The Hon Josh Frydenberg MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

29 January 2021

Dear Treasurer

Local Government Professionals Australia is the professional association representing the extensive local government workforce of approximately 200,000 employees. This includes the leaders in local government who have a strong track record as proven partners for the Australian Government in delivering programs in areas as diverse as roads and transport, social cohesion and community infrastructure, regional development and smart cities, and environmental and natural disaster management. With over 5,500 local government professionals as direct members including Chief Executives Officers, General Managers, and senior executives across Australia, the organisation plays a key role in linking Federal and Local leadership.

The past year has been a challenging time for local government and the communities we represent and serve. Amid droughts, bushfires, floods, and COVID-19, local governments have worked tirelessly to meet the needs of communities and other levels of government it supports. Now more than ever, support for local communities is vital for creating local jobs and ensuring community wellbeing. The local government sector is seeking support from the Australian Government to improve its capacity to continue to deliver essential services and to meet future demands through better workforce management and planning, skill development and sharing between local governments, and programs to attract and retain the workers needed.

As an employer of around 200,000 people throughout Australia in almost 400 occupations, local government is as diverse as Australia itself, with its breadth of skills and capacity varying greatly. The key challenges facing the local government workforce include current and emerging skills shortages as well as training delivery and uptake. Support from the Australian Government to improve the capacity of the local government workforce would directly support the Australian Government's job creation agenda and future-proofing of a large portion of the Australian workforce, particularly in regional and remote areas where local governments remain a strong employer.

While local government consistently delivers frontline services and local stimulus, the sector faces substantial fiscal challenges in maintaining this effort. The financial challenges faced by local government are broad, but chief among these is local government's constrained revenue-raising capacity. While local government raises more than 80 percent of its own revenue, individual councils have a widely differing propensity to raise revenue based on location, population size, rate base, and the ability to levy user charges. At the same time, the remit of local governments continue to grow along with the expectations of the average Australian. Local government acts as the direct manager and steward of much of Australia's vital public infrastructure, and here the challenge is most acute - especially when considered in the context of the sector's total taxation revenue.

Local government also manages over 75 percent of Australia's roads. These roads play a significant role in keeping the nation's freight systems moving and in supporting the national productivity agenda, however inadequate funds make the local government task of maintaining and expanding the road network difficult.

Local Government Professionals Australia is keen to work with the Australian Government for the benefit of all Australians, and we are very happy to discuss the proposals outlined in more detail with you.

Yours sincerely

Victoria MacKirdy
National President
LG Professionals Australia

Improving the Capacity of Local Government

Local government employs around 200,000 people across Australia in almost 400 occupations. Local government is as diverse as Australia itself, with its breadth of skills and capacity varying greatly. The largest is Brisbane City Council which employs over 8,000 people, has an annual budget of over $2 billion, manages a population of 1.2 million, and covers an area of about 1,300 km^2. Conversely, our smallest local government - the Shire of Murchison in Western Australia - employs around 12 people, has an annual budget of approximately $12 million and a population of about 160, though covers an area of roughly 50,000 km^2. Of the 537 local governments across Australia, 55 percent of councils are in regional and remote areas, 68 percent of the workforce is full-time (with otherwise 16 percent being casual and another 16 percent part-time), and about 45 percent have a diploma or high-level qualification.

The key challenges facing the local government workforce include current and emerging skills shortages as well as training delivery and uptake. Specifically, the local government workforce is:

- Considerably older than the Australian all-industry workforce
- Struggling to attract and retain workers under 30 years of age
- Experiencing challenges in recruiting and retaining apprentices
- Facing major skills shortages in key professional and technical occupations, including Town Planners, Environmental Health Officers, Building Surveyors, Engineers, and Plant Operators
- Not well-positioned regarding new and emerging soft skills[1]

Councils in regional areas are particularly disadvantaged, facing additional barriers regarding training opportunities. Releasing staff for training course attendance becomes prohibitive due to small staffing numbers and difficulty in finding local providers to deliver the courses, for example. Sending staff to larger centres and metropolitan areas for training then compounds the issue as the staff need longer periods of time away from the office.

Local Government Professionals Australia is seeking the Australian Government's support to lift the capacity of the local government workforce through the design and development of a package of measures to improve the leadership capability of local governments, improve workforce planning and development, fill identified skill gaps, and improve training opportunities and pathways for Australians employed by local governments.

