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Your submission for this review:

As part of our recent annual review of council recruitment, we have found that Employee benefits in NSW Councils have grown the slowest in FY23 when considered on a whole of state basis, but this hides the fact that NSW Rural towns & remote councils are being crippled by having to offer vast increases in salaries to stay competitive for talent with city councils & consequently the Employee benefits of these smaller councils have skyrocketed. See our Exclusive CouncilJobs Advertiser report - What has Council Recruiters worried in 2024?



What has Australian & New Zealand council recruiters worried in 2024?

A summary of the main external factors affecting council recruitment now

It's a combination of macroeconomic & emerging sector-specific issues.

1. We continue to experience near record low rates of unemployment in both Australia & New Zealand. New Zealand's most recently published unemployment rate for the September quarter was 3.9%, slightly up from 3.6% in the June Quarter. Australia's unemployment rate as at November 2023 was steady at 3.8%.
2. People in work are working more hours than ever before. In Australia, seasonally adjusted total hours worked have grown by 10% as at November 2023 from Pre-Covid levels in November 2019. In New Zealand, the position on hours worked is overshadowed by the fact that the country is in technical recession, however average annual hours worked have still grown by 12% vs pre-Covid.
3. Wages growth is at near record highs. In Australia, Annual wages growth reached 4% in the September 2023 Quarter, while in New Zealand, the figure for the September 2023 quarter is 4.3% & even higher at 5.4% for government employees. For Australian councils, most recent reports show that council Employee expenses are increasing by over 10% pa. although some councils have chosen to sacrifice service delivery to avoid blowing the budget.
4. Attrition has more than doubled for the for A/NZ councils in the post-Covid period. Workforce attrition in A/NZ councils has, for as long as can be remembered, been a reliably low single digit figure for most councils. Average workforce attrition was typically @ 7% but is now over 15% for most councils.
5. Council recruitment activity is at near record levels. Total A/NZ council recruitment was up 46% for the September 2023 quarter vs the same period in 2022 & is up 7% for the December 2023 quarter vs the same period in 2022. Recruitment advertising for all A/NZ councils was up 44% in FY23 vs FY22.

How is 2024 different to previous years for council recruitment?

Demand is increasing at an increasing rate while Supply is constrained – Recruiters are continually expected to do more with less. Some councils have begun to publish Approved FTE alongside Actual FTE in their annual reports with gaps of 50+ roles showing for several Metro city councils.



What are the most in-demand skills for council recruitment?

Based on roles advertised by A/NZ councils so far in 2024 & for full year 2023, the roles in highest demand are;

Rank	YTD 2024	2023
1	Governance – 21%	Governance – 19%
2	Engineering – 11%	Community – 11%
3	Community – 9%	Admin – 10%
4	Public Works – 8.5%	Building – 9.5%
5	Building – 7%	Engineering – 8%

What advertising approach gets best results for my type of council?

For each Council-type in each State, there are long-term benchmark leaders in council recruitment who adapt & evolve with the changing labour market. CouncilJobs knows who many of these LGA’s are but as it’s a highly competitive market we won’t give away their secrets here. We can potentially put clients in touch with these benchmark leaders.

CouncilJobs insights

- good staff are more inclined than ever to move for better pay & conditions
- it has never been more important to focus on retaining your most talented staff
- better work/life balance offered by councils needs to be marketed more heavily to appeal to external candidates
- there’s increased ‘burnout’ in recruiters themselves



Summary data- Workforce by state & LGA type plus annual growth rates

FTE as at June 30, 2023

	NSW	Vic	Qld	Tas	SA	WA	NT	ACT	NZ	Total	%Tot.
Metro cities	21421	23156	17586	1995	6273	13581	339	24421	27500	136272	55%
Reg'l cities	16694	12980	15534	300		2304	270		11250	59332	24%
Rural towns	6554	6669	5943	1674	3136	4230	1584		10870	40660	16%
Remote/dist.	348	315	2244	1596	936	1900	396		2593	10328	4%
Total	45017	43120	41307	5565	10345	22015	2589	24421	52213	246592	
	18%	17%	16%	2%	4%	9%	1%	10%	21%		

