Recruitment and Retention Issues in Western Australia's Local Government

A Study to Determine the Challenges Western Australian Local Government Councils Face to Create a Sustainable Workforce

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Executive Summary

This study investigated the recruitment and retention of skilled and professional workforce within the Western Australian Local Government sector. Using a case study methodology a total of 13 out of 144 Local Government agencies (LGA) were interviewed and their problems with the recruitment and retention of employees explored. Discussions were also held with other key groups and comparative data gathered from established secondary sources.

The study found that the overall workforce in WA grew strongly over the past five years with falling levels of unemployment and high workforce participation rates. During this same period the size of the State and Commonwealth Government workforce was significantly reduced. However, the size of the LGA workforce remained fairly stable over the same time period. Further, while the private sector workforce and State and Commonwealth Government workforces are heavily concentrated in the metropolitan area, the distribution of the Local Government workforce is more evenly divided between metropolitan and regional areas.

Evidence from the 13 case studies suggests that:

- Recruitment and retention problems are common across both metropolitan and regional LGA;

- There is an absence of reliable data on workforce trends within the sector;

- Collaboration between LGA in workforce recruitment, resource sharing or retention is low, with competition more common;

- No central database exists to provide reliable benchmarking data on LGA workforce activity making effective planning and policy development difficult;

- Few LGA retain workforce data for any length of time and no standard systems of HR data capture were identified. HR Planning tends to be reactive and ad hoc; and

- Workforce data that does exist is fragmented and difficult to access.

It is recommended that:

1. A centralised data pool aimed at HR tracking and resource management is developed.

2. A coordinated strategy aimed at establishing a model for a sustainable recruitment "pipeline" in Local Government is developed.

3. Opportunities and structures are explored for enhanced collaboration and HR resource sharing between LGA.

SECTION 1

Introduction

The following report has been prepared for the Local Government Managers Australia (WA Division) and examines current workforce trends affecting the attraction and retention of skilled professional and technical employees of Local Government agencies (LGA) in Western Australia.

The project developed in response to a workshop for 80 participants the LGMA hosted in October 2004. The concerns of Local Government in terms of creating a sustainable workforce were identified. The workshop revealed that there is a significant concern for Local Government Agencies in attracting and retaining skilled mid to senior level staff.

Building on this work, the study proposes to analyse the current Local Government labour landscape by gathering available data from secondary sources including the Australian Bureau of Statistics (ABS) and the Public Sector Management Office (PSMO) and anecdotal data from selected LGA in Western Australia. A series of interviews involving these LGA has provided a blend of statistical and qualitative data.

This study involved the following activities:

- Desktop research to obtain data from various public sources;

- Construction and administration of a questionnaire involving telephone interviews with Interview with 13 Local Government human resource managers, Chief Executive Officers (CEO) or coordinators in related roles; and

- Collation, analysis and presentation of findings.

Project Objectives

The *key objectives* of this study were to:

- To concentrate on 'white collar' employment across the Local Government sector and capture current statistical and anecdotal information on turnover and recruitment rates from public data sources, CEO and human resource managers from a sample of Local Government Agencies

- To compare the data collected on employment in the Local Government sector to the wider labour market in Western Australia – that is, other industry sectors, such as the State Government and the private sector.

The _key research questions_ for this study are:

- What are the retention and turnover rates of the WA Local Government professionals?

- What are the findings as compared to the retention and turnover rates in other industry sectors?

- Is the level of recruitment and retention of mid to senior level staff a real issue in the Local Government industry or is it indicative of all industries?

- Do these issues relate to a particular profession or specifically to Local Government professionals?

- Is the problem related to turnover or is it because unemployment rate is low and professionals are harder to recruit?

- In view of the questions above, are there any differences between country and metropolitan Local Government organisations?

Methodology Used in the Study

Data Gathering

The research team worked closely with the LGMA to identify the various research questions that were to be addressed. The next step was to obtain comparable data sources that had specific employment statistics on the Local Government on turnover and retention rates, in conjunction with equivalent data from the wider labour market in Western Australia. Efforts were made to collect employment statistics from the sources as listed below:

- Australian Bureau of Statistics (ABS)
- Local Government Managers Australia (LGMA-WA)
- HR managers or CEO in Local Government
- WA Local Government Association (WALGA)
- Centre for Labour Market Research (CLMR, UWA)
- Department of the Premier and Cabinet (DPC) – Public Sector Management
- Department of Local Government and Regional Development (DLGRD)
- Department of Education and Training (DET)
- Office of Equal Employment Opportunity (OEEO)

Telephone Interviews with use of Questionnaire

The questionnaire aimed to capture more specific statistical data and anecdotal information held by human resource managers and/or CEO in selected LGA across Western Australia.

Attributes that were included in this questionnaire included turnover and recruitment rates in the last 3 to 5 years for mid to senior level staff; as well as indicating the prevailing trends and challenges in recruiting and retaining these employees.

