

Chapter 2

Attracting workers to the transport industry

On Friday I actually had to drive through this city because we did not have a driver...I actually made the delivery because we had a commitment to a customer that we had to meet...that is how serious it is – the state manager of a major business in the transport industry, particularly the removals industry, driving a truck because there were no other options.¹

2.1 This chapter details the extent of labour shortages in the transport and logistics industry. As noted in Chapter 1, the committee heard consistent evidence that skills shortages arising from population ageing and worker retirement are being made worse by difficulties in attracting new employees. Young people and women are particularly difficult to engage, with reasons commonly cited including poor industry image and ineffective recruitment strategies. However, the committee also heard examples of effective strategies to attract workers. These issues, as well as recommendations for addressing the problem, are described below.

Areas of need

2.2 While the committee heard evidence of difficulty attracting workers in all sectors of the industry, there are certain areas in which shortages, and therefore the urgency for attracting new entrants, are most acute. According to the Department of Employment and Workplace Relations (DEWR) the largest employing occupations in the transport industry are drivers – of trucks, buses, trams, taxis, and chauffeurs.² The committee heard evidence from numerous witnesses of serious shortages in these areas. For example, the Australian Trucking Association submitted that:

...the industry's skills shortage is worsening, especially for drivers and diesel mechanics...It is not uncommon for regional carriers to have their trucks parked for protracted periods of time, as there is no one available to drive them. Whilst the trucks and trailers remain stationary, freight to be moved continues to accumulate and debts for the trucks must be funded.³

2.3 Similarly, Transport Forum WA told the committee that:

...the rate of turnover for truck drivers was equal to the average of all industries with the high vacancy level primarily caused through growth. The combination of an ageing workforce and maintained increases in the freight task will exacerbate the current skills shortage. It is clear that with

1 Mr Greg Cream, *Committee Hansard*, 2 May 2007, p.22

2 Department of Employment and Workplace Relations, *Submission 16*, p. 18. The Department noted that approximately three quarters of persons employed in the transport industry, including drivers, are in less-skilled occupations.

3 Australian Trucking Association, *Submission 20*, p. 3.

the forecasts that predict a growth in the freight task of between 75 per cent and 100 per cent over the next decade there will need to be a significant recruitment of drivers aged 25-34, particularly in the multi-combination vehicle class, to address the potential gap.⁴

2.4 In relation to train drivers, the Australian Rail, Tram and Bus Industry Union submitted that:

It is our experience that there is a shortage of locomotive drivers. Whilst we acknowledge that there is no hard data, information coming to the RTBU is highly indicative of such a shortage...employers have mentioned from time to time that it is difficult to find locomotive drivers.⁵

2.5 Shortages in truck and train drivers can not only affect freight and passenger transport, but also indirectly those industries relying on road and rail transport. For example, in relation to ports and the maritime industry, the Maritime Union of Australia noted that:

In order to handle the increased volumes, the stevedores will need to undertake further investment and improve the efficiency of their road-port and rail-port interfaces...an uncoordinated trucking task can have a severe negative impact on port efficiency.⁶

2.6 Aside from driver shortages, there are also shortages in other areas of the transport and logistics industry, including occupational groups classified as skilled. The Department of Employment and Workplace relations submitted to the committee that a quarter of jobs in the transport industry are classified as skilled occupations, such as managers, professionals, associate professionals and trade. Amongst these skilled occupations, there are pressing and widespread shortages of motor mechanics, accountants and engineers. A particular problem with shortages of accountants and engineers is that these occupations are required in many professions, so the transport industry is competing for skilled workers against these other industries.⁷

2.7 This proposition was supported by findings of the Transport and Logistics Industry Skills Council survey, which showed that truck driving skills represent an area of need, but that there are also shortages in:

...a number of ancillary and segmented industry roles, including marine surveyors, lecturing staff, rail engineers, track workers, warehouse trainees, freight forwarders and train drivers. Also mentioned was a growing need for higher level skills in manager/supervisory positions, as well as the ongoing impact of the increase in legislative and regulatory responsibilities

4 Transport Forum WA, *Submission 25*, p. 9.

5 Australian Rail, Tram and Bus Industry Union, *Submission 27*, pp 22-23.

6 Maritime Union of Australia, *Submission 13*, p.17.

7 Department of Employment and Workplace Relations, *Submission 16*, pp 20-22.

(requiring) management of subcontractors and issues relating to chain of responsibility.⁸

2.8 Skills shortages in the maritime and aviation industries are influenced not only by domestic employment dynamics, but also by global workforce dynamics, due to the international nature of much air and sea transport activity. Here, too, there is evidence of skills shortages, particularly in skilled occupations. The Maritime Union of Australia stated that, in the context of a global shortage of seafarers, there is a particularly acute shortage of officers and engineers, and that a critical seafarer labour shortage is emerging with the potential to disrupt the price of labour and the orderly development of Australia's energy resources.⁹ In relation to the aviation sector, Qantas noted that:

Signals are beginning to indicate potential shortages of pilots in the future, for example, already in Australia we are seeing the number of student pilot licenses issued declining. This will have a significant impact on the number of suitable applications for direct entry pilots and a consequential direct flow on to the ability to meet demand for such labour...We are also beginning to see a rise in the number of Australian pilots who are willing to be based overseas to work for other carriers (for example,) Cathay Pacific, Emirates, Dragon Air have all been taking on significant numbers of pilots from Australia. As the demand for pilots globally increases without a concurrent rise in supply, so too will the rate of pay demanded by pilots rise.¹⁰

2.9 Overall, the committee found that there are significant skills shortages in several areas of the transport and logistics industry, which are causing many employers difficulty in attracting workers to fill vacancies. A survey by the Transport and Logistics Industry Skills Council indicated that:

63 per cent of all employers responding to the survey indicated that they had found it difficult to attract staff to their organisations over the past 12 months, with an additional 23 per cent indicating that they had found more severe difficulties in attracting staff.¹¹

2.10 Data from the National Centre for Vocational Education Research (NCVER) *2005 Survey of employer use and views of the VET system* also showed that transport and storage employers tend to experience more recruitment difficulties than employers overall, with skills shortages being cited as the main reason:

8 Transport and Logistics Industry Skills Council, *Submission 19*, p. 3.

9 Maritime Union of Australia, *Submission 13*, p. 7. The South Australian Government also highlighted the likelihood of shortages in marine pilots. Department for Transport, Energy and Infrastructure, *Submission 28*, p. 2.

10 Qantas Airways Limited, *Submission 26*, pp 7-8.

11 Transport and Logistics Industry Skills Council, *Submission 19*, p. 2.

Table 3: Recruitment Difficulties, 2005

| | Percentage of T and S employers | Percentage of all employers |
|----------------------------------|---------------------------------|-----------------------------|
| A lot of difficulty | 30 | 21 |
| Some difficulty | 13 | 20 |
| No difficulty | 45 | 45 |
| Have not looked for staff | 12 | 15 |
| Total | 100 | 100 |

Source: NCVET 2005 Survey of Employer Use and Views of the VET system.¹²

Table 4: Of those with recruitment difficulties – reasons for recruitment difficulties, 2005

| | Percentage |
|--|------------|
| <i>All industries (top 3 reasons)</i> | |
| Shortage of skilled people in the industry | 69 |
| Lack of existing workers in the industry being skilled up | 9 |
| Young people have a poor work ethic | 9 |
| <i>Transport and storage industry (top 3 reasons)</i> | |
| Shortage of skilled people in the industry | 62 |
| Remote location | 15 |
| Lack of existing workers in the industry being skilled up | 14 |

Source: NCVET 2005 Survey of Employer Use and Views of the VET system.¹³

2.11 Issues for employers in managing worker demand will be dealt with in more detail later in the report. However, it is clear that there is an urgent need to consider how more workers may be attracted to the transport industry. In order to develop strategies addressing this problem, the committee considered some of the underlying reasons for difficulty attracting workers to the industry. These are explained below.

Industry image

According to members, remuneration in the freight logistics chain is above average, and there is no financial disincentive for people, particularly those that are young, to enter. Rather, the lack of new entrants to the sector appears to be more a consequence of a lack of desire to work in the transport industry *per se*. It is widely acknowledged that the transport industry, in particular long-haul driving, has faced significant image problems, compounded by sensationalist media, over recent times.¹⁴

2.12 Few witnesses or submissions to the inquiry did not make reference to the poor image from which the transport industry suffers, and it was often cited as the key factor making it difficult to attract new industry entrants. Employment in transport and logistics is consistently seen as blue-collar, uncouth, male-dominated, unhealthy, unsophisticated work, with few longer term career options, poor working conditions,

12 National Centre for Vocational Education Research, *Submission 10*, p. 20.

13 Ibid.

14 Sea Freight Council of Queensland Limited, *Submission 11*, p. 4.

and a distinct lack of glamour. The committee heard numerous reference to the image problem, and the fact that despite some efforts to counter it, the negative perception persists:

When you see photographs of rail systems, they tend to be middle-aged men in rail cars or people in fluorescent vests with hammers – when I say people, they are generally male – working on a track somewhere. This is nowhere near the range and scope of career opportunity that exists within the industry.¹⁵

...the attractiveness of driving a truck is no longer there. Twenty or thirty years ago boys and young men would give their right arm to be seen to be a truck driver. Now it just does not have that appeal. That is a perception or an image thing that is very difficult to overcome. The training aspect is almost secondary to encouraging people into the industry.¹⁶

The only message conveyed in the media is negative. The good news stories do not make headlines therefore providing a poor public perception, particularly in the area of job security in the aviation industry. In recent years the media coverage of Qantas job cuts has created a very low level of public confidence in aviation careers.¹⁷

2.13 There is evidence of particular problems with image in the road transport sector. Studies have shown a range of perceptions exist, but as a recent report commissioned by the Transport Workers Union highlighted:

Their (survey respondents') top-of-mind perceptions of a truck driver was someone who didn't see their family very much, worked long hours, was stressed, relied on drugs for stimulant if driving long distance, and was likely to be lonely.¹⁸

2.14 In the rail sector, a report by the Australasian Railways Association noted the effect negative image can have on existing, as well as prospective, employees:

Current employees in the industry believe the general public perspective of the rail industry is negative. The perceived poor image by the general public has significant impacts on industry employees in terms of absenteeism, morale and turnover.¹⁹

2.15 Like all other industries, transport is not a single homogenous block. 'Image' can vary across sectors. For example, the aviation industry does not suffer from the same problem, and there is less difficulty attracting new entrants. During a site visit to Aviation Australia's headquarters in Brisbane, the committee heard that there

15 Mr Cliff Gillam, *Committee Hansard*, 2 May 2007, p. 33.

16 Mr Jonathan Northorpe, *Committee Hansard*, 16 April 2007, p. 3.

17 Aviation Australia, *Submission 2*, p. 4.

18 Transport Workers Union, *Workforce Challenges in Road Transport*, January 2007, p. 15.

19 Australasian Railway Association, *The Changing Face of Rail: A journey to the employer of choice*, p. 11.

continues to be little difficulty attracting new entrants to cabin crew training courses; although the risk of worker oversupply also tended to be offset by very high turnover rates once graduates completed training and commenced employment, particularly with some airlines. Both Qantas and Aviation Australia noted, however, that there may be emerging difficulties in regard to attracting, training and retaining skilled aircraft maintenance personnel.²⁰

Young people

2.16 With the rapid ageing of the current transport workforce, it is critically important that a new generation of young people become involved in the industry to fill the areas of skills shortage outlined above.²¹ Without this, the industry itself, as well as the economic growth it supports, is at risk of becoming unsustainable. The committee noted with some concern that even where new entrants are being attracted to careers in the transport and logistics industry, they are not always young people. Rather, new industry entrants are commencing training later in life after having explored a number of other occupations first. For example, the Transport and Logistics Industry Skills Council told the committee that:

As an industry, transport has one of the highest qualification rates in terms of vocational qualifications when you look at the statistics. Unfortunately, when you look inside that, very few of those are actually related to the industry. So you have a whole lot of people who have qualified in other industries who are not working in this industry. So there is a job of work to be done in the context of a recruitment campaign: how do you maximise that and bring those people across and utilise those skills that they have already got? Because the evidence is there that people are attracted to us as second and third career choices.²²

2.17 The National Centre for Vocational Education Research (NCVER) provided data showing that the majority of students undertaking an apprenticeship or traineeship in the transport industry are men over the age of 25, and that just over half were existing workers in the workforce, and hence not new entrants.²³ The result of this is that, in part, retiring workers or those exiting the industry for other reasons are being replaced by older people, who may also then be expected to retire themselves within a relatively short period of time. While this may be a useful interim solution to skills shortages, it is clear that the longer term sustainability of the transport workforce would be better served by finding better ways to attract and retain young people.

20 Aviation Australia, *Submission 2*; and Qantas Airways Limited, *Submission 26*.

21 For example, the committee heard that in Western Australia, attracting young people to offset workforce ageing a major priority for the Public Transport Authority, where surveys of retirement intentions indicate 50 per cent of core personnel will be lost in the next 10 years. Mr Cliff Gillam, *Committee Hansard*, 2 May 2007, p. 30.

22 Mr Ian McMillan, *Committee Hansard*, 16 April 2007, p. 31.

23 Ms Sandra Pattison, *Committee Hansard*, 3 May 2007, p. 2.

2.18 The image barrier is a particular challenge to attracting young people to consider and engage in careers in the transport and logistics industry. In a dynamic employment market place, many witnesses and submissions highlighted the fact that young people are aware of a variety of career and lifestyle options, and a future in transport does not seem appealing in comparison to these options. Hours of work, and particularly distance from home, are regarded by young people as an obstacle to job satisfaction. The Australian Logistics Council told the committee of research showing that when young people were asked what they thought about logistics, the answer was that they simply did not think about it at all.²⁴ Where there is a level of awareness, there is a problem of perception that the industry offers 'jobs, not careers'; that there is no longer term pathway offering professional progression across a worker's employment life. There is evidence of some truth in this perception, and the issue of career pathways will be dealt with in more detail later in the report. In terms of negative image and difficulty attracting young people, however, it is a significant concern.