Summary data – Workforce growth

%incrFTE	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22
	NSW		Vic		Qld		Tas		SA		WA		NT		ACT	NZ	Total	
Metro cities	0%	-1%	0%	3%	-14%	-12%	5%	8%	0%	14%	12%	7%	-3%	-49%	3%	-5%	-8.3%	-0.7%
Reg'l cities	-1%	-15%	10%	7%	11%	0%	0%	-49%			11%	0%	-8%	60%		-7%	3.8%	-4.9%
Rural towns	-1%	-28%	24%	15%	14%	21%	0%	-2%	-5%	-20%	-1%	0%	7%	-6%		-7%	39.7%	-5.4%
Remote/dist.	-5%	-3%	0%	-1%	0%	-19%	0%	1378%	-9%	-8%	0%	-24%	-18%	7%		0%	-0.7%	2.9%
Total	0%	-11%	6%	6%	-2%	-4%	2%	31%	-3%	-1%	8%	2%	0%	-11%	3%	-5%	0.8%	-2.4%

As at June 30, 2022 there were 253,000 FTE employed in A/NZ councils, estimated be at least 300,000 individual people. In the year to June 30, 2022, attrition was estimated to be 13% for A/NZ councils. Total employee benefits for Australian councils were A\$15.3B, an increase of 3.1% on the prior year.

In the year to June 30, 2023, the A/NZ council workforce declined by 2.4% to 247,000 FTE, despite Job Ads rising by 44% over the same period. Along with many councils reporting actual FTE as at June 30, significantly under approved FTE, this trend in recruitment advertising suggests there remains a large unfilled number of roles that simply cannot be filled from the current labour market.

Summary data Job Ads In FY23

Jobs 2023

	NSW	Vic	Qld	Tas	SA	WA	NT	ACT	NZ	Total	%Tot.
Metro cities	6324	7168	2424	375	1071	2943	121	1559	5430	27415	44%
Reg'l cities	5712	4510	4140	146	0	738	164		2945	18355	30%
Rural towns	2784	2376	1806	396	616	1980	621		2436	13015	21%
Remote/dist.	162	72	714	16	182	760	189		777	2872	5%
Total	14982	14126	9084	933	1869	6421	1095	1559	11588	61657	
	35%	33%	21%	2%	4%	15%	3%	4%	27%		



Summary Data – Employee benefits expenses FY23 & growth

2031 \$MRem

	NSW	Vic	Qld	Tas	SA	WA	NT	ACT	NZ	Total	%Tot.
Metro cities	2473	2638	1847	136	590	1129	39			8853	53%
Reg'l cities	2054	904	1463	60		186	19			4687	28%
Rural towns	538	628	273	199	309	505	131			2582	15%
Remote/dist.	30	15	323	10	97	183	40			698	4%
Total	5095	4185	3906	405	996	2003	229	0	0	16820	
	30%	25%	23%	2%	6%	12%	1%	0%	0%		

	NSW		Vic		Qld		Tas		SA		WA		NT		Total	
	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22	22v21	23v22
%incr\$Rem	0%	10%	1%	6%	6%	6%	3%	9%	2%	6%	5%	9%	-49%	6%	2.2%	7.6%
Metro cities	0%	10%	1%	6%	6%	6%	3%	9%	2%	6%	5%	9%	-49%	6%	2.2%	7.6%
Reg'l cities	-1%	13%	-17%	5%	-4%	26%	6%	3%			5%	-3%	-3%	6%	-5.3%	14.1%
Rural towns	0%	-25%	35%	12%	-67%	124%	6%	61%	11%	3%	4%	23%	-13%	26%	-2.6%	10.3%
Remote/dist.	-13%	3%	4%	-26%	14%	40%	-56%	12%	2%	0%	33%	4%	36%	10%	13.0%	16.7%
Total	0%	6%	0%	7%	-5%	20%	1%	28%	5%	4%	7%	10%	-18%	17%	-0.3%	10.1%

For the financial year 2023, growth in Employee benefits for Australian councils averaged out at 10.1%, with some states & sectors reporting even significantly higher increases, reflecting the cost of attracting & retaining scarce talent in the current labour market. Smaller regional councils were most impacted by wage growth with Remote councils recording 16.7% growth in Employee benefits overall in FY23 vs FY22. Movement in Employee benefits for the ACT government & New Zealand councils over the same period has not been analysed as yet.