During this phase of the project the research team undertook a series of telephone interviews lasting approximately 20-25-minutes using the questionnaire. A set of 13 case studies was selected drawing from the total population of 144 Local Government organisations in the State. These cases were selected to represent both metropolitan and regional LGA and large and small municipalities. In this way the final set of cases were considered to be fairly representative of the true population.

Additional interviews and discussions were held with representatives from WALGA and other agencies such as CLMR. This provided additional input and served to identify useful data sources or determine if the research team was missing key issues of importance to the study.

Analysis of Data and Reporting

Data resulting from the questionnaire was collated and analysed by the research team. Results are summarised and interpreted. The evidence is illustrated by the use of charts and tables.

SECTION 2

Local Government in Western Australia

The Australian public sector workforce is employed within the State, Commonwealth and Local Government agencies. In Western Australia, the State Government has the largest public workforce, accounting for 24% of total employment in the State in 1999 (Figure 1). In the same year Western Australia's Local Government workforce made up 2% of the total labour market.

The Local Government sector comprises 144 Local Government municipalities in Western Australia, distributed throughout both the metropolitan and regional areas of the State, with 33 (23%) LGA in the metropolitan area and 111 (77%) LGA in regional areas.

Overview of Local Government workforce compared to the wider labour market in Western Australia

In January 2005 the total workforce within Western Australia was estimated to be just over 1 million persons representing a labour force participation rate of around 66% and an unemployment rate of only 4.5% (ABS, 2005). Over the period 2002 to 2005 the unemployment rate in WA fell significantly from 6.5% reflecting the overall growth that has taken place in the State's economy. Western Australia has one of the highest labour force participation rates in the country with only the Australian Capital Territory (79%) and Northern Territory (69%) being higher.

An examination of public sector employment trends over the past five years suggests that State and Commonwealth Governments have significantly reduced the size of their workforces while the private sector workforce grew. During this same period the size of the Local Government workforce remained relatively stable. **Figure 1** illustrates these trends. According to the Department of Premier and Cabinet's occasional paper titled, "New Century, New Workforce" (2001), the shrinking public sector is a worldwide occurrence. In reference to both the State and Commonwealth Governments the paper stated that:

> *The centrepieces of the changes to the way governments operate have been the adoption of a competitive model for the delivery of services to the public …Contracting out of government services has led to a significant reduction in the proportion of the workforce directly employed by the taxpayer.*

Figure 1: Proportion of WA Workforce employed in Government and Private Sectors from 1998 to 1999
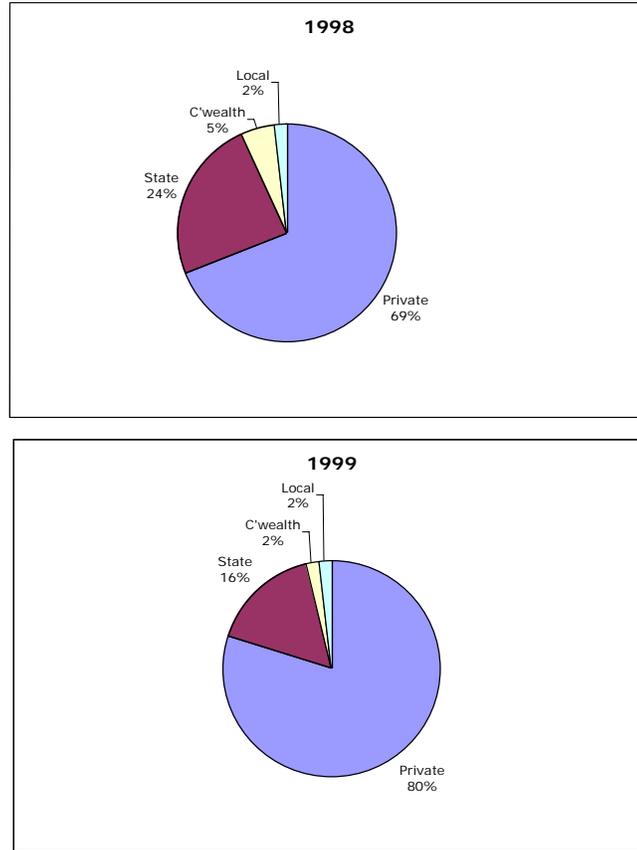
Source: Public Sector Management, Department of Premier and Cabinet, 2001[1]

As shown in **Table 1** the distribution of workforce numbers across the various government levels and the private sector is quite different with respect to Local Government. While the majority of employees within the private sector and Commonwealth and State Government agencies are concentrated in the metropolitan areas, the distribution of the LGA workforce is more evenly balanced between metropolitan and regional areas. This suggests that the LGA workforce is proportionately more heavily concentrated in regional areas, which are often faced with labour shortages.

