



Local Government Sector Skills Summary



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Hinonga Kōkiri/Head Start Project

The Hinonga Kōkiri/Head Start Project is an initiative from ServicelQ that brings together service sector stakeholders from industry, employers, schools, tertiary education providers, and iwi throughout Aotearoa New Zealand to reflect on the impacts of COVID-19.

The purpose of the project is to hear stakeholder perspectives on:

- ▶ how COVID-19 has reshaped vocational pathways and business, and
- ▶ what people and skills, training, and learning pathways are needed to get a head start to COVID-19 recovery.

The stakeholder consultation began in August 2021 and concluded in October 2021 via industry focus groups. Their perspectives shaped the creation of this sector skills summary, and what support is needed for recovery.

The consultation results have been combined with industry insights, data and forecasting to produce

sixteen sector skills summaries, one for each sector represented by Ringa Hora Services Workforce Development Council. This skills summary is for the Local Government sector. There are 15 other summaries for the accommodation, aviation; cafés, bars and restaurants; catering; cleaning services; clubs; contact centres; financial services; public services; quick service restaurants; real estate; retail and retail supply chain; security services; travel; and tourism sectors.

From this research ServicelQ will produce a workforce strategy for Ringa Hora Services Workforce Development Council. The strategy will include industry, employer, schools, provider, and iwi voices. In this way the project gives service sector stakeholders an opportunity to shape vocational education in Aotearoa New Zealand.

The report is structured into five main areas to show what impacts COVID-19 has had on the sector; the sector response to COVID-19; key drivers of future success; skills needed to support sector recovery; and skills initiatives and strategies.

Local Government Sector Snapshot

These figures are based on ANZSIC code 0753000 Local Government Administration.

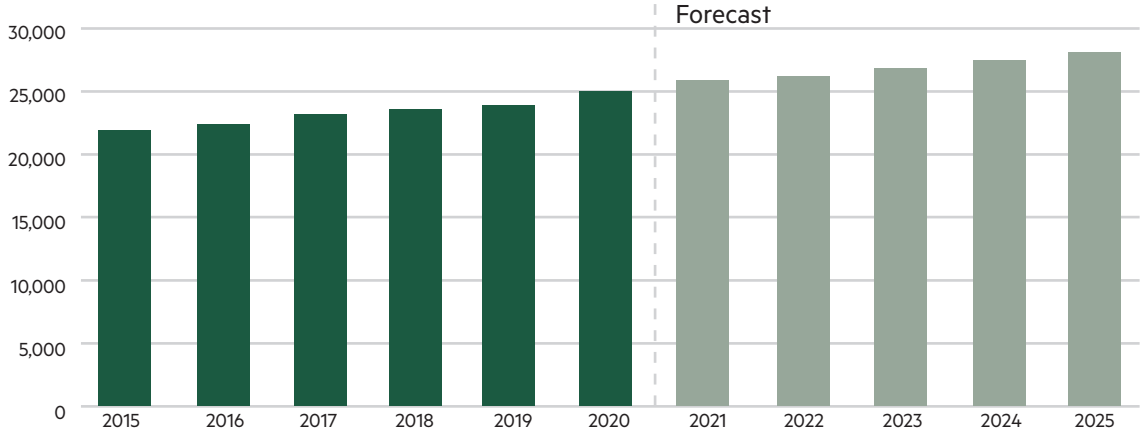
Definition

This class consists of units engaged in the setting of local government policy; the oversight of local government programmes; collecting revenue to fund local government programmes; creating bylaws (excluding creating case law through the judicial processes of civil, criminal and other court operations); and distributing local government funds.

