



**SUBMISSION TO SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
COMMITTEE'S INQUIRY INTO WORKFORCE CHALLENGES IN THE TRANSPORT
INDUSTRY**

Terms of Reference for the Inquiry

The Senate Committee for Employment, Workplace Relations and Education to inquire into and report on workforce challenges in the Australian transport sector, with particular reference to the following:

- current and future employment trends in the industry;
- industry needs and the skills profile of the current workforce;
- current and future skill and labour supply issues;
- strategies for enhanced recruitment, training and retention; and,
- strategies to meet employer demand in regional and remote areas.

Australian Trucking Association

The Australian Trucking Association (ATA) is the national body representing the Australian trucking industry. First established in 1989 as the Road Transport Forum (RTF), the ATA provides public policy advocacy for trucking operations within Australia through research, lobbying, education and communication. The ATA's policy coverage embraces safety, taxes and charges, infrastructure, career development, environmental and technical issues.

The most important part of the ATA is the network created by its membership. The ATA brings together the broader industry to focus on issues of national significance. Members of the ATA comprise a variety of organisations, including state and sector based trucking associations, as well as many of the largest transport enterprises in Australia and the Transport Workers Union (TWU). ATA members cover all sectors of the trucking industry - from the owner driver to the national transport operator.

The Association's membership also includes a number of allied trades - those companies providing goods and services to the trucking industry.

ATA Careers and Training Council

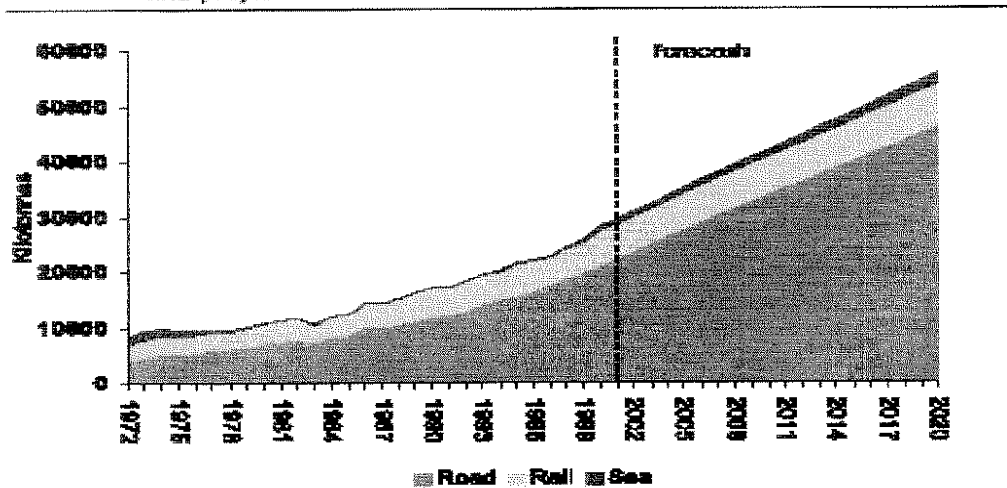
The ATA Careers and Training Council (formerly ATA Training Alliance) combines the "not for profit" industry training organizations that are developing and delivering training programs and career opportunities for the trucking industry.

The aims & objectives of this Careers and Training Council are to deliver the recommendations of the National Industry Skills Initiative Report, called "Driving Australia's Future: A Report and Action Plan Addressing the Skills Needs of the Road Freight Transport Industry." ("NISI Report") The ATA co-ordinated an industry working group which produced the report with funding from the Commonwealth Department of Education, Science and Technology.

Road Freight Transport

Road transport is vitally important for the continued growth, prosperity and well-being of the Australian nation. Because of its immense size and dispersed population and production centres, Australia is the most road transport dependent country in the OECD with some 810,000 km of roads. Also, the forecast growth of freight will lead to its doubling by 2020, with road's share of non-bulk freight forecast to treble by that date.

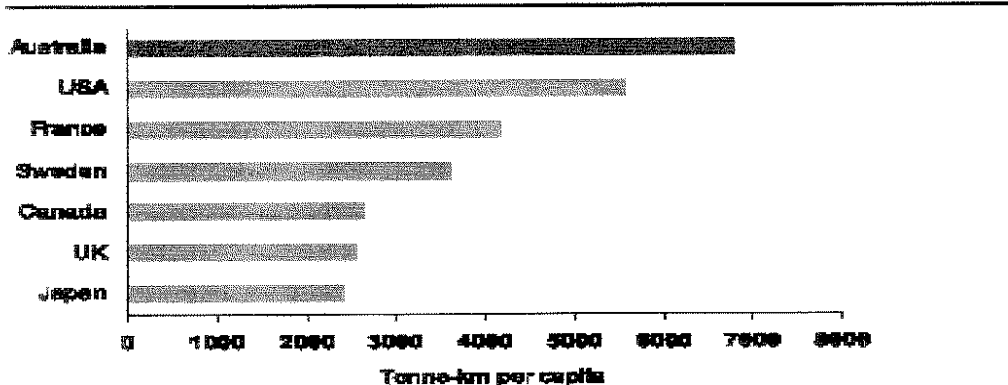
Figure 2 Non-bulk freight transported by mode 1972-2001 and projections to 2020



Data source: BTRE (2003b)

Australians rely on trucks more than most other economies because they suit our geography and population density.

