

Local Government Workforce and Future Skills Report

Victoria
December 2018



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Acknowledgement:

Funding to support the development of this Skills Plan was provided by the Australian Local Government Association.

Introduction

The Local Government Workforce Development Group (LGWDG) comprises representatives from each state and territory Local Government Association and provides advice on workforce matters to the Australian Local Government Association. The LGWDG undertook this study to identify the current and emerging skill needs of local government to better position the sector for the future.

An accurate national employment profile of the local government sector is difficult to determine. The most accessible source of data comes from the Australian Bureau of Statistics (ABS) Census of Population and Housing, but this is available only every five years and while it can highlight trends, it does not provide an accurate record of total employment numbers for the local government sector. It is estimated the Census under-reports the local government workforce by 19%.¹ The tendency of each jurisdiction to collect their own variable data sets also makes it challenging to aggregate data to achieve an accurate national profile of the local government workforce.

The absence of a national profile impacts on the ability of the sector to determine current and future workforce needs and priorities. This is in stark contrast to other industry sectors that have been able to use national data to effectively attract and retain skilled and talented staff, attract funding for skills development and advocacy, and address skill shortages.²

It is in this context that the LGWDG commissioned a set of national and jurisdictional reports which are expected to provide the evidence base needed to support effective advocacy in workforce development matters at both a state and national level. This report features the findings and recommendations for local government in Victoria.

In addition to ABS Census data, all national and jurisdictional reports are underpinned by data from the national Local Government Skills Shortage Survey 2017 to which:

- 45 per cent of councils across Australia; and
- 39 per cent of Victorian councils responded.

¹ UTS IPPG:CLG (2018) The Local Government Workforce, Trends and Blips on the Radar, p12. As the Census collects data on the “main job held last week”, it does not capture all part-time and casual council workers. In addition, as respondents are asked to nominate “the employer’s business name” related to this main job, the nominated name may not appear as the council name. Employment in council libraries, swimming pools, contracted outdoor services and regional airports is most likely to be under-represented.

² Profile of the Local Government Workforce, 2014 Report, Australian Centre of Excellence for Local Government

The LGWDG and MAV would like to thank the following councils for their participation in the national Local Government Skills Shortage Survey:

1. Ararat Rural City Council
2. Baw Baw Shire Council
3. Bayside City Council
4. Borough of Queenscliffe
5. Brimbank City Council
6. Campaspe Shire Council
7. Cardinia Shire Council
8. City of Boroondara
9. City of Greater Bendigo
10. City of Port Phillip
11. City of Stonnington
12. City of Whittlesea
13. Corangamite Shire Council
14. East Gippsland Shire Council
15. Glenelg Shire Council
16. Golden Plains Shire Council
17. Hepburn Shire Council
18. Hume City Council
19. Knox City Council
20. Mansfield Shire Council
21. Maroondah City Council
22. Mitchell Shire Council
23. Moira Shire Council
24. Nillumbik Shire Council
25. Rural City of Wangaratta
26. South Gippsland Shire Council
27. Southern Grampians Shire Council
28. Warrnambool City Council
29. Whitehorse City Council
30. Wyndham City Council
31. Yarriambiack Shire Council

The map overleaf highlights the spread of councils responding to the national Local Government Skills Shortage Survey in Victoria.

Executive Summary

Key Issues facing Victorian Local Government

Local government is a major employer within Victoria, employing over 50,900 staff spread across 290 occupations. Employment numbers are likely to increase across the sector for the next two to three years – particularly in terms of part-time employees (accounting for 40% of the workforce) to cater for population growth and an ageing demographic.

Local Government in Victoria (more so than other states and territories) accounts for a wide range of social services – with a growing emphasis on aged care, maternal and child health and early childhood education. Local government is a major employer in regional, rural, and remote Victoria (and is ideally placed to act as an incubator for growing apprenticeships at the local level).

Growth levels at the current magnitude have had staffing implications for councils across the state, with some key professional occupations now in high demand across the sector. Employment costs account for between 27 to 54 per cent of total council expenditure, yet the majority (55 per cent) of councils have not done any form of analysis or forecasting to determine the impact that changing technology and digital disruption will have on their workforce.

Yet apprenticeship and traineeship levels in Victoria are lower than in any other state and territory, with councils saying they don't have enough apprentices to meet future demand. There is little financial incentive for councils to take on apprentices without a wage subsidy or support from the State.

Proposed changes to the *Local Government Act 1989* may require councils to undertake Strategic Workforce Planning and develop a rolling four-year plan. If Strategic Workforce Planning becomes enshrined in legislation, councils will need to give greater focus to gathering data on their employment trends and demographics.

Rate-capping (introduced in 2015) is another key budget issue, which has resulted in fiscal tightening with a growing impact on the ability of councils to compete for talent with the private sector. Councils are reporting that budgetary constraints are hindering their ability to train staff and to address emerging soft skills linked to advances in technology and digital disruption.

Councils have been able to soften the impact of rate-capping in the two budgets since it commenced but are now feeling the full impact of this in a budgetary sense. Rate-capping will have a greater impact on rural councils ultimately given their limited revenue base compared to urban and urban fringe councils.

The sector is faced with some key issues:

- It has an ageing workforce with 56 per cent of staff aged over 45 years, compared to 41 per cent for all Australian industries. 65 per cent of the outdoor workforce is aged over 45 years and the combination of an significantly-ageing outdoor workforce and physical work demands will have implications for councils. Strategies will need to be developed to ensure that older workers remain safe, healthy and productive.
- Less than seven per cent of the outdoor workforce is under 30 years of age, yet turnover is low and intake of employees under 30 years is declining. The sector is also faced with critically low apprenticeship and traineeship numbers, yet 42 per cent of councils do not have enough apprentices and trainees to meet future skill needs.

Councils are hindered from accessing and delivering training due to:

- 65.4 per cent having a lack of time to attend training
- 50 per cent having difficulty sourcing local trainers
- 50 per cent having difficulty sourcing courses with relevant content; and
- 46 per cent thinking course costs are too high – all segments agree.

Budgetary constraints have exacerbated these points.

- 74 per cent of councils are experiencing a skills shortage – which they expect to worsen over the next couple of years.
- Key shortages in professional occupations at risk include Specialist Engineers, Specialist Planners, Building Surveyors, Computing ICT technicians, Project Managers, Community Development and Engagement Officers and Environmental Health Officers.
- Minor shortages in technical and trade occupations in areas involving: Care Persons, Accounts/ Payroll Clerks, Customer Service Workers, Supervisor/ Team Leader functions, IT/ ICT technicians and trades – (Horticulture, Automotive, Plumbing).

Councils are responding by “growing their own” in order to address key shortages. 48 per cent of councils are using cadetships (with employee uptake mostly in engineer and planner roles) and 26 per cent are using employer-sponsored working visas to fill skill shortages. 59 per cent of councils have also identified some skill gaps in:

- Managers/ Supervisors – Leadership, change management, people management
- IT – Database management, software and product knowledge
- Engineering – Project management skills
- Project managers – Contract management and experience in major development and planning

29 per cent of councils have unmet training needs because of a lack of training programs specific to the needs of local government – for example, procurement and tendering training.

Where soft skills are concerned, work trends in the next two decades will be shaped by five key issues: technological advances, digital connectivity, globalisation, the ageing population and emerging economic structures.

The nature of work is expected to shift and redefine the composition of the workforce and new skillsets are expected to emerge to create working roles that do not yet exist.

By 2030, ‘soft skill’ intensive occupations will make up almost two-thirds of the workforce. Yet, councils are not well-positioned for new and emerging soft skills – 40 to 60 per cent of councils said they needed to improve their position in eight out of the 11 key soft skill areas.

Skill areas where councils were least well-positioned were:

- The ability to work productively, drive engagement and demonstrate presence as a member of a virtual team
- Novel and adaptive thinking
- Digital skills

To address these gaps, the preferred option is to upskill existing staff – but there are challenges faced with age profile, the inability to source trainers locally and training costs in a tight fiscal environment.

In addition, a resistance to change, budgetary constraints and competing priorities in the workplace have become major factors in hindering staff gaining these emerging soft skills. A strategy needs to be developed to assist councils to transform their workforce, to embrace digital disruption and look towards actively building a workforce for the future that is well-positioned to take advantage of technological change.

Recommendations

1. In order to have a definitive data source for local government workforce demographics, the MAV can approach the Victorian Grants Commission to ensure that data sets include:
 - The number of Full-Time, Part-Time and Casual employees as well as FTEs employed in local government; and
 - That this data be broken down by gender.
2. Request that councils be asked to collect participation rates of Aboriginal and Torres Strait Islanders and disabled persons as part of their Strategic Workforce Planning process and to increase diversity and inclusion.
3. That further analysis of the ABS Census of Population and Housing be undertaken to determine the occupations, age groups and regions experiencing greatest movement to and from local government between 2011-2016. The analysis will inform future attraction and retention strategies for regions, occupations and the sector as a whole.
4. Request that councils be asked to undertake an Age Audit of their workforce and to monitor the age profile of their workforce as part of their strategic workforce planning process.
5. Request that councils develop and share strategies to increase the workforce participation level of under 30-year olds.
6. That the MAV retain its representation on the Victorian Skills Commission, Industry Advisory Group in order to share relevant information with the local government sector regarding apprenticeships and traineeships.
7. Increase the number of apprentices employed by councils in Victoria. The Victorian government has to assist with the cost of apprenticeship training and employment through wage subsidies – particularly for rural and regional councils.
8. That the benefits of employing school-based trainees be promoted to councils.
9. Increase the number of Engineers and Town Planners across Victoria in partnership with Engineers Australia and IPEWA. Consider options and strategies around increasing the number of cadetships in these shortage areas.

10. The MAV may provide data on skills in demand in local government to the Department of Jobs and Business to feed into the development of the Skilled Migration Occupation List.
11. Encourage local government to identify the core competencies needed by supervisors/ team leaders for inclusion in Position Descriptions. Work with training providers to develop training that is accessible (cost and mode of training) to all councils.
12. The MAV continues its promotion of council jobs on the [Vic Councils website](#), the [Council Careers Victoria platform on LinkedIn](#) and builds upon the national local government careers website to provide comprehensive online information about:
 - Career opportunities
 - Pathways into occupations experiencing skills shortages
 - Job vacancies in all councils in Victoria



Image supplied by Baw Baw Shire Council

Section 1: Victorian Local Government Sector Profile

Industry Context

Local Government in Victoria:

- Is the third tier of government and recognised in the Victorian Constitution. It operates within a legislative framework through the *Local Government Act 1989* and has an electoral mandate to manage local issues and plan for community needs.
- Contributes more than \$7.8 billion each year to the Victorian economy.³
- Is responsible for \$91.2 billion in community infrastructure and assets such as roads, bridges, town halls, recreation and leisure facilities, drains, libraries and parks.
- Employs over 50,900⁴ personnel and is a key driver of employment in regional and remote areas of Victoria.
- Is comprised of 79 municipalities/councils including 31 metropolitan and 48 rural and regional councils.
- Ranges in size from the smallest having 51 employees up to the largest having 2,570 employees.
- Has staff in smaller councils who are required to be multi-skilled and perform a range of functions in order for councils to meet their statutory obligations.

Councils and notably those in rural and remote areas of the State are the epicentre of communities, providing the infrastructure and services to sustain their communities. They are commonly the major employer, providing a pipeline of employment for many occupations.

³ ABS 2016, Taxation Revenue, Australia, cat. no.5506.0

⁴ ABS 2017, Employment and Earnings, Public Sector, Catalogue 6248.0.55.002

Councils are also responsible for providing a wide range of infrastructure and community services to residents and visitors, including but not limited to:

- Public Buildings
- Roads, bridges, footpaths
- Parks & Gardens
- Water & Sewerage
- Stormwater drainage
- Regional Airports
- Libraries
- Caravan Parks
- Tourist Centres
- Aquatic Centres
- Child Care
- Aged Care
- Environmental Health
- Emergency Services
- Events

The scope of activities provided by councils in Victoria encompasses **290 occupations**.⁵

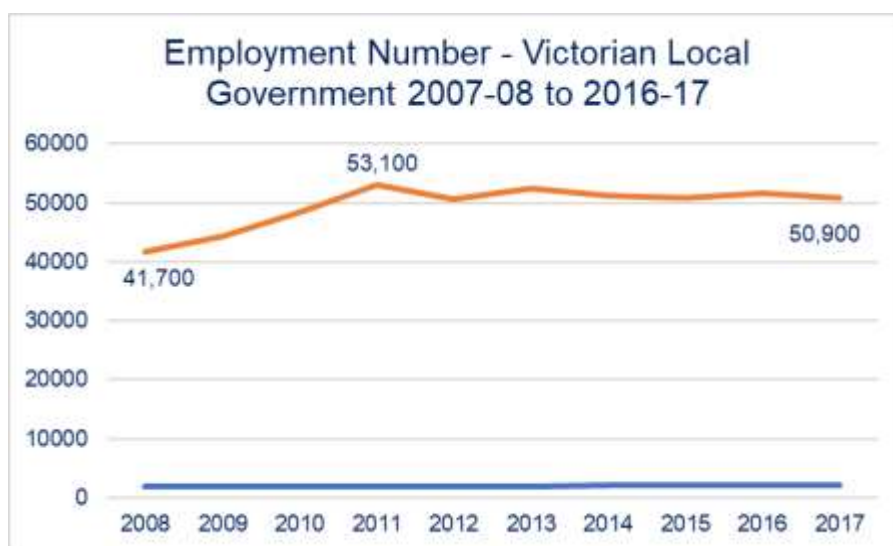
Employment Number

A definitive employment number for all workers in local government in Victoria cannot be sourced. The data sets maintained by the Victorian Grants Commission come close but do not list actual numbers of casual workers – only a Full Time Equivalent (FTE) number for casuals.

The best data source for total headcount is from the ABS 2017, Employment and Earnings, Public Sector, Catalogue 6248.0.55.002. It shows that the Victorian local government workforce was **50,900** as at June 2017.⁶

This data is based on a sampling of councils and may be slightly under or over.

The chart below shows the trend in total employment over the previous nine years.



