

**LGMA NSW Working Group 1e**

**Develop and implement strategies to increase the diversity and skill range of council staff.**

**Final Report**

**29<sup>th</sup> May 2013**

## CONTENTS

<b>1. INTRODUCTION</b>	<b>- 3 -</b>
<b>2. CONTEXT</b>	<b>- 5 -</b>
<b>3. STRATEGIES</b>	<b>- 6 -</b>
3.1 Strategy 1: <i>Ensure the local government sector has a skilled labour force.</i>	- 6 -
3.2 Strategy 2: <i>Position local government as a career of choice.</i>	- 11 -
3.3 Strategy 3: <i>Develop models that source and allocate sustainable funding to support diversity and skills.</i>	- 15 -
3.4 Strategy 4: <i>Building management and leadership capacity and capability.</i>	- 20 -
3.5 Strategy 5: <i>Ensure relevant and accessible training and education delivery.</i>	- 28 -
<b>4. CONCLUSION</b>	<b>- 31 -</b>

## **LGMA NSW Working Group 1e**

### **Develop and implement strategies to increase the diversity and skill range of council staff.**

Working Group 1e includes professionals from across the New South Wales local government sector. The Group's diverse skills and experience in local government brings a solid depth of knowledge and many different perspectives to explore the topic under consideration.

The report was developed through consensus or majority view of the Group over several full day workshops and consultation via email and telephone.

The members of the Working Group include:

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- Greg Golledge, United Services Union
- Annalisa Haskell, LGMA NSW
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- Lillian Tiddy, Local Government NSW
- Gary Vann, United Services Union
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- Kathy Woolley, Orange City Council

The Working Group would like to acknowledge the efforts of Kogarah City Council's Evan Hutchings, Director of Governance and Corporate Services, Eva Papas, Coordinator Communications and Research and Alison Hester, Manager Human Resources in bringing the Group's ideas, thoughts and discussions together in this paper.

## **1. Introduction**

*'Skills shortage is a major issue confronting Australia's workforce, as the Australian workforce is not growing fast enough to keep up with the demand for labour and the particular skills required by many industries.'*

*'As local government's workforce is substantially made up of workers over 45 years of age, it faces a significant challenge in filling the employment gaps as older employees retire and leave the workforce.'*

*'Local government will feel the impact of the reduction in Australia's workforce as a substantive proportion of its workforce sits within the five occupations with the*

*highest projected workforce reductions, those being intermediate clerical/service workers, professionals, trades people, elementary clerical/service workers and associate professionals.*<sup>1</sup>

How can we fill the skill gaps that exist in today's local government workforce and those which will inevitably arise in the future? Working Group 1e was convened to develop potential solutions to this issue and in doing so focused on identifying and fleshing out the strategies for increasing the diversity and skill range of council staff.

Interestingly, but certainly not surprisingly, this issue was considered recently in the Independent Local Government Review Panel's paper, 'Future Directions for Local Government: Twenty Essential Steps'. A key recommendation of this paper is for the Division of Local Government, Local Government NSW, professional bodies and unions to provide a more concerted focused approach to sector development, in particular the provision of effective workforce strategies within Workforce Plans as part of their Integrated Planning and Reporting.

The paper also echoes the Group's focus in stating, 'Skills shortages are of a growing concern and in a highly competitive market local government needs to give a high priority to developing the talents of its workforce and finding new ways to attract and retain staff.'

Diversity is one of the great strengths of local government. Each council differs in terms of its population, geographic size, social and cultural make-up. To effectively serve local communities, and in order to derive the ultimate benefits that it offers, this diversity needs to be reflected in our staff.

At the same time, NSW councils are part of a broader local government sector, often competing to attract a diverse workforce that encompasses a wide range of occupations. In many rural and remote locations, local government is the primary economic driver and the principal provider of services on behalf of state and Commonwealth governments. Therefore, it is important to ensure that all councils in NSW have the capacity to attract employees with a mix of strategic and professional skills. This points to a sector-wide response.

The Group looked at strategies that focus on the retention of existing local government staff and also at strategies that would help to attract suitable candidates to work in the local government sector. It should be noted that many councils are addressing these challenges through good workforce planning and development, and the strategies proposed in this document are intended to build upon and enhance the initiatives that are already working effectively. Each of the five strategies identified are supported by a series of actions. Further development of those strategies and actions and their implementation will be the responsibility of this Group in the course of its ongoing role.

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<sup>1</sup> National Skills Shortage Strategy for Local Government – May 2007, p9

## 2. Context

Working Group 1e embarked on its task by first establishing parameters around the terms of reference of the assigned topic. Diversity was explored in terms of the capacity and capability to meet the needs of the local government sector through to 2036. In doing this, it was emphasized that differences specific to rural/remote areas must be acknowledged.

Importantly, the Group denoted the word 'diversity' to be in terms of skills, experience and individuals. In regards to individuals, the Group considered diversity in age, abilities, gender and culture.

Following its preliminary work, the Group formulated and was able to present its findings and recommendations through five strategies. Within each of these strategies, the Group identified specific actions for implementation and also considered the level at which these actions should be undertaken. The three levels, being internal (individual council); local government sector; and external to the local government sector.

This report seeks to present those strategies and actions as discussed by the Group, supported by research from across a number of government and industry organisations.

In order to ensure that there was a high degree of focus in addressing this issue, the Group created context by developing key position statements as points of reference. These statements unanimously reflected the views of each member of the Group and set the base line of the Group's considerations. These statements are as follows:

- Local government needs to attract the untapped labour market.
- Local government possesses many highly skilled staff.
- Local government has an ageing workforce and there is a need for more young people to be employed in the industry.
- Local government must be positioned as an employer of choice, thus becoming more appealing as an industry to prospective employees.
- Local government needs to better reflect the communities it services.
- The changing role of local government requires different skill sets, both hard and soft, across all services.
- Diversity will lead to better decision making.
- Local government should be perceived as a business that offers services. Each service should be judged on its merits and failures.
- Local government has a broader role in community leadership, place management and advocacy.
- Leadership is a key skill required by local government managers in addition to the possession of a desirable leadership style. The training and development of future leaders with these factors in mind is critical.

