



**Australian Government**  
**Department of Employment  
and Workplace Relations**

# **Inquiry into local government sustainability**

Submission from the Department of  
Employment and Workplace Relations to the  
House of Representatives Standing  
Committee on Regional Development,  
Infrastructure and Transport

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# **Inquiry into local government sustainability**

## **Introduction**

The Department of Employment and Workplace Relations (the department) welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport for the Inquiry into local government sustainability. The department's submission focusses on the skills and workforce aspects of the following Terms of Reference:

- a) the financial sustainability and funding of local government;
- b) the changing infrastructure and service delivery obligations of local government;
- c) any structural impediments to security for local government workers and infrastructure and service delivery;
- d) trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices;
- e) the role of the Australian Government in addressing issues raised in relation to the above; and
- f) other relevant issues.

The department supports people to have safe, secure and well-paid work with the skills for a sustainable future. The department is responsible for Employment and Workforce, Workplace Relations and Skills and Training. Jobs and Skills Australia is also within the Employment and Workplace Relations portfolio.

The department's strategic outcomes include:

- Foster a productive and competitive labour market through policies and programs that assist job seekers into work, including secure work, and meet employer and industry needs.
- Promote growth in economic productivity and social wellbeing through access to quality skills and training.
- Facilitate jobs growth, including secure work, through policies and programs that promote fair, productive and safe workplaces

We support our portfolio ministers and the Australian Government by designing and delivering programs, policies, legislation and frameworks focussed on equipping Australians with the relevant skills, knowledge and experience to gain or regain employment.

The department is responsible for, among other things, national policies and programs for the vocational education and training (VET) sector. These policies and programs improve the accessibility and quality of education in Australia, which contributes to building a workforce capable of responding to the needs of current and emerging industries.

The department works closely with states and territories – who are responsible for managing VET delivery – to ensure the VET system delivers the skills critical to our economy.

This submission outlines the role of the department in supporting the local government workforce and limits itself to matters of workforce development and the VET system. The department supports the terms of reference of the Inquiry particularly in ensuring a world-class national training system that supports the local government sector to meet current and future workforce needs.

The submission sets out the initiatives funded by the Australian Government to help grow the number and proportion of Australians with VET skills needed in the local government sector, including specific arrangements for the development and implementation of training packages.

## **Jobs and Skills Councils**

The VET sector plays a critical role in supporting Australians to access secure, well-paid jobs. The Australian Government has committed to delivering a collaborative, tripartite VET sector that brings employers, unions and governments together to find solutions to skills and workforce challenges.

Jobs and Skills Councils (JSCs) have been established to provide industry with a stronger, more strategic voice to ensure Australia's VET sector delivers better outcomes for learners and employers. A JSC is a not-for-profit company that is industry-owned and industry-led. The role of JSCs is to:

- align effort across industries to improve VET system responsiveness
- build stakeholder confidence
- drive high-quality outcomes for the VET sector, learners and business.

JSCs are a key element of the national VET system architecture. They are integral to delivering and enabling skills priorities, undertaking workforce planning and industry stewardship for their sectors, and developing, implementing and monitoring VET training products.

There are 10 JSCs in the national network providing leadership to address skills and workforce challenges for their industries, including:

- [Public Skills Australia](#) – Public Safety and Government
- [Skills Insight](#) – Agribusiness, Fibre, Furnishing, Food, Animal and Environment Care
- [Service and Creative Skills Australia](#) – Arts, Personal Services, Retail, Tourism and Hospitality
- [Powering Skills Organisation](#) – Energy, Gas and Renewables
- [Future Skills Organisation](#) – Finance, Technology and Business
- [Manufacturing Industry Skills Alliance](#) – Manufacturing
- [Mining and Automotive Skills Alliance](#) – Mining and Automotive

- Industry Skills Australia – Transport and Logistics
- HumanAbility – Aged and Disability, Children’s Education and Care, Health, Human Services, Sport and Recreation
- BuildSkills Australia – Building, Construction, Property and Water

JSCs identify skills and workforce needs for their sectors, map career pathways across education sectors, develop contemporary VET training products, support collaboration between industry and training providers to improve training and assessment practice, and act as a source of intelligence on issues affecting their industries.

Each JSC works closely with Jobs and Skills Australia, drawing on its workforce analysis and projections to plan for their industry sector and creating a consistent approach to addressing skill gaps.