2.19 In describing their efforts to attract young people to the industry, many witnesses referred to their efforts to engage with schools and school age students. Here, the emphasis of activity is on dispelling negative perceptions about an unsophisticated employment environment, and securing attention and interest before these were diverted to other career options. In particular, many operators engaged with schools felt that giving practical examples and demonstrations of the types of work available, and the nature of the workplace, was important:

My experience over the last five years of the 10 has been that the best modus operandi is for me to go out to a school...We form a link with the young people and then turn up on another day and talk to them about occupational health and safety, about manual handling, about our industry and about career paths. Then we turn up on another day with a bus and take them down to a Star Track, a TNT or somewhere like that, which is preplanned – or Woolworths – and get management to talk to them...It is incumbent on us as industry people, stakeholders, to lead those young people through the workplace, show them what the work entails and give them an opportunity to talk to our people who have been working in the industry long term...²⁵

2.20 Employers and transport operators were also aware of the role school career counsellors can play in advising young people entering the transport industry. Unfortunately, there is a common perception that such counsellors do not encourage students to consider a transport career, or may in fact discourage it. Reasons for this

24 Mr Hal Morris, *Committee Hansard*, 12 April 2007, p. 2. See also Mr Greg Cream, *Committee Hansard*, 2 May 2007, p. 14.

25 Mr Bill Noonan, *Committee Hansard*, 16 April 2007, p. 27.

range from a lack of awareness and information on the part of counsellors,²⁶ to active encouragement to pursue other career and education or training paths. The committee heard that this may be the case with students who have higher academic results, where there can be a strong expectation that moving from school to university is the most desirable course,²⁷ and that staying longer in school is preferable to leaving in order to undertake industry training:

...I was at a high school late last year and I said to the headmaster, 'I would like to talk to your kids about a career.' He said, 'I want to keep the kids at school.' Where we want to go and where the education system wants to go are two different things.²⁸

2.21 Several witnesses also highlighted the important role of parents and friends in making young people aware of and interested in the possibilities of a career in the transport industry. During a visit to the Queensland Rail (QR) workshops in Townsville, the committee had an opportunity to meet current QR apprentices, and heard first hand from one apprentice of the important role his father had in guiding him to undertake the training. Similarly, members of the Victorian Transport and Logistics Industry Government Partnership told the committee that:

...we know from research that careers counsellors, teachers and particularly parents, friends and families are very much an influence on young people in their career choices. I think if we did a study of this – it has not been done – we would find that there are a lot of people in the transport industry who have uncles, father or others who have been in the industry.²⁹

2.22 In this case, poor image can be offset by informal and personal influences. There are a number of avenues to consider in developing strategies for breaking down those negative images, and providing young people with more accurate and positive information about the opportunities which are available. The committee saw evidence of several encouraging examples of such strategies operating in different parts of the country, and which may act as blueprints for development of more comprehensive and more widely available ways to attract young people. These are described in more detail later in the chapter.

26 For example, the committee heard anecdotal evidence that careers counsellors are not always adequately or appropriately resourced to provide the best service to students. In one instance, the committee was told of a VCE maths teacher who was also the designated school careers counsellor, albeit for one hour a week only. It was suggested that the capacity of this teacher to pass on information about any industry, including the transport industry, was very limited, simply because of the lack of time. *Committee Hansard*, 16 April 2007, p. 25. Similarly, see Mr Trevor Jorgensen, *Committee Hansard*, 12 April 2007, p. 18.

27 For example, Ms Sandra Pattison, *Committee Hansard*, 3 May 2007, p. 13.

28 Mr Fred Heldberg, *Committee Hansard*, 2 May 2007, pp 18-19.

29 Mr Neil Chambers, *Committee Hansard*, 16 April 2007, p. 24.

Women in the industry

Chair – My next question is not about scraping the bottom of the barrel, but what about the use of female labour?

Mr Heldberg – Love them.

Chair – Can you get them?

Mr Heldberg – No.³⁰

2.23 Just as the committee found that negative images associated with work in the transport and logistics industry are a significant problem in engaging young people, there is evidence that the same image problem is preventing women from entering careers in this area. Many witnesses commented on the male dominance which has traditionally been, and still is, characteristic of training and employment in all sectors. For example, the National Centre for Vocational Education Research noted that of all the apprenticeship and traineeship commencements in transport and storage occupations in the 12 months to 30 June 2006, 86 per cent were men. This is particularly noteworthy in comparison to 59 per cent over-all apprenticeship and traineeship commencements.³¹ Similarly, the Department of Employment and Workplace Relations submitted that female workers in the transport industry account for only 25 per cent of total employee numbers, which is well below the average of 45 per cent for all industries. Male full-time employment is the most common arrangement, accounting for 66.7 per cent of transport workers, compared with 46.5 per cent of workers across all industries. However, even in part-time work arrangements, women recorded lower employment rates than men.³²

2.24 These figures were supported by anecdotal evidence the committee heard during public hearings, when many witnesses agreed that there is a heavy male dominance in the transport workforce, and that industry image played a role in this. Queensland Transport told the committee that:

I think there definitely still is the perception that it is a man's world. I sit on a number of committees and I know a number of the groups that you are meeting with, and I am very often the only female even at that executive level. In the depots that I visit and the organisations that I attend, it is rarer to see women.³³

2.25 However, it was also noted that there are other, more practical considerations which may be making employment in the transport industry less attractive to women. Working conditions and provisions for balancing work and family responsibilities were one of these, with several witnesses and submissions noting the long hours typical in many transport jobs are unattractive to women with other responsibilities.

