

## **MEDIA RELEASE**

**Monday 15 July 2013**

### **LGMA urges Australian Government to Scrap the Cap**

The peak body representing local government managers in Australia is calling on the Federal Government to scrap a proposal to cap work related education expense deductions at \$2000 from 1 July 2014. LGMA President Mark Ferguson will impact on the sector already struggling to attract and retain skilled staff.

‘Local government is not a highly paid sector, and training and development budgets are limited,’ says Mark. ‘Yet education and training is a legitimate and necessary part of employment in local government, with more than 400 occupations represented.’

LGMA says this diversity makes it difficult to estimate the cost of each training program or potential course, but the range is significant and varied.

‘Where an employer is unable to provide training or funds for such purposes, employees often take the initiative themselves and enrol in evening classes, distance learning courses or join professional associations at their own expense. This is especially true in rural and remote communities where training is not always available, and where travel is necessary.’

Government Skills Australia’s 2012 Environmental Scan, reports that 43 per cent of council respondents indicated that a limited training budget was a barrier that prevented them from offering training solutions to their workforces. LGMA is concerned the proposed cap will be a further deterrent from training and development opportunities.

‘At a time when there is a growing demand for higher qualifications, and an increasing emphasis on a highly skilled workforce, this Government reform is contradictory and a backward step. This cap will exacerbate the existing skill shortages already being experienced by our sector and affect service delivery to local communities, particularly in regional areas,’ says Mark.

The Australian Government announced the proposal in April, at the same time LGMA (and consortium partner ACELG) published *‘Future-Proofing Local Government: National Workforce Strategy 2013 – 2020’*. This strategy was put together with funding from the federal government’s Local Government Reform Fund, and proposes eight initiatives to ensure the local government workforce across the country is able to meet the needs and challenges of their communities through retention, development and attraction. The key initiative is investing in skills in the face of increasing demand for higher qualifications, as well as strategies to retain existing workers and attract new workers in a highly competitive market.

'It is becoming increasingly difficult to maintain the required specialist local government skills, and capping training and development expense deductions will make it even more difficult,' says Mark.

LGMA is just one of a number of groups representing more than 1.5 million professionals who will be affected by the proposed cap, and made a formal submission to the Australian Government.

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