- Councillor-staff-community relationships should be nurtured for a functional, effective council. Interpersonal skills in developing and maintaining relationships are critical.
- People make the difference. We need to invest in training our people.
- Rural/remote councils face unique challenges, e.g. financial sustainability and the availability of suitably skilled and qualified human resources.

### 3. Strategies

#### 3.1 Strategy 1: Ensure the local government sector has a skilled labour force.

*‘Demographic, technological and global changes present enormous challenges and brilliant opportunities. The population continues to age. Technological developments are occurring faster than we dreamed, dramatically altering the way that we work. Competitive pressures on all sectors of the economy are increasing. Manufactured goods, and increasingly services, are traded across the world. Developed nations are relying more and more on their capacity to innovate and drive economic growth. The ability to do this depends upon the skills and knowledge of their people – Lord Leitch (2005).’<sup>2</sup>*

Skills shortages is a significant global issue and is certainly impacting local government in Australia. The Group identified that in order to address these issues and to ensure that it continues to be equipped to serve its communities, local government must respond through investment in its employees. ‘Grass roots’ action by individual councils to attract talented individuals into their organisations and to nurture and develop such individuals with a view to maximizing their potential is considered to be a simple and practical, yet effective mechanism to contribute towards possession of a skilled labour force.

In this regard, a key action recommended is for both individual councils and the local government sector as a whole to create and promote trainee/apprenticeships and graduate programs and to actively encourage and facilitate mentoring and coaching opportunities for professional networking.

In relation to formal education programs, it was agreed that whilst local government had made improvements in recent years, historically it had not engaged sufficiently with education providers (i.e. TAFE, Universities, Associations) to specify the skills and knowledge that were most highly valued by local government. To overcome this situation local government should actively pursue and secure input into the design of such programs.

In support of these proposed actions, as part of its vision to pursue ‘world-class local government’, the ACELG recommends that local government:

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<sup>2</sup> ACELG Workforce Planning and Development – Capacity Building Opportunities – p4

- *'Takes advantage of a range of government training programs to up-skill and retain current staff to avoid the high cost of turnover.*
- *Invests in ongoing training and professional development of staff to enable them to be more productive.*
- *Advocates for the advancement of learning pathways from VET or certified training to higher qualifications to enable technical officers and para-professionals to move into qualified professional roles.*<sup>3</sup>

Further, the USU's Next Generation of Employees Report 2012 reinforces that training programs are an essential tool in countering staff turnover and it identifies the need for more apprentices and trainees as critical. *'All stakeholders in local government should develop as a matter of high priority a policy that enables a higher intake of apprentices and trainees. This policy needs to include: methods of receiving much needed direct Federal Government funding; initiatives to ensure a higher retention of apprentices and trainees, and; adequate forms of mentoring to protect apprentices and trainees in the workplace so that the environment is welcoming and nurturing to young workers'*<sup>4</sup>.

As an extension to the abovementioned programs, the Group concluded that significant benefits would be derived through the creation of a centralised local government cadetship/traineeship program. Such a program, ideally facilitated through an appropriate industry body, could market and recruit cadetship/traineeship opportunities on behalf of the industry. This would ensure that there is an industry-wide focus on the continuous entry of cadets/trainees into the industry.

Police NSW's model of recruiting and training recruits on the condition and understanding that their assignment to any location within NSW, based on the organisation's operational needs, was considered to be an example worthy of further exploration. It is proposed that from their centralised recruitment, cadets would pursue formal education necessary to achieving relevant qualifications whilst working within local government organisations. Upon 'graduation' the cadet/trainee would be allocated to a council in New South Wales that is requiring that specific resource and would be contracted to remain in that particular position for a specified term.

In considering this strategy and in identifying actions, the unique challenges confronting rural/remote councils was highlighted. Specifically, in relation to attraction and retention of staff, there was unanimous consensus that issues of location and financial disadvantage in particular presented substantial barriers. An action to identify such barriers was proposed which is to extend to developing a range of practical solutions. For example, the abovementioned cadetship program was identified as a potential vehicle that could be utilised to allocate staff to such areas.

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<sup>3</sup> ACELG strategy document

<sup>4</sup> United Services Union, NSW Local Government Next Generation of Employees Report, 2012 – p16

A report recently released by the Independent Local Government Review Panel, 'Strengthening NSW Remote Communities – The Options', supports the Group's recommendation for specific attention for rural/remote local government areas. This report describes the issues and challenges faced by rural/remote councils including 'falling revenues, high levels of grant dependence, staffing attraction and retention, and infrastructure backlog'.<sup>5</sup>

On the issue of staffing attraction and retention, the Panel suggests that, 'effective workforce planning strategies will be required to get the right people in the right places at the right times'. As part of this, the Panel recommends the implementation of competitive market salaries that incorporate substantial attraction and retention components and jobs which are designed to further an employee's long term career prospects.

Facilitating the transfer of staff across councils, through legislative and Local Government (State) Award amendments, would also help to make local government more dynamic. For example, simplified and less restrictive staff transfer processes would provide an environment in which a variety of experiences in a range of councils would allow staff to grow and better develop professionally. Transfers could include secondments to another council or state government department, or it may be transfers to a rural/remote council from a metro council and vice-a-versa. This also facilitates skills sharing which can strengthen skills and build confidence as staff on secondment will gain knowledge from the experience. Individual councils will also benefit from having staff with varied skills sets for a period of time.

The Group recognised the unique nature of local government (in particular the wide range of disciplines that its workforce represents) and the traditionally insular approach it has taken in terms of relationships with other industries. There exists a strong belief that the skills of the local government workforce could be developed through greater collaboration with and exposure to other industries. Further, there was confidence that such collaboration and reciprocal arrangements would similarly benefit other industries as the skills and knowledge possessed by local government and its workforce are both extensive and of high value.

