



21 December 2006

Committee Secretary
Senate Employment, Workplace Relations and Education Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir

Senate Inquiry into Workforce Challenges in the Transport industry

The Australia Local Government Association (ALGA) represents the interest of more than 700 councils at the Federal level. Its membership is made up of the associations of local government in each state and territory. The ACT Government is also a member in its role as the local authority in the Australian Capital Territory.

ALGA's interest in making a submission to this Inquiry relates to local government's responsibility for roads and transport infrastructure rather than as an operator in the transport industry. The key point of this submission is that workforce challenges to the transport industry cover all parts of the transport chain and not just the operation of transport vehicles.

Local government in Australia is responsible for more than 640,000 kilometers or over 80 per cent of Australia's total road length. The construction and proper maintenance of this infrastructure by councils to allow the efficient operation of the transport industry is important for the overall efficiency of the Australia economy.

The importance of these roads for the Australian economy has been highlighted by the National Transport Commission which identified that 18% of kilometers travel by vehicles over 7.5 tonnes and 28% of commercial traffic was on local roads.

The construction and maintenance of transport infrastructure is, for most councils, especially rural and regional councils, one of the largest single areas of expenditure. In total, councils spent more than \$4 billion on roads and transport infrastructure. This accounts for about 20% of total annual local government expenditure. The proportion of local government expenditure on roads and transport infrastructure tends to be higher for rural and regional councils.

The total employment by local government is estimated to be 165,000. Information about the numbers of people employed in the provision of transport infrastructure is not available but it is likely to be in proportion to expenditure i.e. over 30,000 people.

The majority of the people employed to build and maintain roads and other transport infrastructure at the local level are skilled or semi skilled people involved in the operation of heavy earth moving and road making equipment. There are also smaller numbers of professional staff, eg engineers and surveyors either employed directly or on contract by councils.

These are the same skills sought by the mining industry.

A particular concern increasingly expressed by numbers of councils, especially in rural and regional areas, is the loss of trained staff to the mining industry. Councils which have initiated training programs for earth moving and road building equipment operators in particular find that, when trained, operators move to the mining industry.

The loss of skilled staff from councils is exacerbated by the aging of local government workforces. The result is that councils are hemorrhaging skilled staff to both the mining industry and to retirement. Local government is acutely aware of the existing shortage in skills and the looming increases in losses due to retirement and has initiated, with some success, a number of schemes to retain staff.

The Local Government Managers Association held a summit earlier in 2006 to examine the staff shortage issue and initiated a number of programs to attract and retain skilled staff in the local government sector. It is too early to tell whether these initiatives have been successful.

In summary ALGA draws to the attention of the Committee that workforce challenges are being experienced throughout the transport chain, including the provision of roads and other transport infrastructure and asks that the Committee take this into account during its deliberations.

Yours sincerely


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Chief Executive