



Australian Government
Jobs and Skills Australia

Second submission to the Inquiry into Local Government Funding and Fiscal Sustainability

January 2026



Introduction

Jobs and Skills Australia (JSA) welcomes the opportunity to make a second submission to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport inquiry into Local Government Sustainability, following an initial submission in May 2024.

This submission provides an update on a range of data and insights since May 2024, and is particularly relevant to the following element of the terms of reference:

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 likely 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 well as regional jobs and skills, as it relates to the Local Government workforce.

Analysis of the Local Government workforce

Characteristics of the local government workforce

For this submission, JSA analysed a number of labour market data sets that are relevant to the local government workforce. Local government is identified through the ANZSIC group 753 – Local Government Administration, which falls within the broad industry division of Public Administration and Safety. However, using 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 this scope (for example, waste management in some parts of local government).

Key points: Local Government workforce

In June 2025, there were around 218,000 jobs in Local Government (representing 1.4% of total employee jobs across Australia).

Their share of total employment was lower in greater capital city areas (1.1%) than in rest of state areas (2.1%). (ABS Census, August 2021).

The workforce was older, with 28.7% aged 55 years and older compared to 20.2% nationally. (ABS Census, August 2021).

There was a higher proportion of full-time workers (68.9%) compared to 58.9% for all employed people in Australia. (ABS Census, August 2021).

In June 2025, there were 218,000 employee jobs in Local Government, an increase from 202,700 in June 2022 (an increase of 7.5%).¹ According to the latest Census of Population and Housing undertaken by the ABS in August 2021, Local Government employment is greater in non-greater capital city areas (2.1% of total employment) compared to greater capital city areas (1.1% of total employment).²

The share of employment in Local Government varies by Local Government Area (LGA). Local Government employment only accounted for more than 2% of employment in four LGAs in capital cities [Blue Mountains NSW (2.7%), Darwin Waterfront Precinct NT (2.4%), Scenic Rim QLD (2.2%), and Macedon Ranges VIC (2.2%)].

In contrast, in most non-capital city LGAs, Local Government accounted for more than 2% of total employment in the LGA. There were 45 LGAs, mostly regions in Queensland and the Northern Territory that have relatively low levels of total employment, where Local Government employment was more than 10% of total employment³.

Table 1: Selected Local Government Areas with a high proportion of total employment in Local Government (LG)

Local Government Area	Total Employment	Employment in LG as share of total employment (%)
Torres Strait Island (QLD)	1,015	25.2
MacDonnell (NT)	1,155	21.0
Winton (QLD)	560	15.2
Northern Peninsula Area (QLD)	835	14.5
Central Desert (NT)	745	14.4
Flinders (QLD)	730	13.1
West Arnhem (NT)	1,465	12.4
East Arnhem (NT)	1,500	12.3
Paroo (QLD)	650	11.3
Roper Gulf (NT)	1,365	10.5

Source: ABS 2021 Census of Population and Housing, TableBuilder. Note: estimates rounded to nearest 5. LGAs with less than 500 people in Total Employment have been excluded.

Employment in Local Government has a relatively 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

¹ ABS, Public sector employment and earnings, 2024-25 financial year, original data.

² ABS 2021 Census of Population and Housing, TableBuilder.

³ ABS 2021 Census of Population and Housing, TableBuilder.

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 (compared to 58.9% nationally), 24.3% working part-time (32.9% nationally), and 6.8% were employed but not at work at the time of the Census (8.2% nationally).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% of Local Government employment, commensurate with a Bachelor degree or higher-level qualification), followed by skill level 4 roles (28.1%, equivalent to a certificate II or III level qualification). This was a similar proportion to the share of total employment in Australia 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

Urban and Regional Planners and Civil Engineering Professionals, two large employing occupations within Local Government, are currently in shortage.

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

There are a range of occupations engaged in Local Government work. Table 2 shows the 20 most common occupations in Local Government in 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 a particularly 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 2: Most common occupations in Local Government (LG), August 2021

Occupation (ANZSCO unit group (4-digit))	Employment in LG	Share of total LG employment (%)	Employment in LG as share of total occupational 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 & Surveying Technicians	3,020	1.9	4.4

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

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

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

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

Occupation (ANZSCO unit group (4-digit))	Employment in LG	Share of total LG employment (%)	Employment in LG as share of total occupational employment (%)
Garden and Nursery Labourers	2,665	1.7	9.7
Aged and Disabled Carers	2,530	1.6	1.1
Occupational & Environmental Health Professionals	2,495	1.6	9.9
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 Census of Population and Housing, August 2021.