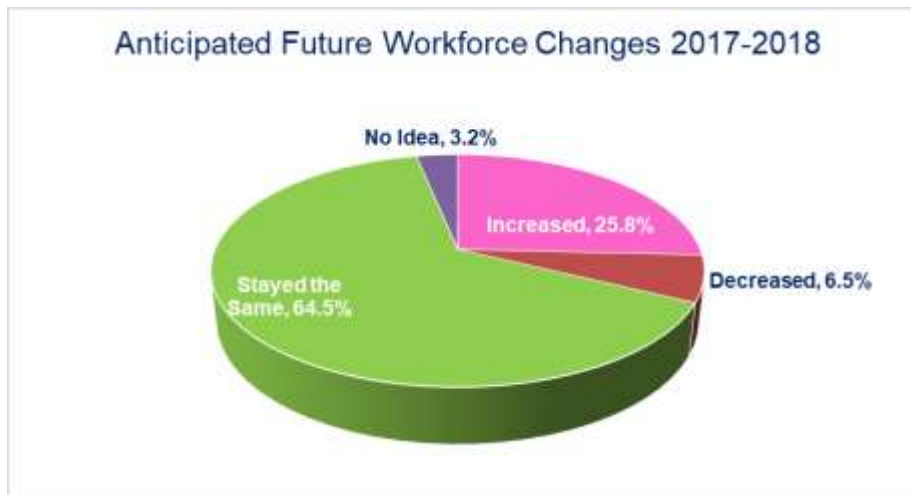
Source: ABS 2017, Employment and Earnings, Public Sector, Catalogue 6248.0.55.002

⁵ Based on ABS Census Customised Report Data, 2016

⁶ ABS 2017, Employment and Earnings, Public Sector, Catalogue 6248.0.55.002

This chart shows a 27% growth rate between 2008 and 2011, before decreasing by 4% over the 6 years to 2017.

The trend in growth in overall workforce numbers was expected to slightly increase into 2018 with 90 per cent of Victorian councils surveyed indicating that workforce numbers will either increase or stay the same in 2018.⁷



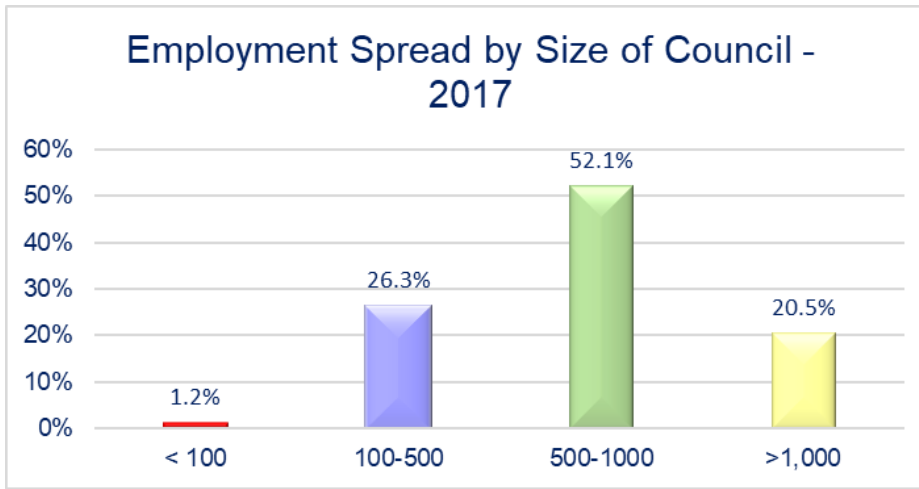
Source: Local Government Skills Shortage Survey 2017, LGWDG

⁷ Local Government Skills Shortage Survey 2017, LGWDG

Employment Distribution

Councils vary considerably in size from the smallest (urban fringe council) with 41 FTE employees to the largest (urban metropolitan) employing just over 2,328 FTE employees.⁸

Employment in local government in Victoria is concentrated in large councils with over 500 FTEs. Small councils, those employing less than 100 FTEs employ 1.2% of the workforce in Victoria.



Source: Victorian Grants Commission, LGV1 Council Employment, 2016-17
 Note: Chart based on FTE employment numbers

⁸ Victorian Grants Commission, LGV1 Council Employment, 2016-17

Employment Categories

ABS Census data indicates that the Victorian local government workforce at June 2016 was comprised of:

- 54.9% full-time employees
- 39.8% part-time employees
- 5.3% who were not at work during the census week⁹

ABS census data is available only every five years and while it can highlight trends it does not provide an accurate record of total employment numbers for the local government sector. It is estimated the census under-reports the local government workforce by 19%.¹⁰

Data sourced directly from 43% of councils in 2017 shows a slightly different story:

- 44.7% are full-time employees
- 35.4% are part-time employees
- 19.8% are casual employees

Victorian local government employs a higher percentage of part-time workers than local government in other states. This is linked to the emphasis placed by Victorian local government on the delivery of social services:

- 8.3% in Queensland
- 12.5% in New South Wales
- 27.6% in Northern Territory
- 20.0% in Tasmania
- 16.0% in South Australia
- 17.2% in Western Australia

In urban areas, there is a trend to part-time employment, where it is easy for individuals to be employed in a number of part-time roles.

Councils need for flexibility to support the changing demand for services and service delivery levels is driving the increase in use of casuals. With the increasing casualisation of the workforce comes issues around leadership and risk management. It is harder to manage/supervise a casualised workforce than a predominantly full time one and has additional skilling implications.

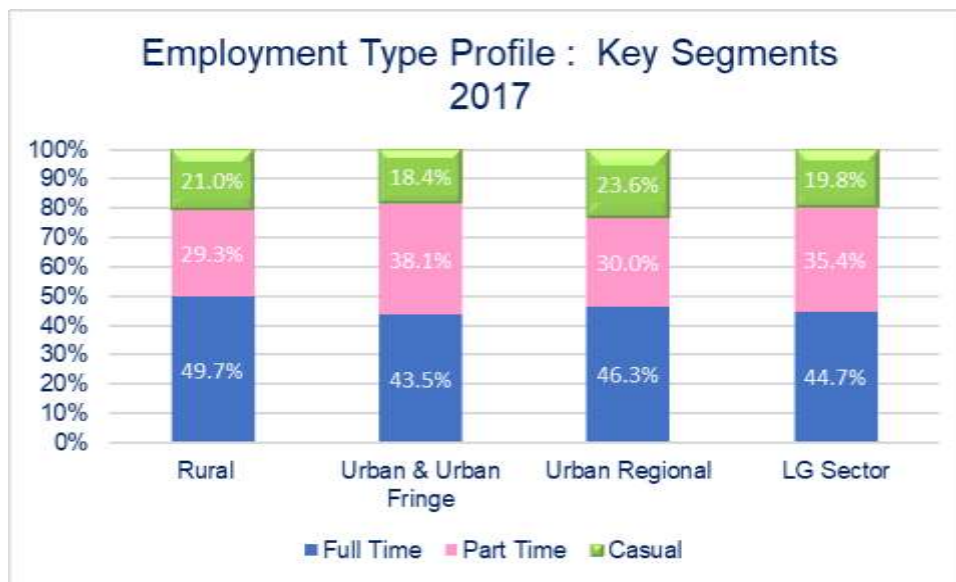
⁹ Based on ABS Census Customised Report Data, 2016

¹⁰ UTS IPPG:CLG (2018) The Local Government Workforce, Trends and Blips on the Radar, p12. As the Census collects data on the “main job held last week”, it does not capture all part-time and casual council workers. In addition, as respondents are asked to nominate “the employer’s business name” related to this main job, the nominated name may not appear as the council name. Employment in council libraries, swimming pools, contracted outdoor services and regional airports is most likely to be under-represented.

Within the Australian Classification of Local Government (ACLG) 22 classes of councils are defined. We have grouped these into three key segments for comparative purposes in this report:

- Rural
- Urban and Urban Fringe
- Urban Regional

This allows for comparisons of like to like across the states and territories. See **Appendix 1** for a breakdown of Victorian-responding councils within each key segment. When analysed by key segments, some minor variations in employment type emerge. As shown below, the Urban and Urban Fringe segment employs a higher percentage (38.1%) of part-time workers.¹¹



Source: Local Government Skills Shortage Survey 2017, LGWDG

¹¹ Local Government Skills Shortage Survey 2017, LGWDG

Employment Gender Profile:

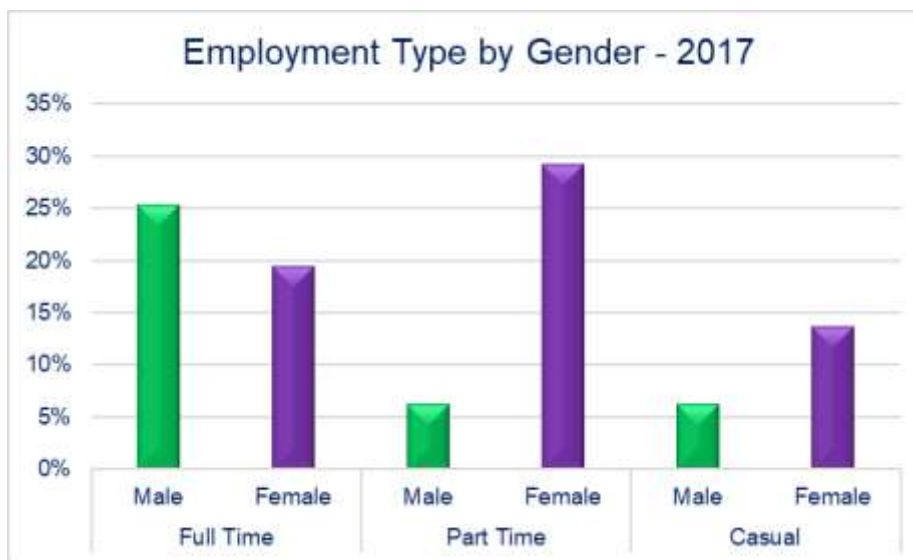
ABS data shows that the gender profile of the Victorian local government workforce has changed slightly over the last decade, with more females employed in 2016 than in 2006.

- 2006: 56.9% males and 43.1% females
- 2016: 52.6% males and 47.4% females

Local government employs a lower percentage of women compared to other government sectors in Victoria (Commonwealth – 51.2%; State Government – 66.6%) but more than the private sector – 45.1%).¹²

This difference is structural in nature and reflects the difference in the occupational profile between levels of government.

Significant variation occurs in the percentage of males/females employed in full-time, part-time and casual work. In Victoria males are most likely to work in full-time roles whilst women dominate the part-time and casual workforce.¹³

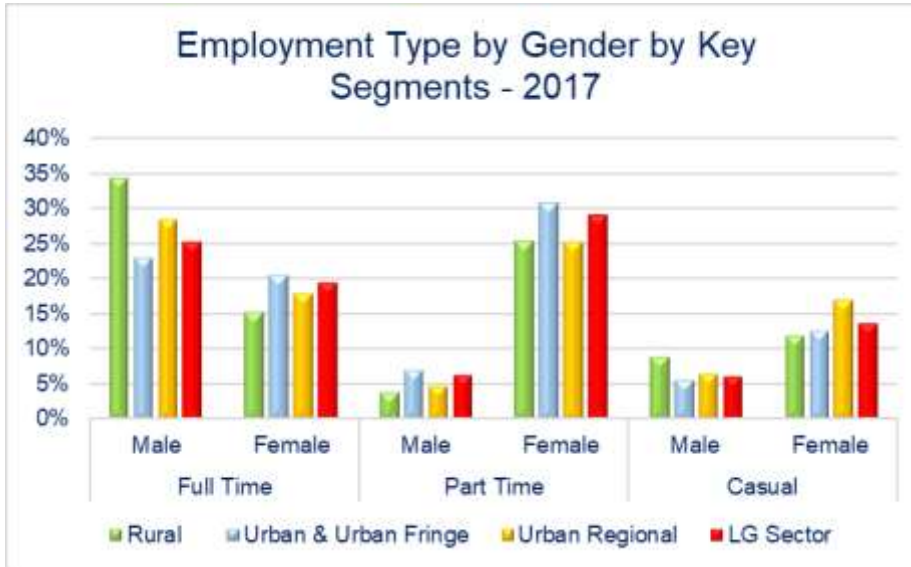


Source: Local Government Skills Shortage Survey 2017, LGWDG

When reviewed by segment, male full-time employment is most pronounced in Rural councils and Urban Regional councils.

¹² Based on ABS Census Customised Report Data, 2016

¹³ Local Government Skills Shortage Survey 2017, LGWDG



Source: Local Government Skills Shortage Survey 2017, LGWDG

Compared to other states and territories, Victoria has a much higher level of female part-time employment across all key segments. The emphasis placed on the delivery of social services (in particular on aged care service delivery) supports this trend.

Employment Turnover

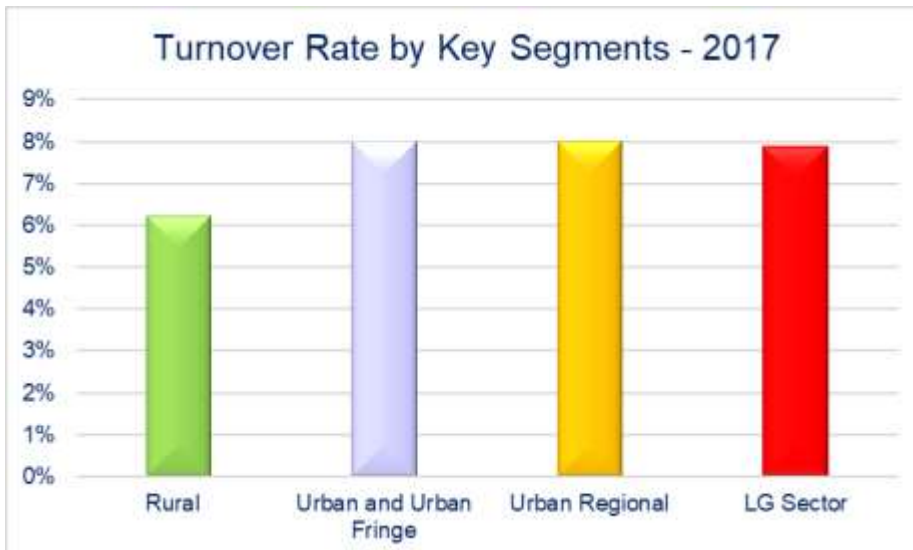
The average turnover level for the sector at June 30, 2017 was 7.9% compared to 8.3% for councils across Australia.¹⁴

The range of turnover for Victorian councils is quite small compared to the range for councils across Australia as seen below:

- Range in Victoria: 3.9% to 14.3%
- Range in Australia: 0.0% to 70.0%



Source: Local Government Skills Shortage Survey 2017, LGWDG



Source: Local Government Skills Shortage Survey 2017, LGWDG

¹⁴ Local Government Skills Shortage Survey 2017, LGWDG

Continual low turnover can limit the sector’s ability to recruit younger workers and can provide the platform for an ageing workforce.