Exclusion

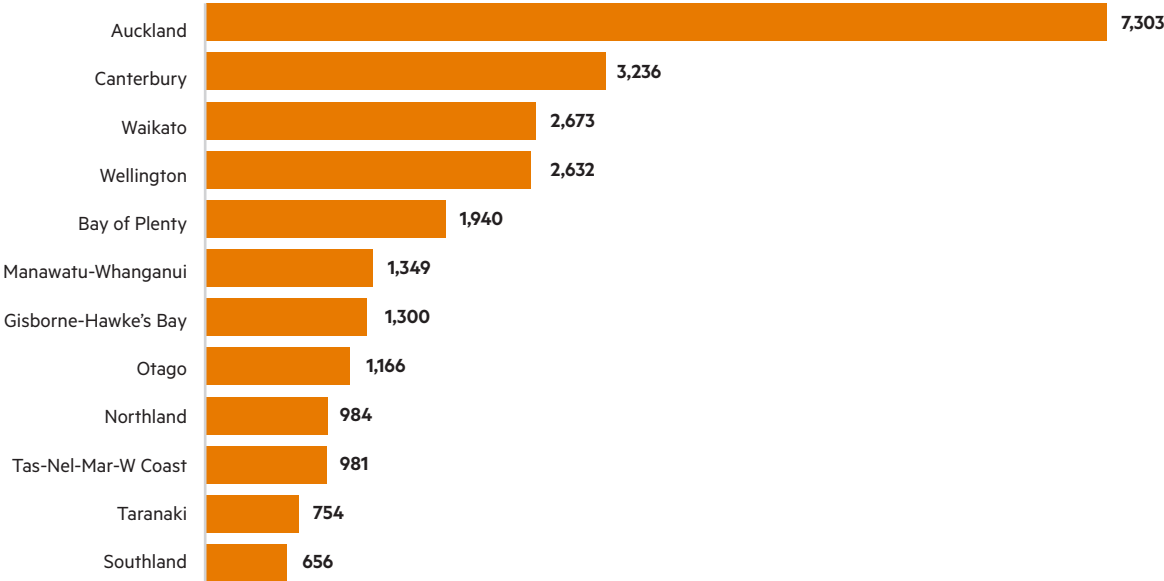
Units mainly engaged in (a) the management of commercial and business activities or activities other than local government administration are included in classes appropriate to these activities; and (b) exercising regulatory control over specified activities are included in the appropriate classes of Group 772 Regulatory Services.

Local Government Sector jobs



- Prior to COVID-19 there were 24,982 jobs in the public sector and the sector was forecast to grow by 4.8% between 2020 and 2025. Infometrics now forecasts job losses of 824 jobs or 3.3 % of the sector workforce in the year to March 2021, growth of 3.6% (878 jobs) in the year to March 2022 and 2.2% growth (551 jobs) the following year.