Exploration of the feasibility of facilitating the portability of benefits between the three levels of government is also recommended. It was considered that this would enhance the attractiveness of local government as a potential employer for staff in other layers of government.

The Group also acknowledged the potential need to work more closely with Unions in developing an effective workforce through some flexibility in awards in certain circumstances. It is evident that existing skills shortages and highly competitive labour markets will require councils to increasingly attract more skills from outside

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<sup>5</sup> Independent Local Government Review Panel, Strengthening NSW Remote Communities – The Options, April 2013, p9



of local government as well as the requirement to grow from within, as the local government workforce itself ages.

The Independent Local Government Review Panel's recent paper, 'Future Directions for NSW Local Government: Twenty Essential Steps' has supported the Group's view in stating that, 'the award needs to continue to evolve with the changing circumstances of councils and then employees and the needs of communities'. In addition the Panel also contends that, 'there may be scope for some increased flexibility to address specific skills shortages'.

The Group identified that workforce diversity helps '... build the organisation's relationships with the community, enhance the contribution of its employees and improve the quality of its programs, products and services.' In its publication, 'Guidelines on Workforce Diversity', the Australian Public Service Commission captures the benefits of workplace diversity as follows<sup>6</sup>:

***Improved service to clients***

A workplace that reflects the Australian community will understand its clients better, which will lead to improved service. A diverse workplace will have good communication with its clients based on a deep understanding of the needs of the community.

***Competitive management practices***

Organisations that value and capitalise on employee diversity have productive and fulfilling workplaces which help them attract and retain employees. This leads to savings in recruitment and training costs, as well as maintaining corporate knowledge and expertise.

With these aims fundamental to the operations of local government, active pursuit of such diversity is essential with a view to shaping individual Councils' workforces to reflect the diversity of the communities they provide services to.

The Group recommends that each individual council compares the attributes of their workforce against that of their respective communities, taking into consideration key aspects of diversity including gender, age, language, ethnicity and cultural background and undertake a gap analysis.

The results should be incorporated into workforce planning strategies in addition to a practical implementation program.

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<sup>6</sup> Australian Public Service Commission, 'Guidelines on workplace diversity' - <http://www.apsc.gov.au/publications-and-media/current-publications/workplace-diversity-guidelines>

## The key actions identified for Strategy 1 are:

### Individual Council actions:

- Grow your own resources.
- Encourage councils to promote cadetships/traineeships/apprenticeships and graduate programs\*.
- Facilitate mentoring/coaching opportunities for professional networking\*.
- Identify gaps in workplace diversity relative to the local government area served.

### Local government sector actions:

- Secure input into training packages that are offered by educational institutions to align them to the skill sets required by the local government sector.
- Provide cadetships/traineeships/apprenticeships and graduate programs\*.
- Facilitate mentoring/coaching opportunities for professional networking\*.
- Development of a centralised cadetship program facilitated by an industry body.
- Identify barriers to attraction and retention of staff to rural/remote councils and develop a range of practical solutions.
- Strengthening collaboration between councils and employers in other industries.
- Portability of benefits between levels of government (e.g. local to state; between councils in different states)\*.
- Develop collaborative relationships with Unions to achieve a more effective workforce through selected flexible working arrangements.

### External to LG sector actions:

- Strengthening collaboration between councils and industry bodies.
- Portability of benefits between levels of government (e.g. local to state; between councils in different states)\*.
- Learning from private enterprise

*Note: \* means the action applies to more than one sector*

### 3.2 Strategy 2: Position local government as a career of choice.

Local government is a unique employment sector with numerous career opportunities. In addition to the actions identified in Strategy 1 to both develop and secure a skilled labour force, the Group believes that a unified marketing campaign across the sector can reinforce this fact and communicate it effectively to job seekers, professionals and students. It would also provide the medium to educate the general population on the roles that local government staff play in their communities, as distinct from the political roles that the uninitiated associate with Local Government.

An example of a unified marketing campaign that has been identified is 'Shape Your World'<sup>7</sup>, a website that brands local government in South Australia as one industry serving the community. The website offers information on potential careers in local government for school leavers looking to either enter the workforce or pursue further education. It reaches out to young people, offering information on how their studies can fit into one of the many professional career opportunities that are offered by local government. The website also describes the function of a council within the community, details key role types, gives an overview of the job application process and offers a job search facility.

A stand-out feature of the website is the link to 'Out of the Ordinary'<sup>8</sup>, a television series which the LGA in South Australia developed as a communications resource for councils to help them promote the many positive roles that are performed by local government every day across the state.

The series aired on Channel Nine and presents a very positive picture of local government and the scale of services it provides to communities. This was a unique approach taken to dispel the existing stereo typical views held about local government while providing insights into councils from people currently employed in the sector. The Local Government Careers Victoria advertising campaign to promote 'Big things happen in Local Government' was identified as another initiative designed to contribute towards securing local government's long term workforce requirements.

The Group is confident that local government in NSW would derive significant benefits by adopting similar programs, as each of these mediums have proven to be successful in achieving their objectives.

Further, the Group is of the view that councils should contribute to this type of industry-wide marketing through contributions mandated within the Integrated Planning and Reporting Framework. ACELG's current budget allocation should also be assessed to ascertain the feasibility of a portion of the funding being redirected to another body to undertake this marketing activity.

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<sup>7</sup> <http://www.shapeyourworld.com.au/>

<sup>8</sup> <http://www.lga.sa.gov.au/site/page.cfm?u=1843>

The Group believes that this type of branding at an industry level would prove to be far more cost effective than disjointed branding/marketing by individual councils. In this way, funding could be pooled towards the development of campaigns which promote one consistent brand or image. It is recommended that a two-tiered approach to campaigns be implemented with the first tier campaign aimed at dismissing current perceptions of local government existing in the community and a second tier including a campaign that re-brands local government as one employer that offers multiple branches and career opportunities.

