



Australian Government
Jobs and Skills Australia

JSA submission to the Inquiry into Local Government Sustainability

May 2024



Introduction

Jobs and Skills Australia remit relevant to this Inquiry

Jobs and Skills Australia (JSA) welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport inquiry into Local Government Sustainability.

JSA's submission to this inquiry relates to terms of reference, most notably:

Trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices.

JSA was established in November 2022 as an independent agency responsible for providing advice to the Australian Government to underpin Australia's response to current, emerging, and future labour market and workforce skills and training needs. JSA has been established with a core commitment to tripartite engagement and partnerships with unions, industry, governments, and education and training providers in providing this advice. JSA has a strong association with the Jobs and Skills Councils (JSCs) who are expected to identify, forecast and respond to current and emerging skills needs and workforce challenges of industry. The JSC Public Skills Australia will have a particular interest in this inquiry.

JSA's legislated functions relevant to this inquiry include to provide advice in relation to Australia's current and emerging labour market, as it relates to the local government workforce.

Australia's recent labour market performance

Australia's labour market remains resilient, despite some recent signs of easing in economic activity in response to an uncertain global economic environment. Strong and sustained employment growth in recent years has seen Australia's unemployment rate fall to near record lows, which has encouraged more people to enter the labour force, with the participation rate at near record highs.

While underlying conditions remain reasonably strong, there are signs that the labour market is easing as other measures of labour market slack, such as underemployment and hours worked, are emerging. This is further backed up by signs of easing in labour demand, as seen in JSA's *Internet Vacancy Index* (IVI) and *Recruitment Experiences and Outlook Survey* (REOS), which both show that recruitment activity is tapering off.

While labour market outcomes vary across regions, current conditions have provided more opportunities for people to find work, with both Capital Cities and Rest of State areas recording strong employment growth in recent years. Historically, Capital City areas have recorded a lower unemployment rate than Rest of State areas, however, the unemployment rate in Rest of State areas (3.6%) was below the rate for Capital Cities (4.1%) in March 2024 and has been since February 2020.¹

¹ Source: ABS, Labour Force Australia, detailed, March 2024, 6-month average of original estimates.

Analysis

Characteristics of the local government workforce

JSA analysed ABS Census of Population and Housing data in relation to the local government workforce. Local Government is identified through the ANZSIC group 753 – Local Government Administration, which falls within the industry division Public Administration and Safety. Following the ANZSIC definitions means certain services that are the responsibility of Local Government to maintain, but which are typically contracted out, are not included within the scope, such as waste management.

Key points: Local Government workforce (August 2021)

Employed 156,400 people representing 1.4% of total employment.

Share of total employment lower in greater capital city areas (1.1%) than in rest of state areas (2.1%).

Older workforce with 28.7% aged 55 years and older compared to 20.2% nationally.

Predominantly work full-time (68.9%) compared to 58.9% for all employed.

In August 2021 there were 156,400 people employed in Local Government, an increase from 142,720 in August 2016 (or 9.6%, compared to a 12.6% increase in employment nationally). Local Government employment represented 1.4% of total employment in August 2021, although this share is greater in non-greater capital city areas (2.1%) compared to greater capital city areas (1.1%).²

The share of employment in Local Government varied by Local Government Area (LGA). Only four capital city LGAs had employment in Local Government greater than 2% of total employment [Blue Mountains NSW (2.7%), Darwin Waterfront Precinct NT (2.4%), Scenic Rim QLD (2.2%), and Macedon Ranges VIC (2.2%)]. Most non-capital city LGAs had Local Government comprising more than 2% of total employment in the LGA, with 45 LGAs, mostly in Western Australia, Queensland and the Northern Territory each with very low total employment, having shares greater than 10% (see Appendix)³.

Employment in Local Government has a fairly similar gender profile to total employment, with females comprising just under half (49.5%) of total employment in August 2021, compared to 48.5% nationally. However, Local Government has an older age profile, with 28.7% of Local Government workers aged 55 years and older, compared to 20.2% nationally, and only 5.6% aged under 25 years, compared to 14.3% nationally.⁴

Local Government workers are more likely to work full-time, with 68.9% working full-time in August 2021, 24.3% working part-time, and 6.8% were employed but not at work at the time of the Census. This compares to total Australian employment with 58.9% full-time, 32.9% part-time and 8.2% employed but not at work.⁵

Workers in Local Government are employed across a range of occupational skill levels, with the most common being skill level 1 roles (33.6%) (commensurate with a Bachelor degree or higher level qualification), followed by skill level 4 roles (28.1%) (commensurate with a

² Source: ABS 2021 Census of Population and Housing, TableBuilder.

³ Source: ABS 2021 Census of Population and Housing, TableBuilder.

