centre, The University of Manchester, 2006, p.8
100 Hegewisch, A., Equality and Human Rights Commission, *Flexible working policies: a comparative review*, Institute for Women's Policy Research, 2009

Flexible Work Initiatives

Based on the needs and desires of each local government's individual workforce, some or all of the following flexible workplace initiatives could be considered:

- Flexi-leave – this includes a variety of different approaches to utilising leave such as reducing working hours (e.g. 6 hours per day or 4 days per week); taking accrued annual leave or accrued long service leave at half pay; or purchasing additional leave of between one and four weeks.
- Job-sharing – this involves two people sharing one full-time position with one scheduled shared time per week.
- Flexible working hours – this supports workers in their caring or study responsibilities and helps to promote lifelong learning and skills development.
- Flexitime – within guidelines, this enables employees to choose their commencement and finishing times whilst maintaining a core minimum number of work hours per day.
- Compressed work weeks – this involves working fewer days per week by working longer hours on each working day.
- Part-time work.
- Tele-commuting and working from home – this can minimise travel costs and time, but in some cases may require capital investment to establish.

Staff Satisfaction

Line managers are well placed to identify the crucial workforce issues now and for the future as well as the flexible options most appropriate for their workers. Thus, management and leadership responsibility at all levels needs to include a significant focus on ensuring staff satisfaction and retention. The people management skills that need to be cultivated amongst line managers include:

- developing teams
- performance management
- resolving and preventing internal conflict
- strategies for communicating with employees who have a variety of working styles
- understanding and appreciating an individual's value to the organisation.

Stress in the Workplace

Recent workforce data from Comcare, the Australian Government's health and wellbeing agency, confirms that mental stress and bullying are on the rise amongst Australian workers. 'Mental stress claims at work have increased by 23% since 2008. Bullying claims increased from 32% in 2008/09 to 44% in 2009/10'.[101] Resolving and preventing conflict which may lead to mental stress and bullying is becoming a key requirement for management responsible for employee health and wellbeing. Managers have a duty of care and obligations under Occupation Health and Safety (OH&S) requirements to provide a safe workplace free from conflict and bullying.

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101 Comcare, Media Release, *Unhappiness at work – too difficult to overcome?,* 10 October 2012

Workplace Populations

It is imperative that each local government gains an understanding of the wants and needs of its various employee segments to ensure that appropriate flexibility, work redesign and recognition mechanisms are provided to foster staff retention and reduce the substantial costs associated with staff turnover.

Needs of Employees Transitioning to Retirement

When surveyed, employees approaching retirement identified two key employment offerings that would entice them to remain longer in the workforce:

- the opportunity to work in the same role as currently, but on a more flexible basis
- the opportunity to work in a similar role but with reduced hours and less responsibility.[102]

Other recent research has found that 41 per cent of full-time employees intended to change to part-time work prior to retirement.[103]

Needs of Women

Flexible employment offerings of part-time work have resulted in an increase in the proportion of women in the workforce. For example, the labour force participation rate of women has increased from 43.7 per cent in 1978 to 59.3 per cent in 2009.[104] As stated earlier, in the local government sector women make up 43% of all council employees.[105] However, flexible part-time work arrangements have not typically extended to managerial positions.[106]

Needs of Younger Workers

For younger workers in general, flexibility is about work location, time spent in the office and a supportive and fun environment. A recent worldwide survey of university students and young professionals found that 40% of all respondents and 52% of Australian respondents would accept a lower-paying job if it provided greater flexibility, saying that they would 'sacrifice the extra salary for the opportunity to work wherever they are most productive and happiest'.[107]

> 66 Each local government will need to be highly responsive to the needs and desires of its current and potential workforce if it wishes to compete with other sectors for skilled and qualified employees. 99

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102 Byrne, C., *Flexible mindset required to solve the ageing workforce puzzle*, Workplace Flexibility, July 2010
103 ABS, *Retirement and Retirement Intentions*, 2009, Cat 4102.0
104 ABS, *Labour Force, Australia*, 2009, Cat 6291.0
105 LG Focus, *Stark Gender Imbalance*, May 2012
106 Bourke, J. and Russell, Dr G., AeQUUS Partners, *A new "flexibility" normal? The case for work redesign*, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), 2010
107 Cisco, *Connected World Technology Report*, 2011

Work Redesign

In order to provide the flexibility or development opportunities workers require, careful work redesign may sometimes be required. Options for the redesign of jobs can include:

- job enrichment – redesigning a job to provide increased responsibility in, for example, work planning and determining how the job should be accomplished
- job enlargement – increasing the number of job functions or tasks
- job splitting – spreading the responsibilities of one role across other existing roles and/or new, smaller roles.

Where existing full-time employees are seeking reduced hours, job redesign can be utilised constructively to alter the current situation of the underemployed as well as those under-utilised (i.e. working below their skill level).

However, a lack of workplace flexibility, a reluctance to review and/or provide resources for job redesign and/or the negative cultural attitudes of management can be major barriers to workforce retention, especially for mature-age workers.[108]

Changing Demand for Skills

Aside from designing a new job or redesigning an existing job, ensuring the right job is in place is a critical factor. Though overall the local government sector has grown in terms of the total number of employees over the last decade, some councils still struggle to fill particular vacancies, especially in rural and remote locations and/or in some specialist roles. The demand for these skills and roles needs to be taken into account when planning for the future.

It is also important to ensure roles change as the local environment changes. In a retail environment, 'different ways of producing and selling may require new skills or the same skills, but in different proportions to those utilised for existing production and selling methods'.[109] This is also true in the local government environment and in other workplaces, so the skills that are needed change as demand changes.

Succession Planning

One key aspect of managing an ageing workforce is succession planning. Succession planning ensures the organisation is able to fill future critical vacancies with appropriately skilled employees. Typically, succession planning is most prevalent for senior roles requiring the greatest levels of skill and experience and they are often filled by older employees. Many organisations also implement succession plans for highly technical or specialised roles that are crucial to the success of the organisation.

Effective succession planning provides a range of growth opportunities for talented employees. To ensure there is a ready supply of employees able to fill critical vacancies, local government needs to identify potential successors and then develop the required capabilities in those people. This may include specifying the competencies desired and the provision of a range of different learning experiences such as training and/or participation in more complex projects or tasks.

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108 Australian Treasury, Intergenerational Report 2010, *Australia to 2050: future challenges,* January 2010, Circulated by the Hon. Wayne Swan MP, Treasurer, Commonwealth of Australia
109 Kelly, R. and Lews, PE., *The New Economy and Demand for Skills,* Australian Journal of Labour Economics, Vol 6, No 1,p. 137, March 2003

Knowledge Management

With an increasing number of mature age employees and baby boomers considering their transition to retirement, local government needs to adopt a proactive and systematic 'knowledge management' approach to capture organisational knowledge held by its employees. As the Public Service Commission of WA defines it, knowledge management is:

> About enabling individuals, teams and entire organisations to collectively and systematically create, share, and apply knowledge to improve the achievement of their business objectives. For employees retiring or leaving, a structured approach to knowledge management provides an opportunity to leave a 'legacy' of their acquired learning. It also ensures that key corporate knowledge is captured and not lost when the person leaves the organisation. Those agencies with an ageing workforce, or who rely on the undocumented knowledge of specific staff, are most at risk. To ensure effective operations, the responsibility to champion a knowledge management culture within an organisation must be recognised and shared by all executives.[110]

Creating Job-Share Positions

Job-share positions are likely to be of interest to existing workers seeking reduced hours (as a transition to retirement) and underemployed workers seeking some or more hours (such as women with care responsibilities or retirees returning to work part-time). In addition to addressing the flexibility requirements of workers, job-sharing can facilitate the transfer of job and organisational knowledge and cultural practices.

Collaboration Between Councils

In professional or technical areas of significant skills shortage such as environmental health, building, surveying or engineering, collaboration between councils is an emerging resourcing option. For example, one person may be employed to carry out management and supervision of technical and/or administration officers across two or more councils. Skilled professionals can also act as supervisors for new graduates.

Eastern Health Authority: A Case Study [111]

The Eastern Health Authority (EHA) (www.eha.sa.gov.au) provides a wide range of public and environmental health services to the community on behalf of five councils in the eastern and inner northern suburbs of Adelaide, South Australia. These include the monitoring of swimming pools and spas, hygiene and sanitation control, school-based immunisation programs, licensing and monitoring of supported residential facilities, and surveillance of food premises.