JSCs are responsible for the following four core functions:

- **Workforce Planning:** Workforce Planning is the strategic centrepiece for JSCs and informs the other functions. Workforce planning underpins intelligence-gathering for strategic priorities and is a critical focus to guide strategic planning.
- **Training Product Development:** JSCs develop training products in line with standards set by Skills Ministers to improve the quality, speed to market and responsiveness of training products.
- **Implementation, Promotion and Monitoring:** JSCs partner with training providers and organisations to align workforce planning objectives and national training products with career advice and ‘on the ground’ training delivery.
- **Industry Stewardship:** JSCs act as a source of intelligence on workforce issues affecting their industries and provide advice on national training system policies.

## Public Safety and Government Jobs and Skills Council

The JSC with coverage of the Public Safety and Government sectors is Public Skills Australia. Sectors within Public Skills Australia’s remit include correctional services, policing, fire and emergency services, defence, and the federal, state/territory and local government public sector. Public Skills Australia is responsible for the implementation and development of the Local Government (LGA), Public Sector (PSP), Defence (DEF), Police (POL), Public Safety (PUA) and Corrections (CSC) training packages. Public Skills Australia is providing a submission to the Inquiry into local government sustainability.

Public Skills Australia has been established as a tripartite body to support a skilled and robust public safety and government workforce. The Australian Local Government Association (ALGA) and the Australian Services Union (ASU) are members of Public Skills Australia representing the local government sector. Local government stakeholders are encouraged to engage with Public Skills Australia to determine opportunities to be involved in its work and raise issues relating to the sector. Public Skills Australia has established mechanisms to support stakeholder engagement, including a Local Government/Government Subcommittee.

Public Skills Australia may consider matters relevant to the Local Government sector such as attraction and retention of a skilled workforce, and the impact of labour hire practices, through its workforce planning, implementation, promotion and monitoring, and industry stewardship functions.

### Local Government Training Package

The Skills Priority List (SPL) published by Jobs and Skills Australia (JSA) identifies skills shortages across Australia. It shows that several of the top employing occupations in the Public Administration and Safety industry are experiencing labour shortages in one or more state or territory, such as General Clerks; Contract, Program and Project Administrators; and Human Resource Managers. The VET sector is well placed to help improve the skills pool of the local government sector.

The Local Government (LGA) training package has been developed to meet the job roles that are unique to local government. However, as the range of services provided by the local government sector are diverse and complex, training requirements for all occupations within the sector cannot be met by a single training package. Job roles within the local government sector not serviced by the LGA training package include tradespeople, healthcare staff, parks and wildlife officers, librarians and many more. To address this challenge, JSCs are encouraged to collaborate on projects to address capacity and capability challenges that span industry sectors.

The LGA Training package is comprised of 5 qualifications and 8 skill sets. These qualifications cover skills ranging from elected member responsibilities, parking inspectors, rangers and more. However, enrolments in the LGA training package are generally low. There are a total of 11 Registered Training Organisations (RTOs) across Australia registered to deliver qualifications from the LGA training package. Public Skills Australia, in its role as the JSC responsible for the LGA training package, oversees the implementation, promotion and monitoring of the training package, which includes ensuring that it is fit for purpose. Examination of the low enrolment and completion numbers of the training package may be an area for future consideration by Public Skills Australia. Below is a list of LGA training package 2022 enrolment and completion numbers, and the number of RTOs approved to deliver LGA qualifications at each level.



LGA - Program level of Education	2022 Program enrolments	2022 Program completions	RTOs with LGA qualifications on scope
Diploma	95	40	7
Certificate IV	135	40	8
Certificate III	40	5	6
Certificate II	95	65	2
<b>Total</b>	<b>365</b>	<b>150</b>	<b>11</b>

**Source:** NCVER 2023, *Total VET students and courses 2022*, NCVER, Adelaide; Training.gov.au 2024, *RTOs approved to deliver LGA qualifications*, DEWR, Canberra.

## Qualification Reform

To ensure Australians from all backgrounds will have access to highly skilled and meaningful careers, the Skills and Workforce Ministerial Council has committed to improving VET qualifications, and has established a tripartite Qualification Reform Design Group (Design Group) to take Qualification Reform forward. The Design Group has provided initial advice to the Skills and Workforce Ministerial Council in March 2024, and work is continuing during 2024 with JSCs to identify opportunities for a more nuanced approach to developing VET qualifications that support the different users of VET and their diverse needs – and deliver direct benefits from VET to more individuals and employers.

The Skills and Workforce Ministerial Council has requested further advice by the end of 2024 on opportunities for reform, and advice on implementation to ensure Australia's VET qualifications system is responsive, agile, and flexible to address the major skills shortages facing our economy. At this stage, JSCs are working through how the proposed reform model may offer opportunities for improving the supply of skills into their sectors – this work will continue during 2024 and beyond.