The JSA Occupation Shortage List (OSL) provides a current assessment of the Australian labour market, including a detailed view of occupations in shortage. The OSL is published annually, most recently in 2025.

Looking at the OSL for occupations common in local government, Urban and Regional Planners were found to be in shortage in Regional Australia, with shortages for Civil Engineering Professionals existing across the Australian labour market (Table 3).⁸

The shortage driver for Urban and Regional Planners and Civil Engineering Professionals was a ‘suitability gap’, where there are enough qualified applicants, but they are not regarded as suitable by employers.

Table 3: Top five largest employing occupations in Local Government Administration (LGA)

Occupation (ANZSCO unit group (4-digit))	Job vacancies (national) November 2025	Employment (national) November 2025 ('000)	Vacancy Rate (vacancies per 100 employed)	National Occupation Skills List rating 2025
General Clerks	8,500	286.6	3.0	NS
Contract, Program and Project Administrators	1,700	161.3	1.1	NS
Urban and Regional Planners	220	19.1	1.2	R
Civil Engineering Professionals	1,800	74.4	2.4	S

Source: JSA Internet Vacancy Index (IVI), December 2025, 3 month-average; ABS Labour Force Australia, detailed, November 2025, data trended by JSA; JSA Occupation Shortage List 2025.

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.

⁸ Source: JSA Occupation Shortage List 2025

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 2018-19.⁹

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) was 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.¹⁰

The rate of outflow from Local Government between 2016 and 2021 was similar to some, including Construction (37.9%) and the rest of Public Administration and Safety (37.8%), was higher than others (Education and Training, 28.9%), and considerably lower than others (60.7% of Wholesale Trade and 59.2% of Administrative and Support Services).¹¹

Insights into employers' recruitment experiences in Regional Australia

JSA notes that even in circumstances where shortages exist in capital cities, they can often be more acute in regional areas. Recent findings from JSA's Recruitment Experiences and Outlook Survey (REOS) offer insights into differing levels of challenge employers in Regional Australia face when trying to fill vacant roles. In 2025, REOS data found that:

- Employers in Remote / Very Remote Australia were the most likely to experience recruitment difficulty, with 58% of recruiting employers reporting difficulty recruiting in their most recent recruitment rounds. By way of comparison:

⁹ Source: JSA analysis of ABS Microdata: ATO Personal Income Tax (PIT) (2018-19 to 2021-22), Business Longitudinal Analysis Data Environment, DataLab.

¹⁰ Source: ABS Australian Census Longitudinal Dataset, 2016 to 2021, TableBuilder.

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

- Inner Regional, and Outer Regional Australia experienced lower levels of recruitment difficulty (49% and 47% of recruiting employers respectively).
- 42% of recruiting employers in the Major Cities experienced difficulty.
- Location was the most common reason cited for recruitment difficulty by employers in Remote / Very Remote Australia (45% of recruiting employers with difficulty). The competition for staff (19%) and accommodation issues (12%) were also more cited more frequently in Remote / Very Remote Australia than in regional areas or in the Major Cities.
- The most common reason for difficulty cited by employers in Inner Regional and Outer Regional Australia was a lack of suitable applicants (43% and 33% respectively). Location and a more general lack of applicants were also commonly cited by these employers.

Recent research and analysis by JSA relevant to Local Government and regional jobs and skills

Jobs and Skills Roadmap for Regional Australia

In recognition of the distinct challenges and opportunities experienced across regional and remote Australia, JSA released the Jobs and Skills Roadmap for Regional Australia – Phase 1 report in July 2025. The Roadmap sets out a national strategic framework designed to enhance the equity, effectiveness and efficiency of the regional jobs and skills system, both now and into the future. It also identifies emerging policy priorities, including that the skills needs of regional and remote areas often differ from those of major cities, and that future skills needs lists should more explicitly reflect these differences.