⁴ Source: ABS 2021 Census of Population and Housing, TableBuilder.

⁵ Source: ABS 2021 Census of Population and Housing, TableBuilder.

certificate II or III level qualification). This is a similar proportion to total employment for skill level 1 roles (34.1%) however Local Government has a higher share of skill level 4 roles (23.7% nationally).⁶

Occupations employed in local government

Key points: Key Local Government occupations

43.6% of all Urban and Regional Planners are employed in Local Government.

Urban and Regional Planners are in shortage in two states (NSW and SA) and are in regional shortage nationally and all other states and territories except the ACT.

Other key occupations in Local Government are Gallery, Library and Museum Technicians (29.8%) and Librarians (26.5%). These two occupations are not in shortage.

There are a range of occupations engaged in Local Government work. [Table 1](#) below shows the 20 most common occupations in Local Government as of August 2021. While a number of these occupations are common across many industries, such as General Clerks, there are three key occupations where Local Government is an important employer – Urban and Regional Planners (43.6% of all Urban and Regional Planners in August 2021 were employed in Local Government); Gallery, Library and Museum Technicians (29.8%), and Librarians (26.5%).⁷

Table 1: Most common occupations in Local Government (LG), August 2021

Occupation (ANZSCO unit group (4-digit))	Employment in LG	Share of LG employment (%)	Employment in LG as share of total employment (%)
General Clerks	7,185	4.6	2.9
Urban and Regional Planners	5,970	3.8	43.6
Contract, Program and Project Administrators	5,175	3.3	4.1
Information Officers	4,560	2.9	8.9
Gardeners	4,285	2.7	6.6
Welfare Support Workers	3,820	2.4	5.4
Inspectors and Regulatory Officers	3,750	2.4	8.3
Other Miscellaneous Labourers	3,585	2.3	6.1
Civil Engineering Professionals	3,525	2.3	7.1
Other Specialist Managers	3,480	2.2	5.5
Truck Drivers	3,350	2.1	2.1
Child Carers	3,040	1.9	1.9
Architectural, Building and Surveying Technicians	3,020	1.9	4.4
Labourers, nor further defined	2,775	1.8	13.0
Garden and Nursery Labourers	2,665	1.7	9.7
Aged and Disabled Carers	2,530	1.6	1.1
Occupational and Environmental Health Professionals	2,495	1.6	9.9

⁶ Source: ABS 2021 Census of Population and Housing, TableBuilder.

⁷ Source: ABS 2021 Census of Population and Housing, TableBuilder.

Accounting Clerks	2,390	1.5	2.3
Librarians	2,095	1.3	26.5
Gallery, Library and Museum Technicians	1,945	1.2	29.8

Source: ABS 2021 Census of Population and Housing, TableBuilder. Note: estimates rounded to nearest 5.

The JSA Skills Priority (SPL) provides a current assessment of the Australian labour market, including a detailed view of occupations in shortage and the anticipated future demand for occupations. The SPL is published annually, most recently in 2023.

The SPL for occupations common in Local Government was examined and a number were in shortage in 2023 (see [Table 2](#) below). In particular Urban and Regional Planners were in shortage in New South Wales and South Australia and are also in regional shortage nationally, in Victoria, Queensland, Western Australia, Tasmania and the Northern Territory (see [Table 2](#) below).⁸

The shortage driver for Urban and Regional Planners is a 'suitability gap', those occupations where there are enough qualified applicants, but they are not regarded as suitable by employers. For other key occupations in shortage across the country – Civil Engineering Professionals the shortage driver is a 'suitability gap', for Child Carers and Aged and Disabled Carers the shortage driver is a 'Retention gap' – those shortages where there are below average rates of retention, potentially reinforced by low numbers of new applicants per vacancy, and where increasing the throughput of qualified applicants is unlikely to solve the problem because of the low likelihood of retaining them. For Truck Drivers the shortage driver is a 'short training gap' where there are few applicants per vacancy but the training time is relatively short.

[Table 2](#) also shows the latest national labour force estimates and internet vacancies for these 20 most common occupations in Local Government, which together can be used to derive a vacancy rate for these occupations. The highest derived vacancy rate of 5.9 vacancies per 100 employed was for Other Miscellaneous Labourers (which includes car park attendants, sign erectors, ticket collectors, and road traffic controllers). General Clerks also had a relatively high vacancy rate of 4.5.⁹

⁸ Source: JSA Skills Priority List 2023

⁹ Source: JSA Internet Vacancy Index (IVI), March 2024, 3 month-average; ABS Labour Force Australia, detailed, February 2024 data trended by JSA

Table 2: Most common occupations in Local Government Administration (LGA)