This approach is supported in a discussion paper tabled by the United Services Union which calls on councils to consider advertising that will attract the best candidates whilst promoting local government as an industry of choice.

*'A major campaign needs to be embarked on by the local government sector to promote local government as well as make the wider community aware of the approximate 280 functions it provides. The cost to councils in recruitment fees and advertising and the lack of retention of employees should be seen as a driver to establish initiatives to retain staff'.<sup>9</sup>*

A report by the LGMA in South Australia into promoting local government as an employer of choice in that state also recommends coordinated local government-wide programs and initiatives. In NSW there is potential for funds to be provided to LGMA NSW, the professionals association for local government, to undertake this marketing function with the input of local councils and members.

As the LGMA of South Australia concluded, 'where appropriate, undertaking joint communications or other initiatives in one media or one location will ensure a presence and create sense of size, power and strength that is currently absent.'<sup>10</sup>

The Australian Centre of Excellence for Local Government (ACELG) has also outlined a number of strategies that aim to fulfill its vision of, '*world-class local government to meet the emerging challenges of 21<sup>st</sup> century Australia.*'<sup>11</sup> One of these strategies, in line with that of the Group's, is the promotion of local government as a place-based Employer of Choice.

While the Group identified the encouragement and promotion of a flexible working and general support for a work/life balance, it is the career fulfillment and opportunity to work with the community and make a real difference that presents strong positioning for local government. Individual councils could better undertake to position local government as a career of choice and similarly, the ACELG suggests the promotion of consistent messages by councils regarding growth and development opportunities, positive work environments and flexible workforce practices.

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<sup>9</sup> United Services Union, NSW Local Government Next Generation of Employees Report, 2012 – p14

<sup>10</sup> LGMA South Australia, Promoting Local Government in South Australia as an employer of choice, September 2006, p6

<sup>11</sup> ACELG strategy document

Further, a strategy that forms part of the ACELG's pursuit of 'world-class local government'<sup>12</sup> is the creation of a contemporary workplace. Actions that respond to the '*needs and desires of its current and potential workforce*' are necessary and these can include promoting work/life balance.

The report also found that among high school students (grades 10, 11 and 12), knowledge about the broad range of careers that local government offers was limited. 'While some organisations are very effective in addressing schools about their industry and employment opportunities, local government has not done so.'<sup>13</sup>

Similarly, university students were found to be unaware of how they could practice their professional disciplines within local government. In this scenario, the Group's action to 'establish and/or pursue relationships with partnership brokers to promote local government careers to secondary schools and universities' becomes critical.

The Group discussed the need to establish and/or pursue relationships with partnership brokers to promote local government careers to secondary schools and universities. This is critical as at present youth are under-represented in local government (10% of the total NSW local government workforce were in the 15-24 year age bracket in 2011)<sup>14</sup>.

One of the reasons for this under-representation, according to the ACELG, is a lack of awareness among young people of the variety of careers available in local government. There also exists the perception that local government is 'not as good' as the private sector, state or federal government. Establishing closer and stronger links between local government and secondary schools/universities would help to raise the awareness among students of all the career opportunities available to them in local government and also improve the image of local government.

The Group cited the Australian Defence Force (ADF) as an example of an organisation which offers a great variety of careers and which undertakes branding at an industry level, an approach that has helped it increase its profile in the community and aims to increase recruitment and retention of staff of a diverse workforce.

Recruitment processes and practices of local government that are viewed as being more demanding by potential candidates were highlighted as an area for review. The historic expectations on councils to be transparent and accountable in all aspects of their operations have resulted in rigorous recruitment processes and practices that, whilst being created to withstand scrutiny from a probity perspective, have become a genuine deterrent to potential candidates. This particularly relates to individuals used to recruitment practices utilised in private enterprise. The Group recommends

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<sup>12</sup> ACELG strategy document

<sup>13</sup> LGMA South Australia, Promoting Local Government in South Australia as an employer of choice, September 2006, p7

<sup>14</sup> ACELG Workforce Planning and Development – Capacity Building Opportunities – p19

that individual councils review their recruitment practices to simplify processes, in particular the typical requirements of addressing lists of essential and desirable criteria and the length of time from advertisement to recruitment.

Also, at the individual council level, the provision of contemporary tools for the job was identified as a key action by the Group. This is supported by the USU's discussion paper where *'the use of technology in education needs to be utilised more to attract younger people when carrying out their apprenticeships/traineeships.'*<sup>15</sup> The USU also recommends the use of social media in teaching and online learning which is more accessible.

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<sup>15</sup> United Services Union, NSW Local Government Next Generation of Employees Report, 2012 – p15

**The key actions identified for Strategy 2 are:**

**Individual Council actions:**

- Promote and market the Council's brand, underpinned by demonstrating quality of service and professionalism across the organisation.
- Encourage and promote a work/life balance.
- Review recruitment and selection processes.
- Provision of contemporary tools for the job.

**Local government sector actions:**

- Promoting and marketing the local government brand: develop, resource and implement a local government marketing plan.
- Establishment of traineeships, apprenticeships and graduate programs.
- Clarification of the roles of councilors and council staff.
- Secure industry funding for branding\*.
- Establish and/or pursue relationships with partnership brokers to promote local government careers to secondary schools and universities.

**External to LG sector actions:**

- Secure industry funding for branding\*.

*Note: \* means the action applies to more than one sector*

### 3.3 Strategy 3: Develop models that source and allocate sustainable funding to support diversity and skills.

An obvious impediment to increasing the diversity and skill range of council staff is the availability of funding to specifically dedicate to achieving this goal. It is clear that there is no consistency in the proportions of operational budgets that individual councils dedicate to this area. These variations can occur for a range of reasons including competing demands for funding or the relative importance given to diversity and skills development by the management of individual councils. For these reasons the Group has concluded that in order to derive the greatest outcomes, the local government sector as a whole must assume responsibility for this strategy.