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[1] DPC (2001). *New Century, New Workforce*. Perth, Public Sector Management Division, Department of Premier and Cabinet, Government of Western Australia.

Table 1: Number of Employees compared across industry sectors in WA, 2001
(per 1,000 employees)

	Commonwealth Government	State/Territory Government	Local Government	Private
Regional WA	1,779	8,407	3,168	105,546
% Regional WA	11%	25%	43%	27%
Perth	14,903	24,954	4,145	281,573
% Perth	89%	75%	57%	73%
Total WA	16,682	33,361	7,313	387,119

Source: Australian Bureau of Statistics – Census (excludes populations in Community Development Employment Programs and those who are Not Stated). Available at: Department of Local Government and Regional Development, www.dlgrd.wa.gov.au [Accessed: February 2005]2

Table 2 shows the distribution of LGA workforce by gender and whether positions are located indoor or outside. It can be seen that WA Local Government employment numbers have fluctuated marginally between 2000 through to 2003, but remained steady in the last four years. The proportion of men and women in Local Government has also remained stable over the last four years. Noticeably, there is a larger ratio of women to men in office-based positions and vice-versa for "outdoor staff". This suggests a clear gender divide within the LGA workforce.

Table 2: Number of Employees (Women and Men) in Local Government in WA, 2000 to 2003

	2000	2001	2002	2003	
	All Staff	All Staff	All Staff	Indoor	Outdoor
No. of Employees	15 146	14 584	14 953	10 731	4 781
% of Women	45.9	43.5	44.8	62.4	12.7
% of Men	54.1	56.5	55.2	37.6	87.3

Source: Office of Equal Employment Opportunity (OEEO), Director of Equal Opportunity in Public Employment, Annual Report 2003-2004 (Estimated FTEs are calculated by counting each full-time person as one FTE and each part-time and casual person as 0.5 FTEs)3

2 DLGRD (2003). *Website: www.dlgrd.wa.gov.au*. Perth, Department of Local Government and Regional Development, Government of Western Australia.
3 OEEO (2004). *Annual Report 2003-2004*. Perth, Office of Equal Employment Opportunity, Director of Equal Opportunity in Public Employment, Government of Western Australia.

Differences between Metro and Non-metro LGA

Research conducted by the Department of Local Government and Regional Development (DLGRD) is presented below. This found that attracting and retaining skilled employees within regional areas of WA to be a major challenge for local communities. The following comments from the DLGRD outline this:

Source: DLGRD (2004)

Some regional communities, particularly those in remote areas, may not have the necessary resources to attract and retain skilled and professional people. Communities with a small population may not be able to sustain the services of a full-time professional, particularly those working in a highly specialised field... Generally, the problem, and thus the solution, is multi-dimensional with many linked issues needing to be addressed. A generic "one size fits all" approach to resolving the difficulties faced by regional communities is unlikely to be successful.

Different regional communities have differing needs, varying levels of community resources to draw upon and a range of options available to address their concerns. The options and resources available to small regional communities are different from those available for larger regional centres. In a similar manner, inland communities face a different set of circumstances and constraints from those that coastal communities experience.

A coordinated approach by all three levels of government, each bringing to bear its particular strengths, is in most cases a superior method of addressing the issue of attracting and retaining professional and skilled people...Coordination and integration by all spheres of government gives communities the ability to select, mix and match various support programs and initiatives, and this is likely to enable them to achieve desired outcomes more effectively and efficiently.

SECTION 3

Key Findings from the Questionnaire

A telephone questionnaire (Appendix A) was undertaken with a view to gathering a more detailed picture of the Local Government sector in Western Australia. As outlined in Section 1, 13 LGA were selected from the 144 LGA in the State. CEO, human resource managers and coordinators in related areas were the key respondents. Regional areas not covered in these cases are Peel, South West and Goldfields, because the candidates were unavailable during the interview period

Table 3: Vital Statistics of the 13 LGA Interviewed for the LGMA Workforce Questionnaire

Region	Council	Est. Full & Part- time Employees	Est. Casual & Contract Employees	Distance from Perth	Area (sq km)	Population
Metro	City of Belmont	200	Not known	6	40	30,307
	City of Gosnells	450	Not known	19	127	88,000
	City of Melville	400	300 - 500	8	52.7	97,380
	City of Stirling	714	190	8	100	177,962
Kimberley	Shire of Wyndham (East Kimberley)	50	25 - 30	3,200	121,189	7,210
Great Southern	Shire of Katanning	41	Not known	283	1,523	4,146
Mid-West	Shire of Irwin	34	4	360	2,223	3,500
Wheatbelt	Shire of Merredin	57	3 – 4	260	3,372	3,630
	Shire of Yilgarn	32	Not known	370	30,720	2,850
	Shire of West Arthur	18	2	204	2,850	918
Gascoyne	Shire of Carnarvon	60	Not known	902	53,000	6,680
Pilbara	Shire of East Pilbara	58	40	1,200	370,000	7,000
	Shire of Ashburton	75	Not known	1,577	105,647	6,515

Source: LGMA Workforce Questionnaire Interviews (February 2005) and The West Australian Local Government Directory 2004-2005.