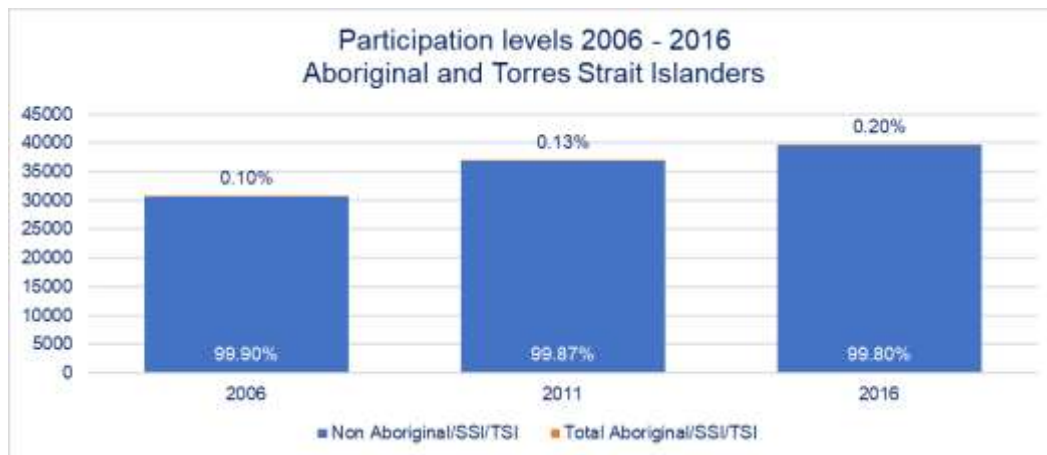
Knowledge is often lost as older workers retire. A phased approach to retirement that allows older workers to work part time and mentor/coach younger workers could facilitate knowledge transfer and open the door for the employment of younger workers.

Aboriginal and Torres Strait Islander Participation Levels

Councils in Victoria were asked to report on the level of Aboriginal and Torres Strait Islander participation within their workforce. Establishing an accurate picture of participation levels is difficult because identification is voluntary.

16% of Victorian councils who responded to the Local Government Skills Shortage Survey in 2017 reported employing Aboriginal and Torres Strait Islander persons. These councils reported employing 24 persons who have identified as Aboriginal and Torres Strait Islander, equivalent to **0.5%** of their workforce.

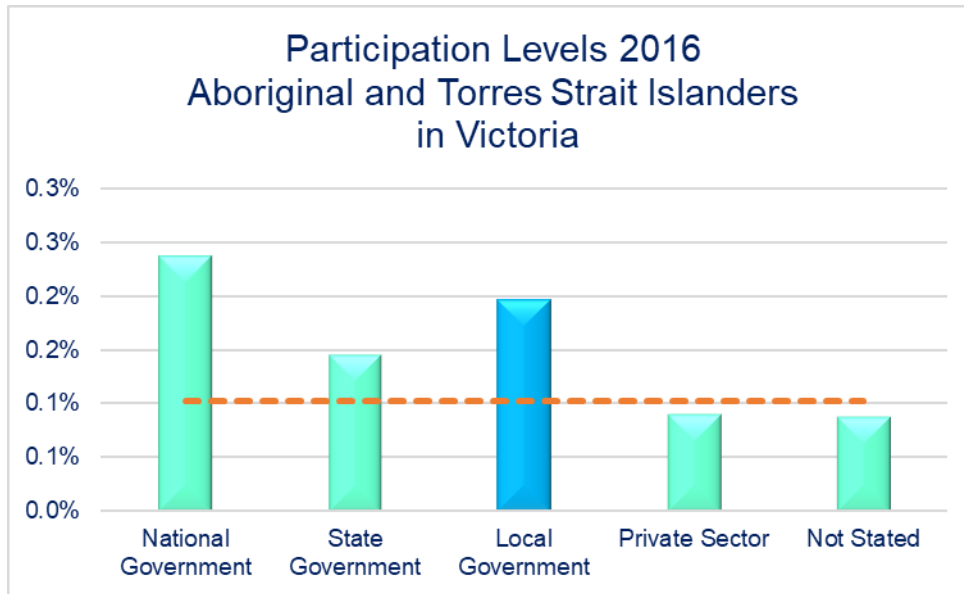
ABS data for 2016 shows that within the Victorian local government sector, Aboriginal and Torres Strait Islander people made up **0.20%** of the working population aged 15 and over.¹⁵



Source: Based on ABS Census Customised Report Data, 2006, 2011, 2016

Local government in Victoria, at 0.20%, has two times the level of Aboriginal and Torres Strait Islander worker participation than the State average. The only sector with a higher participation level in Victoria is the Federal Government at 0.24%.

¹⁵ Based on ABS Census Customised Report Data, 2016



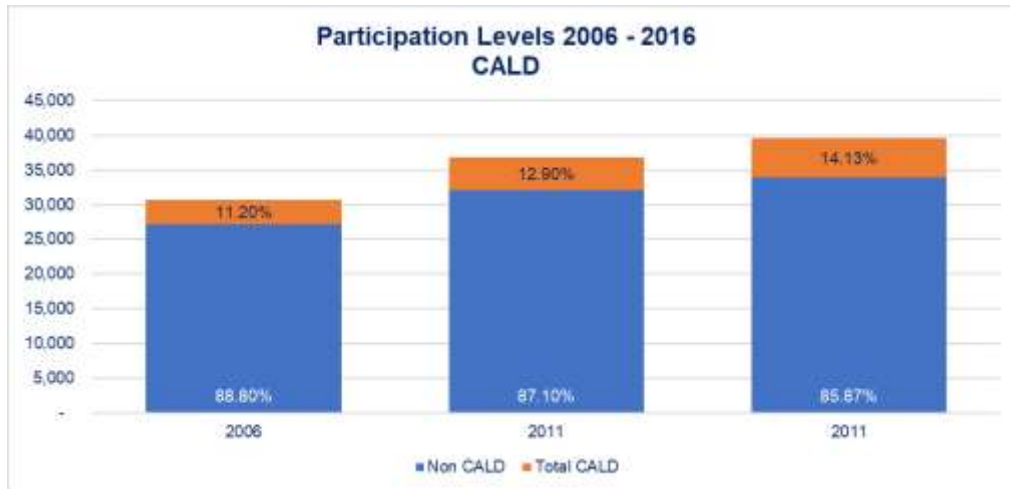
Source: Based on ABS Census Customised Report Data, 2016

Aboriginal and Torres Strait Islander people have a much younger age profile and structure than the non-Indigenous population. In 2016, more than half (53%) of Aboriginal and Torres Strait Islander people were under 25 years of age. In comparison, almost one in three (31%) non-Indigenous people were aged under 25.

For the local government sector with an ageing workforce, increasing the intake of young Indigenous workers offers significant benefits for the council, community and young people concerned.

Culturally and Linguistically Diverse (CALD) Workers

The chart below shows the participation rate of persons aged 15 and over, who speak a Language other than English at home within the Victorian local government sector.



Source: Based on ABS Census Customised Report Data, 2006, 2011, 2016

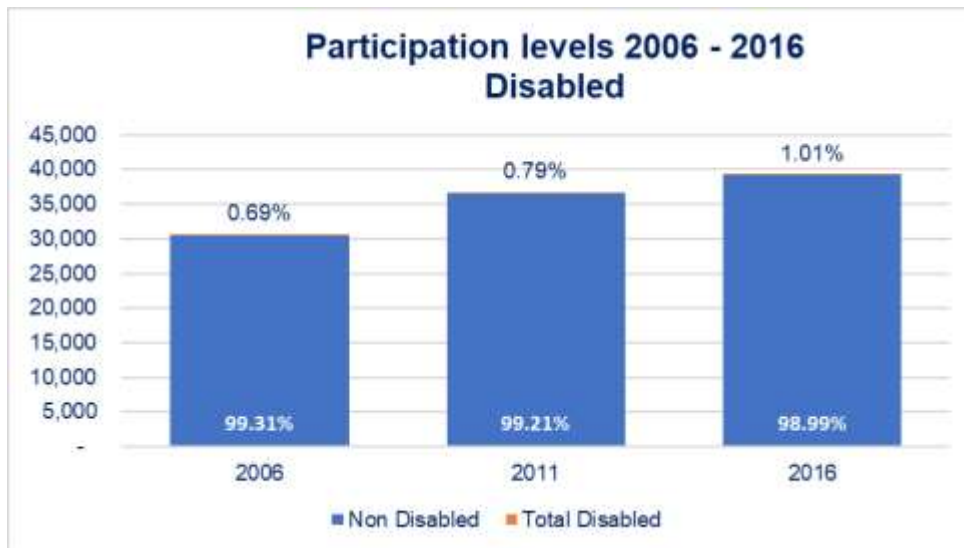
The participation level for this cohort across the public/private sector within Victoria is as follows:

- 25.2% National Government
- 16.7% State Government
- 14.1% Local Government
- 26.2% Private Sector
- 25.3% State All-Industries

10% of Victorian councils who responded to the National Local Government Skills Shortage Survey in 2017 reported employing CALD persons. These councils reported employing 607 persons who have identified as CALD, or 14.5% of their workforce.

People with a Disability

The chart below shows the participation level of persons aged 15 and over who have need of assistance with core activities within the Victorian local government sector.



Source: Based on ABS Census Customised Report Data, 2006, 2011, 2016

The participation level for this cohort across the public/private sector within Victoria is as follows:

- 0.8% National Government
- 0.6% State Government
- 1.0% Local Government
- 0.8% Private Sector
- 0.8% State All-Industries

13% of Victorian councils who responded to the Local Government Skills Shortage Survey in 2017 reported employing disabled persons. These councils reported employing four persons who have identified as disabled, equivalent to 0.1% of their workforce.

It does not appear that this type of diversity information is being recorded by councils.

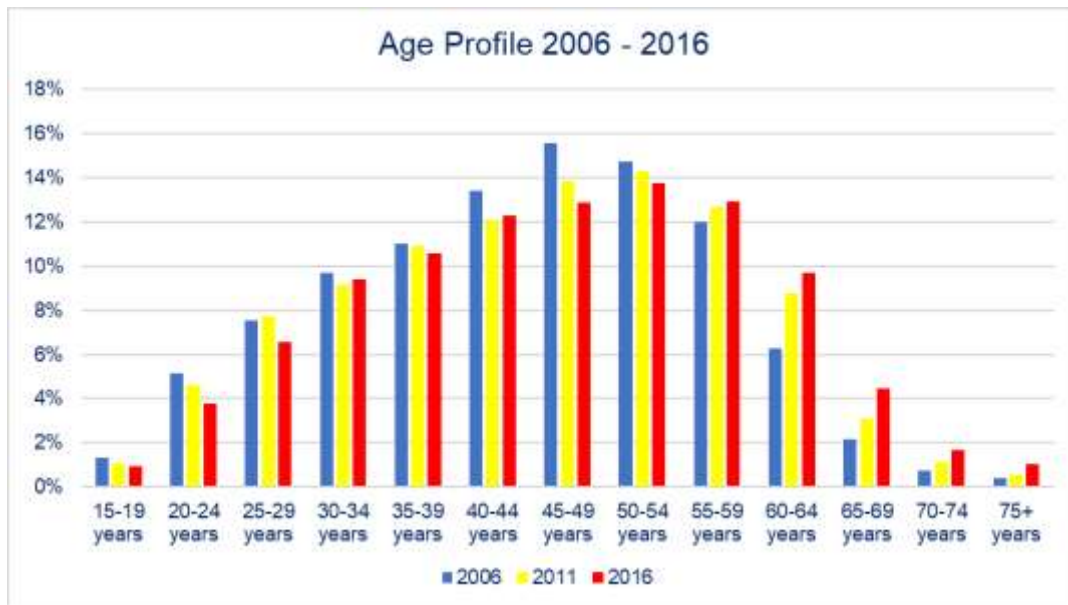
The discrepancy between the ABS Census and the Local Government Skills Shortage Survey data can be partly explained by differences in the questions asked, with the ABS criteria of having “need of assistance with core activities”, unlikely to capture those with less severe disabilities, including mental health issues.

Age Profile of the Workforce

The local government workforce in Victoria is older than the Victorian All-industry average. In 2016, 56.4% of the Victorian local government workforce was over the age of 45 compared to 40.1% of the total Victorian workforce.¹⁶

Only 11.3% of council employees were under the age of 30, compared to 25.6% of all Victorian industry employees.

The chart below shows the age profile of the Victorian local government sector over the last 10 years.



Source: Based on ABS Census Customised Report Data, 2006, 2011, 2016

The previous chart illustrates the following trends over the last decade (2006 – 2016):

- A continuing decline in the representation of young people (15-19, 20-24 and 25-29 years) in local government in Victoria.
- Employees in the 50-54 years age bracket now represent the highest proportion of the workforce, followed by those aged 55-59 years.