In Phase 1 of the Roadmap, JSA developed a set of policy design principles to guide improvements to the regional jobs and skills system. These principles emphasise genuine co-design with regional communities, alignment with existing local initiatives, flexibility to reflect differing regional workforce needs, and service models that ensure continuity, quality and long-term viability. They also recognise the higher costs of delivery in regional and remote areas and the need for funding approaches that are stable, responsive and proportionate to local conditions. Feedback from stakeholders indicated strong support for these principles as a practical way to improve policy consistency while still enabling local adaptation.

Since its release, extensive engagement has been undertaken with regional stakeholders, including with some local councils and some representatives of the Australian Local Government Association, through public submissions and roundtables across the country. These consultations have consistently highlighted the importance of enabling place-based approaches that respond to local challenges and opportunities. Reflecting this feedback, JSA is now refining the Roadmap framework which will be delivered in the first half of 2026.

Improving data to better understand demand in Regional Australia

Through the development of the Roadmap, stakeholder feedback has highlighted the limitations of online job vacancies data for rural and remote areas. In response, JSA introduced the Total New Vacancies (TNV) series to provide a more complete picture of job opportunities across Australia. TNV combines job advertisement data with insights from JSA's employer surveys, capturing vacancies filled through informal channels such as word of mouth, local networks, and community notice boards. This approach ensures that jobs not advertised online are included in our vacancy estimates.

In the August quarter 2025, there were an estimated 1,128,300 new vacancies advertised across Australia. While vacancies have declined by around 6.9% over the year, they remain at relatively high levels.¹² In Regional Australia, there were an estimated 471,400 new vacancies advertised in the August quarter 2025 (representing more than a third of all vacancies nationally). Interestingly, while vacancy numbers in Regional Australia are also declining, it is at a slower rate than the national average (decreased by around 5.3% over the year).

TNV also helps account for changes in recruitment behaviour over time. For instance, during a tight labour market, employers may become more likely to try alternative methods of recruitment in an attempt to fill their vacancy. This suggests that the use of online job boards (as captured by the IVI) may vary depending on labour market conditions.

For example, the occupation group Professionals. The TNV indicates vacancies for this group are down by 8.6% over the year (to stand at around 309,900 advertisements), yet JSA's Internet Vacancy Index (which captures vacancies advertised from a number of high-profile online job boards) for the same group fell by 13.9%.¹³ A similar trend is also apparent for Technicians and Trades Workers. Given the decline in the TNV is smaller than that of the IVI, this suggests that the reduction in online job ads as measured in the IVI may be a combination of both changes in labour demand but also changes in recruitment methods, pointing to a shift in recruitment practices as a strong contributing factor to current job advertisement trends as labour market conditions have softened in recent periods.

Improving the evidence base for regional and occupational labour demand is a core tenet of the JSA legislation. The TNV series plays a critical role in achieving this goal by providing a more complete picture of job opportunities across occupations and regions, with more information on this series available on the JSA website. This richer data will support the development of place-based initiatives and regional planning, ensuring industry policy responses are better tailored to emerging trends.

Conclusion

In conclusion, JSA's analysis highlights the important role of Local Government as an employer, particularly in regional and remote Australia, and the workforce challenges that have implications for its sustainability. Evidence shows that an ageing workforce, persistent skills shortages in key roles, and heightened recruitment difficulties outside major cities place increasing pressure on capacity of local governments to deliver services. These challenges are compounded by regional labour market conditions that differ markedly from those in metropolitan areas, which require place-based responses that are tailored to local requirements.

¹² Jobs and Skills Australia, Total New Vacancies, August 2025.

¹³ Ibid.

The Jobs and Skills Roadmap for Regional Australia provides a useful framework, with a focus on strengthening regional data, improving coordination across education, training and employment systems, and supporting genuine co-design with local communities.

Enhanced measures of labour demand, including the Total New Vacancies series, will further improve understanding of recruitment pressures faced by Local Government employers. Continued collaboration between governments, councils, industry, unions and education providers will be essential to building sustainable workforce pipelines.

As this work progresses, JSA will continue to support evidence-based approaches that respond to regional diversity and evolving skills needs. These efforts will be critical to ensuring Local Governments remain capable, resilient and responsive to the communities they serve.