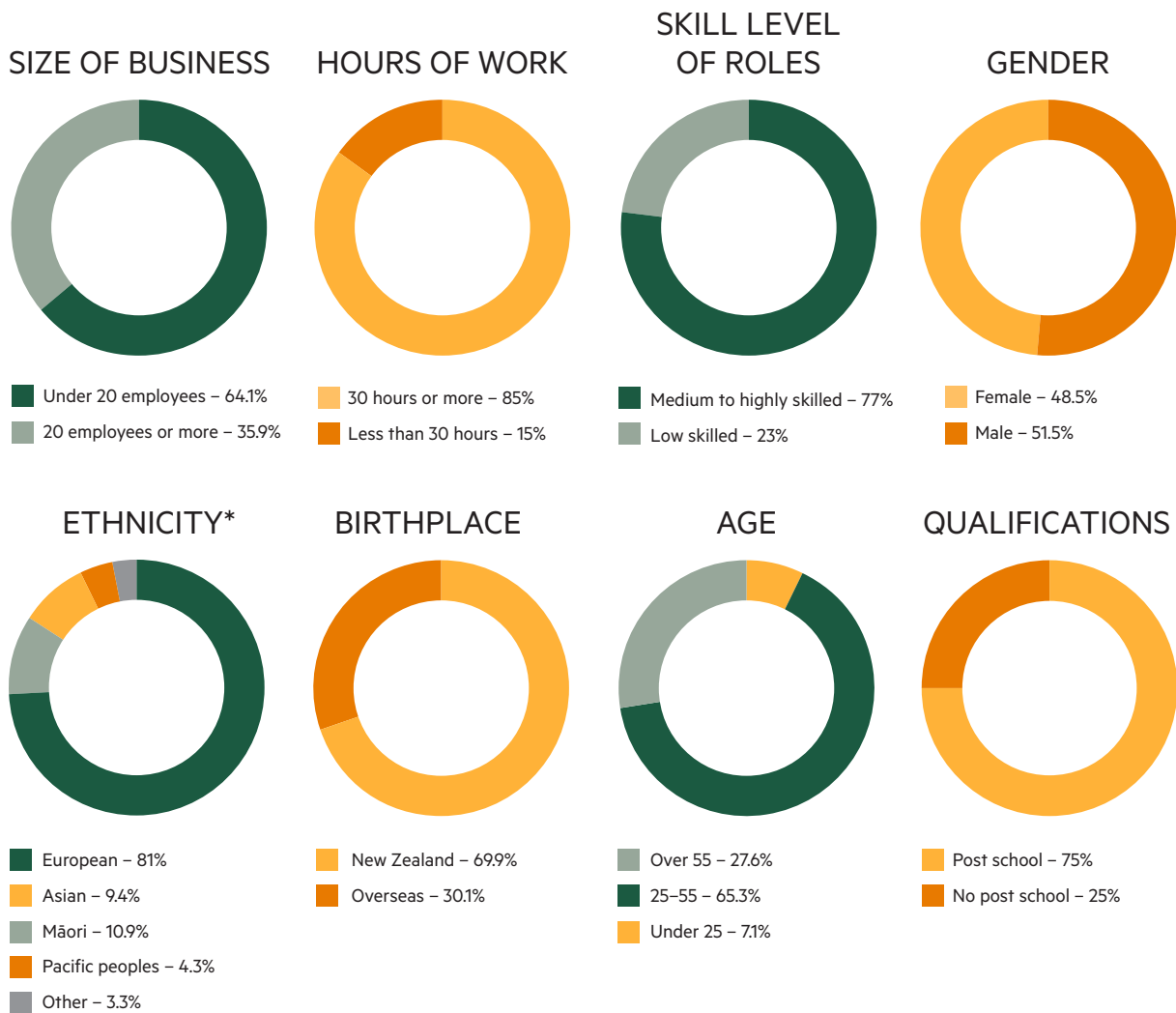
2020 Regional employment



2020 Local Government Sector data



► GDP per FTE (full time equivalent) was \$74,737 lower than the GDP per FTE for the overall economy which was \$139,983.



*Ethnicity percentages may add up to more than 100% as people may identify with more than one ethnicity.

- In the 2018 Census, 30.1% of the sector workforce was born overseas, with 12.5 % born in Europe.
- The average age of local government workers was 45.6 years, compared with 42.4 years for all workers in New Zealand.
- 46.8% of the local government sector workforce hold a Bachelor Degree or higher.



Local Government Sector Skills Summary

Introduction

This Local Government Sector Skills Summary is based on an environmental scan, a focus group and key informant interviews. The local government sector is in the midst of a significant period of change, even without the added pressure of a global pandemic. The sector also has a wide range of workforce development issues and requirements. Some of these will intersect with the activities of the Services Workforce Development Council (WDC), but it is clear that relationships will need to be developed with most Workforce Development Councils and likely that the primary relationship will be with Toitū te Waiora Community, Health, Education and Social Services WDC.

Context

In this section, we describe the local government sector and look at some focus areas that are likely to impact on workforce development, highlighting three areas of significant reform. We introduce the sector's professional body, Taituarā, and end this section by summarising the key issues identified by them in their submission on the Workforce Development Council establishment process.

Defining the Local Government Sector

There are 78 local authorities representing all areas of New Zealand. The local government sector consists of:

- ▶ 11 regional councils;
- ▶ 61 territorial authorities – 11 are city councils and 50 are district councils; and
- ▶ Six unitary councils – which are territorial authorities with regional council responsibilities.

The 78 councils have about 1,600 elected members. The key elected members roles are mayors, regional council chairs, councillors, local board and community board members.¹

Local government also employs over 30,000 staff.

Areas of interest

Māori wards and constituencies

Māori wards may be established for cities and districts and Māori constituencies may be established for regions. Similar to the Māori Parliamentary seats, these Māori wards and constituencies establish areas where only those on the Māori Parliamentary electoral roll vote for the representatives. They sit alongside the general wards and constituencies which also cover the whole city, district or region. Those voting in Māori wards and constituencies receive only the same number of votes as anyone else. Māori wards and constituencies may be established through one of the following processes:

- ▶ A council may resolve to establish Māori wards or constituencies. If so, a poll on the issue must be held if 5 percent of the electors of the city, district or region request it.
- ▶ A council may decide to hold a poll on whether or not there should be Māori wards or constituencies.
- ▶ A poll on whether there should be Māori wards or constituencies must be held if requested by a petition signed by 5 percent of the electors of the city, district or region.