¹⁶ Based on ABS Census Customised Report Data, 2016

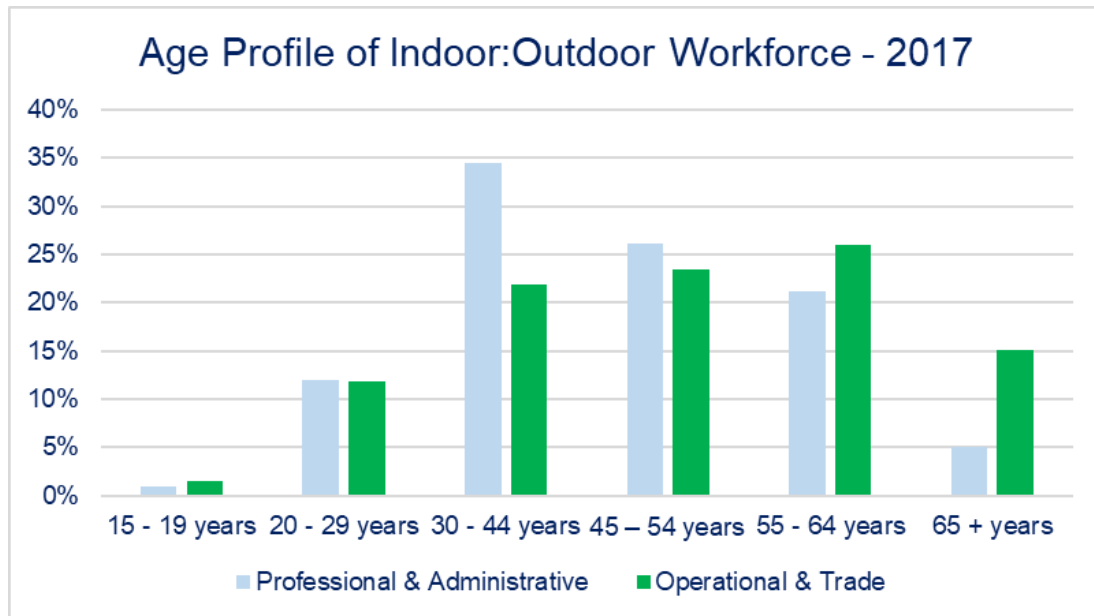
In August 2016, employees over 65 years of age represented:

- 7.2% of all employees in Victorian local government
- 4.2% of employees in All- industries across Victoria
- 4.6% of all employees across the Australian local government sector
- 4.2% of employees in All- industries across Australia

This suggests that the Victorian local government workforce is retiring at an older age than the Australian All-industries workforce. Councils will need to adopt different management strategies in order to ensure that older workers, working longer hours later in life remain safe, healthy and productive.

The chart below shows the age profile of the Indoor (Professional and Administrative) and Outdoor (Operational & Trade) local government workforce where 64.7% of the outdoor workforce are now over 45 years of age.¹⁷

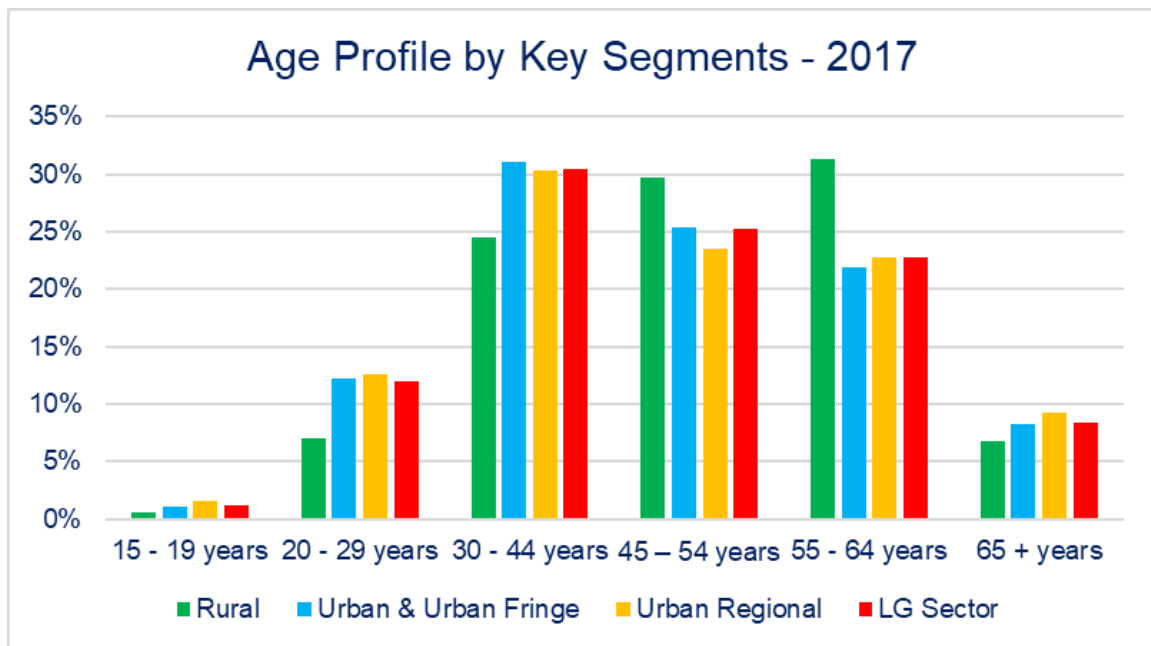
Outdoor employees are predominately male, working full-time in physically demanding jobs with lower levels of education. Transitioning older workers to other roles when they are physically unable to continue their traditional work can be a challenge for council management, particularly with large numbers of employees requiring skills development in an increasingly digital environment.



Source: Local Government Skills Shortage Survey 2017, LGWDG

¹⁷ Local Government Skills Shortage Survey 2017, LGWDG

The chart below shows the age profile for the three key segments in Victoria.



Source: Local Government Skills Shortage Survey 2017, LGWDG

The Rural segment is most impacted by an ageing workforce – it has fewer workers (7.7%) under 30 year of age and the highest percentage of workers (67.8%) over 45 years of age, of any segment in Victoria.

Urban and Urban Fringe and Urban Regional councils have a slightly younger profile with around 55% of workers over 45 years of age.

The age profile of the councils workforce is one of the key metrics that councils require for effective strategic workforce planning and should be tracked. Councils need to take a deliberate and considered look at their ageing workforce and its implications in terms of knowledge transfer and succession planning.

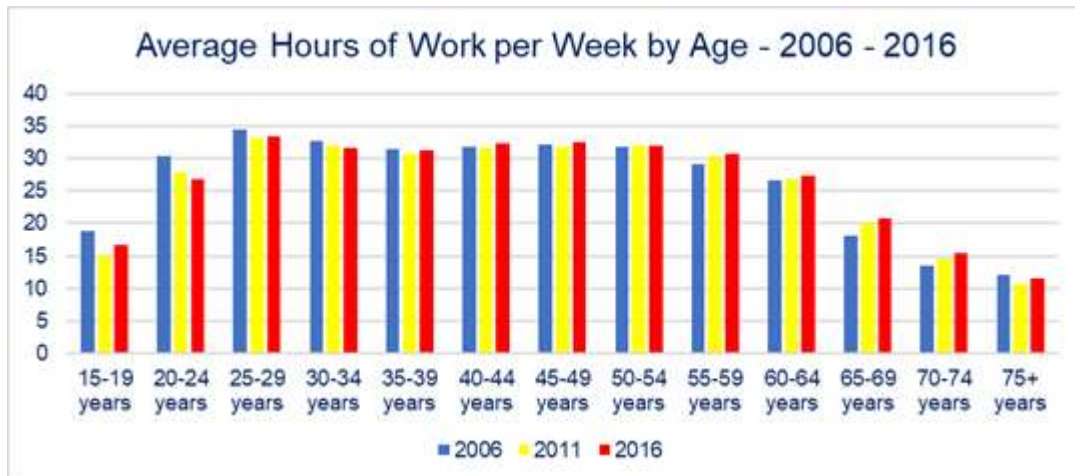
Councils also need to maximise the opportunities to increase the intake of people under 30 years olds within the workforce.

Average Hours Worked

The proportion of Australians aged 65 years and over has been steadily increasing over the last decade, from 8% in 2006 to 13% in 2016.¹⁸ This trend is expected to continue.

A way for the government to address this ageing demographic is to increase the age at which people become eligible for the Age Pension – effectively extending their working life. From July 2017, the Age Pension age is 65, from then it will rise in stages to 67 in July 2023. If current government proposals are accepted, the Pension age will be 70 years by 2035. This applies to both men and women. Due to this shift in the pension age, Australians are increasingly forced into working until older ages.

The chart below shows the average hours worked per week in the local government sector in Victoria.¹⁹



Source: Based on ABS Census Customised Report Data, 2006, 2011, 2016

The average hours worked per week are consistent over the past 10 years for most age brackets. The exception is the above 65 years of age group where the trend is towards increasing hours worked.

¹⁸ Based on ABS Census Customised Report Data, 2006, 2016

¹⁹ Based on ABS Census Customised Report Data, 2006, 2011, 2016

The implications of managing a larger, older workforce are complex. Older workers will be interested in:

- less physically-demanding work;
- working reduced hours in a similar capacity to pre-retirement; and
- finding new ways of working, requiring new skills development.

Councils will need to adopt different management strategies in order to ensure that older workers, working longer hours later in life remain safe, healthy and productive.

Occupational Profile:

There are approximately 290 different occupations employed across the Victorian local government sector, or around 61% of all occupations within Australia.²⁰ Very few industries have this breadth of occupations.

Occupations in demand by local government change over time as can be seen in the table below. Major shifts in employment numbers between 2006 and 2016 have been highlighted.

The occupations where numbers have declined significantly are:

- Road and Rail Drivers (-98)
- Cleaners and Laundry Workers (-90)
- Construction Trades Workers (-43)
- Electrotechnology and Telecommunications Trades Workers (-42)

The Occupations where numbers have increased significantly are:

- Specialist Managers (+1,100)
- Design, Engineering, Science and Transport Professionals (+964)
- Business, Human Resource and Marketing Professionals (+911)
- Inquiry Clerks and Receptionists (+526)
- Other Labourers (+511)
- Education Professionals (+507)
- Sports and Personal Service Workers (+475)
- Health Professionals (+473)
- Health and Welfare Support Workers (+472)

²⁰ Based on ABS Census Customised Report Data, 2016

Occupation (ANZSCO) 2006	2006	2016	Change
10 Managers, nfd	145	147	2
11 Chief Executives, General Managers and Legislators	292	440	148
12 Farmers and Farm Managers	5	9	4
13 Specialist Managers	1400	2500	1100
14 Hospitality, Retail and Service Managers	687	958	271
20 Professionals, nfd	66	101	35
21 Arts and Media Professionals	40	60	20
22 Business, Human Resources and Marketing Professionals	1723	2634	911
23 Design, Engineering, Science and Transport Professionals	2044	3008	964
24 Education Professionals	276	783	507
25 Health Professionals	1223	1696	473
26 ICT Professionals	297	411	114
27 Legal, Social and Welfare Professionals	578	831	253
30 Technicians and Trades Workers, nfd	40	41	1
31 Engineering, ICT and Science Technicians	722	985	263
32 Automotive and Engineering Trades Workers	226	215	-11
33 Construction Trades Workers	153	110	-43
34 Electrotechnology and Telecommunications Trades Workers	83	41	-42
35 Food Trades Workers	79	57	-22
36 Skilled Animal and Horticultural Workers	830	1120	290
39 Other Technicians and Trades Workers	520	626	106
40 Community and Personal Service Workers, nfd	11	13	2
41 Health and Welfare Support Workers	1019	1491	472
42 Carers and Aides	4820	4945	125
43 Hospitality Workers	30	59	29
44 Protective Service Workers	34	61	27
45 Sports and Personal Service Workers	601	1076	475
50 Clerical and Administrative Workers, nfd	35	25	-10
51 Office Managers and Program Administrators	1333	1484	151
52 Personal Assistants and Secretaries	496	491	-5
53 General Clerical Workers	1546	1905	359
54 Inquiry Clerks and Receptionists	1220	1746	526
55 Numerical Clerks	512	675	163
56 Clerical and Office Support Workers	371	397	26
59 Other Clerical and Administrative Workers	1121	1610	489
60 Sales Workers, nfd	0	3	3
61 Sales Representatives and Agents	31	46	15
62 Sales Assistants and Salespersons	54	101	47
63 Sales Support Workers	73	76	3
70 Machinery Operators and Drivers, nfd	42	78	36
71 Machine and Stationary Plant Operators	107	149	42
72 Mobile Plant Operators	670	649	-21
73 Road and Rail Drivers	781	683	-98
74 Storepersons	20	27	7
80 Labourers, nfd	213	297	84
81 Cleaners and Laundry Workers	469	379	-90
82 Construction and Mining Labourers	408	437	29
83 Factory Process Workers	15	23	8
84 Farm, Forestry and Garden Workers	371	406	35
85 Food Preparation Assistants	96	70	-26
89 Other Labourers	2352	2863	511
09 Inadequately described	344	481	137
&& Not stated	18	35	17
Total	30663	39563	8900

Source: Based on ABS Census Customised Report Data, 2006, 2016

This growth and change in occupations can be linked to the growth rate of the population within Victoria, changes to legislative arrangements and changes in the age profile of the population:

- Population growth between 2006 and 2016 was 20.2% for Victoria, higher than the Australian growth rate of 17.9%. Growth in population results in an increased demand for services and in turn directly impacts on council staffing levels and staff profiles. This can be seen in the change in the occupation profile over time and the shortage of key professions such as engineers and town planners. Demand for town planners in areas of high population growth such as in the Northern Corridor is outstripping supply.
- Changes to legislative arrangements and the need for increasing levels of compliance result in the need for more specialist managers, governance and risk management personnel.
- Changes in the age profile of the population also places pressure on council services. The percentage of Victorian population over the age of 65 has increased 47% between 2006 and 2016, requiring councils to expand services, increasing the number of health welfare and support staff, and carers and aides.



Image supplied by Baw Baw Shire Council

The table on the following page shows the gender profile of each occupation in the Victorian local government sector. It is clear that certain occupations have a gender bias.