About the data used for this report

Definition of terms used:

Full-Time Equivalent (FTE) is a widely used HR & management acronym that expresses an organisation's total workforce, made up of Full-time (35 to 40 hours per week), Part-time (20 to 40 hours/week) & Casual (0 to 40 hours/week) as one single number based on actual number of hours worked by all employees. In the council sector, FTE is usually measured as the actual number in work at the end of the Council financial year, i.e.. June 30. Approved FTE is the total number of FTE roles approved to be recruited at the same time as the Actual FTE is measured. Councils generally report Actual FTE as part of their annual report & some are choosing to include Approved FTE to highlight why they've been unable to maintain service levels.

Council segmentation:

CouncilJobs finds that council recruitment practices vary mainly based on the corporate sophistication of the council & this sophistication is primarily a function of council size (population/FTE) & location. For example, capital city councils are very different to Regional, Rural & remote councils largely because their workforce has more employment options & is more highly mobile. Regional city councils generally have less corporate sophistication that Capital City councils



but significantly more than town or district councils. Regional city councils are also under more inbound population growth pressure than any other sector. Rural town councils generally are big enough to have dedicated recruitment staff plus some form of HRIS (dedicated Human Resources Information System) but remote or district councils mostly do not have either dedicated recruitment staff or any HRIS support. CouncilJobs thus divides all Australian & New Zealand councils into whether they are 'Metro' or Capital city located, 'Regional' cities over 40,000 population of a state or province, 'Rural' towns or Remote or District councils.

Every day, in addition to listing advertised Jobs (**CouncilJobs**) which are sent as targeted email alerts to its subscriber base of council-ready jobseekers, CouncilJobs also lists every other job vacancy from every council across Australia & New Zealand (628 Local Government areas) on its website (**OtherJobs**). We do this so that jobseekers can find every job relevant to them with one click. By this process, CouncilJobs receives the largest number of council job searches of any website in Australia & New Zealand, receiving over 2.7m views of over 61,000 jobs in FY23. Also by this process, CouncilJobs has a unique window into the recruitment picture for all Australian & New Zealand councils. When combined with bespoke analysis of selected Council Annual reports, we are able to present high-level analysis of key information concerning council recruitment in a timely & relevant manner.

Background

Prior to the pandemic, council recruiters only needed to list a job vacancy & they'd be inundated with hundreds of applications seeking out easy jobs with great working conditions. One or two rostered days off a month, or 12-15% Superannuation contribution were frequently the main negotiating points. But it was the lifestyle benefits of having a greater sense of purpose in one's job, true work/life balance, family-friendly work schedules & job security that underpinned the attractiveness of council roles across Australia & New Zealand.

These benefits didn't evaporate because of Covid, Jobseekers expectations changed & with that, the relative value of these lifestyle benefits did too. Councils adopted greater workplace flexibility like working from home wherever they could, but the private sector went further, faster on this & councils were stuck with the image of being inflexible in workplace practices & paying far less. It doesn't help that most of the services that councils provide necessarily involve frontline presence in the local community – rubbish collection, Parks maintenance, health & building inspections, planning approvals, community facilities & events all require a large council workforce presence out in their community. Councils everywhere are stewards of their community's resources & operate under tightly controlled income arrangements (council rates) that prevent them increasing income to be able to pay more competitive salaries.

So, councils collectively have an image problem – they still offer meaningful lifestyle-friendly workplaces that have great workplace flexibility but the trade-off is generally lower pay for similar roles in the private sector or even other areas of the public sector.