The result of these polls are binding on the council for at least two elections.²

Focus on Community Well-being

The Local Government (Community Well-being) Amendment Act 2019 has resulted in a change in the purpose of local government, which is to promote community well-being.

This means that local authorities are responsible for improving the social, economic, environmental and cultural well-being of our communities.

Taituarā – Local Government Professionals Aotearoa

Taituarā is the national membership organisation for local government professionals. Their purpose is to promote and support professional management in local government. They focus on providing professional leadership, promoting innovation and excellence in management practice and developing local government capability to enhance service delivery to local communities. They have a membership base of over 800 and over 1,800 people attend their events each year.³



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¹ <https://www.lgnz.co.nz/local-government-in-nz/>

² https://www.localcouncils.govt.nz/lqip.nsf/wpg_url/About-Local-Government-Participate-In-Local-Government-Voting-and-Becoming-a-Councillor

³ <https://taituara.org.nz/who-are-we>

Areas of interest

Local government-wide workforce development strategy

The Taituarā Workforce Committee⁴ is made up of a number of Chief Executives and other senior People and Capability leaders from Councils across the country. The Committee provides advice to Taituarā on priority areas that impact on the local government workforce. A priority piece of work is the development of a workforce strategy and action plan to tackle longstanding challenges in attracting and retaining talent in the sector and ensuring that the workforce continues to have the required competencies to adapt to ongoing external factors such as government reforms, COVID-19 recovery, and a disrupted climate. The Workforce Committee has also supported the development of a leadership and management Competency Framework⁵.

Council-Māori relationships

Te Pae Urungi, a Taituarā special interest group, is a coalition of local government practitioners with responsibilities for Māori responsiveness and effectiveness within Aotearoa New Zealand. It is committed to influencing nationhood building within a local government context, serving Council- Māori relationships and driving Māori outcomes in a unified and collaborative way.

Objectives

- ▶ To provide leadership and identify best practice concerning local government Māori responsiveness and effectiveness.
- ▶ To empower and support Māori within local government through Te Waka Āwhina.
- ▶ To strengthen the development of Council-Māori relationships through Te Mātāpuna.
- ▶ To enable a collaborative and consistent approach to Māori responsiveness and effectiveness through regional networks and initiatives.⁶

Navigating Critical 21st Century Transitions

In February 2020, Taituarā launched a report aimed at supporting local government chief executives and managers in their statutory responsibility to promote and maximise the well-being of their communities for the future, as well as the present. *'Navigating Critical 21st Century Transitions'* sets the context of 'era-scale' change, describing five critical transitions:

- ▶ Transition to low emissions living
- ▶ Transition to living in a disrupted climate
- ▶ Transition to low waste society
- ▶ Transition to community interconnectedness
- ▶ Transition to learning-empowered communities.⁷

Over the next five years Taituarā will support the sector to lead their communities through change and to articulate and navigate these transitions. It proposes a Three Horizons approach as a common language to structure thinking about how these transitions are to made.