Councils in the region have been working cooperatively in the environmental health field for over a century since 1899, whilst the EHA as it is known today was established in 2001. Environmental health is becoming increasingly complex, making it difficult for small organisations to attract and retain staff that are experienced and fully skilled across the diversity of the profession. The EHA is able to provide specialist environmental health services on behalf of its constituent councils, minimising costs and providing high quality services.

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110 Public Service Commission of Western Australia, *A Guide to Managing Knowledge: Turning Information into Capability,* 2010
111 Information taken from ACELG, *Consolidation in Local Government: A Fresh Look – Volume 2*, May 2011

Being a specialist organisation, the EHA is able to ensure the professional development of all staff.

The EHA has a board of management comprising two representatives from each constituent council. The board is responsible for the administrative affairs of the organisation, ensuring it acts in accordance with its charter. The constituent councils delegate their responsibilities under the relevant legislation to the EHA to enable it to act on their behalf.

The EHA is highly regarded by SA Health, and is often the first port of call for discussion and consultation on emerging issues in environmental health. It is also recognised as an effective and professional unit by the Local Government Association of South Australia.

As the EHA is solely focused on environmental health, it is able to offer a specialist service to its constituent councils. The activities of the EHA enable residents of individual councils to have access to services provided across the whole region. In the case of immunisation services for example, residents have access to up to 30 clinics across the region. Residents enjoy greater choice at a variety of venues that are open more often.

While no external evaluation has been conducted, the EHA recently engaged a consultant to speak with the CEOs of the constituent councils to determine their key priorities. The overwhelming response was that councils want value for money and improved communication. The model is certainly replicable. However, councils considering establishing a similar authority need to have the political will to enter into such an arrangement, and the CEO and senior staff need to feel comfortable that an autonomous unit is providing services on behalf of their council without direct control and influence.

The EHA is an example of a model that provides services with improved capacity, service delivery and other benefits derived from innovative workforce practices. The councils pooled their resources to deal with critical skill shortages in environmental health and specialist service requirements. Some jurisdictional legal frameworks enable collaborative initiatives while others do not.

Recruiting

Increasingly, councils advertising to fill roles are finding many applicants do not meet the basic selection criteria. Many applicants lack the experience required and councils are increasingly making rushed appointments simply to fill vacancies. The key to solving this problem is retention of staff and training younger staff for senior positions as older staff depart, thereby focusing on 'growing our own' as a longer-term strategy.

Actions for Strategy 4 *
Creating a Contemporary Workplace

Flexible and Sustainable Workforce

That ACELG together with state / territory agencies and LGAs take responsibility for:

- preparing practitioner guides and notes on ways to create a flexible workforce, and to retain and attract a sustainable workforce, particularly with regard to:
  - women
  - employees transitioning to retirement
  - younger workers
- researching and publishing leading practice case studies on creating flexible workplaces
- preparing practitioner guides and notes on implementation of succession planning strategies and knowledge management systems
- monitoring OH&S claims in the workplace and providing guidelines for managers as required on occasion
- researching and publishing leading practice case studies on local government collaborations designed to better utilise specialist skills in demand.

Combating Skill Shortages

That ACELG together with state / territory agencies and LGAs take responsibility for:

- reviewing legislative frameworks and identifying barriers that prevent local government collaborations
- encouraging councils to consider retention and skills development as the primary response to skills shortages.

New Ways of Working

That state / territory agencies and LGAs, GSA and other related ISCs, and employee organisations partner with ACELG for:

- encouraging councils to regularly review their jobs and redesign them as required to ensure relevance and sustainability
- researching and publishing leading practice case studies on innovative regional cross-sectoral solutions to skills shortages and developing relevant demonstration projects

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

IV. EIGHT STRATEGIES AND ACTIONS

Strategy 5: Investing in Skills

Strategy 5:
Investing in Skills

Skill Needs

Local government is not the only sector from which skilled workers are 'poached'. The movement of skilled and trained workers across industries, sectors and workplaces is an outcome of a labour market in which workforce growth is plateauing. As far back as 2005 a then Department of Employment and Workplace Relations report entitled *Workforce Tomorrow* estimated the effect of population ageing to be significant. It estimated that the rate of shortfall could be 195,000 by 2010. The report explained that 'while employment is expected to continue to grow solidly over the next five years [to 2010], it is likely to be substantially less than it would otherwise have been if the population age structure were to have remained unchanged'.[112]

Skill shortages exist in a number of professions and demand for workers in the highly paid resources sector remains strong. While in many cases local government cannot compete with the remuneration offered by the resources sector it can offer a positive work environment in which the workforce is supported and workers' skills are enhanced. This requires local government to cultivate a 'people development' management culture.

Government Skills Australia's 2012 E-Scan revealed that:

* 43% of council respondents have limited training budgets that prevented them from offering training solutions to their workforce
* 39% of respondents referred to the high cost of training
* almost one-quarter of council respondents said their organisation had not determined its training needs
* 23% indicated that relevant training wasn't available due to lack of training providers.[113]

Another barrier identified by the respondents was the limited time available to take staff offline to undertake the training, largely due to heavy workloads.

Increasing Australia's Skills

The need to invest in workforce skills was articulated in the *National Agreement for Skills and Workforce Development*, which sets out the allocation of roles between the Australian Government and the states to work towards increasing the skill levels of all Australians. The Australian Government has committed $6.7 billion from 2009 to 2012–13 to enable the state governments to deliver up to 1.15 million Vocational Education and Training (VET) course completions. The agreement also sets out agreed COAG targets to halve the proportion of 20 to 64-year-olds without qualifications at Certificate III level and to double the number of higher-qualification VET completions by 2020.[114]

112 DEWR, *Workforce Tomorrow: Adapting to a more diverse Australian labour market*, 2005
113 Government and Community Safety Industry Skills Council, *GSA 2012 Environmental Scan*
114 COAG, Standing Council on Federal Financial Relations, *National Agreement for Skills and Workforce Development*

Increasing Local Government Skills

In general, local government has not taken full advantage of COAG funding except in Queensland. It is imperative that the sector takes up the funding and program opportunities provided by federal, state and territory governments for training and skill development of their workforces. These opportunities are specifically designed to build up skills, and include programs funded as part of the National Workforce Development Fund and the Workplace English Literacy and Language (WELL) program. Language, literacy and numeracy (LLN) skills also require some attention:

> Approximately 53% of working age Australians have difficulty with numeracy skills; 46% of Australian adults have difficulty with reading skills, and 13% are classified in the lowest literacy category.[115]

The ISCs' report goes on to say that new jobs in industries are continually being created, and they require new sets of skills, including LLN skills.

> Moreover, some sections of the workforce, such as outdoor personnel in local government, experience significant LLN issues. Based on industry consultation, GSA has estimated that more than half of workers in these occupations require some form of LLN development.[116]

People Management Skills

Staff working under ineffective people managers and those who are not provided with quality skills training and professional development can stagnate, feel unappreciated, become disengaged and lose loyalty to their employer. This can result in high staff turnover and subsequent high costs associated with recruitment.[117] Similarly, if training and skill development is not tailored to the needs of the workforce or is of poor quality it can undermine worker efficiency, retention and attraction.

Improving the people management skills of managers will contribute to making local government an attractive and up-to-date workplace.

Advancing Skill Levels

Improving the skills of managers and frontline workers can also improve the quality of service delivery. Advancing employee skill levels also contributes to enlarging the pool of talented employees who are ready to step into critical vacancies as they arise. In addition, the advancement of learning pathways from VET or certified training to higher qualifications can enable technical officers and para-professionals to move into qualified professional roles such as planning and environmental health positions. Even before they enter the workforce, high school and other students can be encouraged to enter the sector through the provision of apprenticeships, internships and cadetships, including programs commencing as part of school work experience. This can later be developed into specific training for skills-in-demand areas.

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115 ISCs, *No More Excuses: An industry response to the language, literacy and numeracy challenge*, 2011
116 Ibid
117 Baird, M., et al, *Women, Work and the Global Economic Downturn*, FaHCSIA, 2011

Deeper and Wider Skills

Skills Australia in its 2010 *Australian Workforce Futures* report concluded that to lift productivity the Australian workforce needs a deeper and wider skill level with employees that have higher and multiple qualifications.[118] To achieve this, local government needs to become much more sophisticated in the way it deals with its learning and development agenda. This added sophistication will also enable the sector to tap into the Australian Government's incentive schemes.