Table 3 provides a comparison of the 13 LGA case studies examined for this analysis and presents their vital statistics such as – size of workforce, distance from metro area, geographic coverage and population. It should be noted that these figures are only estimates for February 2005, as respondents were given only a limited time to respond. From Table 3 it can be seen that:

- Metro LGA have much larger workforces and populations, with less geographic coverage. The population concentration in metro areas is unmatched by any non-metro LGA;

- Non-metro LGA have substantially smaller workforces and population, with wider geographic coverage. The contrast between human resources and geography is most apparent with the Shire of Wyndham and the Shire of East Pilbara, compared to other regional LGA; and

- Larger LGA such as the Cities of Stirling and Melville have a sizeable casual or contract workforce.

Management of Recruitment and Retention in LGA

The workforce within the 13 LGA case studies was generally classified into four broad categories depending on the size and depth of their employment pool. The first category was within the Directorate, comprising executives generally grouped under functional areas. These employees were typically employed under fixed-term contracts in which salaries and conditions were negotiable via individual agreements. The second category encompassed Business Unit Managers who were usually employed under individual employment contracts that were less generous than those in the Directorate.

The third category of employment was that of Business Unit Coordinators who were typically office employees employed under enterprise bargaining agreements. Finally, there were the salary and wage staff, who were often casual or part-time and paid in line with relevant enterprise bargaining agreements.

Revenue and Payroll

In Table 4 the revenue and payroll figures for the LGA case studies are shown. This data only spans a period of 12 months. It does not consider the main reasons for payroll increases, as this response was not fully explored in the questionnaire due to time constraints.

Payroll expenditure for the LGA ranged from $33 million to $700,000. This follows a steady upward trend for the majority of the LGA. There was no widely accepted benchmark for payroll spending therefore it was difficult to estimate the average payroll and the differences of non-standard salary packages that are offered by each LGA. From the table, the average payroll for the 13 councils is around 34% of revenue.

Table 4: Payroll and Revenue Data of 13 LGA Interviewed for the Industry Questionnaire

Region	Council	Revenue 2004 ($ million)	Payroll 2004 ($ million)	% Payroll from Revenue	Av. Increase Payroll 2004
Metro	City of Belmont	28.7	10.3	35.90	Steady
	City of Gosnells	44.3	16.0	36.11	Dramatic (14%)
	City of Melville	56.5	25.0	44.25	Steady
	City of Stirling	106.3	33.3	31.33	5%
Kimberley	Shire of Wyndham (East Kimberley)	11.5	3.6	31.30	Cyclical
Great Southern	Shire of Katanning	4.8	1.8	37.50	Steady
Mid-West	Shire of Irwin	4.0	1.9	47.50	Steady (3%)
Wheatbelt	Shire of Merredin	4.9	2.1	42.86	Steady
	Shire of Yilgarn	5.3	1.3	24.53	Steady
	Shire of West Arthur	2.7	0.7	25.92	Steady
Gascoyne	Shire of Carnarvon	10.7	2.0	18.69	5%
Pilbara	Shire of EastPilbara	16.3	3.45	21.66	Increased
	Shire of Ashburton	10.8	6.0	55.56	20%

Source: LGMA Workforce Questionnaire Interviews (February 2005) and The West Australian Local Government Directory 2004-2005 (Revenue figures).

Turnover Rates

Respondents were asked about turnover in the preceding 3 years. Most were unable to provide data prior to 2004 because the information for earlier years was not readily available within their systems. One of the largest metro LGA mentioned that they keep only monthly and annual turnover data, but any data more than 12 months old is deleted from their computer system. It was not confirmed that the other LGA had this same practice in place but few were able to supply any longitudinal data. This suggests that most LGA within WA may be unable to provide comparable data for the identification of key employment trends in the sector. One Human Resource Coordinator from one of the respondent LGA stated that:

> *Turnover data is not comparable over years, and there is no breakdown into business units and departmental areas. Therefore it is hard to target and drill deeper into specific issues affecting HR, eg. lack of promotional opportunities, remuneration etc…In the future it would be useful for retention issues, that comparative data is kept over a longer period of time.*

As shown in **Table 5** there appears to be essentially five specific occupations, in which the Local Government sector is experiencing shortages. They are:

- Planners
- Engineers (civil, electrical etc)
- Finance
- Environmental Health Officers
- Building Surveyors

Although essentially anecdotal, some respondents mentioned an average of 12% to 15% in turnover as relatively low for the Local Government industry in Western Australia. Even metropolitan and regional LGA that experienced turnover levels greater than 30% indicated that their turnover rates were not atypical, and were due to factors such as, cyclic economies, internal restructuring of workforce and so on.