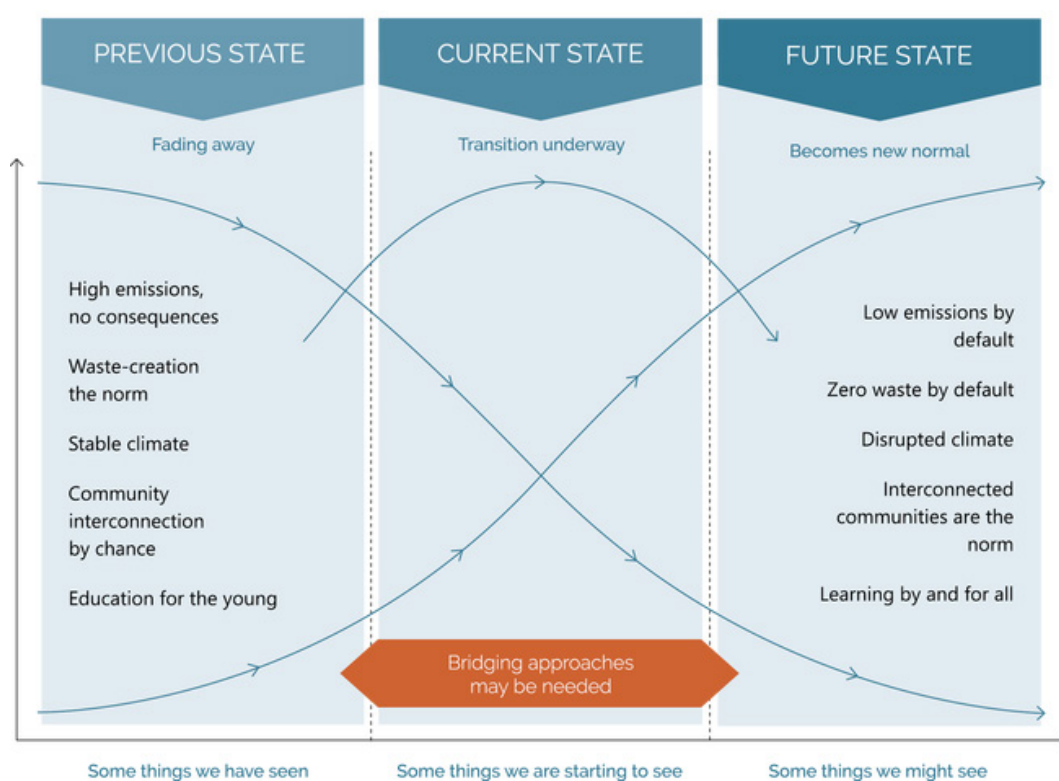
⁴ <https://taituara.org.nz/competency-framework>

⁵ <https://taituara.org.nz/competency-framework>

⁶ https://taituara.org.nz/Article?Action=View&Article_id=235

⁷ <https://taituara.org.nz/critical-transitions>

Figure 1: Using the Three Horizons framework for navigating ‘era-scale’ change (p.8)



Local Government reform

This framework for future thinking is particularly timely as the local government sector is in the midst of significant reforms across three major areas.

The future for Local Government Review

In April 2021 the Minister of Local Government, the Hon Nanaia Mahuta, established a Review into the Future for Local Government (the Review). The Review is to consider, report and make recommendations on this matter to the Minister.⁸

The overall purpose of the Review is, as a result of the cumulative changes being progressed as part of the Government’s reform agenda, to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership.

The Review will report to the Minister as follows:

- ▶ 30 September 2021: an interim report was presented to the Minister signalling the probable direction of the review and key next steps;⁹
- ▶ 30 September 2022: Draft report and recommendations to be issued for public consultation;
- ▶ 30 April 2023: Review presents final report to the Minister and Local Government New Zealand.

⁸ <https://www.dia.govt.nz/Future-for-Local-Government-Review>

⁹ https://taituara.org.nz/Story?Action=View&Story_id=351

Three Waters Reform Programme

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements.

Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. Local government is facing urgent challenges in the provision of these services including: funding infrastructure deficits, complying with safety standards and environmental expectations, building resilience to natural hazards and climate change into three waters networks, and supporting growth.

Rather than piecemeal solutions, comprehensive, system-wide reform is needed to achieve lasting benefits for the local government sector, our communities, and the environment.

The Government's starting intention is to reform local government's three waters services into a small number of multi-regional entities with a bottom line of public ownership. In late October 2021, the Minister of Local Government announced the future direction for the Three Waters service delivery component of the Three Waters Reform Programme.¹⁰

As more is revealed about the shape of the new services, the water workforce that currently sits with councils is likely to be transitioned to the new entities. A workforce development strategy for the water sector is currently being prepared by being prepared Waihangā Ara Rau. There is a steering group with a number of entities involved, including Water NZ (and Taituarā and Taumata Arawai), with the prediction that around 5,000 to 9,000 extra workers will be needed.

¹⁰ https://taituara.org.nz/Story?Action=View&Story_id=356

Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand.