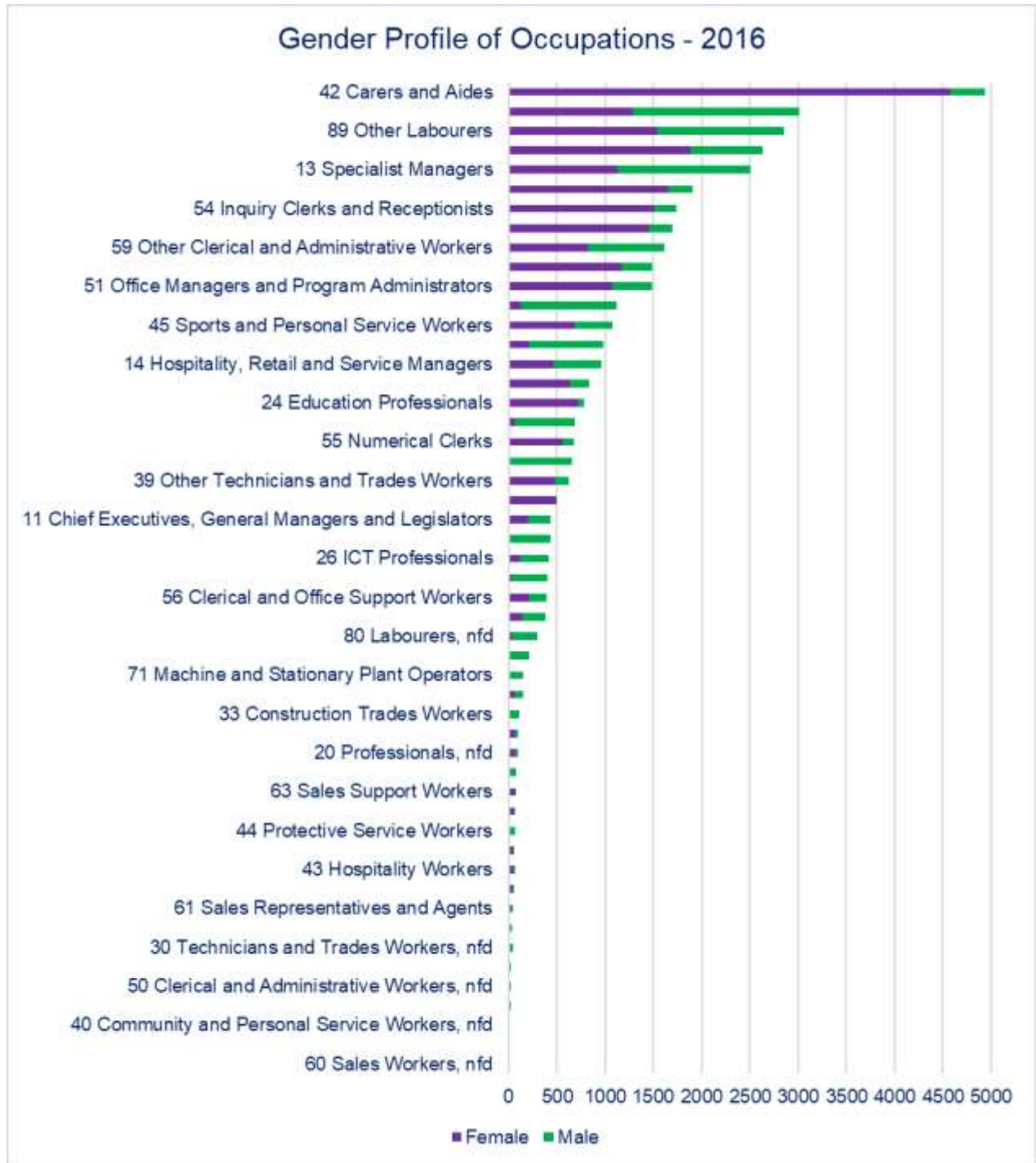
For example, women have a greater representation in occupations such as:

- Carers and Aides
- Business, Human Resource and Marketing Professionals
- General Clerical Workers
- Inquiry Clerks and Receptionists
- Health Professionals
- Office Managers and Program Administrators
- Education Professionals

Men have a greater representation in occupations such as:

- Design, Engineering, Science and Transport Professionals
- Specialist Managers
- Skilled Animal and Horticultural Workers
- Engineering, ICT and Science Technicians
- Road and Rail Drivers
- Mobile Plant Operators
- Construction and Mining Labourers²¹

²¹ Based on ABS Census Customised Report Data, 2016



Source: Based on ABS Census Customised Report Data, 2016

There are a number of occupations where women have increased their level of representation over the 10 years to 2016. These are listed together with the number by which the number of females has increased:

- Business, Human Resource and Marketing Professionals (+712)
- Design, Engineering, Science and Transport Professionals (+576)
- Specialist Managers (+556)
- Education Professionals (+458)
- Health Professionals (+443)
- Inquiry Clerks and Receptionists (+451)²²

Occupation (ANZSCO) 2006	2006	2016	Difference
10 Managers, nfd	52	63	11
11 Chief Executives, General Managers and Legislators	96	198	102
12 Farmers and Farm Managers	3	0	-3
13 Specialist Managers	571	1127	556
14 Hospitality, Retail and Service Managers	286	464	178
20 Professionals, nfd	44	64	20
21 Arts and Media Professionals	24	41	17
22 Business, Human Resource and Marketing Professionals	1177	1889	712
23 Design, Engineering, Science and Transport Professionals	710	1286	576
24 Education Professionals	263	721	458
25 Health Professionals	1015	1458	443
26 ICT Professionals	89	116	27
27 Legal, Social and Welfare Professionals	412	638	226
30 Technicians and Trades Workers, nfd	4	3	-1
31 Engineering, ICT and Science Technicians	127	216	89
32 Automotive and Engineering Trades Workers	0	0	0
33 Construction Trades Workers	6	0	-6
34 Electrotechnology and Telecommunications Trades Workers	3	3	0
35 Food Trades Workers	51	40	-11
36 Skilled Animal and Horticultural Workers	85	133	48
39 Other Technicians and Trades Workers	426	474	48
40 Community and Personal Service Workers, nfd	6	6	0
41 Health and Welfare Support Workers	800	1173	373
42 Carers and Aides	4542	4576	34
43 Hospitality Workers	23	43	20
44 Protective Service Workers	7	14	7
45 Sports and Personal Service Workers	398	689	291
50 Clerical and Administrative Workers, nfd	24	16	-8
51 Office Managers and Program Administrators	924	1078	154
52 Personal Assistants and Secretaries	484	483	-1
53 General Clerical Workers	1330	1656	326
54 Inquiry Clerks and Receptionists	1054	1505	451
55 Numerical Clerks	398	556	158
56 Clerical and Office Support Workers	212	212	0
59 Other Clerical and Administrative Workers	468	828	360
60 Sales Workers, nfd	0	0	0
61 Sales Representatives and Agents	17	23	6
62 Sales Assistants and Salespersons	34	62	28
63 Sales Support Workers	69	65	-4
70 Machinery Operators and Drivers, nfd	0	0	0

²² Based on ABS Census Customised Report Data, 2006, 2016

71 Machine and Stationary Plant Operators	13	8	-5
72 Mobile Plant Operators	3	10	7
73 Road and Rail Drivers	97	70	-27
74 Storepersons	0	3	3
80 Labourers, nfd	18	33	15
81 Cleaners and Laundry Workers	273	143	-130
82 Construction and Mining Labourers	8	7	-1
83 Factory Process Workers	3	11	8
84 Farm, Forestry and Garden Workers	33	35	2
85 Food Preparation Assistants	84	59	-25
89 Other Labourers	1395	1544	149
09 Inadequately described	135	222	87
&& Not stated	12	17	5
Total	18294	24121	5827

Source: Based on ABS Census Customised Report Data, 2006, 2016

There is an opportunity for councils to increase the percentage of women in non-traditional outdoor roles or in difficult to fill roles such as Waste Truck Drivers - a role that is filled by an older male cohort but one in which councils could establish a program to “grow their own female drivers”.

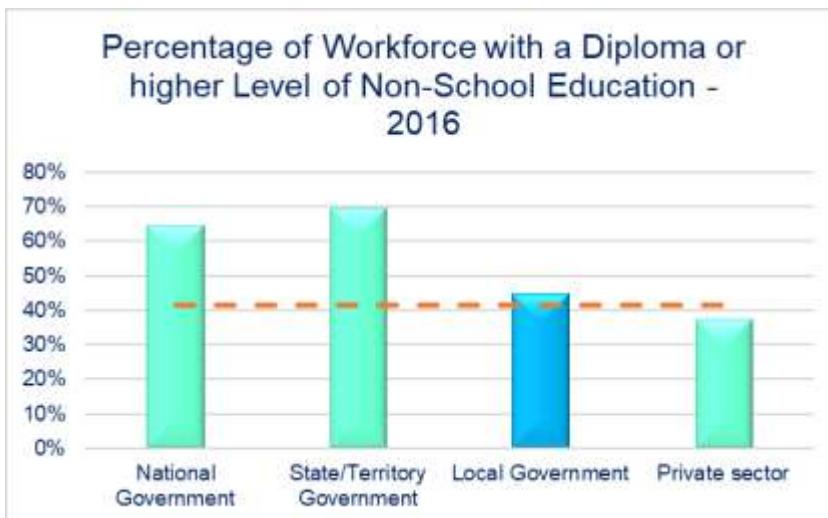


Image supplied by Nillumbik Shire Council

Section 2: Vocational Education and Training (VET) Uptake

Qualification Profile

In 2016, 44.7% of employees in the Australian local government workforce held a Diploma or higher-level qualification – slightly above the average (41.3%) for all-industries in Australia.²³



Source: Based on ABS Census Customised Report Data, 2016

In 2016, 52.5% of employees in the Victorian local government workforce held a Diploma or a higher-level qualification and 23.4% held no non/post school qualification (not applicable). The full breakdown of non-school qualifications is listed below.



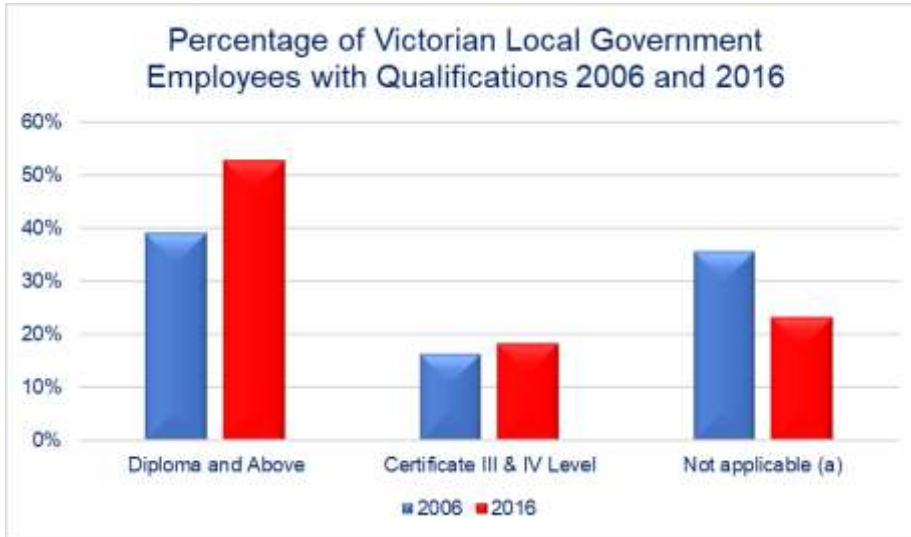
Source: Based on ABS Census Customised Report Data, 2016

²³ Based on ABS Census Customised Report Data, 2016

Between 2006 and 2016 there has been significant growth in the percentage of Victorian local government employees holding non-school qualifications.

The number of employees with no qualification (not applicable) has decreased from 35.5% in 2006 down to 23.4% in 2016.

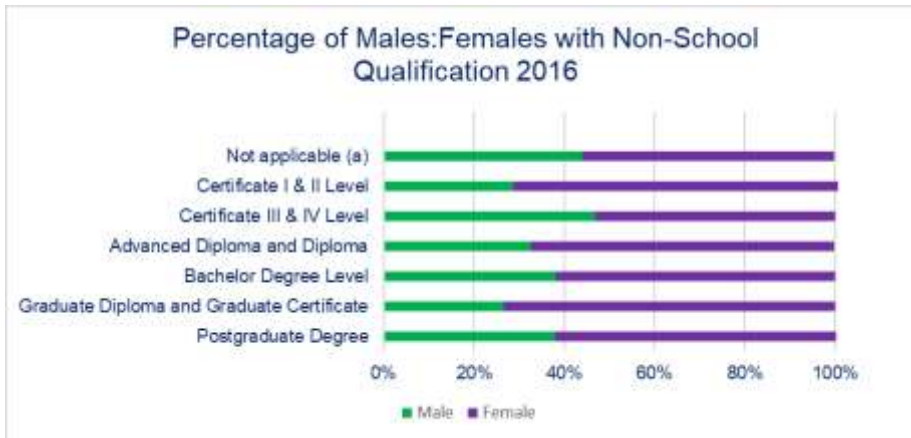
The level of Certificate I and II level qualifications has remained steady at under 1.5% of Victorian local government employees.



Source: Based on ABS Census Customised Report Data, 2006, 2016

The percentage of males/females varies across the different levels of qualifications within the Victorian local government sector employees as shown in the following chart:

- More females than males hold Diploma (and above) level qualifications
- Twice as many females than males hold Certificate I and II level qualifications
- Slightly more females than males hold Certificate III and IV level qualifications

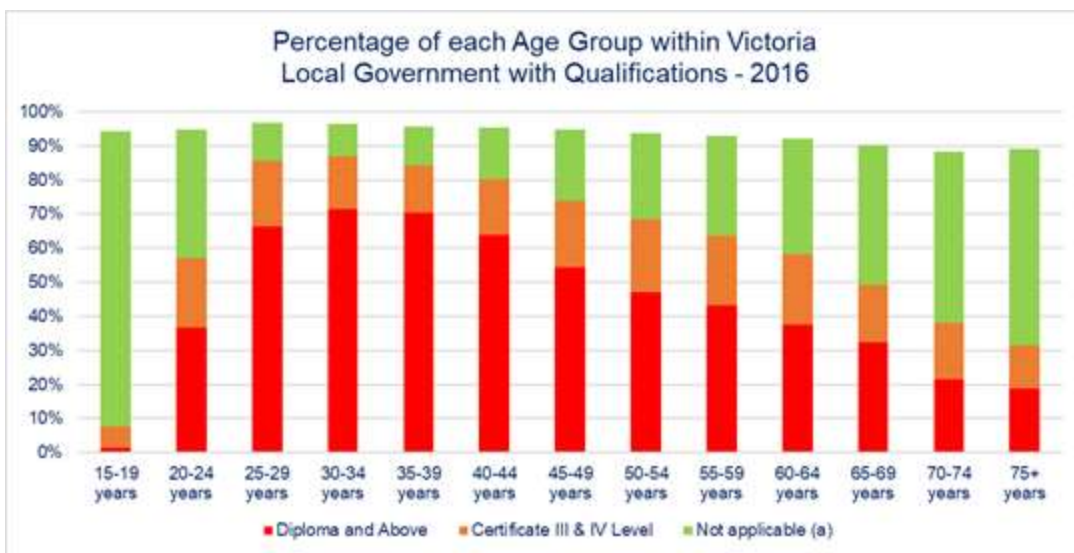


Source: Based on ABS Census Customised Report Data, 2016

The chart below lists the percentage of each age groups within Victorian local government that possess qualifications. It shows that the level of qualification peaks at around the 30-34 years age bracket and then declines.