The key recommended action is to establish a baseline for investment in training and skills development through the benchmarking of funding that currently exists in local government. Commencing with data collection and analysis of councils in New South Wales, this exercise should also extend to the remainder of councils in Australia and selected international local government authorities. The comparison of this information relative to the outcomes being achieved would determine a benchmark which the New South Wales local government sector could adopt. To ensure that this benchmark is consistently adopted, it would be appropriate for it to be embedded into the Resourcing Strategy within the Integrated Planning and Reporting framework.

Knowledge existing within the Group however suggested that mandating a percentage allocation of a budget to training did not necessarily ensure that optimum or even relatively equal amounts of funding would be directly expended on training. In particular, experience with the defunct Federal Government Training Guarantee was evidence that, without the rigours of audit or the threat of punitive actions, in an environment of limited financial resources, budgets initially provided for skills development are seen as a soft target for redistribution or manipulation. Therefore, mandating and monitoring of compliance with any identified financial benchmarks is considered to be essential.

Within Strategy 1, actions were identified to address challenges experienced by rural/remote councils in attracting and retaining skilled staff through cadetships/traineeships. In that section it was suggested that through indenturing staff to areas of New South Wales with small, less skilled populations, the availability of a more diverse and skilled workforce would increase. Whilst this would be the case, it represents only a small response relative to the overall issue.

It is clear that the fundamental impediment to the success of any program aimed at increasing skills and diversity in rural/remote local government areas is the inherent disadvantages associated with location and financial capacity. On the premise that Federal and State Governments will not be injecting significant (if any) additional funds into NSW local government in the foreseeable future, the Group concluded that any resolution, or at least meaningful improvement to the current situation, will



be dependant upon the redistribution of funding from those areas/populations with financial capacity to those with significantly less.

Whereas historically, application for special variation to rate income was required to relate to specific projects/programs, over the past 12 months amendments have been made to the related DLG guidelines to provide councils with the ability to apply for SRV's with a view to generating sufficient revenue to finance all of a council's operations. With the goal of contributing towards the sustainability of local government throughout NSW, these changes present an opportunity to implement fundamental reform in the distribution of available grant funding.

At present, each council in New South Wales is the beneficiary of funding through Financial Assistance Grants. Such grants are distributed to each council based on a calculation of relative disadvantage, whilst councils that have the lowest level of disadvantage receive a 'base' level grant.

The Group recommends that the basis upon which these funds are distributed be reviewed with the intent of 'weighting' the distribution in much greater favour of disadvantaged councils and the communities they represent. The impact of this on highly populated/advantaged councils/communities is that they would receive significantly less or no grant income through this funding mechanism. The avenue is then available for such councils to offset any resulting funding deficit through Special Rate Variations that can be attributed to sustainable funding for workforce development in particular if it is mandated.

There is also evidence to indicate that councils do not uniformly avail themselves of other available funding opportunities. 71% of respondents to the Government Skills Australia 2013 Environmental Scan indicated that they utilised Australian Government funding for training, while 62% of respondents indicated that they utilised funding from state and territory governments. 16% of respondents however, were not utilising external funding for training either because of lack of awareness, perceived lack of need or eligibility.<sup>16</sup> In its paper, the United Services Union details reforms introduced by the Federal Government including the building of training centres in high schools to improve the quality of schooling for those undertaking trade related pathways and also the Productivity Places Program which provided an additional 711,000 training places between 2008 and 2012.

The paper noted however that research conducted across local councils revealed *'the local government sector was unaware of these reforms and was not taking advantage of recruitment opportunities of apprentices and trainees as well as funding opportunities. Councils have not taken advantage of the extra assistance and incentives made available to them'*<sup>17</sup>.

Whether this is a consequence of inexperience, ignorance or such funding not being adequately promoted, there is an opportunity for the local government sector to

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<sup>16</sup> Government Skills Australia, Environmental Scan 2013, p50

<sup>17</sup> United Services Union, NSW Local Government Next Generation of Employees Report, 2012

mobilise itself to take advantage of sources of funding for training. It is imperative then for processes to be implemented at an industry level which will improve the way information is communicated across the sector to ensure that all councils are aware of and have the opportunity to access the available funding. Further, effort must be made to identify where eligibility barriers to councils taking up funding exist and to advocate for their removal.

It is also necessary to align professional development funding with the true needs of council staff. At present many Federal Government funding opportunities are restricted only to qualification training. If access to this funding was made available for broader, industry led training courses, more council staff would benefit from the funding and the training would be immediately applicable to their roles. Where funding is for qualification training, that can take 1 – 2 years to complete, staff turn-over and change in roles often leads to training not being completed and the high cost of this training through Registered Training Organisations is not necessarily the best option for all councils.

**The key actions identified for Strategy 3 are:**

**Individual Council actions:**

- Mandated percentage of Council's budget allocated to investment in training.

**Local government sector actions:**

- Benchmarking for investment in training and skills development.
- Funding training resources.
- Development of incentive models to attract and retain staff in rural/remote councils.
- Funding pool to support disadvantaged (mostly rural/remote) councils.
- Promotion of available funding sources.

**External to LG sector actions:**

None

### 3.4 Strategy 4: Building management and leadership capacity and capability.

*'Employees don't leave their job or their company; they leave their boss.'* This is the conclusion of various studies noted in the ACELG's strategy document and in support of this statement, the Group observed that key characteristics of a successful organisation are advanced management and leadership capacity and capability.

The Group contemplated that there are many characteristics that people generally agree are typically associated with a good leader. Characteristics such as being approachable, visionary, nurturing, intelligent and of good character, amongst many others, are all qualities that staff would expect their manager to possess.

The Independent Local Government Review Panel in its paper, 'Future Directions for NSW Local Government: Twenty Essential Steps', has highlighted the critical element of quality management and leadership.