Occupation (ANZSCO unit group (4-digit))	Job vacancies (national) March 2024	Employment (national) February 2024 ('000)	Vacancy Rate (vacancies per 100 employed)	Skills priority List shortage rating 2023									
				Nat	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	
General Clerks	13,236	294.4	4.5	NS	NS	NS	NS	NS	NS	S	S	NS	
Urban and Regional Planners*	293	18.2	1.6	R	S	R	R	S	R	R	R	NS	
Contract, Program and Project Administrators	2,353	161.4	1.5	NS	S	NS	NS	S	NS	NS	NS	NS	
Information Officers	740	84.2	0.9	NS	NS	S	NS	NS	NS	NS	NS	NS	
Gardeners	1,099	86.4	1.3	NS	NS	NS	NS	NS	S	S	S	NS	
Welfare Support Workers	1,393	89.9	1.6	NS	NS	NS	NS	NS	NS	S	S	NS	
Inspectors and Regulatory Officers	1,224	39.4	3.1	NS	NS	NS	NS	NS	NS	NS	NS	NS	
Other Miscellaneous Labourers	4,026	68.1	5.9	N/A									
Civil Engineering Professionals*	2,657	75.0	3.5	S	S	S	S	S	S	S	S	S	
Other Specialist Managers	816	72.8	1.1	NS	NS	S	NS	NS	NS	S	S	NS	
Truck Drivers**	3,035	199.2	1.5	S	S	S	S	S	S	S	S	S	
Child Carers***	4,444	160.8	2.8	S	S	S	S	S	S	S	S	S	
Architectural, Building and Surveying Technicians	2,156	85.9	2.5	NS	NS	NS	NS	NS	NS	S	S	NS	
Labourers, nor further defined	N/A	7.2	N/A	N/A									
Garden and Nursery Labourers	429	36.2	1.2	N/A									
Aged and Disabled Carers***	4,324	314.6	1.4	S	S	S	S	S	S	S	S	S	
Occupational and Environmental Health Professionals	1,219	35.7	3.4	NS	NS	NS	NS	NS	NS	S	S	NS	
Accounting Clerks	2,524	145	1.7	NS	NS	NS	NS	NS	NS	S	S	NS	
Librarians	122	13.4	0.9	NS	NS	NS	NS	NS	NS	NS	NS	NS	
Gallery, Library and Museum Technicians	54	7.5	0.7	NS	NS	NS	NS	NS	NS	NS	NS	NS	

Source: JSA Internet Vacancy Index (IVI), March 2024, 3 month-average; ABS Labour Force Australia, detailed, February 2024, data trended by JSA; JSA Skills Priority List 2023; Note: the 'Labourers not further defined' is a group where there was not enough information to categorise the occupation to a lower level. This approach is not adopted in the IVI so there is not corresponding vacancy data for this occupation.

Key

- S Shortage
- R Regional Shortage
- NS No Shortage

*'Suitability gap' driver, ***'Short training gap' driver, ****'Retention gap' driver

Movements in and out of Local Government

Linked administrative data has been used to derive rates of employee transition into and out of employment in Local Government (industry group 753).

Key points: Movements in and out of Local Government

Around 15% of Local Government employees in 2020-21 were not working in Local Government in 2021-22.

The largest group leaving local government employment transitioned out of employment (4%), most likely to retirement.

The rate of outflow was similar to a number of other industries and only the rest of the Public Administration and Safety industry had a lower rate of outflow.

In 2021-22, 15.0% of Local Government employees had either been working in a different industry or were not employed in 2020-21, with the largest flow of employees coming from not employed (2.6%) and the Administrative and Support Services industry division (2.0%). This was a slightly higher level than in 2019-20 (pre-COVID) where 13.4% of employees had not been working in Local Government in 2018-19.¹⁰

Of those employed in Local Government in 2020-21, 15.1% were employed in a different industry or had left employment in 2021-22, with the largest outflow being those transitioning out of employment (4.0%), followed by moves to the Administrative and Support Services industry (1.9%). Again, this was slightly higher than pre-COVID, where 12.8% of Local Government employees in 2018-19 had left Local Government employment in 2019-20.

The rate of outflow from Local Government between 2020-21 to 2021-22 was similar to a number of other industry divisions such as Health Care and Social Assistance (15.3%) and Mining (16.0%). The rest of the Public Administration and Safety industry division was the only industry with a lower rate of outflow (10.8%) than Local Government, with a number of industry divisions having much higher rates of outflow than Local Government, such as Administrative and Support Services (38.8%) and Accommodation and Food Services (35.8%).