30 Mr Fred Heldberg, *Committee Hansard*, 2 May 2007, p. 27.

31 National Centre for Vocational Education Research, *Submission* 10, p. 2.

32 Department of Employment and Workplace Relations, *Submission* 16, pp 15-16.

33 Ms Louise Perram-Fisk, *Committee Hansard*, 12 April 2007, p. 39.

Similarly, the committee was told that, despite recent technological advances and improvements in working conditions, physical job requirements may remain a factor making employment in the industry unattractive to women:

The other issue is the physical requirement. A lot of the short-haul work involves getting in and out of the truck all the time, and moving parcels etc up and down off the truck...the physical exertion involved in all of that seems to be too much for a lot of women. We have had a number who have started the courses and just quit.³⁴

2.26 In spite of these difficulties, a small number of women are employed in the transport and logistics industry, including in traditional male roles such as truck driving, and the committee was interested to hear of the high level of performance which these women typically display. The Transport Forum WA told the committee that:

They are preferred employees because they are easy on the equipment, more careful with what they do and their paperwork is by far better than the average male. It happens to be a fact.³⁵

2.27 Similarly, the South Australian Freight Council stated that:

...the mines rather enjoy having women drive the dump trucks because their style of operation is softer on the equipment and therefore creates less wear and tear. That is a real positive. I employ a couple of women myself in driving trucks and they stand up pretty well against the men in the job.³⁶

2.28 Interestingly, while there are a number of initiatives, many quite extensively developed and implemented, to attract young people to employment in the transport industry, there was no evidence of a similarly concerted effort to engage women, with just a few exceptions. For example, Mr Ron Finemore told the committee that his trucking company had tried hard to encourage women, and that while several had been employed, the number was small.³⁷ The New South Wales Road Transport Association explained that:

We have gone out into the market place and specifically advertised a course for females. We even went to Job Network agencies and ran a little programme called *Ready for the Road* to try and encourage women specifically. It was just for women. We got two applicants and the Job Network agencies just said there were no people who were interested.³⁸

34 Mr Lyle White, *Committee Hansard*, 12 March 2007, p. 16.

35 Mr Fred Heldberg, *Committee Hansard*, 2 May 2007, p. 28.

36 Mr Lachlan McKinna, *Committee Hansard*, 3 May 2007, p. 26.

37 Mr Ron Finemore, *Committee Hansard*, 12 March 2007, p. 7.

38 Mr Lyle White, *Committee Hansard*, 12 March 2007, p. 16.

2.29 The South Australian Freight Council described an industry-generated training program called SHIFT which had also had some success in attracting women to the transport workforce,³⁹ but this remains the exception rather than the rule.

2.30 It is clear that there are skills shortages in many areas across the transport and logistics industry, and that just as improving the attractiveness of the industry to young people is critical to addressing these shortages and ameliorating the effects of an ageing workforce, so too is improving the attractiveness of the industry to women a vital element. The committee heard evidence of a number of initiatives and strategies which have been developed and implemented by employers, operators and training groups, and which may provide a foundation on which further improvements could be made.

Strategies for attracting workers

2.31 Most witnesses and submissions to the inquiry emphasised the risks of a shrinking workforce to both the transport industry and the economy more broadly. It is clear there is a high level of concern, and action is required as a matter of urgency. It was acknowledged that the current situation has evolved over a period of time, and ideally, preventative measures should have been taken some time ago,⁴⁰ but the committee is encouraged by evidence of a number of initiatives being developed and implemented. Some of these appear to be more successful than others, but there is scope for drawing out lessons and ideas for broader application.

Branding

2.32 One key problem is that few people outside the industry know what the 'transport and logistics' industry does. The comments of many employers and transport operators suggested, for example, that it is common for different industry sectors to be perceived as entirely discrete occupation areas; 'truck driving', or 'stevedoring', or 'aircraft maintenance', for example. There appears to be little understanding of the interface between different areas of the industry, as well as the extensive range of skills and employment opportunities which are available. The Queensland Trucking Association commented that:

We are a very computer literate business; we have to be nowadays. We have openings – it is not just truck driving, it is so much more. I do not think that is understood by a lot of kids or a lot of people in general.⁴¹

2.33 To counter this, and to provide a more readily recognisable 'tag' with which to promote the industry, some operators and administrators have undertaken comprehensive branding exercises. There is a particular emphasis on promoting the 'transport' and 'logistics' aspects of the industry in combination, underlining the

39 Mr Lachlan McKinna, *Committee Hansard*, 3 May 2007, p. 26.

40 For example, Mr Fred Heldberg, *Committee Hansard*, 2 May 2007, p. 17.

41 Mr Tony Squires, *Committee Hansard*, 12 April 2007, p. 19.

interdependence between the two, and by implication the possibilities of movement and skills development between the sectors.⁴² Activities to develop an easily recognisable 'brand' are very important to attracting new industry entrants and countering negative images. The committee heard from Queensland Transport that:

In 2005, market research was undertaken between industry and government in Queensland through the T&L Careers Forum. One of the recommendations was for a transport and logistics brand for T&L. This brand has been accepted by a number of peak associations and industry members, and we note in particular the Australian Logistics Council's role in promoting this brand. It is starting to and at career expos and in advertising in other areas.⁴³

2.34 This idea was echoed by an official from the Queensland Trucking Association, from whom the committee heard of the value in having an easily identifiable acronym:

We are certainly pursuing branding of the industry. One of the near things there that I should mention is that we were told that we needed to come up with a two-letter acronym for the industry, the reason being that if I tell you IT you know what industry we are talking about. If I say HR, you know what industry we are talking about. But nobody knew logistics. We also needed a two-letter acronym so that it could be texted as part of a text message on a mobile phone with a thumb. We have settled on T&L as a branding – transport and logistics.⁴⁴

2.35 Similarly, Queensland Rail submitted that it has implemented a successful image-changing employment campaign focused on the branding slogan 'More than I'd imagined'.⁴⁵ The point was also made, however, that branding will only be effective if the concept it portrays is reflected in the reality of industry and employment experience. A professional brand must be supported by a professional approach, and in this area the committee heard that while progress is being made, there is still some work to be done, for example in industry-wide safety standards.

Labour hire

2.36 Despite some signs of positive results, efforts to promote the transport industry to potential new entrants through branding and image change are still at relatively early stages, and are not a solution to employers' immediate needs for workers. As an alternative strategy for obtaining more workers, there appears to be wide-spread use of labour hire companies, particularly in trucking. The advantage offered by labour hire companies is the generally constant availability of a pool of

42 For example, the Linfox 'integrated logistics' logo on the side of its trucks is an effective branding combination.

43 Mr Jack Noye, *Committee Hansard*, 12 April 2007, p. 33.

44 Mr Hal Morris, *Committee Hansard*, 12 April 2007, p. 2.

45 Queensland Rail, *Submission 36*, p. 2.

workers with various skills available on flexible terms. The limitation is that this can only provide a short term solution to what should be regarded as a long term problem. Use of labour hire companies may be adding to the problem of worker shortages by discouraging employers and companies from developing coherent recruitment strategies which can withstand fluctuations in labour availability. This was highlighted by the Transport Workers' Union, from whom the committee heard that:

We find very much in the workplace that, rather than perhaps develop some sort of strategy around ongoing employment for young people, it is simply a matter of getting a labour hire person to pick up the peaks and troughs. It is simply counterproductive insofar as you find that a driver might be engaged by three or four labour hire companies and will go to the highest bidder...The people who constantly seem to have the problems are those companies that have not made the effort to have some sort of rigorous employment practice in place and have simply picked up the phone and sought additional labour at odd hours of the day.⁴⁶

2.37 Similarly, the Australian Rail, Tram and Bus Industry Union told the committee that use of labour hire companies is common in the rail industry, and that while it can serve as a useful temporary solution to unforeseen worker shortages, it may also reduce the sense of urgency employers and industry groups should have to develop longer term attraction and retention strategies.⁴⁷

2.38 The implications of the above comment for small employers working on very tight profit margins is clear, given the substantial proportion of small scale operators in the transport industry.⁴⁸ The problems of recruitment and retention of workers in small enterprises is dealt with more extensively later in the report. In regard to labour hire companies, however, and their usefulness in alleviating the transport industry's worker shortages, the committee believes that while such short term remedies may be helpful in addressing immediate, urgent and unforeseen recruitment problems, reliance on labour hire companies is no substitute for sustainable industry-wide workforce planning.

2.39 Therefore, the committee was very interested to note a submission from the Transport Forum WA, indicating that labour hire approaches and longer term training strategies need not be mutually exclusive concepts. Driver Recruitment, a specialist labour hire company in Western Australia, has implemented a training program for young people, although it will still be some years before new drivers from this program will be ready to enter the industry.⁴⁹ This is an interesting strategy which

46 Mr Bill Noonan, *Committee Hansard*, 16 April 2007, pp 34-35.

47 Mr Andrew Thomas, *Committee Hansard*, 12 March 2007, p. 21.

48 For example, the committee heard that small businesses such as owner-driver trucking concerns have an important role in the industry, with some estimating that they comprise as much as 25 to 30 per cent of the transport trucking business. Mr Ian McMillan, *Committee Hansard*, 16 April 2007, p. 32.

49 Transport Forum WA, *Submission 25*, p. 15.

may merit further consideration, as a way of simultaneously address both immediate and longer term workforce needs.