Most respondents said that their workforce had been relatively stable with many employees remaining in their positions for long periods of time. As one respondent pointed out, there was also "good turnover" stating that:

> *Good turnover is when new blood is injected, but essential knowledge is retained in the organisation.*

When respondents were asked the main reasons for turnover in their workforce, several common themes emerged. These included:

- Career advancements and new careers
- Lifestyle changes
- More money elsewhere

The only issue that was noticeably different between metropolitan and regional LGA were issues concerning geographical and environmental factors, such as:

- Remoteness and isolation
- High costs of living
- Extreme climate conditions

Table 5: Turnover in the 13 LGA Interviewed for the LGMA Workforce Questionnaire

Region	Council	Average Turnover (3 years)	Which Occupation/s are Problematic?	Main Reasons for Turnover
Metro	City of Belmont	8.6%	In isolated areas only: • Planners • Engineers • Building surveyors	• Career advancement • More money, less hours • Retirement • Family responsibilities • Moving house.
	City of Gosnells	11.8%	• Planners	• Retirement • New careers • Lifestyle reasons
	City of Melville	11.0% (2003-4) 50% (> 3yrs)	5 years ago • Planners • Building professionals	• Main turnover from planning area
	City of Stirling	14.4% (2004)	• Records • Engineers (electrical) • Finance • High level management in all functional groups	• Lack of promotional opportunities • Remuneration
Kimberley	Shire of Wyndham (East Kimberley)	40% (2003-4) 25% (2001-2)	• Engineers (electrical) • Finance • High level management in all functional groups	• Family responsibilities • Remoteness and extreme climate • High living costs • Opportunities in mining industry
Great Southern	Shire of Katanning	25.0%	• Building • Finance • Environmental Health	• High turnover for planners, works, gardeners only • Opportunities at meatworks or other LGA
Mid-West	Shire of Irwin	11.0%	• Building • Environmental Health	• Maternity • Career advancement at other LGA
Wheatbelt	Shire of Merredin	Stable	• Planners • Building Surveyors • Finance • Works Manager	• Family responsibility - isolation • Tradespeople tend to move into mining, CBH and Wesfarmers
	Shire of Yilgarn	Stable	• Outside staff – graders • Environmental Health	• Career advancement at other LGA
	Shire of West Arthur	18% (2003-4)	• Planners • Engineers • Finance • Works Manager	• Natural attrition • Career advancements or to get more pay
Gascoyne	Shire of Carnarvon	15%	Degree qualified people: • Planners • Engineers • Environmental Health	• Restructuring – top heavy • Young graduates leaving • Manual labourers move into mining, more money
Pilbara	Shire of East Pilbara	17% (2004)	• Planners • Finance • Engineers • Environmental Health	• Opportunities in mining, overseas, LGA • Maternity
	Shire of Ashburton	20%	• Planners • Engineering – civil	• Lifestyle reasons – remoteness and extreme climate • Opportunities in mining

Are turnover rates for LGA any different from other sectors, or is it occupation or industry specific?

Respondents were asked if they believed their LGA workforce turnover rates were any different from State Government or other sectors, and to also consider whether the issues they were experiencing might be specific to a particular occupation or industry.

In many respondent's opinions, there was no real difference identified between different sectors. The problem appeared to lie with particular occupational groups within certain industries. For example, occupations such as planners, building surveyors, environmental health officers and finance officers were seen as being faced with a general shortage in all industries.

Some of the responses were as follows:

Metro respondents

I believe we are better than some & worse than others so I don't believe there are any readily identifiable factors contributing to this outcome. For those occupational groups which are peculiar to LG then yes it is a problem for LG only. However for other technical and professional staff such as planners, engineers etc this is an issue across the industry.

Main competing industry for planners and building professionals is other Local Government agencies (as it is the main industry that employs these professionals.) For planners and building professionals, the issue mainly exists because of competition between other Local Government agencies (LGA) for good quality staff. There are not enough good staff to cover all the jobs in planning.

Really depends on different industries. But generally 11% to 12% is low in comparison to other LGA...Slightly lower than State, but comparable with the private sector with general rates...but the private sector rates vary widely dependent on industry.

To date the council has been able to attract quality people for most positions but importantly, for the positions critical to the council. Generally, there is a huge shortage of suitably qualified candidates industry-wide (LG), especially in the planning field. The council is probably doing better than most in attracting and retaining the best, because of its established reputation as a great organisation to work for and the City is fortunate to have stable and quality leadership.

It depends. Slightly higher turnover because this Council has a large workforce...the Council also pays less in award rates inline with EBA compared to some other LG. In the public sector, people are equally rewarded generally and not on performance based.