The ABS Longitudinal Census Dataset (a linked 5% sample of Census records between 2016 and 2021) has also been examined to look at 5-year transitions into and out of Local Government employment. This showed that of those people employed in Local Government in 2016, 39.5% were working in a different industry division or were not employed in 2021, again with the largest outflow to people no longer being employed (17.3%) followed by moves to the Health Care and Social Assistance industry (4.7%).

About three-quarters (75.3%) of those who transitioned from Local Government in 2016 to being not employed in 2021 were aged 55 years or older in 2021. This was a higher proportion than for all industries (55.9%), indicating that Local Government had a higher rate of transition to retirement than the average across all industries.¹¹

The rate of outflow from Local Government between 2016 and 2021 was similar to Construction (37.9%) and the rest of Public Administration and Safety (37.8%), was higher than Education and Training (28.9%) and considerably lower than Wholesale Trade (60.7%) and Administrative and Support Services (59.2%).¹²

¹⁰ Source: JSA analysis of ABS Microdata: ATO Personal Income Tax (PIT) (2018-19 to 2021-22), Business Longitudinal Analysis Data Environment, DataLab.

¹¹ Source: ABS Australian Census Longitudinal Dataset, 2016 to 2021, TableBuilder.

¹² Source: ABS Australian Census Longitudinal Dataset, 2016 to 2021, TableBuilder.

Employer views

There is limited data available on employer recruitment activity and experiences for the public sector and data from the JSA Recruitment Experiences and Outlook Survey cannot provide information at the local government level. ABS data on job vacancies for the industry division Public Administration and Safety (which includes local government) has shown considerable decline in the number of job vacancies over the last two years, from a high of 30,100 in November quarter 2022 to 19,000 in February 2024, however the level is higher than the pre-pandemic level of 13,300 in February 2020.¹³

Conclusion

Overall, the Local Government workforce stood at 156,400 in August 2021, and comprised around 1.4% of total employment, with a greater share outside of capital city areas. The workforce has an older age profile and is more likely to work full-time than for Australia in total.

While there is a degree of churn with new employees coming into Local Government and people leaving, the rate of exit was similar to a number of other industries and lower than quite a number of industries. Over a five-year period approximately 60% of employment in Local Government remains in Local Government.

There are a number of occupations that feature within the Local Government workforce, most notably Urban and regional Planners. This occupation has been assessed as in shortage in New South Wales and South Australia, and in regional shortage nationally and in all other states and territories except the ACT. Local Government also employs a number of care occupations which are in shortage nationally, such as Child Carers and Aged and Disabled Carers.

¹³ source: ABS, Job Vacancies Australia, February 2024.

Appendix – Local Government Areas with employment is Local Government (LG) greater than 10%

Local Government Area	Total Employment	Employment in LG as share of total employment (%)
Mapoon (QLD)	95	57.0
Lockhart River (QLD)	170	43.5
Wujal Wujal (QLD)	45	38.6
Maralinga Tjarutja (SA)	25	37.0
Cherbourg (QLD)	185	36.8
Kowanyama (QLD)	185	36.4
Croydon (QLD)	130	34.9
Belyuen (NT)	15	29.4
Diamantina (QLD)	155	28.6
Murchison (QLD)	40	27.5
Sandstone (WA)	45	27.3
Torres Strait Island (QLD)	1,015	25.2
Pormpuraaw (QLD)	145	24.3
Hope Vale (QLD)	225	24.2
Mornington (QLD)	215	23.9
Bulloo (QLD)	220	23.4
Aurukun (QLD)	150	22.4
MacDonnell (NT)	1,155	21.0
Barcoo (QLD)	175	20.5
Ngaanyatjarraku (WA)	220	20.4
Yarrabah (QLD)	400	20.4
Doomadgee (QLD)	235	17.1
Woorabinda (QLD)	195	16.5
Richmond (QLD)	410	16.1
Boulia (QLD)	225	15.9
Nungarin (WA)	100	15.3
Winton (QLD)	560	15.2
Tiwi Islands (NT)	460	14.7
Northern Peninsula Area (QLD)	835	14.5
Burke (QLD)	195	14.4
Quilpie (QLD)	390	14.4
Central Desert (NT)	745	14.4
Flinders (QLD)	730	13.1
Yalgoo (WA)	120	12.5
West Arnhem (NT)	1,465	12.4
East Arnhem (NT)	1,500	12.3
Cocos Islands (WA)	240	11.7
Napranum (QLD)	135	11.7
Paroo (QLD)	650	11.3
Trayning (WA)	125	11.2
Etheridge (QLD)	355	11.0
Brewarrina (NSW)	445	11.0
Koorda (WA)	195	10.9
Upper Gascoyne (WA)	55	10.7
Roper Gulf (NT)	1,365	10.5

Source: ABS 2021 Census of Population and Housing, TableBuilder. Note: estimates rounded to nearest 5.