Skills Utilisation

The application of skills in the workplace is increasingly recognised by governments and policymakers as being just as important to productivity as skills acquisition. According to the UK Commission for Employment and Skills, 'skills utilisation is concerned with maximising the contribution that people can make in the workplace, and therefore how well their abilities have been deployed, harnessed and developed to optimise organisational performance.'[119]

Underutilisation of skills in the workplace represents a lost opportunity for both organisations and employees. Where existing skills are not being used – due to job mismatch, attrition or simply lack of active use – the resources that were invested in nurturing these skills are not being optimised. In addition, 'failure to make active use of skills may lead to depreciation of existing skills; it might even lead to a loss of the skills already acquired.'[120]

At its November 2008 meeting, COAG produced a *National Agreement for Skills and Workforce Development*, which listed increased skills effectiveness as one of its four key commitments for optimising the skill levels of all Australians.[121] Skills utilisation was also identified as an important consideration within Skills Australia's workforce strategy, and is a key dimension of workforce development.

More skills may not necessarily lead to better skills utilisation, particularly where mismatch, wastage or underuse are common. Rather, skills utilisation should be understood as the manifold ways in which the skills, abilities and aptitudes of employees can be harnessed to promote business outcomes and, by extension, the outcomes for individual workers.

> 66 It is imperative that the sector takes up the funding and program opportunities provided by federal, state and territory governments for training and skill development of the local government workforce. 99

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118 Skills Australia (Australian Workplace and Productivity Agency), *Australian Workforce Futures: A National Workforce Development Strategy*, 2010
119 UK Commission for Employment and Skills (UKCES), *High Performance Working: A Policy Review*, Evidence Report 18, May 2010, p.3
120 Organisation for Economic Cooperation and Development (OECD), *Towards an OECD Skills Strategy*, 2011, p.19
121 COAG, Fact sheet: *National agreement for skills and workforce development*, 29 November 2008, p.1

Actions for Strategy 5 *
Investing in Skills

Skills Creation

That GSA and other related ISCs, together with federal agencies and state / territory agencies and LGAs partner with ACELG for:

- promoting COAG funding opportunities for councils to increase their workforce skills, including available COAG funding.

Increasing Skills

That ACELG, GSA and other related ISCs, and state / territory agencies and LGAs partner with ACELG for:

- developing practitioner guides and notes for conducting skills audits, identifying skills needs and ensuring skills utilisation
- researching and publishing leading practice case studies on how to ensure skills utilisation
- developing national and/or state/territory WELL programs to address language, literacy and numeracy (LLN) skills in local government, including foundation skills and pathways
- researching and promoting the benefits of:
  - developing para-professional and technical support roles in skills-in-demand areas
  - cadetships and apprenticeships, including school-based apprenticeships.

Skills Training

That ACELG, GSA and other related ISCs, and state / territory agencies and LGAs partner with ACELG for:

- encouraging councils to increase investment in skills
- monitoring the local government sector's:
  - expenditure on training and development
  - skills and training needs
  - participation in COAG-funded skilling programs.

People Management

That ACELG and state / territory agencies and LGAs take responsibility for:

- promoting to councils the further development of people management and leadership skills as a key ingredient of a sustainable workforce.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.
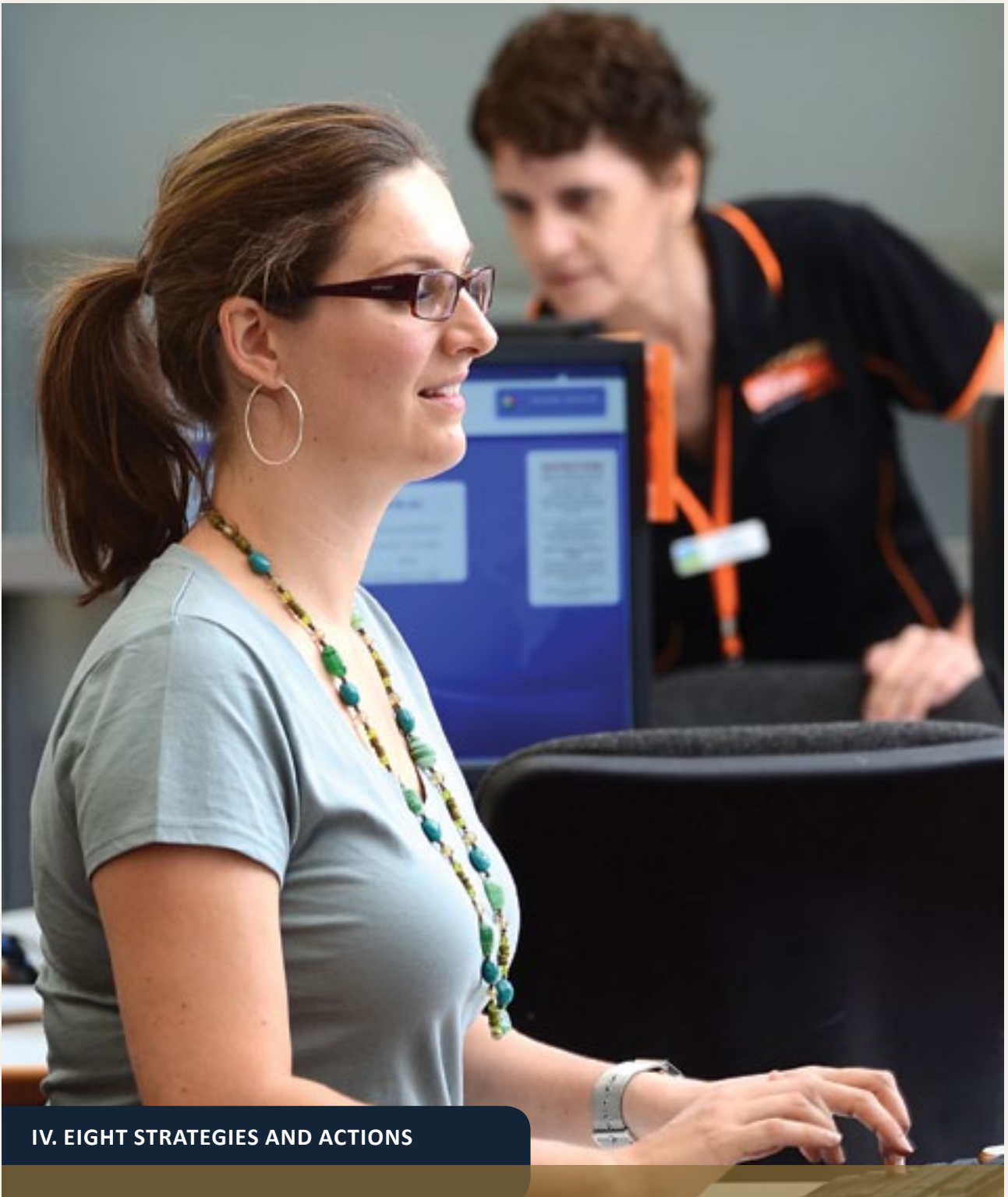
IV. EIGHT STRATEGIES AND ACTIONS

Strategy 6: Improving Productivity and Leveraging Technology

Strategy 6:
Improving Productivity and Leveraging Technology

Expanding Capacity through Productivity

Productivity is vitally important for Australia's overall economic survival and growth. In simple terms, the measures of productivity capture the ability of an economy to harness its physical and human resources to generate output and income.

According to the 2012–3 federal budget:

> Investing in high quality infrastructure projects to expand capacity and boost productivity remains a priority of the Australian Government. The government continues to build productivity by investing in nation building infrastructure, and does so by investing over $36 billion in roads, rail and ports over six years to 2013-14.[122]

These investments will 'build the foundations for a fair and high productivity future'.[123]

Productivity Themes

The Australian Government has a significant investment in the national productivity agenda, but there has been little discussion around the local government sector's role in that agenda. At its meeting in February 2011 however:

> COAG adopted a streamlined agenda built around five themes of strategic importance that lie at the intersection of jurisdictional responsibilities relating to:

- a long-term strategy for economic and social participation
- a national economy driven by our competitive advantages
- a more sustainable and liveable Australia
- better health services and a more sustainable health system for all Australians
- Closing the Gap on Indigenous disadvantage.[124]

These themes should inform the productivity agenda for local government.