Non-metro respondents

We have been pretty lucky. Not sure about other sectors. Depends on certain occupations and geographic areas.

Most regional Shires share similar challenges. People may stay longer in the metro areas.

All industries are essentially experiencing similar issues...different conditions for different industries such as State Government and private sectors. It is especially difficult for inland LG in WA because of declining populations (such as Perenjori and Three Springs). Our Shire has small turnover because of a coastal community and comfortable lifestyle.

Not much difference between State and LG sectors. Shire is on par with most similar sized government organisations. Private sector usually employs casual employees.

Local Government – pattern consistent with other councils in northern WA. State – not as high, but benefits offered by the Shire are higher eg. housing subsidies. Private – less volatile than the public sector. One reason could be due to the industry's ability to be more flexible with pay rates (higher wages generally).

LG Award rates do not allow the kind of flexibility the private industry has. For example, LG is unable to customise agreements to meet individual employee needs on a case-to-case basis – this will not be a sustainable option for the Shire.

Just like mining, people constantly come and go. Employment market mostly competing with other LG for qualified candidates can be cyclic or stable depending on different industries and supply of suitable candidates.

> *Shire has been lucky because industries such as mining, gold, iron ore and agriculture bring forth a diverse and highly mobile workforce, that usually helps to counteract the downturns in a particular industry. Other shires in the region find it difficult as they lack quality candidates to choose from (eg. Kalgoorlie, Norseman, Esperance, Wiluna – especially in recruiting Environmental Health Officers)*

Systems for Recruitment and Retention

When asked how they are currently fulfilling their requirements and if they had implemented any **systems for recruitment and retention**, the interviewees' generally stated that:

- The majority of staff are employed on a combination of awards, contracts and enterprise agreements in line with the Local Government Act. Only executives and senior staff had negotiable salaries and fix-term contracts;

- Turnover data is usually prepared and circulated in an internal annual report and monthly reports (not sure how far records go back to);

- A combination of traditional procedures are used for recruitment, which included – internal advertising and in the West Australian, LGNet, head hunting in colleges and universities, poaching from other LGA, panel selections, offering non-standard allowances and packages and so on; and

- Approaches to retaining employees varied from ad hoc activities to more systematic and strategic outlook, depending on time, resources and scale of workforce. LGA with smaller workforces tend to customise their packages on a case-to-case basis, majority of these councils were from non-metro areas.

Below are some responses to the questionnaire from larger metro LGA on recruitment and retention systems:

Metro respondents

> **Staff surveys** *– the City is serious about addressing issues and identifying priorities, listens to input from all levels of staff (inside and outside). The City worked with AIM on a program to avoid perceptions of bias. Support from the top (CEO philosophy).* **Worklife Balance Scheme** *(leadership from executives and managers) – made available to all employees. Won national recognition.* **Be fair to employees** *– give flexibility when needed. Nurture a positive culture – team/community spirit, respect, making it a great place to work.*

> *Offers above award rates for all staff. No recruitment contracts are offered to external parties. Culture management, reward management, promotion & development management*

Table 6 presents additional anecdotal data gathered from the questionnaire regarding the main drivers and challenges for agencies in metro and regional areas concerning recruitment and retention.

Related to turnover issues and difficulties finding good quality staff, were concerns about the lack of opportunities for graduates to gain the necessary practical experience or to attract those who are interested in a career within the Local Government sector. This is especially the case in remote areas, due to lifestyle reasons. Further, the associated risk of losing that talent or knowledge to other LGA or to the State Government or the private sector were major concerns.

Table 6: Anecdotal Data Regarding Primary Drivers and Challenges for LGA in Recruitment and Retention

Council	Major Challenges
Metro	• Demand outstripping supply; • Small workforce offers insufficient internal career opportunities; and • Younger workers tend to be more mobile & less likely to stay more than 2-3 years.
Metro	• Shortages of labour are generally a world-wide phenomena. In the next 20 years, Australia wll be facing dramatic skill shortages; • Demand outstripping supply. Universities are not producing enough graduates in all professional groups, especially planners; • LG cannot buy themselves out of trouble; • There must be procedures and policies made to suit these changes, eg. work life balance strategies; and • As WA LG industry is so diverse, it is hard to pin-point specific areas of concern.
Metro	• Shortage of good quality planners; the problem mainly stems from the lack of graduates coming out of education institutions; • Competition amongst LGA and in a minor way, with the private sector; • Work conditions in LGA are not viewed to be favourable by candidates. (eg. managing conflict with the community); and • In urban infill councils there is more conflict with the community.
Metro	• Salary and Reward – Shire's ability to remunerate competitively. public sector not remunerating based on performance.
Regional	• Would like to decrease turnover and increase staff retention; • Isolation – don't expect high number of applicants; and • Workload high in country areas – country shires are generally understaffed.
Regional	• Lifestyle and Location – Wages are comparable to metro areas, but most people are reluctant to move; and • Country kids are not graduating from university – most who do, don't end up coming back to the regional areas.
Regional	• Shortage of the "right" people, lack of applicants; and • Distance from metro area especially for young couples away from their extended family, must also address partner's needs (who may be professionals as well), as well as the family unit (children and schooling, recreation).
Regional	• Geographic Issue – Katanning is inland (not much of an issue in coastal areas), most people don't appreciate country dynamics or are not exposed to it; and • Not many professionals want to work in regions – especially if they have partners, and are reluctant to sacrifice 1 of 2 incomes.