*'A critical factor is the quality of management. Managers require not only the technical and professional skills but also the ability to be experienced leaders of the workforce'*.

The paper's observations reflects the Group's recommendation for a focus on and development of strong leadership and appropriate management style in stating that, *'inspirational leadership can make a major contribution to attracting and retaining staff but current initiatives in leadership development in NSW are limited and patchy across the sector.'*

The Group was also unequivocal in its conclusion that local government has historically given insufficient recognition to the importance of leadership skills and accordingly has under-invested significantly in this area. Over many years this has often manifested through the appointment of individuals with the highest level of technical knowledge in their respective disciplines being promoted to leadership positions rather than those who would make a better leader. Whilst this practice has been recognised and reversed somewhat, undervaluing of the importance of leadership has continued as has the associated under-investment in such skills.

In an attempt to understand the reasons for this under-investment, the Group offered and considered a variety of potential reasons. These reasons included:

- Competing budgetary demands resulting in leadership development and training being an 'easy target' to be ranked relatively low in priority.
- Individuals in leadership positions not fully appreciating the value of leadership development and training or perhaps not wanting other staff to acquire skills and knowledge that may result in them being a threat to their position.
- Work demands on individuals being so constant that the dedication of spare time away from daily duties is considered to have too great an impact on productivity.

- Fears that the community will not see the value of investing in leaders, and councils adopting the 'line of least resistance' and choosing to allocate budget to more visible outcomes and not to invest in leadership development.

Whilst each of these reasons is understandable in a demanding work environment which is exposed to intensive scrutiny by the community and elected representatives, it must be accepted that the long term costs to an organisation and the industry of not investing in its leaders or future leaders far outweigh the short term issues.

This discussion also extended into consideration of what characteristics are inherent in a good leader. Whilst the Group could specify individual traits of good leaders, no one definition or package of traits could capture what an ideal leader is. This consideration progressed into discussion around whether leaders are born or whether they develop with the key conclusion being reached that, irrespective of whether it is nature or nurture that makes a leader, it is what the Group defined as their 'style' and the culture that develops as a result of that management style that is the key function of their success.

Accordingly, for the purposes of this report, these issues were set aside so as to focus on identifying actions that utilise available resources to build management leadership capacity and capability.

At an individual council level it is clearly critical that an organisational culture that recognises the importance of leadership skills must be created. It follows that this culture must be driven from the top down, with the General Manager/Executive of each council recognising the importance of leadership training and all other forms of professional development and training. Individuals in these critical positions must demand commitment to this culture firstly by ensuring that they continually develop their own leadership skills through structured programs and in turn provide similar opportunities to lower level managers and leaders of the future.

In terms of mentoring and learning opportunities, consideration should be given to expanding upon the scope of potential partners to also include the private sector. This exposure will provide a different perspective to those traditionally focused upon by local government managers.

Examples of programs in which Group members had been involved in and personally benefited were the 'Local Government Excellence Program' and ACELG's 'Advancing Leadership' initiative which 'aims to broaden leadership capacity and development opportunity for professionals working within Australian local government.'

Individual councils should also recognise the value of providing mentoring and coaching programs (such as the 'LGMA NSW Mentoring Programme') and opportunities for professional networking as provided by Local Government Associations and other professional associations. The value that individuals can

derive from sharing knowledge and experience from their peers is immeasurable. However, as expressed earlier, experience suggests that these opportunities are typically undervalued and are too regularly sacrificed when the immediate focus of management is the accomplishment of day to day duties and meeting deadlines.

In this regard the Group reflected on the analogy of the woodcutter who claimed he didn't have time to stop and sharpen his axe as he has so much wood to cut, and as a result was the slowest woodcutter in the business.

At the local government sector level, the Group is supportive of a review of the Workforce Planning Framework and guidelines. Workplace Planning means ensuring that an organisation will have the right people with the right skills and competencies in place to successfully fulfill the business needs of that organisation both now and into the future. It is therefore a critical part of building management and leadership for the future because with no plan in place, who will be leading the organisation in 5, 10 or 15 years? And will they be equipped with the right skills for the job?

Workforce Planning is a long-term process. As described in the USU's discussion paper, *'Numerous benefits emerge when workforce planning within Councils exist such as long term thinking not clouded by short term events, challenging current assumptions, integrating human resource management with broader business planning and finally providing an avenue for communicating visions of the future and explaining workforce changes'*.<sup>18</sup>

Indeed, the ACELG notes that one of the key challenges facing local government is the lack of strategic importance accorded to workforce planning and development. There are many issues that need to be considered as part of a review of the workforce planning process which the ACELG notes include, *'An ageing workforce; business succession planning; climate change and environmental issues; population and economic growth and; technological change'*.<sup>19</sup>

The Group recommends that the IPR and Workforce Planning Framework and guidelines be reviewed to incorporate and emphasise diversity and skill capacity requirements. It also notes that Federal Government funding is also available for workforce planning training, however again only when it is linked to qualification training. Rural/remote councils would benefit immensely from sector lead training that could be funded through these federal funds if sector led training was acknowledged.

In Strategies 1 and 2, the positive representation of local government to potential employees has been classified as having a high priority. In also recognising that local government has not been successful in targeting and attracting adequate proportions of 'young' employees into its workforce, leaders in local government

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<sup>18</sup> United Services Union, NSW Local Government Next Generation of Employees Report, 2012 – p13

<sup>19</sup> ACELG Workforce Planning and Development – Capacity Building Opportunities – p7-10

should acknowledge and understand that there are clear differences in the expectations of the different generations.

Having four generations of workers - Veterans, Baby Boomers, Generation X and Generation Y in the workplace can be a recipe for failure if managed carelessly. But market observers and players contend that the whole of the strengths, innovation, knowledge and experience gained from having generational diversity in the workplace is greater than the sum, and well worth the effort.

Today's workplaces are increasingly multi-generational. The influx of Generation Y into the working world is steadily growing and its predecessors, Generation X and Baby Boomers, are increasingly finding themselves working with or even reporting to colleagues who have not reached the age of 30.