Resource Management System Reform

The reform is based on the findings of a comprehensive review of the resource management system, released 2020. In February 2021, the Government announced it would repeal the Resource Management Act (RMA) and enact new legislation based on the recommendations of the Resource Management Review Panel. The three proposed acts are:

- ▶ Natural and Built Environments Act (NBA), as the main replacement for the RMA, to protect and restore the environment while better enabling development
- ▶ Strategic Planning Act (SPA), requiring the development of long-term regional spatial strategies to help coordinate and integrate decisions made under relevant legislation; and
- ▶ Climate Adaptation Act (CAA), to address complex issues associated with managed retreat.¹¹

The Local Government Sector and WDCs

In their draft submission on the Workforce Development Council establishment process, Taituarā made the following key points:

The need for WDCs to collaborate

- ▶ Taituarā represents a workforce that is spread across multiple WDCs. It would strongly encourage WDC collaboration to ensure a consistency of approach across both the governance and operation of the WDCs.

The regulatory workforce

- ▶ Local government has a wide range of regulatory roles that appear to cover most, if not all of the proposed WDC areas, which will need to include regulatory perspectives.
- ▶ Where possible, vocational training for regulation should be kept in the same WDC as the industry that is being regulated because a WDC with expertise in a subject is best placed to advise on the matter.
- ▶ Workforce capability is crucial for good regulatory outcomes and to support an increasingly sophisticated regulatory regime.

Commonalities between local and central government workforce issues

- ▶ There are similarities between the workforce challenges that local and central government are facing, for example, recruitment and retention, the development of key skills and competencies in an increasingly complex legislative environment, and leadership capability.
- ▶ A joined-up approach to workforce planning is in the interests of both local and central government.

A key informant commented that while there are some similarities between central and local government, local government retention has been impacted by central government agencies and private consultancies meeting their expanded resourcing needs by recruiting from Councils, often offering total remuneration packages that local government employers are not in a position to match.

¹¹ <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/objectives-of-rm-reform>



Sector consultation insights

1. The impacts of COVID-19 on the Local Government Sector

This section discusses the immediate impacts of COVID-19 on the local government sector.

Councils

At the level of individual local bodies, the impact of COVID-19 was enormous, particularly as they grappled with effect of the initial lockdown followed by changing alert levels. Councils had to maintain essential services while supporting the health and well-being of their community and staff. There was also a need for future planning in a complex and uncertain environment. Hamilton City Council's 12-point recovery plan, released on 27 March 2020, provides a great example of the speed with which some councils were able to mobilise planning and resources to 'help the city withstand the economic and social ravages expected from COVID-19'.¹²

Covid-19 Local Government Response Unit

The Department of Internal Affairs (DIA) hosts a COVID-19 Local Government Response Unit. This dedicated working group comprises senior leadership from DIA's Local Government Branch, from the Taituarā – Local Government Professionals Aotearoa, Local Government New Zealand (LGNZ), and the National Emergency Management Agency (NEMA).

¹² <https://www.hamilton.govt.nz/our-city/covid-19/recovery-package/Pages/default.aspx>

The Response Unit was established in recognition of the critical role that local government plays in ensuring the wellbeing and safety of local communities throughout New Zealand. It provides support to enable councils to continue to function effectively during this crisis. This includes ensuring they can make necessary decisions and meet their legislative and regulatory requirements, and carry out essential services operations, during the COVID-19 response period.

The Response Unit also provides a vital link through to the All-of-Government COVID-19 national response effort and a conduit for essential information back out to the local government sector. This includes linking in with other central government agencies that have local government-related responsibilities.¹³

The Unit was reactivated in August 2021 in response to the latest outbreak. Taituarā are currently releasing daily guidance and advice to support the sector through the recent COVID-19 outbreak and the associated Alert Levels – for both immediate challenges and supporting evolving challenges. They also collate guidance from central government and other agencies, meeting twice daily, seven days a week to stay on top of the issues.¹⁴

2. The response to date as a result of COVID-19

In this section we consider the ways in which the local government sector has responded to the impacts of COVID-19.

Remote working /online training

While many council staff are essential front-line workers, where possible people were encouraged to work from home. Online remote learning options became common, with an increase in webinars and other online delivery methods. It was noted that online delivery works best with shorter, ‘bite-sized’ training module. While some training has now reverted to a blended approach, the training innovations and cost-efficiencies developed in the initial stages of the pandemic continue to be valued.

Well-being/resilience

COVID-19 has intensified levels of anxiety and changing attitudes in the communities that councils support. Staff must take account of these sensitivities, but must also themselves be supported in what can be quite ‘fraught’ customer service situations.