Regional	• How we can market a more positive picture of regional communities? Highlight benefits of being part of a community (more involvement for regional areas); • Most people perceive LG as an insular industry, or it is not viewed as an industry at all; • Provide better quality and access to facilities and infrastructure; • High mobility in today's workforce (although LG employees have limited mobility because of the LG industry); and • LGA are not collaborating enough as an industry to solve problems such as, graduate recruitment and other long-term strategies to counter skill shortages.
Regional	• Lifestyle and Culture in regional areas – lifestyle is now the highest priority for potential candidates considering work in the country; rural isolation; • There is increasingly a more diverse workforce (increase women, increase mobility etc), which requires more flexible policies and practices to address these changes; • Expose LG councillors to the work and broaden their perspective on an operation level; and • Find out how to keep valuable people in the industry and why do they leave.
Regional	• LG traditionally has a stigma as an insular industry; perceived as an "old boys network" (in senior posts where people generally have engineering and accounting backgrounds); and • It costs just as much to hire staff and consultants from the eastern states as it does to recruit them in WA, and unlike the eastern states, LG in WA attracts few people from the private sector.
Regional	• Jobs-for-life is no longer a desirable or practical option; and • Jobs in regional areas are not considered as an attractive choice.
Regional	• Geography – isolation, shift of people to coastal areas; • Remuneration and managing expectations of candidates; • Quality people are hard to replace as is attraction of quality staff – due to specialised knowledge and skills for LG industry; and • Job pressures – in regional areas one is constantly in the front line, engaged with community even during leisure time.

SECTION 4

Conclusions and Recommendations

The following conclusions and recommendations are drawn from this study. It should be noted that there were significant time and cost constraints placed upon the research and a more detailed investigation of some aspects of this problem needs to be undertaken. However, drawing upon the evidence gathered from the 13 interviewees, it is possible to make the following observations:

- A key finding in this report is that there is a problem of recruitment and retention across the board, regardless of whether the LGA is located in a metropolitan or regional area;

- There is a noticeable absence of reliable benchmarking and trend data and HR systems present within the sector;

- All LGA interviewed were working independently to recruit, as well as competing for scarce talent in the same industry leading to inefficiency;

- There is no evidence of a central collection point or consistent method for compiling and presenting LGA employment or workforce data. It can be stated that without the existence of reliable data it is not possible to make effective policy in relation to LGA workforce planning;

- It was found that most LGA apparently produce internal annual reports on Human Resource functions but do not retain historical comparative data in order to form long-term strategies and implement targeted recruitment and retention programs. Planning therefore appears to be reactive and ad hoc in nature; and

- Much available information is fragmented or not easily accessible to human resource decision makers. The biggest gap lies in the lack of comparative data that is required to make informed and targeted strategic decisions in relation to human resource management issues and labour market trends. In most cases, the level of activity is ad hoc or inconsistent.

In 2002 the State Government, through the DPC, promulgated the Human Resource Minimum Obligatory Requirement (HR MOIR). This circular made it compulsory for all employing bodies in the WA State Public Sector to provide human resource data to a central collection point (DPC Public Sector Management Division). The HR MOIR generates 4 sets of data (although it does not comment on quality):
(i) HR MOIR Staffing Levels Information (FTE data);
(ii) HR MOIR Anonymous Individual Employee Records (AIER);

(iii) HR MOIR Aggregated Annual Report (AAR), and
(iv) Equal Employment Opportunity (EEO) Yearly Reports

The HR MOIR may provide a model for the LGA to follow in seeking to benchmark HR data within the Local Government sector.

The lack of systematic data collection and HR policy development within the LGA canvassed for this study indicates a wide-spread problem within the sector. There was also evidence of LGA competing against each other for skilled employees rather than seeking to collaborate or share resources. This is particularly noticeable within the regional areas of the State where attraction and retention of employees is generally more difficult.

A further problem identified in this study is the relatively closed nature of the LGA as a source of employment. Compared with other arms of government or the private sector, employment opportunities or careers within LGA are less visible resulting in a circulation of a relatively small pool of "career" Local Government workers within the sector

Early Feedback from the LGMA Board

The following comments were offered by the LGMA Board, in review of a draft report submitted by CEMI in February 2005. To address the Board's responses broadly, the recommendations for this report have been matched with corresponding issues.