With four generations occupying the same workplace, managers and leaders need to understand the work styles and motivations of all the generations in order to get the best out of them. Effective leaders must recognise the importance of the generations in the workplace and ensure their leadership provides opportunities for each of these generations.

As Generation X and Y will be future leaders in our industry, it is critical that their leadership potential is nurtured and managed through the mechanisms suggested throughout this paper.

The tables<sup>20</sup> that follow provide examples of the generations, their personal and lifestyle characteristics by generation and their workplace characteristics by generation.

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<sup>20</sup> FDU Magazine Online, Mixing and Managing Four Generations of Employees, 2005

<b>WORKPLACE CHARACTERISTICS</b>				
	<b>Veterans (1922-1945)</b>	<b>Baby Boomers (1946-1964)</b>	<b>Generation X (1965-1980)</b>	<b>Generation Y (1981-2000)</b>
<b>Work Ethic and Values</b>	Hard work Respect authority Sacrifice Duty before fun Adhere to rules	Workaholics Work efficiently Crusading causes Personal fulfilment Desire quality Question authority	Eliminate the task Self-reliance Want structure and direction Sceptical	What's next Multitasking Tenacity Entrepreneurial Tolerant Goal oriented
<b>Work is ...</b>	An obligation	An exciting adventure	A difficult challenge A contract	A means to an end Fulfilment
<b>Leadership Style</b>	Directive Command-and-control	Consensual Collegial	Everyone is the same Challenge others Ask why	*TBD
<b>Interactive Style</b>	Individual	Team player Loves to have meetings	Entrepreneur	Participative
<b>Communications</b>	Formal Memo	In person	Direct Immediate	E-mail Voice mail
<b>Feedback and Rewards</b>	No news is good news Satisfaction in a job well done	Don't appreciate it Money Title recognition	Sorry to interrupt, but how am I doing? Freedom is the best reward	Whenever I want it, at the push of a button Meaningful work
<b>Messages that Motivate</b>	Your experience is respected	You are valued You are needed	Do it your way Forget the rules	You will work with other bright, creative people
<b>Work and Family Life</b>	Ne'er the twain shall meet	No balance Work to live	Balance	Balance

\*As this Group has not spent much time in the workforce, this characteristic has yet to be determined.



<b>PERSONAL AND LIFESTYLE CHARACTERISTICS BY GENERATION</b>				
	<b>Veterans (1922-1945)</b>	<b>Baby Boomers (1946-1964)</b>	<b>Generation X (1965-1980)</b>	<b>Generation Y (1981-2000)</b>
<b>Core Values</b>	Respect for authority Conformers Discipline	Optimism Involvement	Scepticism Fun Informality	Realism Confidence Extreme fun Social
<b>Family</b>	Traditional Nuclear	Disintegrating	Latch-key kids	Merged families
<b>Education</b>	A dream	A birth right	A way to get there	An incredible expense
<b>Communication Media</b>	Rotary phones One-on-one Write a memo	Touch-tone phones Call me anytime	Cell phones Call me only at work	Internet Picture phones E-mail
<b>Dealing with Money</b>	Put it away Pay cash	Buy now, pay later	Cautious Conservative Save, save, save	Earn to spend

It is equally important that leadership training incorporates development of a detailed understanding of these differences so that in addition to strengthening recruitment strategies, managers are better able to focus upon the factors that typically motivate staff of various ages/generations.

Further, the creation of flexible work environments to cater to each generation's working preferences, as detailed in the 'Workplace Characteristics' table above, is crucial to not only retain staff, but to create a work environment which keeps pace with employee expectations and perhaps more crucially, one in which employees feel valued. It also provides fertile ground for development of leadership capacity for aspiring young leaders in the organisation.

Workplace flexibility could refer to a variety of initiatives, including but not limited to:

- The option for early start/finish times.
- Job share
- Part time work
- Compressed work hours
- Career breaks
- Graduated retirement
- Leave options – parental, carers, cultural/ceremonial, self-funded, half-pay annual, study and exam
- Support services – child and age/dependent care referrals, carers' room
- Creating flexible work environments to cater for each generation's working preferences

A flexible work environment provides opportunities for all employees to develop their skills at a pace that suits the career stage they are presently at. At a time of competing family and work commitments, employees appreciate an employer that shows flexibility. This appreciation often manifests in employees that are more driven, dedicated, hard working and loyal.

**The key actions identified for Strategy 4 are:**

**Individual Council actions:**

- Mentoring programs/coaching support and the opportunity for professional networking.
- Creation of a culture within the organisation that recognises the importance of leadership skills.
- Incorporating understanding of generational differences into leadership training.

**Local government sector actions:**

- Review IPR and Workforce Planning framework and guidelines to facilitate diversity and skill capacity requirements.
- Create a culture within the sector that recognises the importance of leadership skills.

**External to LG sector actions:**

- Review mentoring and learning opportunities with the private sector.

### 3.5 Strategy 5: Ensure relevant and accessible training and education delivery.

Training and education is a key theme in the Group's strategy five, with actions recommended across all three levels.

Consultations by the ACELG in 2011 with the local government sector regarding experiences with education and professional development yielded some interesting facts which included<sup>21</sup>:

- Local government staff were very appreciative of formal and informal mentoring opportunities;
- there was a high use of professional journals and a low use of international literature;
- an emerging use of online learning;
- it was common to attend seminars and workshops and;
- access to funding was mixed and there were high levels of self-funding.

The ACELG's report into Workforce Planning and Development reviews the needs of education and professional development in local government and presents useful information in regards to what training and education opportunities are currently available and where any gaps may exist.

To enhance skill range and diversity, each individual council must commit to providing relevant and accessible training and education and that this training and education be available to all staff, irrespective of their role, profession or educational background.