## Jobs and Skills Australia

The Australian Government needs detailed and independent advice on skills and training needs and workforce shortages to strengthen how the VET and higher education sectors can support governments and industry to innovate and create new knowledge to improve productivity and increase future economic growth for all Australians.

Establishing Jobs and Skills Australia (JSA) was one of the key early actions this Government took to help all governments, industry partners and other stakeholders such as JSCs, to guide responses to Australia's current and emerging workforce and skills needs through timely, insightful and accurate evidence and research. JSA is also providing a submission to the Inquiry into local government sustainability with a focus on the local government workforce.

JSA provides independent advice on current and emerging future workforce, skills and training needs and priorities, including advice on the adequacy of the Australian VET and higher education systems to improve employment opportunities and economic growth. JSA supports the work of the JSCs and other departmental skills and training programs through the provision of national datasets and advice.

The establishment of JSA gives effect to the Government's commitment to a genuine tripartite partnership approach, working with state and territory governments, employers and unions, and harnessing insights from industry to ensure education and training is fit for purpose and aligned to current and future needs.

## **Workforce development and support for the delivery of local government sector training**

### **National Skills Agreement**

The National Skills Agreement is a 5-year agreement between the Australian, state and territory governments, working in partnership to ensure that the national VET system provides high-quality, responsive and accessible education and training to boost productivity, deliver national priorities and support Australians to obtain the skills and capabilities they need to obtain well-paid, secure jobs. Under the Agreement, the Commonwealth will invest up to \$12.6 billion to expand and transform access to the VET sector, support quality training and implement reforms to address critical skills needs.

The Agreement reflects a commitment by all governments to ensure that no Australian is left behind or held back as the economy transitions and adapts to structural change, including by providing opportunities for life-long learning and foundation skills development.

From the outset, National Cabinet committed to genuine tripartite engagement on reform in the development of the Agreement. This has resulted in a new way of working which embraces active and meaningful collaboration and partnership. This principle is central to the implementation of the Agreement.

The Australian Government's *'Working Future: The Australian Government's White Paper on Jobs and Opportunities'* highlighted the importance of the vocational education sector in filling skills needs and supporting the resilience and adaptability of our regions and communities, particularly given rising demand for care and support services and the net zero transition. Progress will be made through collaboration with stakeholders, including Public Skills Australia.



## Fee-Free TAFE

The Fee-Free TAFE initiative is intended to support key industries experiencing skills shortages and areas of emerging growth and provide access to priority cohorts including the most vulnerable. Investing in the skills Australia needs is a key priority for the Australian Government. A strong vocational education and training (VET) sector is critical to ensuring that all Australians can get a secure, well-paid job.

The 12-Month Skills Agreement was signed by the Commonwealth and jurisdictions in 2022 and commenced on 1 January 2023. In partnership with states and territories, the \$1 billion 12-Month Skills Agreement made available 180,000 Fee-Free TAFE places from 1 January 2023 until 31 December 2023, as well as delivering the TAFE Technology Fund. Over 355,000 Fee-Free TAFE places were delivered in 2023.

The Australian Government committed an additional \$414.1 million for a further 300,000 existing places in the TAFE and vocational educational sector to be made fee-free from 1 January 2024 to 31 December 2026, through Fee-Free TAFE Tranche 2. Fee-Free TAFE Tranche 2 continues the Government's commitment to put TAFE at the centre of the VET system, with most of the training places to be delivered by TAFE.

Fee-Free TAFE Tranche 2 continues to support disadvantaged cohorts and key industry sectors, as were prioritised through Fee-Free TAFE Tranche 1, with the additional priority of the vocational education and training (VET) workforce.

A further \$88.8 million has been announced by the Australian Government to fund 20,000 new Fee-Free places from 1 January 2025 to 31 December 2026 (including 5,000 pre-apprenticeship places) in TAFEs and industry RTOs to further boost the supply of skilled workers for the construction industry.

## Closing Summary

Building a skilled and capable workforce is central to Australia's economic growth, competitiveness and business productivity. The department is actively working to identify and address skill gaps through its policies and programs to support Australia's economic growth.

Australia's high quality VET sector equips learners with the skills they need for success, and supports employers to meet current and future skills demands. The VET system drives better outcomes by supporting an agile skills sector that meets industry demand.

JSCs are critical in providing strategic leadership in addressing skills and workforce challenges. They are empowered to develop skills and workforce solutions for their industries, bringing together employers, unions and governments to support the pipeline of skilled workers across all areas of the economy, including the local government sector.