- The possible effect salaries and employment conditions have on the potential for the sector to attract graduates in those professions (Recommendation 1&2);

- Available information on shortages of graduates from other professional associations including the Institute of Planners and the Institute of Engineers (Recommendation 1 & 2);

- The views of tertiary institutions in relation to the supply and demand factors for graduates in the professional areas of concern for local governments (Recommendation 1 & 2);

- Barriers that may deter graduates from applying for local government appointments, including application and interview processes (Recommendation 1 & 2);

- The experiences of employers in other sectors (e.g. mining, accountancy and public service) in attracting graduates (Recommendation 2); and

- The potential for resource sharing between the three spheres of Government and clarification of the regional cooperation suggestions in the draft report (Recommendation 3).

In view of the Board's initial deliberations, it is recommended that in order to examine the issues raised, substantial further research will be required. The following recommendations propose a framework for the development of a strategic and

sustainable approach to human resource management within the local government industry in Western Australia.

Funding for additional research can be obtained from sources such as the Australian Research Council's (ARC) Linkage grants that support collaborative projects between universities and industry partners that will of benefit to regional communities.

RECOMMENDATION 1: Design of a Centralised Data Collection Pool (HR tracking and resource management system)

There is a need for further research to investigate the most appropriate methodology for the systematic capture and benchmarking of HR & workforce data within the Local Government sector. This should seek to build a central pool of employment data that can be accessed by LGA for comparison purposes. Such a data base should be able to generate longitudinal data sets to show trends and therefore assist in decision making and HR planning.

Feedback from WALGA suggests that they would be willing to join with the LGMA and UWA into a collaborative project to investigate this issue. Such a study would be able to draw upon data from existing secondary sources but would need to access primary data from the 144 LGA. These agencies would need to be tasked to retain annual data on turnover and retention rates, staffing levels gathered via a regular survey process. The choice of a central collection agency to coordinate this function is a critical step

RECOMMENDATION 2: Develop a Model for a Recruitment "Pipeline"

To promote careers in Local Government it is suggested that a strategy development process be undertaken to investigate the most effective way to raise public awareness of the career opportunities within the sector. This should be developed following the completion of the benchmarking exercise described in the first recommendation.

This would enable enhanced understanding of the structure of the LGA workforce (eg. contract structures) and the areas most in need of targeting in any future marketing campaigns, such as graduate recruitment and career development. Opportunities for collaborative recruitment and workforce sharing among LGA would also be an important focus for this strategy.

RECOMMENDATION 3: Explore Opportunities for Collaboration and Resource Sharing

As noted in Recommendation 2, it is desirable that LGA explore opportunities for greater collaboration and resource sharing in the HR and workforce planning area. Data collected via the benchmarking process outlined in Recommendation 1 would provide a sound foundation for identifying both employment trends and areas of specific need.

The present ad hoc and competitive approach to workforce planning within the Local Government sector would be replaced with a more systematic and strategic approach supported by reliable data. It is acknowledged that some regional LGA are already

sharing specialised staff with adjacent municipalities. However, most of these collaborative efforts appeared to be only a short-term solution as travelling vast distances and serving different communities with a single individual was not sustainable over the longer term.

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APPENDIX A

LGMA Workforce Questionnaire

This exploratory study proposes to examine the current workforce trends affecting the recruitment and retention of professional and technical employees within Local Government agencies in WA.

Selected CEO and Human Resource managers from Local Government councils in metro and regional areas have been asked to contribute existing employment data and comment upon the challenges they face in attracting and retaining skilled staff.

The comments you contribute below are very important to this research. Please feel free to expand on any issue.

_____

Date:

Name of Local Council:

Name of Interviewee:

Title of Interviewee:

Telephone:

Email:

Duration of interview:

Geographic Area:

Distance from Perth:

Population:

_____

1. How many employees do you currently have?

2. How do you classify your staff?

3. What is your total payroll? Has it increased or decreased in the past 3 to 5 years?

4. Do you keep data on turnover? Eg. Turnover ratios? If so, what has been your council's turnover rates in the past 5 years? What were the main reasons for turnover?

5. What systems do you have in place for employee Recruitment?

6. What systems do you have in place for employee Retention?

7. Do you believe your council's turnover rates are any different from other sectors? (i.e. State Government sector and private sector) If so, what do you think are the main reasons?

8. Have you experienced any problems recruiting good quality mid to senior level staff in professional and technical areas? If so, in which occupational group? Do you think the problems with recruiting professional and technical staff is particular to the occupation itself or is it an isolated Local Government issue?

9. If you are experiencing problems with recruitment and retention, what in your opinion are the primary drivers and challenges?

10. Would you like to expand on points made above?

Thank you.