Improved capacity within local government will directly support the Australian Government in the implementation and delivery of its regional development agenda and skills development programs. Specifically, capacity improvements are needed in regional areas where local governments are a critical partner for the Australian Government as well as critical to the survival and sustainability of the communities. Local government has repeatedly proven itself to be a reliable, professional, and cost-effective partner in rolling out Commonwealth programs. For example, the sector has delivered over 60,000 projects in partnership with the Commonwealth Government since the creation of the $6.3 billion Roads to Recovery Program in 2001. A partnership between local government and the Australian Government to improve the capacity of councils would directly support the Australian Government's development agenda by bolstering local implementation agents and the service delivery arm of the Australian Government.

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[1] Local Government Workforce and Future Skills Report Australia, September 2018

Future-proofing the local government workforce would help local government to manage its workforce collaboratively and at a regional level, and would help the sector meet its current and future skills needs, provide opportunities to increase individuals' breadth of work experiences, and provide surge capacity and the development of a greater bank of regional talent, particularly developing talent and upskilling in the regions.

The Solution
Future-proofing the Local Government Workforce

Local Government Professionals Australia proposes the Australian Government support a partnership approach with a co-designed process to lift the capacity, development, and management of the local government workforce.

Phase 1 – 2021-22 (Total $3.7 million)

1. *Local Government Skill Sharing Program Pilots ($2 million)*
   The collective experience of COVID-19 has disrupted local government administration but also illustrated how agile the local government workforce can be in meeting the needs of Australian communities. Collaboration in training opportunities and the sharing of skilled workers between organisations through the proposed Local Government Skill Share program would directly benefit local governments in managing this change as skill requirements continue to change. Such a program could enable local governments to collaborate to manage their workforces at a regional level, would help them meet their current and future skills needs, provide opportunities to increase individuals' breadth of work experiences, and provide surge capacity and the development of a greater bank of regional talent. The program could also directly address current and projected skills shortages. Such shortages exist particularly in the professional areas of engineering, planning, and environmental health. The program would specifically address known challenges within the sector including skills portability, the ageing workforce, regional collaboration for training, and increased uptake in Australian Government funded programs.

2. *Scope a National Local Government Workforce Dataset ($200,000)*
   Identifying existing workforce datasets, analysis of future data needs, and the development of a framework for a National Local Government dataset would create a data-driven basis for improvement and reporting in the sector. A robust national dataset would strengthen and grow the evidence base, provide insights for all levels of government into the performance of local government, improve efficiency through streamlined reporting, and provide greater understanding of efficiencies and benchmarks.

3. *Develop a national approach to workforce planning and development for local government ($300,000)*
   *S*tandardised approaches and documentation for local governments and standardised metrics would allow for the identification of skills gaps and the future training needs of the sector.

4. *Facilitate mentoring and knowledge sharing ($200,000)*
A national mentoring program where cross-council mentoring facilitates the learning and sharing between local governments and across jurisdictions would be based on the Local Government Mentoring Program structure run with local government partners overseas and managed by Local Government Professionals Australia. The second component of this program would include a more structured approach to knowledge sharing between local governments through learning and innovation tours and professional exchanges.

5. *Support a local government employer of choice campaign ($1 million)*
Support for local government to coordinate a national approach to positioning itself as an attractive employer could boost uptake of local government careers and meet the challenges of the sector's ageing workforce and skills shortages. Developing an 'employer of choice' campaign to market employment opportunities and pathways in local government to high-school students, graduates as well as the public more broadly would be undertaken in partnership with State and local governments, each making an appropriate financial contribution.

Phase 2 – 2022-23 – 2023-2024 (Total $6.2 million per year)

1. *National Local Government Skill Sharing Program ($4 million per year)*
Sharing training and skilled workers between local governments through the proposed Local Government Skill Sharing Program would directly benefit local governments in managing future skill requirements as they continue to evolve and emerge.

2. *Develop the National Local Government Workforce Dataset ($2 million per year)*
Once scoped, local government and the Australian Government could implement the framework to ensure the future scalability and ongoing relevance of the dataset. This dataset would be drawn on to measure the performance of local government, improve efficiency through streamlined reporting, and provide greater understanding of efficiencies and benchmarks for the sector.

3. *Facilitate mentoring and knowledge sharing ($200,000 per year)*
After the first year, the programs could be evaluated and refined to ensure outcomes best meet the needs of local government and local government employees and a broader roll-out of the program.