To ensure the workforce has the skills required to effectively perform their roles and to adapt to new service demands, ongoing access to qualifications (where qualifications are appropriate) is essential for a productive and innovative local government sector.

The outdoor workforce with the highest percentage of workers over 45 years of age are increasingly required to use mobile devices and apps. The need for digital skills training for this cohort will become increasingly important.



Source: Based on ABS Census Customised Report Data, 2016

Issues Sourcing Training

As part of the Local Government Skills Shortage Survey 2017, councils in Victoria were asked to outline the key challenges faced when sourcing and delivering vocational education and training (VET) training to their workforce. Their main concerns are listed in the table below.

Key Challenges in Sourcing Training	LG Sector
Lack of time for staff to attend training	65.4%
Finding quality trainers to deliver locally	50.0%
Sourcing courses with relevant content	50.0%
Course cost too high	46.2%
Cost of sending staff away to attend training (travel cost) is too high	42.3%
Lack of support from managers/supervisors to send staff on training courses	30.8%
Sourcing information about what is available	7.7%

Source: Local Government Skills Shortage Survey 2017, LGWDG

The *lack of time for staff to attend training* was listed as the most significant challenge in Sourcing and Delivering Training by Victorian councils. This is an issue for the local government sector to consider further. It does not appear to be related to a lack of support from managers or supervisors to send staff to training or to location of council as it is the key issue listed by urban councils.

If a large proportion of councils were running below full staffing complement then it might point to a workload issue – but this is not the case given only 25% of responding councils reported running below full staffing complement. It bears further investigation.

For the increasing number of service delivery personnel time needs to be built into their rosters to free them up to attend training. The delivery format of training is also changing. There is a move away from block delivery format where staff are away from work for 1-2 weeks at a time, to short, sharp training, where the impost of time is less. Quick training delivered more frequently through use of training videos and e-learning will be in greater demand in future.

The *Lack of quality trainers available to deliver locally* and *Sourcing training with relevant content* were next on the councils' list of key challenges.

Not surprisingly, for the Rural segment the two greatest challenges are *course costs* and *the cost of sending staff away to training*. They also face the biggest challenge of all sectors when it comes to *finding quality trainers to deliver courses locally*.

The Northern Council Group is addressing this problem by looking at sharing trainers and co-ordinating regional training to reduce costs to individual councils.

While you would expect *Finding quality trainers to deliver courses locally* would be a key issue for Rural councils (it was raised by 57% of respondent councils), it was surprisingly cited by 71.4% of Urban Regional councils.



Image supplied by Baw Baw Shire Council



Source: Local Government Skills Shortage Survey 2017, LGWDG

Other challenges mentioned by councils were:

- Cost of developing customised courses; and
- Lack of engagement in online learning across the organisation.

50% of Victorian councils and 45.5% of councils across Australia are saying that *Sourcing courses with relevant content* is an issue. This can be linked in part to a lack of Training and Development staff in smaller councils but it is also being raised by Urban councils. This is cause for concern and suggests that:

- Local government has specific needs that are not being met given the legislative framework in which it operates.
- The process for designing and reviewing national qualifications is not recognising the sector as an end-user of the product. Local government qualifications make up only a small percentage of the qualifications accessed by councils and it is unlikely that councils are invited to comment on the wide breadth of qualifications utilised by the sector. The capacity of councils to do so is also limited, particularly given the narrow consultation mechanisms, tight timeframes and restricted funding associated with managing training packages.
- Registered Training Organisations (RTOs) may not be customising the training to a local government context.

Apprenticeship/Traineeship Uptake Levels

2017 apprenticeship and traineeship data indicates that **20 qualifications** were accessed by councils in Victoria. This diversity/number of qualifications does *not* reflect the scope of work and range of skills required by local government in Victoria but rather the low uptake level of trainees and apprentices within the Victorian local government sector.

The table below shows the training packages that traineeships and apprenticeships are being drawn from across the sector in Victoria.²⁴

Training Package	Trades	Non-Trades	Total
CHC - Community Services	0	55	55
RII - Resources and Infrastructure	10	40	50
AHC - Agriculture, Horticulture and Conservation and Land Management	40	5	45
BSB - Business Services	0	15	15
ICT – Information and Communications Technology	5	0	5
LGA - Local Government	0	5	5
AUR - Automotive Industry Retail, Service and Repair	5	0	5

Source: Based on NCVER Customised Report Data, 2018

According to the Local Government Skills Shortage Survey, 48% of responding councils in Victoria are employing trainees/apprentices (as of June 2017). Councils are using traineeships and apprenticeships as part of their recruitment and selection strategies.

However between 2012 and 2017 apprenticeship and traineeship numbers have been in significant decline.²⁵

- **Apprenticeship** numbers have decreased by **67.6%**
- **Traineeship** numbers have decreased by **84.1%**

This rate of decline in apprenticeship numbers in local government (67.6%) between 2012 and 2017 is more than three times as much as the decline in apprenticeship numbers across All-industry (21.4%) in Victoria.

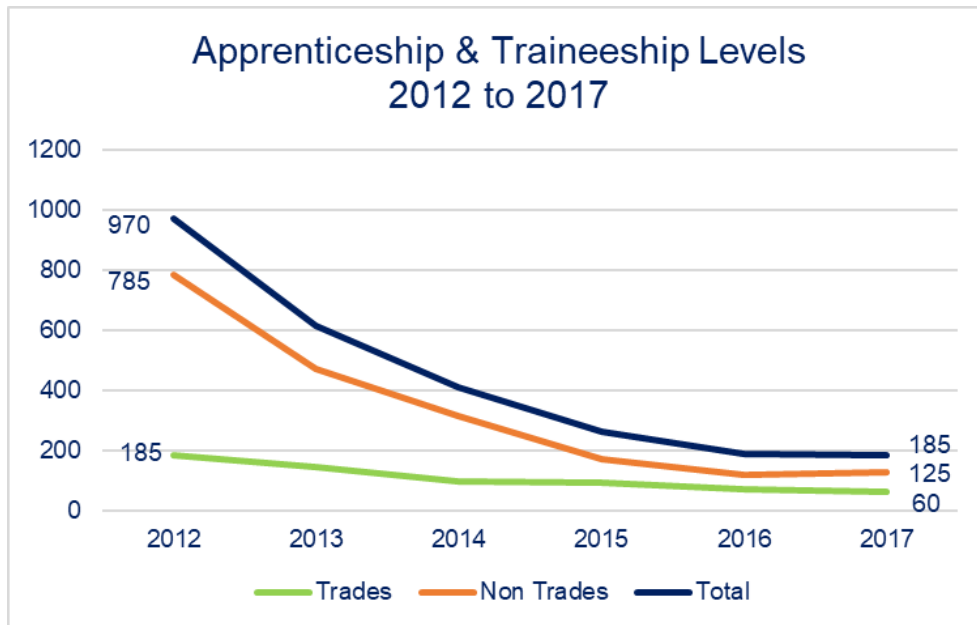
The decline in traineeship numbers was a little higher for local government (84.1%) than the decline across All-industry in Victoria (76.7%).

In July 2017, there were 185 local government employees **“in training”** under Apprenticeship/Traineeship arrangements across councils in Victoria compared to 970 in 2012.²⁶

²⁴ NCVER 2018, Australian vocational education and training statistics: apprentices and trainees - September 2017 estimates, NCVER, Adelaide.

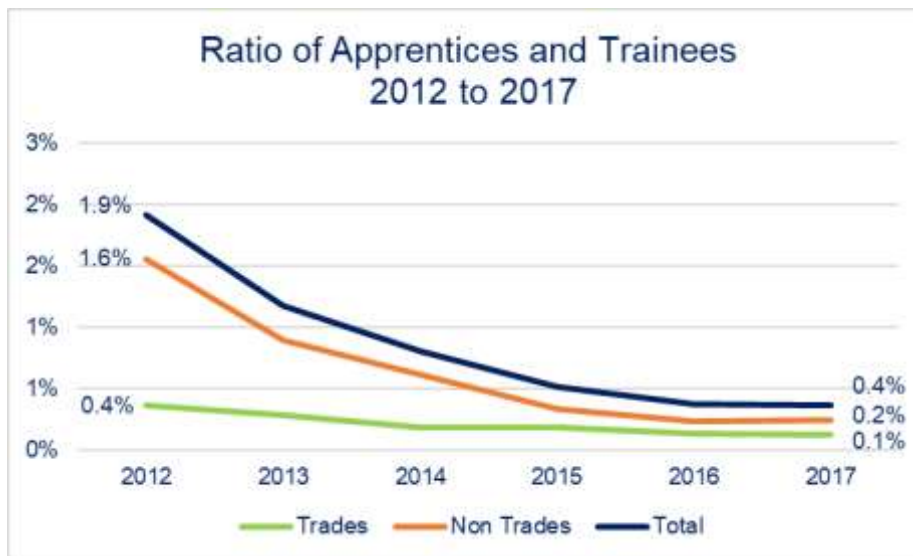
²⁵ Local Government Skills Shortage Survey 2017, LGWDG

²⁶ NCVER 2018, Australian vocational education and training statistics: apprentices and trainees - September 2017 estimates, NCVER, Adelaide.



Source: Based on NCVER Customised Report Data, 2018

In 2012, trainees and apprentices were 1.9% of the Victorian local government workforce. In 2017, this figure had decreased to 0.4%. In 2017, apprentices/trades made up just 0.1% of the workforce. Victoria local government has the lowest ratio of apprentices/trainees than any other state/territory local government in Australia.



Source: ABS 2017, Employment and Earnings, Public Sector, Catalogue 6248.0.55.002 and NCVER Customised Report Data, 2018

42% percent of councils surveyed in 2017 indicated they did not have enough trainees/apprentices to meet their future skill needs.²⁷

²⁷ Local Government Skills Shortage Survey 2017, LGWDG

The respondents list the following key factors constraining the employment of additional trainees/apprentices:

- Lack the internal capacity (supervisors) to support trainees and apprentices
 - Workload restraints
 - Lack of time to investigate and identify opportunities in this area
 - Time to set up program
- Lack of internal planning
 - No allocated time to create a structured program
- Lack of structural processes and accountabilities
- Level of funding from State/Federal government
- Lack of funding
 - Impact of rate-capping
 - Budgetary constraints
- Low turnover – limited opportunities to employ apprentices/trainees
- Hard to retain young people in the regional areas
- Limited scope of work in some areas of council (eg fleet and maintenance areas)

Councils saying that the Cost:Benefit analysis of employing apprentices does not stack up and that there is limited incentive for councils to take on apprentices.

Some councils have indicated they are establishing programs to increase the number of trainees and apprentices. But more needs to be done.

The following states have lobbied State Government to help them offset the cost of employing apprentices and trainees as follows:

- **New South Wales:** In the May 2018 Budget, the NSW government announced that from 1 July 2018, new apprenticeships would be fee-free, effectively saving students around \$2,000 on the program. While this represents a cost savings to those employers who pay these fees on behalf of their apprentices, it may not be sufficient to incentivise employers to recruit more apprentices.
- **Queensland:** The Queensland Government and the LGAQ formed a partnership to increase the number of trainees and apprentices across the local government sector. The State Government has provided wage subsidies \$15,000 to assist councils with the cost of employing apprentices and trainees in their first year. The LGAQ also attracts funding to manage this program on behalf of the State Government.
- **South Australia:** In 2015, the State Government introduced *The Regional Youth Traineeship Program* to halt the decline in traineeship numbers during 2014-2017. The State Government provided a wage subsidy of up to \$14,500 per trainee annually, for up to two years. It funds 57 positions to assist local governments with the cost of employing apprentices and trainees.

School Based Apprenticeship and Traineeships Program (SBATs)

The uptake rate of SBATs across the Victorian local government sector has been very low historically. The table below shows the uptake rate declining over time to zero in 2016 and 2017.

All of these are in Traineeships.

	In Training					
	2012	2013	2014	2015	2016	2017
School Based Apprentices and Trainees (SBATs)	15	10	10	10	0	0

Source: Based on NCVET Customised Report Data, 2018

Some councils have indicated that they are using Group Training Organisations as the trainee’s employer, with councils acting as the host employer. Trainees employed under this arrangement may not be represented in the data sets included above.

Given the enormous scope of occupations encompassed by the local government sector, it is ideally placed to support SBATs and is a cost-neutral exercise, providing a way of “growing your own” staff locally.

SBATs can be used for work experience/recruitment selection tool providing an alternate entry-level pathway to employment in local government.



Image supplied by Baw Baw Shire Council

Section 3: Skill Shortages

Top Skill Shortage Occupations

74.2% of councils who responded to the Local Government Skills Shortage Survey in Victoria are currently experiencing a skill shortage.

Councils were asked to list their top five skill shortage areas. In all of the three segments, engineers were listed as the top skill shortage occupation. The table below shows how skill shortages vary across the segments.²⁸

Segments	Top Skill Shortage Occupations		
	1	2	3
Rural	Engineers	Building Surveyors	Town Planners
Urban & Urban Fringe	Specialist Engineers	Maternal & Child Health Nurses	Specialist Planners
Urban Regional	Engineers	Town Planners	Building Surveyors

Source: Local Government Skills Shortage Survey 2017, LGWDG

Population growth across Victoria was 20% between 2006 and 2016 and is a key driver of professional shortages listed above, as local government strives to meet the growing demand for housing developments and link infrastructure.

Councils were also asked to consider a list of key professional and technical/trade occupations and to indicate against each if they are experiencing a current shortage, and given this shortage, if they were forced to recruit less skilled applicants. Thirdly, councils were asked to indicate if this skill shortage occupation would be a critical issue in the future.