Australian Workforce and Productivity Agency

Skills Australia[125] was replaced by the newly established Australian Workforce and Productivity Agency on 1 July 2012. The new agency will be encouraging all sectors to develop national workforce strategies. It will also work closely with industry to ensure the $558 million National Workforce Development Fund delivers training outcomes that meet the needs of industry, workers and the economy. It has broadened functions that give it a stronger research, analysis and advisory role, and enable it to play a greater role in promoting improvements in workforce productivity.[126]

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122 Australian Treasury, Budget 2012-13, *Budget Paper No.1, Statement No.1*, May 2012
123 Australian Treasury, Budget 2012-13, *Budget Overview – At a glance*, May 2012
124 COAG, *Communiqué*, Canberra, 13 February 2011, p.2
125 Skills Australia was set up in 2008 as an independent statutory body, providing advice to the Australian Government on current, emerging and future workforce skills needs and workforce development needs
126 Skills Australia has now been superseded by the Australian Workforce and Productivity Agency (AWPA) website, *www.awpa.gov.au/about-us/Pages/default.aspx*, accessed 29 January 2013

Skills and Technology

Skills Australia, in its 2010 Australian Workforce Futures report, concluded that Australia 'requires a highly skilled population to maintain and improve its economic position in the face of increasing global competition, and to have the skills to adapt to the introduction of new technology and rapid change'.[127] Using technology in a more efficient way will also go a long way to achieving increased productivity. The Productivity Commission research found there is a link between investment in information and communication technology (ICT) and productivity, and that Australia's growth in the 1990s was a direct result of 'competitively driven acceleration in ICT use in many industries'.[128]

Local Government Investment in Technology

The 2012 Government Technology Review media kit states that:

> Government is one of the largest buyers of information technology goods and services, investing in excess of $10 billion dollars annually. Federal government spending is around $4.4 billion, with combined state government expenditure at $4.8 billion and local government outgoings nearly $800 million.[129]

There is a need for the sector to drive this technology investment in order to achieve significant benefits and increased productivity.

National Broadband Network

The Productivity Commission in its submission to the Senate Standing Committee on the National Broadband Network (NBN) argued that 'an efficient, well regulated and widely accessible NBN might be expected to facilitate further direct productivity benefits, enabling a greater volume of information and data to be transmitted over a specified time'.[130] However, its success will depend on many factors.

Speaking to the National Press Club in December 2011 the Minister for Broadband, Communications and the Digital Economy, who is also responsible for Digital Productivity, said that:

> The NBN is a prudent investment in the long-term productivity growth of our whole economy, and Australia's future prosperity. Every industry, every small business, every member of the workforce will be more productive by having faster access to better information. We want all Australians to participate in the digital economy, to benefit from better broadband.[131]

Productivity can improve as firms move towards the best available technology and as new technologies become available. The benefits of broadband will also extend to householders who will be able to transact with the private sector as consumers and with government as citizens, thereby contributing to productivity.

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127 Skills Australia (Australian Workplace and Productivity Agency), *Australian Workforce Futures: A National Workforce Development Strategy*, 2010
128 Productivity Commission, *Submission to the Senate Select Committee on the National Broadband Network*, 30 July 2009, p.2
129 Government Technology Review, *Technology news and experience from all levels of government: Media Kit*, 2012
130 Productivity Commission, *Submission to the Senate Select Committee on the National Broadband Network*, 30 July 2009, p.2
131 The Hon. Senator Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, National Press Club Address, 13 December 2011

Technology and Telework

Technology alone is not the only contributing factor when it comes to efficiency. Another available option is telework, which is a means of enabling employees to work from anywhere, thereby achieving greater flexibility and in many cases greater productivity. According to the Department of Broadband, Communications and the Digital Economy, it is expected that by 2020 the level of telework will double to at least 12 per cent of workers engaging in flexible working arrangements. This will be largely dependant on the reliability and speed of the NBN, which 'will give a much better telework experience' and with video conferencing and other available technologies, 'will help to attract and retain staff, and boost productivity'.[132]

Current Australian uptake of telework is relatively low compared to other countries, but the government has set up initiatives like Telework Partners, which has more than 150 organisations signed up nationwide to support telework, and National Telework Week, which was held in November 2012 to encourage and promote the benefits of telework. This effort will increase as the NBN is rolled out.

However, even with these initiatives, telework can only be successful if it fits the culture of the organisation, is supported by management and is appropriate to the employee's circumstances. The American-based ICMA has said that 'the key to a successful telecommuting program is management. Managing telecommuters is a different process than managing in-office workers, and organisations often become stuck when they try to use traditional management techniques for this unique work situation'.[133] This is reflected in other spheres as well. Telework 'will succeed only if an organisation's underlying fundamentals are solid and everyone clearly understands how flexible work helps to achieve the goals of the business. When results aren't as expected and the business rationale for telework is unclear, it's easy for leaders to target the flexibility as being a source of the problem, rather than fixing the business strategy and using flexible work to execute it'.[134]

This was particularly the case at Yahoo in February 2013, where the CEO abolished telework practices.

> The message officially came from human resources head Jackie Reses. "To become the absolute best place to work, communication and collaboration will be important, so we need to be working side-by-side," the memo said. "That is why it is critical that we are all present in our offices." Overall, CEO Marrisa Mayer deems working from home to be a detriment to those plans. Clearly, she thinks it's hard to make connections when working remotely.[135]

This is a challenge that local governments will continue to face. Though management practices differ across the sector, local governments in general are well positioned to encourage telework as well as explore different forms of place-based work practices so they remain attractive workplaces offering flexible work options without alienating their staff and limiting opportunities for communication and creativity.

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132 Department of Broadband, Communications and the Digital Economy (DBCDE), NBN Benefits, Telework, accessed February 2013 at _http://www. nbn.gov.au/nbn-benefits/digital-economy-goals/telework/_
133 International City/County Management Association (ICMA), _Is Telecommuting Bad For Business?,_ 1 March 2013
134 Yost, CW., _3 Ways Yahoo's Marrisa Mayer Did Us A Huge Favor,_ Fast Company, 26 February 2013
135 Pepitone, J., _Marissa Mayer: Yahoos can no longer work from home,_ CNN Money, 25 February 2013

Making Technology Work for Government

Maybe one way to do this is to embrace new technologies. Governments across the world have done so and continue to do so. One concept that has become popular is e-government, which the World Bank defines as:

> The use by government agencies of various information technologies that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.[136]

E-government is a whole-of-government approach that cuts across federal, state and local boundaries because, as the Australian Government has said, it is a term that 'describes the use of available and emerging technologies to create a citizen-focused government for the benefit of all Australians',[137] designed to 'develop frameworks that support the transition from paper-based service delivery to electronic formats'.[138] Centrelink, at a federal level, is a leader in this process, but it is critical to local government as well. In general, e-government is more about better government overall than about the 'e' of technology, and allows greater engagement with citizens.

To that end, both the public and private sectors are moving to an even newer and better form of engagement which has become known as m-government, of which a recent multinational report has said the following:

> Given this unparalleled advancement of mobile communication technologies, governments are turning to m-government to realise the value of mobile technologies for responsive governance and measurable improvements to social and economic development, public service delivery, operational efficiencies and active citizen engagement. The interoperability of mobile applications, which support quick access to integrated data and location-based services, paves the way for innovative public sector governance models based on the use of mobile technology in support of public services and information delivery.[139]

The Western Australian Government has already begun to use m-government to service its police force. Officers now have mobile PDAs (personal digital assistants) and other such devices to assist them with field operations, whereas previously they had to call the station to conduct routine checks. According to a report in *FutureGov* magazine, 'Officers can download data directly, instead of using a radio to access information. These downloads enable police to sidestep time-management and information-access concerns',[140] leading to greater productivity.