In order to focus individual councils on this commitment the Group recommends that the Workforce Planning framework and guidelines components of the IP&R process be reviewed and amended to require the inclusion of a skills development program. This proposed feature of the IP&R process is viewed as critical to enhancing skill range and diversity as robust planning at this stage will set the training and skills development program and associated budgets. This is to ensure that the organisation performs, learns and develops in line with council and community expectations.

The Group also advocates that councils identify opportunities to link into existing training programs offered by other organisations that provide similar skills development to those required by local government. This could offer not only cost savings but also opportunities for sharing of knowledge and experience in a range of skills.

As a consequence of increasingly prescriptive legislation relating to mandating qualifications and processes for a range of local government responsibilities, in addition to the reasonable expectation of professional and skills development,

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<sup>21</sup> ACELG Learning in Local Government – Sector Consultations, 2011

accessibility to applicable training opportunities by all staff regardless of their role within the organisation, was also highlighted by the Group. The addressing of this issue has been assisted and will be increasingly benefited by the development of online training programs in many local government disciplines. Many councils have already adopted a large component of their training program in this way and promotion of this medium is encouraged.

The diverse skills required within the unique and complex local government environment demands specific and relevant training. Accordingly as detailed in Strategy 1, local government should engage with professional educators and training providers to package specific training programs.

The Group identified that there was insufficient consistency between the licencing requirements of professions within the three tiers of government. It was proposed that 'fast tracking' of recognition of licenses such as road safety, engineers and building surveyors between the tiers of government would assist in attracting skilled staff to local government. It would also provide mobility for local government staff to gain experience, knowledge and skills in State and Federal Government Departments that would benefit local government on their potential return. This concept should also be extended to the provision of other forms of education, training and qualifications.

The Group conceded that local government has not been effective in clearly defining available pathways for its careers. This lack of definition also relates to specification of desirable qualifications, and more particularly, the pathways for their attainment. To address this issue it is proposed that clear definitions of appropriate qualification pathways relative to the multitude of careers available in local government be developed. It is noted that Government Skills Australia's 2013 project plan includes that it will review and update its 'Local Government Career Pathways' publication. Such publications will provide potential employees of local government with an understanding of the qualifications necessary for selected careers.

Industry Skills Councils (ISCs) are funded by the Australian Government to monitor the labour market and the needs of employers to develop the competencies required through relevant training packages. Their mandate is to bring together industry, educators and governments and unite them in a common industry led agenda for action on skills and workforce development. Due to the variety of occupations in local government, 10 out of 11 ISC's intersect with the sector's workforce, through the training packages they provide and/or their skill sets.<sup>22</sup> To promote the career path and skill development opportunities available in the sector, ISCs must be encouraged to exchange information about local government as an industry that encompasses many professions and vocations.

As also detailed in Strategy 1, there appears to be a wide range of opportunities for skills development through collaboration with the private sector. In developing these

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<sup>22</sup> Future Proofing Local Government: National Workforce Strategy 2013-2020, p37

relationships, opportunities would exist for the review of training and education opportunities in compatible industries and professions within the private sector.

Investigation by the Group also concludes that a significant quantity of research and educational material has already been developed that is available for access online. ACELG in particular, has developed a suite of programs and publications that utilise extensive research, knowledge and experience that seek to address many aspects of workforce development addressed in this report.

The LGMA NSW also hosts and links to a range of valuable resources through its website. Greater awareness of such information sources would be of significant benefit to many employees at all levels in local government and this could be achieved at little or no additional cost to individual councils or the industry.

## The key actions identified for Strategy 5 are:

### **Individual Council actions:**

- Ensure training and education delivery is a key element of IP&R and budgets.
- Review Workforce Planning framework and guidelines to facilitate diversity and skill requirements.
- Linking in with existing training programs offered by other organisations.
- Utilisation of available research capabilities.
- Accessibility to a range of training by all local government employees.

### **Local government sector actions:**

- Review and package local government specific training programs.
- Fast track recognition of licencing requirements of local government (e.g. road safety, engineers, building surveyors) between tiers of government\*.
- Provision of portable education and training.
- Integrated pathways for qualifications to develop local government careers, e.g. from Cert III to Degree level.
- Raise awareness of information/resources available to the sector, e.g. ACELG website.
- Encourage industry skills councils to exchange information about local government as an industry\*.

### **External to LG sector actions:**

- Encourage industry skills councils to exchange information about local government as an industry\*.
- Review training and education opportunities in the private sector that would enhance the skill range of the local government workforce.

*Note: \* means the action applies to more than one sector*

## Conclusion

The local government sector currently faces a raft of proposed reforms aimed at ensuring that local government operates efficiently and in the best interests of the communities it services today and in the future.

One critical area which needs attention is the workforce of local government. At present there exist skills gaps in the local government workforce and inevitably, these gaps will become more evident if changes are not implemented in the near future.

A key to the success of local government's ability to adapt to economic, social and environmental impacts is having the right people with the right skills in the right positions. The right people are staff with the necessary skills to deliver essential services to communities. Staff should also reflect the diverse communities which they serve in order to fully understand a community's needs and desires.

The strategies and actions identified by Working Group 1e in this report are intended to bring together new initiatives and effective current practices which can increase the diversity and skill range of council staff.

The key findings from Working Group 1e's research include relevant education and training opportunities for staff at all career stages; positioning the local government 'brand' as a career of choice; ensuring adequate funding is made available to support diversity and skills; an on-going focus on management and leadership capacity and capability.

Change is required not just within individual councils, but from the local government sector as a whole and also in its relationships with partners and other bodies outside of the industry. The ideas in this report are structured to highlight which stakeholder has responsibility for specific actions. In some instances this responsibility is not exclusive to one stakeholder, a fact which highlights that all stakeholders need to work together in the best interests of local government.

Working Group 1e's task has been classified as on-going and subsequently further work will be undertaken on developing and subsequently implementing some of the key recommendations of this report as determined by the LGMA.

We look forward to further assisting with this critical issue for local government and commend this report to you.



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