Foreign-sourced labour

2.40 Another option which was brought to the committee's attention as a possibility for attracting and securing more transport workers was migrant labour, and in particular the use of 457 visas, as well as a range of other employer-sponsored temporary and permanent migration arrangements. Importantly, the committee notes that while there is some provision under the concessional regional temporary migration arrangement for regional employers to recruit foreign workers to fill vacancies in less-skilled occupations (including some transport-related occupations), current migration arrangements do not generally provide for engagement of foreign workers in these areas. The extent to which non-sponsored temporary visa holders with work rights seek or engage in employment in the transport industry is difficult to assess with any certainty.⁵⁰

2.41 A number of witnesses and submissions favoured the recruitment of foreign labour, explaining that the shortage of workers, and the economic and business consequences of failing to meet those needs, is so serious that every option for recruitment should be considered and facilitated. Other witnesses also recounted positive experiences with migrant workers. For example, Mr Ron Finemore told the committee that:

This is where I saw some benefit with recruitment from overseas with the use of 457 visas. If someone gets a 457 visa, they are committed to work for you if they are to stay in Australia. Then hopefully they will get a permanent visa and stay working for you afterwards if you have treated them properly. I have found great loyalty in the past from immigrants I have employed as both drivers and subcontractors and therefore thought that this may be a way of getting additional longer term drivers with experience.⁵¹

2.42 Similarly, other witnesses told the committee that there is an international skills base available which could profitably be drawn on by Australian employers with particular worker needs.⁵² On the other hand, there was also concern that any use of 457 visas and similar arrangements to address skills shortages would have minimal effect on the overall number of workers required,⁵³ and, perhaps more importantly, that use of migrant labour to fill current skills shortages will once again do nothing to address the longer term issue of preparing a stable, well-skilled future workforce. The

50 Department of Employment and Workplace Relations, *Submission 16*, p. 26.

51 Mr Ron Finemore, *Committee Hansard*, 12 March 2007, p. 2.

52 For example, see Mr Greg Cream, *Committee Hansard*, 2 May 2007, p. 19. See also TTF Australia, *Submission 24*, p. 6. See also TTF Australia, *Submission 24*, p. 6.

53 Transport Forum WA, *Submission 25*, pp 22-23.

Victorian Transport and Logistics Industry Government Partnership expressed the view that:

We will not meet the freight task unless both road and rail improve their productivity...But 457 visas are not the answer, in our view. At the margins they may have a place, but it is still to be proven and I think the industry has to address the fact that it is going to have to find its future employees within this country and train them appropriately. There is no doubt about that.⁵⁴

2.43 Similarly, the Maritime Union of Australia submitted that:

...the industry has a primary obligation to maximise Australian labour force participation in Australian projects, and by deduction, minimise the use of foreign labour. We accept that there will always be a need for some foreign labour in this industry – for specialist skills, for technology transfer reasons, to meet unforeseen peak demands or contingencies. However, the industry, notwithstanding the heavy participation by non-Australian companies, must commit to an Australians first policy and practice.⁵⁵

2.44 Further, the committee heard from some witnesses that better management of the existing labour market may lessen the need for foreign workers in any case. For example, Queensland Rail told the committee that:

We currently believe that, apart from engineers, you can still get the skills you need in Australia. We firmly believe that. The opportunity is there to look in other states as other industries close or move on, particularly in Tasmania or Victoria around Geelong.⁵⁶

2.45 These points underpin the importance of future-planning and industry workforce sustainability, which was a recurring theme throughout the inquiry. Concerns were also raised from time to time about the skill level of transport workers coming from overseas, particularly in relation to English language skills, and familiarity with left-hand drive rules in relation to road transport employees.⁵⁷ The committee recognises that, while there may be some special circumstances in which the use of migrant labour may alleviate severe and unforeseen worker shortages, it is not a suitable alternative to coherent, longer-term attraction and recruitment strategies.

An integrated approach: examples from Western Australia, Queensland, and Victoria

2.46 While the points mentioned above indicate that a number of avenues are being investigated by transport industry employers in seeking to obtain more workers, the committee is not confident that, even without the shortcomings described, any one

54 Mr Neil Chamber, *Committee Hansard*, 16 April 2007, p. 29.

55 Maritime Union of Australia, *Submission 13*, pp 9-10.

56 Ms Lyn Rowland, *Committee Hansard*, 12 April 2007, p. 53.

57 Mr Lachlan McKinna, *Committee Hansard*, 3 May 2007, p. 22.

strategy can provide the solution. Rather, there appears to be a need for a multi-faceted, integrated approach which aims both at satisfying immediate shortages, and building a sustainable future workforce. This idea is reflected in submissions from the Department of Employment and Workplace Relations, which suggested that improving motivation and enthusiasm of current job applicants, as well as addressing underlying demand for skills and qualifications, must both be taken into account.⁵⁸

2.47 Given the need to engage young people, the committee sees much merit in policies and programs designed to introduce schools and school students to transport industry employers, and it was interesting and encouraging to hear of a number of emerging and developed initiatives in several jurisdictions. Many programs focus on practical exposure of students to the transport industry environment, and it is here that training programs appear to have achieved some success. For example, Mr Bill Noonan expressed the view that:

Given the right set of circumstances, young people will come into our industry. We have proven it. We have actually taken young people inside the grey box, if you like, and shown them what the job is about...if you gave me a group of young people today and said 'Take them out and get them employed or actually talk to them about the industry,' you would find that a lot of them would be attracted to work in the industry. That is the killer – to make the connection.⁵⁹

2.48 More will be said about training in the chapter of this report devoted to that issue, but a couple of examples of strategies to attract new industry entrants, and particularly young entrants, are outlined below.