Local government in Australia has yet to fully experience the benefits of 'e' or 'm' government but the process is in train. It is, however, already popular in local governments in America. For example, one local government in Massachusetts is using technology to increase productivity:

136 The World Bank, *Definition of E-Government*, 2011
137 DBCDE, *Access to online services and e-government*, updated May 2011
138 DBCDE, *Reviews and Inquiries: Government services online – e-government*, updated November 2011
139 OECD and ITU, *M-Government: Mobile Technologies for Responsive Government and Connected Societies*, 2011, p.3
140 Sweeney, S., *Western Australia Police Improve Mobility*, Asia Pacific Future Gov , 25 July 2012

With a number of online options for business transactions, the town is careful to also make paper options available, thus not disenfranchising any residents. The town has engaged in e-government for many purposes: to provide citizen access to local government information, to the local government, and to elected and appointed officials; and to save money and encourage citizen participation and e-democracy. A major barrier to e-government initiatives is not having enough technology and web staff. E-government has increased the time demands on IT staff and changed their role, even though it has also increased efficiency of business processes and improved customer service and communication with the public.[141]

Mobile Learning and Advanced Learning Strategies

Mobile learning (mLearning) and other advanced learning strategies, including those utilising gaming technology and online socialising technology, have joined other Technology-Enhanced Learning (TEL) approaches such as eLearning. MLearning's technical dimension is defined as learning through the use of mobile devices such as smart phones, tablets and laptops. The mobility of the learner is paramount and allows for greater contextualisation of the learning process. The many benefits of mLearning include: promotion of active learning, enabling new learning situations, and the integration of abstract (representational) and concrete (environmentally situated) knowledge. As one source suggests, 'more than the sum of its parts … it is, to a great extent, a "Trojan horse" and a vehicle for exploring the changing nature of learning in a connected age'.[142]

Advanced learning strategies for the current and emerging workforce will increasingly involve the adaptation of gaming technology and online socialising technology as learning tools. Both are utilised by all generational groups, not just Gen Y and Gen Z. For instance, 26% of players of all the world's computer games are aged 50 or over.[143] Generational stereotypes can be misleading. These advances in educational technology are moving education and training inexorably into cyberspace, providing more opportunities for student-centric, innovative and customised learning models.

Increasing Productivity through Education

Many universities are now capitalising on these new technologies and conducting their studies online and through innovative technological communication. Universities, like all organisations, are attempting to capitalise on the market because they realise that:

> Higher education will play a fundamental role in driving Australia's productivity and future economic prosperity. The demand for higher-level skills will substantially increase over the next decade [and] if we want to maximise productivity, we must increase the skills of our workers. The driving force to achieve this is higher education.[144]

Education will provide the necessary qualifications, but qualifications alone are not enough because many people do not use their qualifications in their roles. It is important that education matches the skills required for the job.

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141 ICMA, *E-Government Initiatives Save Money and Encourage Citizen Engagement*, 17 January 2012
142 JISC InfoNet, Northumbria University, *Mobile Learning InfoKit*, 2011
143 Reeves, B., *Total Engagement: Using Games and Virtual Worlds to Change the Way People Work and Businesses Compete*, Harvard Business Press, 2009
144 Universities Australia, Media Release: *Higher Education Critical for our Productivity,* 19 July 2012

Deepening Skills Across the Workforce

It is therefore not surprising that international and Australian research indicates that to lift productivity we need more specialised skills than currently exist in the Australian labour market. We need a workforce in which more people have skills, but also multiple and higher-level skills and qualifications. Deepening and broadening skills across all occupations is crucial to achieving long-term productivity growth. This is as true for local government as it is across the entire Australian workforce. This need also reflects the recent trend for jobs to become more complex and the consequent increased demand for higher levels of skills.

> 66 Local governments in general are well positioned to encourage telework as well as other forms of place-based work practices so they remain attractive workplaces offering flexible work options. 99

Actions for Strategy 6 *
Improving Productivity and Leveraging Technology

National Productivity Agenda

That ACELG, GSA and other related ISCs, and ALGA partner with ACELG for:

- promoting local government's role in participating in the productivity agenda
- researching the link between investment in technology and productivity, particularly following the NBN rollout, and for publishing leading practice case studies to demonstrate the productivity benefits
- researching how increased investment in skills leads to greater productivity.

Investing in Technology

That state / territory agencies and LGAs take responsibility for:

- encouraging councils to invest in technology and automation in order to improve their workforce productivity
- researching and publishing leading case studies on technological innovations that increase productivity and capacity.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

IV. EIGHT STRATEGIES AND ACTIONS

Strategy 7: Maximising Management and Leadership

Strategy 7:
Maximising Management and Leadership

High Performing Workplaces

In 2011 the Society for Knowledge Economics together with its academic partners published a report on *Leadership, Culture and Management Practices of High Performing Workplaces in Australia* (the 'SKE Report').[145] It examined 78 organisations in the service sector comparing how they fared in six areas:

- productivity and financial results
- innovation
- fairness
- leadership skills
- customer experience
- employee experience.

The SKE Report concluded that high-performing workplaces were nearly three times more profitable and much better at reaching their stated financial goals than their low-performing peers. It also concluded that leaders in high-performing workplaces spend far more time and effort in managing staff. They are more inclined to give ample recognition and acknowledgement to employees and can articulate a clear vision and goals. These work practices are observed in chief executives and amongst managers and supervisors as well.

Recognition of Employees

Fostering strong and positive leadership behaviours at all levels of local government management is a critical factor when seeking to retain employees.[146] A recent global survey of 134,000 people across 29 countries has shown that the number one reason people leave an organisation is a negative relationship with their manager. When employees feel they are not recognised for good work by their immediate manager they tend to be less motivated and do not usually feel compelled to remain in their roles.[147] Ensuring that managers understand the needs of their workforces and the impact their management styles have on retention is therefore vital to workforce retention in local government.

Leadership Skills

The SKE Report refers to leadership, not as a heroic action of the chief executive at the top, but as involving the leadership skills of mangers further down the line. It says that the failure to define the precise skills of good people management is a barrier to lifting productivity and performance in the economy.[148]

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145 Boedker, C., et al, *Leadership, Culture and Management Practices of High Performing Workplaces in Australia: The High Performing Workplaces Index*, Society for Knowledge Economics (SKE) and Australian School of Business at UNSW, October 2011
146 LGA Group, UK, *Delivering through people: The Local Government Workforce Strategy*, 2010
147 Kelly Services, Kelly Global Workforce Index, *Top five reasons why employees leave their jobs*, March 2011
148 Boedker, C., et al, op. cit.

Developing People Managers

This has meant that the development of people management skills has become a priority for local government managers and executives. More of the same, in terms of people management, is not going to be the answer as skill shortages continue to bite into local government capacity. New pools of talent need to be identified to find new ways of promoting the capacity of local government to offer better work/life balance than other sectors.

Changing Role of Management

Over the last 20 to 30 years the role of local government has evolved, and so too have the roles of managers. Those who commenced their local government careers in the 1980s or earlier will be familiar with the autocratic 'command and control' style of management. This management style stemmed from the highly legislated and more procedural environment in which local government operated and could be said to have been more about 'doing things right' than 'doing the right things'.

It is often not recognised that as employees progress into management roles, the emphasis should be on developing management skills rather than technical skills. Councils that assist their managers and executives to become good people managers will be well-placed to deal with the workforce challenges of the future.

Manager Training

Managers should also receive ongoing training to ensure they continue to build and maintain their skills in a range of areas such as identifying team needs, people development, performance management and work design. With a cultural emphasis on diversity in the workplace of the future, there will be a need for greater cultural competency amongst local government managers. A reputation for strong leadership and people skills would also give local government a powerful competitive advantage in the war for talent.

Consequences of Bad Management

In a 2006 study Wayne Hochwarter, Associate Professor of Management in the College of Business at Florida State University, set out to prove employees do not leave their job or company; they leave their boss. He surveyed more than 700 people in a variety of jobs about their opinions of supervisor treatment. The survey generated the following results:[149]

- 31% of respondents reported that their supervisor gave them the 'silent treatment' in the past year
- 37% reported that their supervisor failed to give credit when due
- 39% noted that their supervisor failed to keep promises
- 27% noted that their supervisor made negative comments about them to other employees or managers
- 24% reported that their supervisor invaded their privacy
- 23% indicated that their supervisor blamed others to cover up mistakes or to minimise embarrassment.

The survey did not cover local government, but does illustrate the deficiencies that can exist in management when it comes to people skills.

