

**Transport Workers' Union of Australia Submission to the  
House of Representatives Standing Committee on Education and Training  
Inquiry into  
'combining school and work: supporting successful youth transitions'**

## Introduction

The Transport Workers' Union (TWU) represents 85,000 men and women in Australia's aviation, oil, waste management, gas, road transport (including cash-in-transit) milk, passenger vehicles and freight logistics industries.

With over one hundred years experience representing the workers who conduct Australia's freight task, the TWU has been proactive in establishing efficient industry standards that improve the lives and safety of transport workers, their families and the road using public.

## General introduction to trucking

Australia needs a safe and efficient trucking industry into the future to service the growing economy. Australian industries are relatively more reliant on road transport services than their global competitors. Australia uses three times more road freight, measured in tonne kilometres, per dollar of GDP than the average OECD nations. *Source. McLean, 1999, cited in NTC Strategic Plan 2008.*

This is due to a combination of our geographic size and population density, leading to the need for manufacturing and primary producers to use significantly greater amounts of road freight than their global competitors.

Ensuring this sector can safely and efficiently meet this demand into the future must be a shared responsibility between operators, drivers, users of transport services and governments.

## Tight Labour Market for Drivers

This sector, like others, has historically faced a tight labour market for truck drivers (especially articulated vehicles) that undermine both efficiency and safety as fewer people are available to meet a growing freight task.

The Senate's 2007 Report "*Workforce challenges in the transport industry*" recognised the workforce challenges facing all transport modes and agreed much work needs to be done to address the highest priority challenges in a co-ordinated way.

The 2007 TWU-commissioned *Workforce Challenges in Road Transport*<sup>1</sup> (*Globe Report*) study supported the view that measures need to be taken to address the supply of future heavy vehicle drivers.

It highlighted key concerns about future supply pointing to supporting evidence such as recruitment issues in long haul and regional areas, a freight task outstripping driver availability, an ageing truck driver workforce, existing barriers to attracting new drivers and a lack of short, medium and long term planning by employers

## Age of work force

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<sup>1</sup> *Workforce Challenges in Road Transport*, prepared by Globe Workforce for the TWU, January 2007

Like most industries, trucking has an ageing work force with the median age of truck drivers being 43 years. This is 4 years higher than the median for the total workforce. In addition, 45% of drivers are over 45 years old (compared to national average of 35.8%) with only 4.6% of drivers being between 20 – 24 years old<sup>2</sup>.

### **Barriers to entry**

The tight labour market for drivers cannot be *quickly* ameliorated during a time of growing unemployment due to barriers to entry for new entrants.

These barriers include:

- i. Strong client control of trucking industry market pricing. This results in a highly competitive pricing environment that can lead to unsafe and unsustainable rates of remuneration for sub-contractors and avoidance of Award conditions for employee drivers. This mainly occurs in the non-unionised parts of the industry and can make driving an unattractive option for school leavers;
- ii. Current traineeship initiatives being largely ineffective in attracting new school-age or post-secondary entrants as they are effectively used to train drivers changing jobs and for existing workers; and
- iii. The length of time it takes to move through the graduated licensing categories can mean school age entrants are lost to other occupations immediately after leaving school. Trucking can then become the second-choice occupation once other careers don't work.

#### **(i) Client control of trucking**

The Rudd Government has acknowledged the economic issues with trucking when responding to the recent Inquiry by the Hon Lance Wright and the Professor Michael Quinlan. The Government has recently announced that they will be working with the industry on a system of safe rates. This system will ultimately improve working conditions in the non-unionised part of the industry and redress this power imbalance.<sup>3</sup>

It will also be important to ensure that when school-leavers are entering the industry that they enter with companies that have a proven track record on safety and who have systems and arrangements to mentor them. Simply allowing 'rogue operators' to use young people as cheap labour will only exacerbate the problems with young people not staying in the industry long term.

#### **(ii) Current traineeship initiatives**

##### *Australian School-based Traineeships*

Australian School-based Traineeships (and Apprenticeships) provide opportunities for Year 11 and 12 students to combine secondary studies, vocational learning and practical paid work experience, building a career pathway. The relevant traineeships are the *Certificates I and II in Transport and Logistics (Road Transport)*. These can be school-based, however not all States provide this option. This option is also restricted due to the age and time-based restrictions on heavy vehicle licensing as discussed at (iii) below.

##### *Need for revised industry-wide traineeship schemes*

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<sup>2</sup> Workforce Challenges in Road Transport, prepared by Globe Workforce for the TWU, January 2007

<sup>3</sup> See NTC website ([www.ntc.gov.au](http://www.ntc.gov.au)) for a copy of the report.

The market power imbalance that causes trucking to be so highly competitive -discussed at (i) above - also erodes the capacity for individual employers to fund new entrant trainees. One solution to this is to ensure that new entrant traineeship costs are funded via industry-wide schemes that share the costs across all transport companies equitably.

### **(iii) Graduated licensing rules**

Current licensing rules create a high entry barrier particularly at the top end of the heavy vehicle driver qualification range. This is due to the current system being based on the age of the applicant and the waiting times between license classes (the current graduated licensing scheme).

To obtain the various heavy vehicle licenses currently:

- i. A driver must hold a C class for one year before eligible for a Medium Rigid (MR) license. *(Leading to a minimum age of 18)*
- ii. A driver must hold a MR license for one year and a full license before they can drive an articulated vehicle (HC). *(Leading to a minimum age of 20)*
- iii. A driver must hold a HR license or a HC license for one year for a multi combination license (MC) e.g. B-Doubles. *(Leading to a minimum age of 20 if holding a HR, 21 for a HC holder)*

This progression through truck licensing categories means an employer may have to fund a school age recruit for two years before they can drive an articulated vehicle and often three years for a multi-combination vehicle.

### **Making driving more attractive to young people**

TWU believes that the industry must be made more attractive to young people and especially school leavers by:

- *Better pay and conditions*

The Rudd Government keeping its commitment to a system of safe rates as recommended by the *Wright/Quinlan* report.

- *Promotion of truck driving as a skilled occupation in schools*

E.g. By funding industry initiatives to promote driving including access to truck simulators and other promotional activities

- *Creation of a more direct pathway from school to driving*

The creation of a new entrants (including school leavers) road transport driving traineeship based on the best elements of the Vocation Education and Training (VET) and licensing systems. This traineeship could provide for quicker progression through the graduated licensing scheme. This scheme should have a more stringent oversight of the training provider by the regulators with only the best RTO's being able to deliver the training. Critically to the TWU the scheme can only be made available to accredited companies that have a good safety record and a protective workplace culture to ensure young or vulnerable workers are not exploited.

Key features of such a scheme include:

- o It needs Government traineeship financial support similar to apprentices;

- Mentoring system in-house; and
- Tied to good quality and reputable training organisations as adjudged by both VET and licensing regulators and the industry.

**What would we like the Committee to do?**

The TWU recommends that the Committee acknowledge that there is a need to prioritise the creation of a career pathway from school into truck driving as an occupation. Further that the Committee recommend that State and Territory Ministers work co-operatively with the TWU and the industry more broadly to develop these ideas.