Western Australia

2.49 Concerns about workforce ageing have led to work being undertaken in Western Australia to find better ways of engaging young people in the transport industry. In an attempt to remedy school leavers' ignorance of transport career prospects, a focused VET in schools programme, funded and run by the Transport Forum WA, is being progressively developed and implemented.

2.50 Under this program, students in years 11 and 12 spend one day a week in a paid transport company position, while still being able to complete their high school graduation requirements on the other four days. These students are able to move to full time employment on completing year 12, a transition which all participants in the program's first year of operation made successfully.⁶⁰ There is an industry target of 100 participants by January 2008.

58 Department of Employment and Workplace Relations, *Submission 16*, p. 24.

59 Mr Bill Noonan, *Committee Hansard*, 16 April 2007, p. 30.

60 Transport Forum WA, *Submission 25*, p. 15.

2.51 The committee further notes programs being developed to facilitate pathways for entry level workers to engage with the industry, and to accelerate manager and possibly driver training.⁶¹

Queensland

2.52 The committee was very interested in the proactive and collaborative approach taken by the Queensland Government, together with employers, to attract young people and address workforce challenges more generally. Mr Phil Reeves MP, Queensland Parliamentary Secretary to the Minister for Transport, explained that while various industry sectors have in the past tended to operate separately, including where workforce issues are concerned, there is now recognition that skills shortages across all industries need to be tackled coherently. The *Queensland Skills Plan*, released in March 2006, creates a new government/industry engagement model to look specifically at skills and labour shortages in transport and logistics.⁶²

2.53 This model provides a firm foundation on which transport operators like Queensland Rail (also a registered training organisation) are able to provide a comprehensive package of programs for young people, some of which are specific to the rail industry, and others with broader applications. For example, rail specific training includes programs for drivers, as well as technical and points system training. More general trade and technical programs include apprenticeships, a Civil Infrastructure Development Program, a Management Performance Program and a Commercial Imperatives Financial Program.⁶³

Victoria

2.54 Victorian authorities are also taking an integrated approach to training in the state transport and logistics industry. The Victorian Transport and Logistics Industry Government Partnership was established in 2001 with a view to ensuring industry groups, government and government agencies would work in cooperation to realise the seamless functioning of all aspects of the supply chain.

2.55 A wide range of networks are therefore able to operate under the auspices of the Partnership, some with a specific focus on attracting and recruiting workers. For example, a Labour and Recruitment Partner Reference Group is being established to provide advice on recruitment and retention programs, and to investigate creative solutions to expanding the labour pool. These may include employing farmers who are currently unemployed due to the drought; attracting mature-age and existing part-time employees back to the workforce; providing part-time regional work for mothers; and attracting indigenous and disadvantaged groups into the workforce.

61 Ibid., p. 20.

62 Queensland Government, *Submission 12*, pp 1-2.

63 Queensland Rail, *Submission 36*, pp. 4-5.

2.56 In regard to young people, the Partnership is engaged, among other things, in sponsoring career forums which showcase opportunities in transport and logistics. These include the biannual *Freight Week* and the associated *Careers In Freight* day, and *The Victorian Supply Chain Excellence Summit and Careers Forum*.⁶⁴

2.57 It is worth noting that in general these forums target not so much young people, but those who are in a position to influence young peoples' career choices, such as career advisers, teachers, new apprenticeship program managers and job network personnel. This approach may be helpful in addressing the problem mentioned above of school staff not encouraging suitable students to consider transport careers due to a lack of understanding and information about the possibilities available.

Recommendations

Recommendation 1

The committee recommends that industry bodies in each jurisdiction agree to a national branding image for adoption by transport and logistics operators in all sectors of the industry, to be used consistently in promotional activity. The brand should be attractive to both young people and to women, and underpinned by consistent professional workplace standards.

Recommendation 2

The committee recommends that transport and logistics industry operators engage with state and territory education authorities to find ways to raise the profile of transport and logistics in school-based career preparation activities, including exploring possibilities for more school-based apprenticeship programs and increasing industry presence at careers expos and similar events.

The committee further recommends that industry operators work with state and territory education authorities to increase opportunities for school-based apprenticeships in skills demanded by the industry, with a focus on secondary schools located near major transport hubs.

Recommendation 3

The committee recognises that the expansion of the subclass 457 visa to the transport industry is not an appropriate solution to the industry workforce challenges and recommends that this option is not considered by the industry.

64 Victorian Transport and Logistics Industry Government Partnership, *Submission 22*, pp. 4-6.