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149 Hochwarter, W., et al, *Bad Boss Study,* cited in *Who's afraid of the big bad boss? Plenty of us, new FSU study shows,* Florida State University, FSU News, 2006

Human Resources Professionals

HR professionals are generally not prominent on councils' executive management teams, and are therefore less likely to be able to inform and guide workforce planning and development appropriately at a strategic and corporate level.

Developing and Maximising the Capacity of Employees

Many employees make better choices and have far greater decision-making freedom in their personal lives than they do in their workplaces. Not only is the legislative framework governing their employment restrictive, but many councils also bind their employees with processes, procedures, structures and delegations, often removing what little freedom and initiative may exist in their jobs.

Management needs to enable employees to do their job better by:

- unleashing the potential of its employee talent
- creating highly effective and high performing environments by adapting their corporate culture
- providing the talent with the required skills, tools and equipment
- empowering the talent to get on with the job of serving their communities.

The challenge of creating a positive work environment is an issue that was posed to the 110 teams from Australia and New Zealand who competed in the Australasian Management Challenge hosted by LGMA in 2011. They tackled many of the retention and attraction issues that face local government.

The management challenge is designed as a team-based management development program dealing with contemporary issues relevant to Australian and New Zealand local government. In 2011, teams were required to respond to one central question: "What does your council need to put into place to challenge and engage critical staff and prevent them from leaving?"[150] The teams were required to describe the current practices within their councils, the factors determining staff movement and existing programs used to retain, attract and develop employees.

Like Hochwarter, one of the teams investigated employees' reasons for leaving their jobs, and found that more than 70 per cent of employees leave their jobs because of the way they are led. Other teams confirmed previous findings that managers are often promoted because of their technical skills and abilities and lack the necessary people skills. Teams concluded that the specific areas of skill development for managers include:

- communication
- recognising, acknowledging and developing good performance
- managing poor performers.

Lack of such skills contributes to low morale among high performers due to uneven and heavy workloads, not feeling appreciated and the underperformance of others being sidestepped rather than managed.

Challenge teams also found that a lack of career development opportunities was another clear factor in employee decisions to leave a council. Staff surveys confirmed the need for clearly defined strategies to enhance career development, and that careers do not have to be linear – staff look for a challenge and the opportunity to gain new skills and remain interested in their work while receiving appropriate rewards.

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150 LGMA Management Challenge 2011

Staff Retention

The management challenge teams formulated the following strategies that are aimed at retaining staff:

- providing opportunities for promotion from within, thereby enabling employees to reach their potential within their current council
- providing job-fit for people and valuing job satisfaction
- utilising personal development plans and promoting further studies
- developing a council skill matrix and a council register aimed at defining opportunities for staff to fully utilise their skills
- utilising mentoring, interim placement, job swaps, secondments and taking on the responsibilities of more senior staff on a temporary basis as opportunities for staff to perform higher duties.

Most 'good' organisations rate themselves as performing at 60% to 65% of their potential. Increasing that 60% to 70% and beyond is the job of good management, including good people management.[151] That is at the heart of productivity and the way to build a high-performance workplace.

The Challenge for People Managers

Many local government line managers and executives are being forced to make tough staffing choices on a regular basis. As a majority of their staff are mature age, these choices are likely to arise from requests for retirement or transitions to retirement and more flexible working options. They are also likely to be dealing with requests for family leave or flexible work arrangements following extended family leave and/or the integration of employees back into the organisation.

In addition, most councils have a significant turnover of staff; in some jurisdictions as many as 60% of staff members leave in their first two years of service. Many managers and executives feel as if they are forever recruiting and training new employees who, just as they develop the appropriate skills, indicate an interest in moving on. Filling the gaps created requires managers and executives to explore new pools of talent.

The traditional approach of appointing homogenous candidates that are 'most like us' is not sustainable, nor does it reflect the diversity of its own local communities. The sector needs to embrace new and creative approaches to attract and retain staff from 'pools' including mature Australians, Aboriginal and Torres Strait Islander people, migrant and refugee communities, people with a disability and women. This is particularly the case for leadership roles.[152]

The Leadership Opportunity

Managers and executives have more than a full-time job. In the past, much of their time has been devoted to their professional discipline, but the challenges they face today and will face in coming years will require new ways of thinking, new skills and new approaches.

The council's principal talent strategy has to be directed at retention and the secondary strategy needs to deal with attraction. Managers themselves need to approach this challenge more effectively, and they need to constantly update their own skills and abilities.

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151 Ken Blanchard Companies, *The High Cost of Doing Nothing*, 2009
152 Ravlic, J., *It's all about talent management*, Australian Local Government Yearbook, 2012

Actions for Strategy 7 *
Maximising Management and Leadership

Maximising Leadership

That ACELG and state / territory agencies and LGAs take responsibility for:

- encouraging councils to improve the talent and people management skills of their managers and leaders
- preparing appropriate online resources including leading practice case studies and practitioner guides
- encouraging councils to conduct regular organisational culture surveys to determine the quality of their management teams.

Capacity Building for Management

That ACELG and state / territory agencies and LGAs take responsibility for:

- encouraging councils to promote workforce development activities to ensure allocation of appropriate resources to achieving strategic capacity.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

66 Councils that assist their managers and executives to become good people managers will be well-placed to deal with the workforce challenges of the future. 99

IV. EIGHT STRATEGIES AND ACTIONS

Strategy 8: Implementation and Collaboration

Strategy 8:
Implementation and Collaboration

Workforce Reforms in a Changing Environment

One of the challenges for local government in workforce planning and development is to align workforce reforms with other reforms occurring in a changing political and operating environment at the national, state and local levels.

At a national level, relevant strategies, policies and plans include:

- the Local Government and Planning Ministers' Council Intergovernmental Agreement, Financial and Asset Management Frameworks and the Women in Local Government Strategy
- COAG strategies relating to *Closing the Gap in Indigenous Advantage*, and upgrading workforce qualifications
- federal programs designed to lift workforce participation and productivity
- an increasing number of user pays arrangements for publicly funded vocational education
- skilled migration programs
- NBN and other technological advances
- recent changes made by the Australian Government to childcare staff ratios which have affected workforce planning and development
- the release of major data sources, notably the 2011 Census
- Government Skills Australia's E-Scan which provides an overview of local government's workforce.

Integrating Workforce Planning

Workforce planning and development has always been an integral component of councils' strategic management frameworks, but it is not always widely implemented. To address this problem, some jurisdictions mandate workforce planning and development activity as part of their integrated planning and reporting framework.

Government Skills Australia's 2012 E-Scan observes that:

> A portion of the local government sector appears to be integrating workforce planning activities into their business approach. Almost half of the respondents indicated they undertake career development and succession planning with their staff; 45 per cent of the respondents integrate formal workforce planning and development strategies into their business planning processes; 37 per cent of the respondents undertake workforce forecasting; and almost 30 per cent of the respondents undertake workforce gap risk analysis activities. However, 17 per cent of respondents indicated that they do not undertake any form of workforce planning activities.[153]

Undertaking workforce planning activities is a key recommendation of this Strategy. Some councils may be limited by having insufficient resourcing and expertise. Therefore the pace of implementation may differ across the sector.

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153 Government and Community Safety Industry Skills Council, *GSA 2012 Environmental Scan*, p.19

Actions for Strategy 8 *
Implementation and Collaboration

Planning for Implementation

That state / territory agencies and LGAs take responsibility for:

- developing state-based implementation plans that integrate relevant components of this strategy
- promoting the adoption of relevant actions within this strategy by local councils, tailored to their particular circumstances.

* Implementation of the actions will vary from jurisdiction to jurisdiction, in accordance with the local context.

V. Data Gathering

V. DATA GATHERING

A key element in implementing the Strategy will be robust arrangements for local government workforce data collection and analysis, monitoring of progress towards achieving the agreed national objectives, and further development of supportive programs. Much of this work will be led by ACELG, in partnership with jurisdictions, national agencies and sector organisations.

Data Sets

The following data sources were used in the preparation of this strategy:

- published ABS data on local government finances, the labour force, employment and earnings
- customised 2006 Census and survey data
- Department of Education, Employment and Workplace Relations Unistats data and Skill Shortages data
- Government Skills Australia's E-Scan
- APSC State of the Service reports.

Department of Immigration and Citizenship data on migration and temporary entry was used in earlier versions of the strategy and confirmed that immigration is a key source of labour in skill shortage occupations.