‘There’s increased levels of aggression and some of the social stress ‘tips over’ when people are in our facilities, more violence at the libraries, the pools...’

– FOCUS GROUP PARTICIPANT



COVID-19 has intensified levels of anxiety and changing attitudes in the communities that councils support.

¹³ <https://www.dia.govt.nz/Local-Government-COVID-19-Response>

¹⁴ https://taituara.org.nz/Story?Action=View&Story_id=336



3. Key drivers of future success for the Local Government Sector

The main impact on future success for local government is the extensive reform agenda currently unfolding. Along with the three areas of reform discussed in the first section of this Summary are the ongoing Long Term Plan process, the climate emergency and the role of councils in mitigating that, and the impacts of the pandemic. All of these factors make the idea of 'planning' for future success quite challenging.

What is certain is the need for culturally competent staff to support the pivotal role that iwi are and will play as the reforms materialise. One focus group participant described the complex web of iwi relationships their council has, now supported by staff dedicated to managing the mana whenua relationship. There is an imperative and a *'huge opportunity'* to support all council staff to be comfortable and confident in the Te Ao Māori space.

4. Skills needed to support the Local Government Sector recovery

In this section, we discuss the skills that have come to the forefront since the onset of COVID-19. These are generally skill sets that were already identified and valued but the pandemic has shone a spotlight on their importance and intensified the need for greater development.

Skills to support the reform process

Consideration will need be given to the learning and development needs required to support workforces transitioning to new entities or new ways of working brought about by the reforms.

The roles and functions of local government

There is a need for council staff to understand the roles and functions of local government and the democratic process, and the difference between governance and operation, in order for them to fulfil their roles in a meaningful way. The Department of Internal Affairs used to offer this sort of training but it is no longer available. Such training would need to be offered online for rural and remote councils.

Regulatory skills

As identified earlier (pages 7–9) an increasingly complex regulatory environment requires the building of workforce capability. This is also an area of significant skill shortages.

Online/media skills

As more of councils' activities move to the online environment there is a call for upskilling in how to develop a professional online presence, for example, recruitment videos.

Resilience

There is a demand for resilience and well-being training. Current offerings can be hard to find and quite expensive.

'This is a sector that is massively fatigued, not just at management level; that is being called upon to provide advice on the different reforms that are going on but even at that practice level, I think the workforce is really fatigued.'

– KEY INFORMANT INTERVIEW

Management skills

There have been calls for support and training on how to manage a remote workforce, including how to keep levels of engagement high, and how to onboard new staff.

Driving skills

These have been identified both in terms of managing increased levels of anxiety and aggression on the road and to recognise that people who are working from home may have to travel farther on council-related matters.

As more of councils' activities move to the online environment there is a call for upskilling in how to develop a professional online presence, for example, recruitment videos.





5. Skills initiatives and solutions to support the sector over the next two years

There are several interconnected facets to supporting the local government sector over the next two years, given the level of change and uncertainty it is facing.

The nature of learners

There is a need for training providers to acknowledge that many learners will be in work and will have to fit training and study in around work and family commitments. This requires smaller, bite-sized pieces of learning, rather than a commitment to a three year degree or diploma, and supports the ability of councils to 'grow their own', upskilling people from the local community.

'We can say with some certainty that who is going to be doing learning and development looks a bit different.'

– FOCUS GROUP PARTICIPANT

Developing 'technician' roles

There is also a need to challenge the thinking around what aspects of work have to be done by a degree-qualified person and what can be done by a competent non-degree holding person. For example, one council has developed a 'planning technician' role to manage straightforward resource management consents. There is currently no qualification for this, but development of this level qualification would greatly ease skill shortages in this and other construction-related areas, freeing degree-qualified professionals to concentrate on the areas where degree-level skills and critical analysis is required.

Attracting a more diverse workforce

Developing more ancillary or pathway qualifications would also support the recruitment of a more diverse workforce. These pathways could attract people for whom the university route is a challenge, for example, parents returning to the workforce or people from a diversity of ethnicities and cultures.

Recruitment and retention

All of the above factors would support developing a pipeline into local government roles, aiding in recruitment and retention of the local government workforce. Smaller councils are often a stepping stone to larger councils or government agencies and local government often finds it hard to compete with the pay rates that central government agencies are able to offer.



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