The top 10 professional skill shortage occupations listed by councils are:

Rank	Professional Occupations	Percentage of Councils		
		Current Shortage	Forced to Recruit Less Skilled Applicants	Critical Future Issue
1	Engineers	41.9%	12.9%	41.9%
2	Urban & Town Planners	41.9%	12.9%	38.7%
3	Building Surveyors	41.9%	9.7%	45.2%
4	Computing ICT Technicians	22.6%	16.1%	22.6%
5	Project Managers	22.6%	9.7%	19.4%
6	Community Development & Engagement Officers	19.4%	9.7%	3.2%
7	Environmental Health Officer	16.1%	6.5%	19.4%
8	Human Resource Professionals	16.1%	3.2%	16.1%
9	Building Surveying Technicians	12.9%	6.5%	16.1%
10	Allied Health Professionals	12.9%	0.0%	6.5%

Source: Local Government Skills Shortage Survey 2017, LGWDG

²⁸ Local Government Skills Shortage Survey 2017, LGWDG

The top 10 technical and trade occupations experiencing skills shortages are:

Rank	Technical & Trade Occupations	Percentage of Councils		
		Current Shortage	Forced to Recruit Less Skilled Applicants	Critical Future Issue
1	Care Persons	16.1%	0.0%	25.8%
2	Accounts/Pay Roll Clerk	12.9%	3.2%	19.4%
3	Customer Service Workers	9.7%	3.2%	9.7%
4	IT/ICT Technicians	9.7%	6.5%	12.9%
5	Supervisor/Team Leader	9.7%	9.7%	12.9%
6	Youth Support Worker	9.7%	6.5%	6.5%
7	Trades - Horticulture	9.7%	0.0%	6.5%
8	Trades - Automotive	9.7%	0.0%	6.5%
9	Waste Management/Recycling Operator	6.5%	3.2%	6.5%
10	Trades - Plumber	3.2%	0.0%	3.2%

Source: Local Government Skills Shortage Survey 2017, LGWDG

There are some other skill shortage areas emerging, as follows:

- Emergency Management Officer
- Immunisation Nurse
- Policy Development

Councils in Victoria expect that shortages will increase beyond 2017 levels in the next 18 months in the following key areas:

- Building Surveyors/Technicians
- Environmental Health Officers
- Care Persons
- Accounts/Payroll Clerk
- IT/ICT Technicians
- Supervisors/Team Leaders

The key drivers and reasons behind the current skill shortages in order of importance are:

- Inability to compete with the private sector or other councils on remuneration
- Lack of suitably-qualified and experienced candidates
- Location – regional and remote locations
- High demand across the labour market
- National shortage of engineers
- Trade shortage

Population growth is a causal factor driving skill shortages in Victoria and underpins these drivers listed by councils.

Recruitment Strategies

To fill vacancies in the top five skill shortage occupations, Victorian councils have attempted to recruit from:

- Within the local area – 100% of councils
- State wide – 71% of councils
- Interstate – 17% of councils
- Internationally – 0% of councils

On average it is taking just over 2.5 months for councils to fill vacancies in both professional and skilled/technical positions. The range across responding councils was between 1 to 8 months.

To help combat skill shortages, 25.8% of Victorian councils who responded to the survey reported employing staff (a total of 19 staff) on Employer Sponsored Working visas to fill vacancies in the following fields:

- Engineering
- Statutory Planning
- Child Care Educators
- Aquatic Services

The Municipal Association of Victoria can play a key role ensuring that the Migration Skills in Demand list reflects the skill shortage needs of local government in Victoria.

48.4% of Victorian councils who responded to the survey are “**growing their own**” to combat skill shortages through the use of cadetships. These 15 councils employ a total of 48 cadets in the following occupations:

Number of Councils Employing Cadets (from 15 responses)	Occupational Area
11	Engineering
8	Town/Statutory Planning
2	Building Surveyors/Certifiers
3	Environmental Health
1	Mechanic
1	Asset & Property Management
1	Valuations
1	IT
1	Community Development
1	Community Services
1	Maternal and Child Health Nurses
1	Human Resource Management
1	Parks & Gardens/Horticulture

Source: Local Government Skills Shortage Survey 2017, LGWDG

Each summer Hume City Council employs up to 10 student engineers to do work experience, providing a pool of engineers for council to select from when they graduate. Cadetship models could be made available to other councils.

Section 4: Unmet Training Needs

Skill Gaps

A skill gap is the gap between the skill level of the employee and the skills needed to perform their job role, as desired by their employer.

59% of councils who responded to the skill shortage survey are experiencing skill gaps. Key areas listed by councils as being the most critical in terms of skill gaps were:

Occupations with Critical Skill Gap	What new skills are required	Drivers behind the skills gap
Leadership/ Supervisory Roles	<ul style="list-style-type: none"> - Leadership and communication - Change management - People management - Managing performance and development 	<ul style="list-style-type: none"> - Transferred from operational area and no skill development to management - Difficult to attract staff when competing with market place - Not recognised as a core responsibility - Core competencies for leaders not identified
Information Technology	<ul style="list-style-type: none"> - Software & product knowledge - Database management & programming - New technologies & software applications 	<ul style="list-style-type: none"> - Limited technical training opportunities - Existing skill sets very narrow - Pace of IT change
Urban & Town Planners	<ul style="list-style-type: none"> - Knowledge of local planning schemes and amendments - Lack of qualifications 	<ul style="list-style-type: none"> - Talent shortage in local area
Strategic/Developmental Planning	<ul style="list-style-type: none"> - Experience in major development and planning 	<ul style="list-style-type: none"> - Ability to pay - High demand
Engineers	<ul style="list-style-type: none"> - Leadership skills - Project lead skills - Project management 	<ul style="list-style-type: none"> - Graduates – not a lot of leadership opportunities
Building Surveying Technical	<ul style="list-style-type: none"> - Technical skills - Compliance skills 	
Project Managers	<ul style="list-style-type: none"> - Experience in major development and planning - Contract management - Ability to work across a diverse portfolio of projects which engage multiple stakeholders 	<ul style="list-style-type: none"> - Ability to pay - Market shortage
Finance & Accounting	<ul style="list-style-type: none"> - New software knowledge 	<ul style="list-style-type: none"> - Ageing workforce - Lack of skilled locals
FOI Officer	<ul style="list-style-type: none"> - Lack of experienced FOI officers 	<ul style="list-style-type: none"> - Staff performing with limited knowledge and skill

Source: Local Government Skills Shortage Survey 2017, LGWDG

Staff are often promoted to leadership and supervisory roles without any training or exposure to the skills needed perform this function. Councils who responded to this survey make the following points:

- Leadership/supervision – not recognised as a core responsibility
- Core competencies for leaders not identified

This skill gap has been listed by councils in all states and territories. Strategies around how best to address this skills gap are required such as identifying the skills required and including these in position descriptions.

Councils are using a combination of strategies to address skill gaps including opportunities to act up, secondments, on-the-job training, coaching and mentoring and provision of targeted training programs.

The chart below shows that most councils (75%) are using targeted training programs to address identified skill gaps, but a large proportion are using internal arrangements to address skill gaps.



Source: Local Government Skills Shortage Survey 2017, LGWDG

Unmet Training Needs

29% of councils who responded to the survey had reported unmet training needs.

The table below provides an overview of some of the key areas of unmet needs and the reasons listed by councils for this gap. The key reasons given were:

- Training programs not specific to the needs of local government
- Sourcing appropriate training

Each of the unmet training needs listed in the table below was raised by one council, with the exception of *Leadership* training which was cited by a number of councils.

Unmet Training Need	Reason
Information Technology	- Introduction of new systems
Coaching	- Lack of framework for coaching - Training availability
Change Management	- Sourcing appropriate training
Leadership	- Staff moving from operational role to supervisory/management
Navigating political environment	- Difficult to turn “political savvy” into a training program
Sideloader Operators - Waste	- Limited training offered – mainly only truck driving
Procurement & Tendering	- Limited training offered relevant to local government
Contract Management	- Need a course that is specific to local government

Source: Local Government Skills Shortage Survey 2017, LGWDG

Some of this training exists already and it may be a matter of lifting awareness of what is available.



Image supplied by Greater Bendigo City Council

Section 5: Emerging Issues

Emerging Issues that will impact on a Council's Future Skilling Needs

Councils were asked to provide details of any internal or external factors that will impact on their future skill needs – things like changes to legislation or major new infrastructure projects planned in their region.

The table below gives an overview of the key factors listed by Victorian councils. Of the 20 councils who responded to this question:

- 25% list rate capping and the financial constraints around this; and
- 25% list technological change and digital disruption as having the greatest impact on their future skilling needs.

Internal/External Factors	Impact
Rate Capping	<ul style="list-style-type: none"> - Less money for training spend - Restriction on training budget and ability to remunerate - Financial limitations - Need to review services and work smarter
Technological Change and Digitisation	<ul style="list-style-type: none"> - Change to councils systems and processes – change management required – new systems to learn - Move away from paper-based systems - Increased need for upskilling of existing staff - Workforce will move to a new generation of digital savvy staff - IT and digital literacy skills needed - Automation will lead to changed job roles - Staff working across multiple municipalities
Significant Infrastructure Projects	<ul style="list-style-type: none"> - Size and publicity around project will increase scrutiny - Not enough qualified engineers, roads and maintenance and parks and gardens staff to keep up with demands
Growth within local government area	<ul style="list-style-type: none"> - Increased demand for additional services - Increasing aged care demand – difficulty attracting qualified staff - Increased demand for planning consents - Not enough staff to keep up with the demand of growing suburbs
New Legislation/Regulation	<ul style="list-style-type: none"> - Change to Child Safety legislation – need for greater compliance, new mandatory reporting arrangements and education levels required - Changes to Financial Legislation and reporting requirements – increased compliance - New Local Government Act – Workforce Planning mandatory - MAV Workcover – increased council training needs
Climate Change/Adaptation	<ul style="list-style-type: none"> - Increased demand for emergency management and environmental skills - Education and upskilling of staff and community
Government Funding Changes	<ul style="list-style-type: none"> - Change to Government apprenticeship policy and funding change will result in a lack of tradespeople for future outdoor roles - Change to Commonwealth Funding for HACC – shift in which organisations will undertake this role in future
Ageing Workforce	<ul style="list-style-type: none"> - Need to manage career transition and succession planning

Source: Local Government Skills Shortage Survey 2017, LGWDG

Councils were asked if they had undertaken any analysis or forecasting of changing roles and skills requirements of their workforce, specifically due to the impact of digital disruption or to advances in technology.

- 55% answered No
- 29% answered Yes
- 16% did not answer

Councils were asked to identify new skills emerging over the next three years as a result of **technological advances/digital disruption**. They were also asked to specify how they intended to address these new skills.

New Skills Emerging Over Next three Years	Strategies to Address Skill Need
Smart Technology – Mobile Devices	<ul style="list-style-type: none"> - Training of outdoor staff to use “smart devices” - Focused/scalable training programs to ensure effective use and integration of mobile devices (tablets, mobiles, smart boards) - Targeted training to ensure staff can work in remote teams/supervise remote teams - Invest in training of older staff
Working Remotely	<ul style="list-style-type: none"> - Setting staff up to work remotely (Skype, chat online) - Work-based mobile technology strategies - Training for rollout of new mobile technology
GIS / Interactive Mapping	<ul style="list-style-type: none"> - Introduction of devices and training
General IT Skills	<ul style="list-style-type: none"> - Moving to cloud-based platform - Change of IT platform - Use of electronic business forms – move away from paper-based systems – training needed - Upskill staff to use technology effectively
Agile and Flexible Leadership skills	<ul style="list-style-type: none"> - Leadership development program - Introduction of “Lean” process thinking across the organisation - Link the use of technology to improving efficiency and to process improvement and innovation
Social Media Platforms	<ul style="list-style-type: none"> - Training need in how to manage and coordinate social media platforms - Social media training needed - Training in how to use digital media needed

Source: Local Government Skills Shortage Survey 2017, LGWDG

How well positioned are you?

The way we do business, connect, socialise, travel, and live is changing.

CSIRO predicts that the world of work in the next two decades will be shaped by five key trends: technological advances, digital connectivity, globalisation, the ageing population and emerging economic structures. These megatrends are driving the speed of change and are expected to lead to the restructuring of labour markets throughout Australia.²⁹

The Committee for Economic Development of Australia (CEDA)³⁰ predicts that almost five million jobs, or 39.6% of the Australian workforce, will face a high probability of being replaced by computers in the next 10-20 years, and a further 18.4% face a medium probability of having their roles eliminated.

The nature of work is expected to shift and redefine the composition of the workforce. The number of permanent employees is expected to diminish as organisations outsource non-core work to freelancers, part-timers and casuals, so as to enable firms to be more agile and accommodate accelerating changes in business strategy.

Advances in computer technologies will influence how workers perform work allowing them to work remotely, and to be connected to colleagues using Cloud technologies. New skills are expected to emerge to create working roles that do not yet exist.

Skillssets will change and career paths centred on a specialisation within a narrow stream will offer less resilience than career paths that develop a workers competence in generic/soft skills such as project management, digital skills, adaptive thinking, team work and problem solving, etc.

It is expected that organisational structures will be flatter, and workers will be assigned to teams based on their skills and potential to learn. The role of leaders will be to attract and nurture talent; coach, develop and inspire teams to innovate, improve work processes and build the organisation's adaptive capacity.

Assumptions that determine how an organisation is structured, and the effectiveness of human capital strategies to attract and develop talent and build the organisational culture to maintain competitive advantage will need to be reviewed.

As new technologies emerge in the future the demand for some skills will wain while for others it will increase.