Limitations of the Data

One limitation is that the Australian Census, conducted by the ABS, is only collected once every five years and the data results are only released in stages, therefore dating some of the data. The lack of a regular collection of data impairs workforce planning and monitoring progress against COAG targets in the following areas:

- qualifications and occupations of local government employees
- expenditure on training in local government
- Indigenous participation in the local government workforce.

There is even doubt over the exact size and gender make-up of the local government workforce. Census data provides a gender breakdown but only covers 'local government administration'. The ABS Employment and Earnings survey[154] provides a valuable annual survey of the size of the local government workforce, including those employed in local government's commercial activities, but provides no gender breakdown.

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154 ABS, *Employment and Earnings, Public Sector Australia*, December 2011, Cat 6248.0.

State Sources

Data from state sources has partially compensated for the lack of national data. In particular, the following data sources have contributed to highlighting differences in the local government labour market between states, to identifying regional skill shortages and to montoring levels of gender equity:[155]

- LGAQ *Industry Skills and Workforce Development Report 2011: Current and Future Skill Needs within the Queensland Local Government Sector*
- LGAQ 2009 Skills Plan *Local Government Skills Formation Strategy*
- Municipal Association of Victoria (MAV) 2011 *Characteristics of the Victorian Local Government Workforce*
- NSW 2010 Premier and Cabinet, Division of Local Government *2010 Census of Local Government Employees Report on Findings*
- NSW 2005 Premier and Cabinet, Division of Local Government *Survey of Skills Shortages In NSW Local Government*
- WALGA 2006 *The Systemic Sustainability Study: Industry Capability*
- SA Local Government Grants Commission *2009-10 Census of Local Government Workforce*.

Information from LGAQ has been helpful in identifying the impact of the resources boom on the Queensland local government workforce. There is a need for up-to-date information on the impact of the resources sector on the local government workforce in other states, particularly Western Australia. A major limitation of the Queensland 2011 report is the absence of data on Indigenous people employed in the 16 Indigenous local governing bodies.

The APSC State of the Service report provides a model for the type of data analysis that local government can achieve with sufficient ongoing funding.[156]

The Australian Local Government Workforce and Employment Census

In addition to current sources, and as indicated under Strategy 1 in Section IV of this document, agreement has been reached with state jurisdictions on a new census on the local government workforce. The ALGWECensus provides a detailed snapshot of the occupations, qualifications, gender distribution, age distribution, Indigenous participation, training, turnover, skill shortages, vacancies and other characteristics of the local government workforce. The first collection of the ALGWECensus occurred in early 2013 and is being coordinated by ACELG in conjunction with the state jurisdictions. Some of the preliminary, unpublished data has been used in this document.

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155 See References for links to these reports.
156 APSC, *State of the Service Report,* 2010-11

VI. Monitoring and Program Development

VI. MONITORING AND PROGRAM DEVELOPMENT

Action Plans and Self-Assessment Tool

The eight strategies set out above provide a national approach to workforce development. Though they propose actions and assign responsibility and ownership of certain tasks and duties to various organisations, these are generic in nature. The implementation of this national Strategy will largely be dependent on the local context and jurisdictional input.

To that end, it is intended for each state and the NT to develop their own action plans that will be specific to their circumstances and current approaches. These plans will therefore become the jurisdictional blueprints for implementation, and will determine the speed and context of local activity.

This Strategy is a guiding document that will inform the development of the jurisdictional action plans. These action plans will become the primary documents for communicating the implementation of this Strategy to councils.

A self-assessment tool will be developed by ACELG to enable councils to identify gaps in their workforce development functions, in order to develop their implementation agendas.

Monitoring

At a national level, a comprehensive framework will be developed by ACELG with input from the sector to monitor the progress towards the achievement of agreed goals to ensure effective implementation of this Strategy from a national perspective.

The vision and goals of this Strategy (set out in Section I) detail the intended direction, and the actions specify the responses for implementation. The eight strategies are interconnected, as shown in the following diagram, and their implementation and monitoring will require a coordinated approach.

The implementation of the Strategy will be monitored against a framework of national indicators, which will be used to determine the Strategy's impact on such things as councils' investment in training, the diversity of councils' workforce and improved productivity.

Some of the indicators, such as those that relate to workforce numbers, will be quantitative and easier to measure, while other indicators will require qualitative data to be collected. For example, improving productivity and leveraging technology (Strategy 6) will be harder to measure as an increase in technology may not have immediate impact on productivity. The impact of Strategy 6 and other less measurable strategies may need to be assessed by using a range of qualitative approaches in conjunction with the quantitative measures.

Figure 4: The interconnections between the eight strategies

Skills Investment

Improving Workforce Planning and Development

Improving Productivity and Leveraging Technology

Retaining and Attracting a Diverse Workforce

Creating a Contemporary Workplace

Promoting Local Government as a Place-Based Employer of Choice

Integration and Implementation

Maximising Management and Leadership
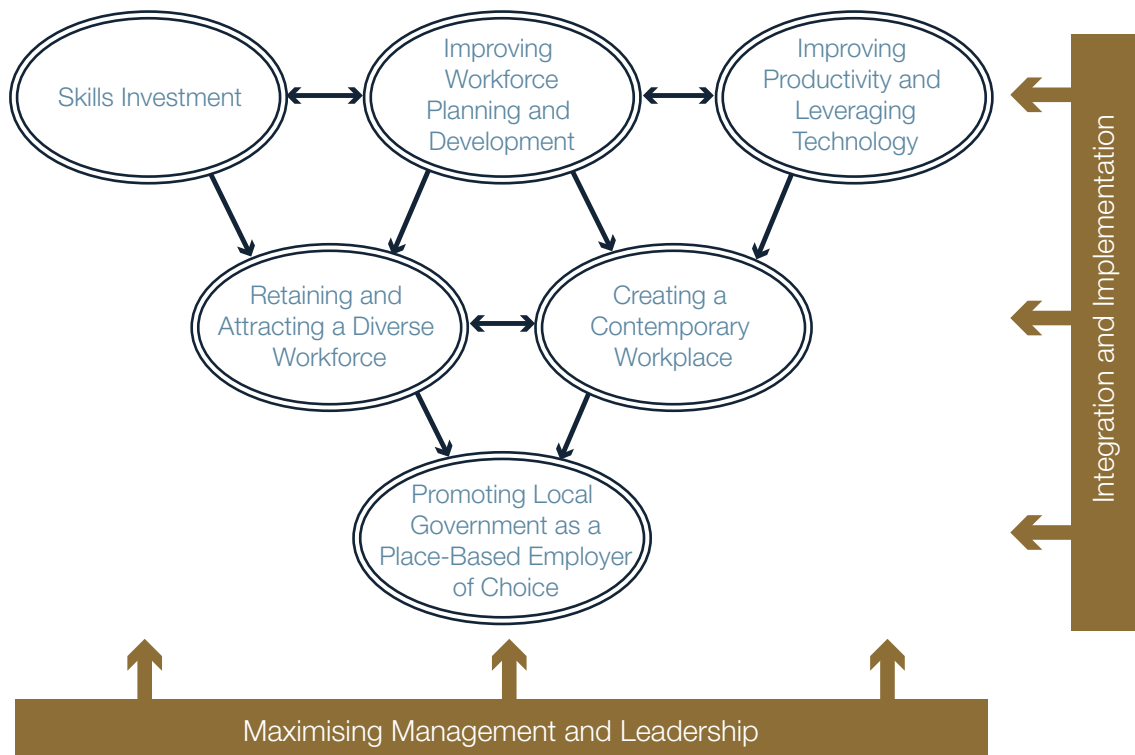
Governance and Oversight

The governance arrangements to oversee the implementation of the strategy will be along the following lines:

The Local Government Workforce Inter-jurisdictional Committee – made up of representatives from state, territory and Commonwealth government agencies responsible for local government, will receive an annual report on the implementation of the Strategy.

The Local Government Workforce Strategy Committee – made up of key local government representatives and workforce stakeholders, will meet biannually to oversee the implementation of the Strategy against agreed goals and timelines. It will also advise on advocacy and funding opportunities to ensure the strategy remains current with sufficient funds for implementation.

The Local Government Workforce Reference Group – made up of representatives from local government associations, professional peak bodies, unions, and state, territory and Commonwealth government representatives, will meet up to three times per annum to advise on the implementation of the Strategy to ensure stakeholder buy-in and sector relevance.

66 Successful implementation of the Strategy will result in a local government workforce that has the capability to meet the needs and aspirations of its communities. 99

Program Development and Annual Reporting

To be effective and relevant over the life of the Strategy (to 2020), the monitoring framework needs to be adaptable. To achieve this, a discussion paper will be released following the Strategy that will call for the sector's input in the development of a monitoring framework.

The paper will identify the direction of the monitoring framework, the data to be used from the ALGWECensus and other sources, and will set out a draft timeline for implementation.

The results of the monitoring process may lead to variations in approach for Strategy implementation, which will be explored annually as part of a validation process with the sector.

An annual report will be used to publish the findings of the monitoring framework. The quantitative and qualitative findings will be validated at an annual roundtable made up of representatives from local government associations, professional peak bodies, unions, and state, territory and Commonwealth governments.

The monitoring and reporting framework is critical to the success of the Strategy and in turn, will contribute to improved capability and sustainability for each council.

Conclusion

This Strategy was designed to explore the workforce challenges faced by local government and proposes actions for the sector to move towards a more sustainable workforce through retention, attraction and development.

Some local governments are already engaged in workforce planning and development but some are not, and this Strategy, with its actions, is intended to build on and reinforce existing good practice, and to facilitate ongoing improvements.

Understanding local government's workforce needs and the demographics of the current supply will enable the sector to make a detailed assessment of its skill shortages and gaps. This is an essential first step to successfully retaining, attracting and developing the required workforce.

Local government is uniquely placed to contribute to local economic initiatives through the employment of local talent. Individual councils across Australia provide excellent close-to-home employment opportunities for prospective employees.

Given the increased competition for skilled employees across all industries, resourceful councils embrace principles of workplace diversity and equity. These principles are essential elements in the creation of a flexible and multi-skilled workforce. Local government workforces should reflect the diverse communities they serve.

Workplace flexibility and work redesign are key means for both retaining and attracting employees, especially those faced with the demands of caring for family members, studying or transitioning to retirement. Local government needs to be responsive to the needs and desires of its current and potential workforce in order to effectively compete for skilled and talented employees.

Demand for workers is increasing and there is a need to recruit a wide variety of skilled and semi-skilled labour to fully meet local government's requirements. As such, it is timely that local government should take advantage of a range of government training programs to upskill and retain current staff to avoid the high cost of turnover; and to invest in ongoing training and professional development of staff to enable them to be more productive.

Local government needs to understand the demands of the national productivity agenda and how it can make a contribution to that agenda, particularly through investment in technology.

High performing workplaces spend more time and effort than other workplaces do in managing staff in order to perform to their potential. Increasing that potential requires effective leadership, including good people management.

Local government workforce planning and development initiatives will be aligned with other reforms occurring in a changing political and operating environment at the national, state and local levels.

Successful implementation of the Strategy will result in a local government workforce that has the capability to meet the needs and aspirations of its communities.

Leading practice case studies, practitioner guides and notes, will be distributed to the sector on a regular basis to assist with implementation of the Strategy. These guides and notes will be supported by an online resource that will be regularly updated. The pace of implementation and the production of practitioner guides and resources will be subject to funding and will also be determined by each state jurisdiction based on local needs.

Councils that take a rigorous and long-term approach to retaining, attracting and developing a skilled, committed and inclusive workforce will be more sustainable and capable partners of state and federal governments in advancing the quality of life of their communities.

66 Councils that take a rigorous and long-term approach to retaining, attracting and developing a skilled, committed and inclusive workforce will be more sustainable and capable partners of state and federal governments in advancing the quality of life of their communities. 99

Supporting Data and Sources

SUPPORTING DATA AND SOURCES

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Appendix 1:
Consultation Participants

APPENDIX 1: Consultation Participants

Representatives from all state and territory local government agencies and associations were consulted with regard to the development of this Strategy. In particular, a number of different representatives from various committees and groups were consulted, and they include:

Local Government Workforce Development Group - State and Territory Local Government Associations

Local Government Association of NSW / Shires Association of NSW – Lillian Tiddy, Director Workplace Solutions Division

Local Government Association of NSW / Shires Association of NSW – Adam Dansie, Manager Industrial Relations

Local Government Association of South Australia – Sandy Semmens, Program Manager Training Development and Research

Local Government Association of Queensland – Tony Goode, Director, Workforce and Organisational Services

Municipal Association of Victoria – Geoff Pawsey, Manager Workforce and Risk Management

ACELG National Local Government Workforce Development Reference Group

Chair: La Trobe University Department of Business, Economics and Law – Professor John Martin, Director, Centre for Sustainable Regional Communities

Australian Institute of Building Surveyors – Kevin Skauge, succeeded by Graeme Geldart, Chief Executive Officer

Australian Institute of Building Surveyors – Yvonne Miller, National Education Manager

Australian Local Government Association – Adrian Beresford-Wylie, Chief Executive Officer

Australian Library and Information Association Ltd – Sue Hutley, succeeded by Rob Miller, Executive Director

Australian Services Union – Greg McLean, Assistant National Secretary

Government Skills Australia – Karen Taylor, Chief Executive Officer

Government Skills Australia – Nick Crosling, succeeded by Lynn James, Local Government Industry Liaison Officer

Institute of Public Works Engineering Australia – Chris Champion, Chief Executive Officer

Institute of Public Works Engineering Australia – Ross Moody, National Executive Officer

Local Government Community Development and Services Association of Australia – Lisa Cornelius, National President

Local Government Finance Professionals – Michael Sewell, Convenor

Local Government Human Resource Managers – Michelle Holland, Representative

Local Government Managers Australia, National – John Ravlic, Chief Executive

Local Government Workforce Development Group, State and Territory Local Government Associations - Lillian Tiddy and Tony Goode

Parks and Leisure Australia – Garry Henshall, succeeded by Mark Band, Chief Executive Officer

Planning Institute of Australia – Kirsty Kelly, Chief Executive Officer

State and Territory Inter-Jurisdictional Group

ACELG / Centre for Local Government, UTS – Graham Sansom, Director

ACELG / Centre for Local Government, UTS – Melissa Gibbs, Assistant Director

ACELG / LGMA – Angela Zivkovic, Project Manager, Local Government Practice Unit, Workforce Development Program

ACELG – Mervyn Carter, Project Manager, National Workforce Strategy and Data Sets

Department of Regional Australia, Local Government, Arts and Sport (formerly DoRA) – Margreet Salvage, East Kimberley Development Package and Local Government Reform Fund, Northwest and Local Government Division

Department of Regional Australia, Local Government, Arts and Sport (formerly DoRA) – Jacob Zanoni, Local Government Reform Fund

NSW Department of Premier and Cabinet – Gabe Hart, Division of Local Government

NT Department of Housing, Local Government & Regional Services – John Tobin, Acting Executive Director, Local Government, Regional and Community Services

QLD Department of Infrastructure and Planning – Stephen Johnston, Executive Director, Office of Local Government

SA Department of Premier and Cabinet – Michael Barry, General Manager, Office of State/ Local Government Relations

TAS Department of Premier and Cabinet – Harriett Close, Local Government Division

VIC Department of Planning and Community Development – Eveline Kane, Local Government Victoria

WA Department of Local Government – Tony Dean, Director Strategic Policy

WA Department of Local Government – Virginia Scott, Principal Project Officer, Strategic and Structural Reform

Local Government Managers Australia (LGMA) State/Territory Divisions

LGMA NSW

LGMA Queensland

LGMA Tasmania

LGMA Northern Territory

LGPro Victoria

LGMA South Australia

LGMA Western Australia

ACELG 5th National LG Workforce Development Forum, 16–17 April 2012, Canberra

Forum participants comprised representatives from local government associations, professional associations, peak bodies working in the sector, and relevant Commonwealth, state and territory departments.

The forum included a workshop to discuss key stakeholder responses to the draft strategy. Workshop participants agreed that the document be reworked in the form of a *National Framework for Local Government Workforce Development*; that essential strategic elements, or principles, be developed for adoption by each state and territory where relevant and applicable to the local context; and that related self-assessment tools with tailored resources be developed and provided to councils during strategy implementation.