It is expected that soft skill intensive occupations will make up almost two-thirds of the workforce in the future.³¹

²⁹ Hajkowski et al (2016: 18)

³⁰ CEDA (2015: 24) Australia's future workforce, Melbourne

³¹ Deloitte Access Economics, *Soft skills for business success*, (2017: 8), Deloitte Australia

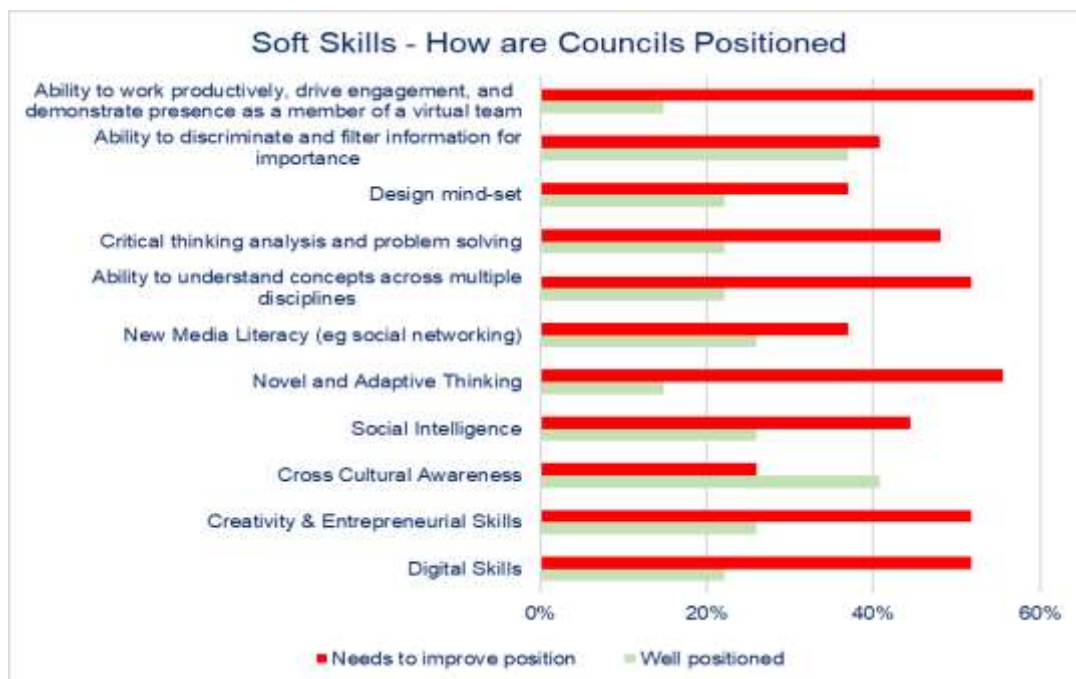
These soft skills are:

- Creativity and entrepreneurial skills
- Cross-cultural awareness
- Social intelligence
- Novel and adaptive thinking
- New media literacy (e.g. social networking)
- Ability to understand concepts across multiple disciplines
- Critical thinking, analysis, and problem solving
- Design mindset
- Ability to discriminate and filter information for importance
- Ability to work productively, drive engagement and demonstrate presence as a member of a virtual team³²

It is in this context that councils were asked how well-positioned they were in regard to soft skills and how they intended to address this emerging skills gap.

Between 40-60% of councils who responded to this question said they needed to improve their position in 8 out of the 11 soft skill areas listed below. The top three areas in which councils were least well-positioned were:

- Ability to work productively, drive engagement and demonstrate presence as a member of a virtual team
- Novel and adaptive thinking
- Digital skills

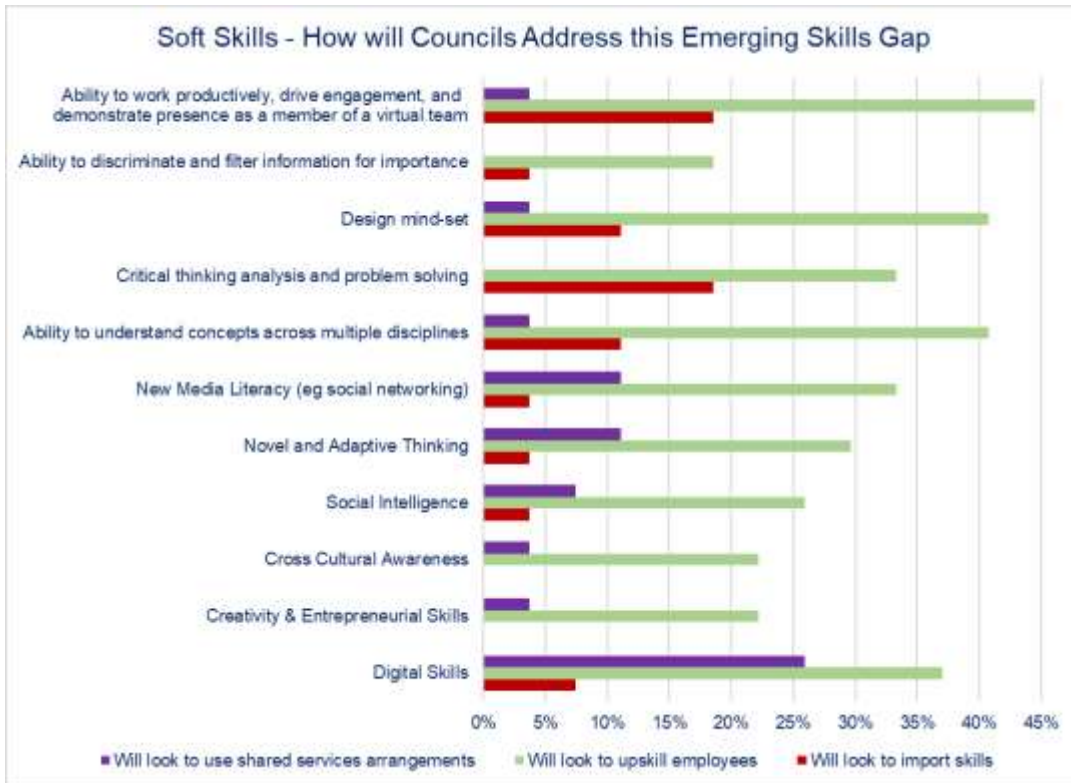


Source: Local Government Skills Shortage Survey 2017, LGWDG

³² Deloitte Access Economics, *Soft skills for business success*, (2017: 8), Deloitte Australia

In order to address these emerging skill gaps, councils will be mainly looking to upskill existing staff. To a lesser extent they will look to import skills or recruit externally.

Very few will be seeking to use shared service arrangements to address skill gaps, except in the digital skills area.



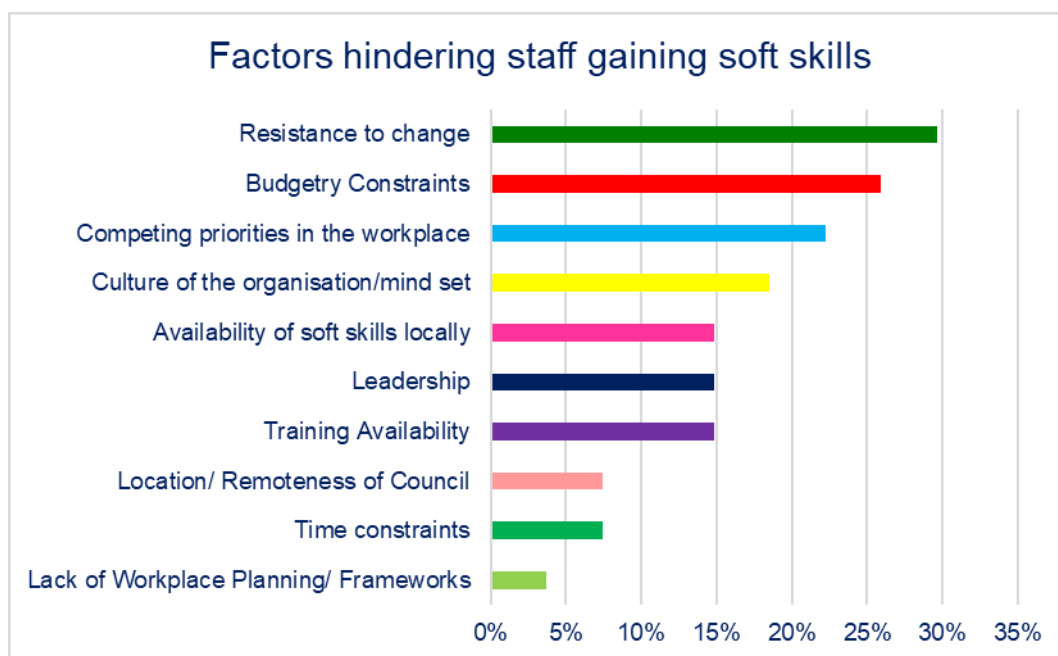
Source: Local Government Skills Shortage Survey 2017, LGWDG

What might hinder staff gaining emerging skills?

Councils were asked to list the key factors that might hinder staff gaining these emerging soft skills needed in the future. The table below lists their responses.

The table below shows the range of factors listed. Some of these factors go hand in hand like *Resistance to Change* (30%) + *Culture of the organisation/mindset* (19%). The impact of these two factors when added together would put them at the top of the list above *Budgetary Constraints*.

These are internal factors that council has control over and can plan to address. The same is true of *Lack of Workplace Planning* and *Lack of Leadership* in this area.



Source: Local Government Skills Shortage Survey 2017, LGWDG

Councils are not well-positioned in regard to soft skills and need to stop and give thought to how they intend to address this issue. It is such a big issue that an industry-wide approach is recommended. The MAV could take on an advocacy role for councils in Victoria on this matter.

The first step might be to seek assistance from government agencies to prepare workers for a digitised future.

Future workforce profile

Councils were asked to list the types of workers they currently employ to deliver services (Current Profile) and to also indicate how they anticipate this profile might change in the future, whether it will:

- Remain the same
- Increase
- Decrease

In terms of the Current Workforce Profile, 100% of councils who responded to this question employ Full-Time, Part-Time and Casual Workers. A significant number use:

- Labour Hire Arrangements – 74.1%
- Independent Contractors – 85.2%
- Volunteers – 92.6%

To a lesser extent councils use:

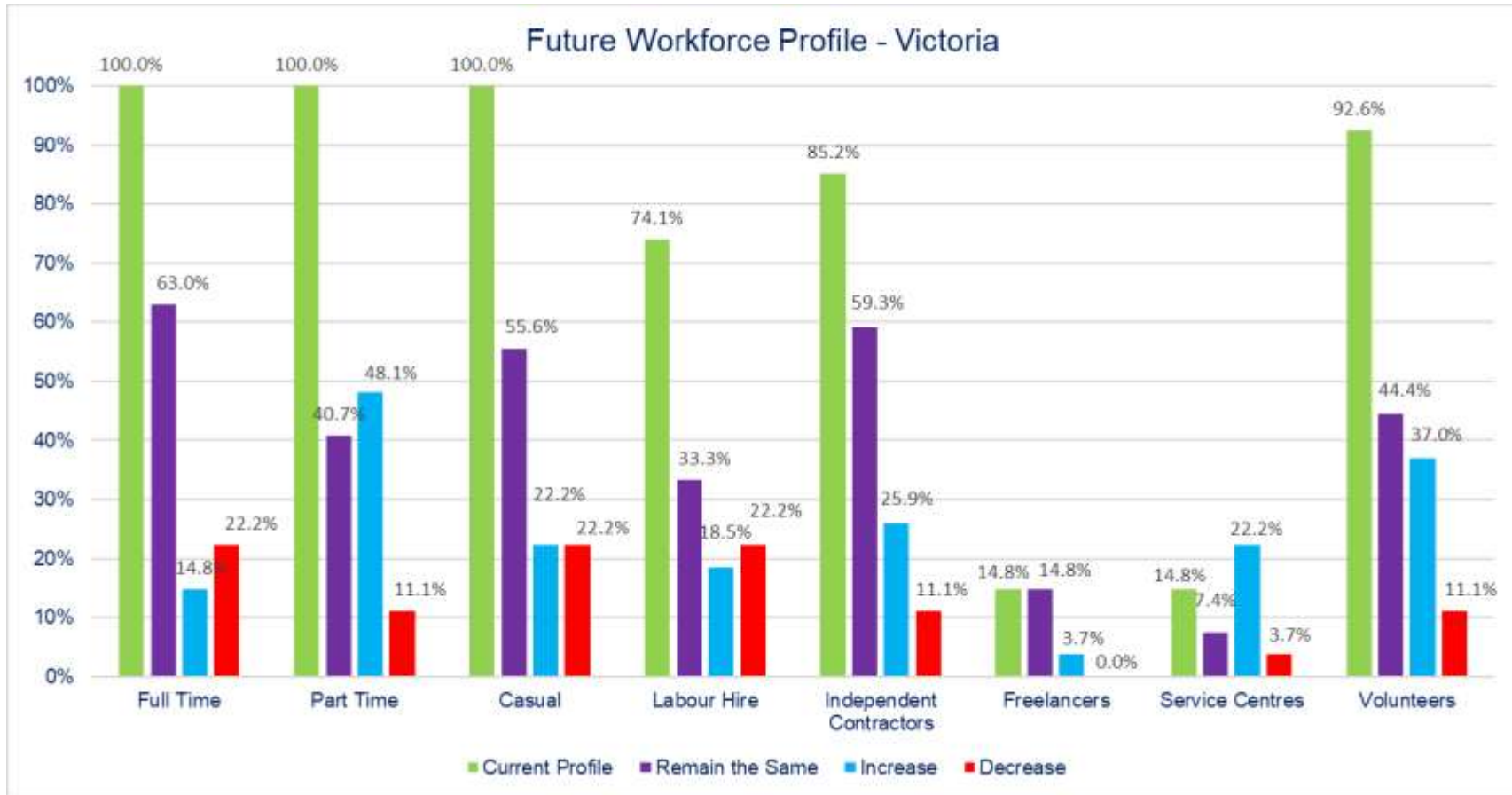
- Freelancers – 14.8%
- Service Centres -14.8%

No council in Victoria is using:

- Fly In Fly Out Workers

The Future Workforce Profile is mapped out in the chart below. In the future, councils are predicting the following trends:

- A significant increase in the use of Part-Time Employees
- A significant increase in the number of Volunteers
- A slight decrease in the use of Full-Time Employees
- No change in the use of Casual Employees
- A small increase in the use of Service Centres and Independent Contractors
- Little change in the use of Freelance Workers
- A decrease in the use of Labour Hire arrangements



Source: Local Government Skills Shortage Survey, 2017

Appendix 1

Councils in Victoria that responded to the Local Government Skills Survey by ACLG region

Council	ACLG
Rural	
Mansfield Shire Council	RAL
Yarriambiack Shire Council	RAL
Ararat Rural City Council	RAV
Corangamite Shire Council	RAV
Glenelg Shire Council	RAV
Hepburn Shire Council	RAV
Southern Grampians Shire Council	RAV
Urban & Urban Fringe	
Bayside City Council	UDL
City of Port Phillip	UDL
City of Stonnington	UDL
Maroondah City Council	UDL
Brimbank City Council	UDV
City of Boroondara	UDV
Knox City Council	UDV
Whitehorse City Council	UDV
Cardinia Shire Council	UFL
Nillumbik Shire Council	UFM
Borough of Queenscliffe	UFS
City of Whittlesea	UFV
Hume City Council	UFV
Wyndham City Council	UFV
Urban Regional	
City of Greater Bendigo	URL
Baw Baw Shire	URM
Warrnambool City Council	URM
Campaspe Shire Council	URM
East Gippsland Shire Council	URM
Mitchell Shire Council	URM
Rural City of Wangaratta	URS
Golden Plains Shire Council	URS
Moira Shire Council	URS