Figure 3 Road freight tonne-km per capita (2000)



Data source: Austracsa (2003).

Skills Shortages in the Trucking Industry

The NISI Report highlights the skills shortage in the trucking industry. Since the report was published in 2003, further evidence indicates that the industry's skills shortage is worsening, especially for drivers and diesel mechanics. For instance, a large regional trucking business with over two hundred staff and operating about ninety prime movers and many more trailers, currently reports a shortage of truck drivers and diesel mechanics available for recruitment. The business believes that this situation will worsen.

A national and regional trucking operator running over seventy prime movers reports extreme difficulties in the past few years recruiting qualified diesel mechanics, and also drivers for local work.

Another national company operating over 500 prime movers, reports that it has continual difficulties in recruiting long distance drivers and mechanics.

Finally, an operator of ten prime movers mainly in long distance trucking, also advises of extreme difficulties in recruiting truck drivers.

These examples are but a few instances of difficulties faced by trucking operators in obtaining employees. Another factor is recruitment of existing trucking employees by other industries, such as mining.

It is not uncommon for regional carriers to have their trucks and trailers 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.

However, the NISI report remains a benchmark to demonstrate the employment situation in the road freight industry, and followed a reference from the then Minister for Education, Training and Youth Affairs to examine current and emerging skills issues in the road freight industry. The ATA was invited to participate and provided terms of reference for the Industry Working Group.

The NISI Report is available on the ATA's website at:
http://www.atatruck.net.au/publications/driving_australias_future_-_skills_report.pdf

The report's objectives are:

1. Improve employment outcomes, particularly the recruitment and retention of skilled employees.
2. Enhance the image and profile of the road freight industry to promote greater awareness of its important role and ensure that it is seen to offer attractive job opportunities and career paths.
3. Develop and support a credible and effective training culture within the industry to encourage the skilling of employees, strengthen employment outcomes, enhance regulatory compliance and meet broader legal requirements.
4. Review and improve existing training structures to promote easier access to the industry and provide better skilling of employees and trainees.

As mentioned, the ATA Careers and Training Council has the aim of implementing these objectives.

Employment Profiles

The NISI Report in 2003 estimated that the average age of truckdrivers was forty nine years. This estimate was derived from 2001 figures supplied to the National Centre for Vocational Education Research (NCVER), and more research for current estimates is required.

The demographic challenge in industry recruitment can be gauged from the fact that the Productivity Commission has estimated the annual growth in Australia's workforce at only:

- 175,000 pa between 2000 and 2005
- 138,000 pa by 2010
- 57,000 pa by 2020 to 2030

These estimates clearly demonstrate the recruitment problems facing the road freight transport and other industries in Australia.

The report in 2004 by ACIL Tasman "Trucking-Driving Australia's Growth and Prosperity", estimated that there were over 180,000 people employed in the hire and reward road freight sector.

Please see at:

<http://www.atatruck.net.au/publications/ACILTasmanReport.pdf>

Changing with the Times

New technologies are changing the way employees in the industry work, especially long-distance truck drivers. Troubleshooting information, directions, weather reports, and other important communications can be delivered to the truck, anywhere, within seconds. The advent of these technologies means truck driving develops a variety of skills, which are marketable in the modern workplace.

Truck driving has become less physically demanding because most trucks now have more comfortable seats, better ventilation, automatic gears and improved, ergonomically designed cabs. Design improvements in newer trucks reduce stress and increase the efficiency of long-distance drivers.

At the same time, the road freight industry is required to deal with ever increasing regulation.

Women and Trucking

There are an increasing number of women entering the trucking industry and improvements in technology, such as automated transmissions, to make the task of handling heavy vehicles more technical and less physical will make truck driving more attractive to woman in the future. Of course, there are many women in administrative and management positions.

There are strong support networks available to women interested in joining the transport industry. Transport Women Australia Limited is a national independent organisation, which focuses its efforts on supporting women within the transport industry and encouraging women to join the industry.

There are a number of women in eminent positions in the trucking industry including the President of the South Australian Road Transport Association, Gemma Gordon, and Treasurer of the Australian Trucking Association, Kathy Williams. The trucking industry is keeping pace with changes in society and the opportunity for progress and a successful career is open and available to women.

Recommendations:

A number of avenues are open to assist recruitment and retention in the road freight industry, in urban and regional areas, including:

- *Promote the industry as offering a great career in logistics in an attractive industry.*

A current example is that the ATA and truck manufacturer Scania have joined forces to find Australia's best young truck driver. The joint initiative, called the Young Australian Truck Driver competition, is aimed at developing the skills of young truck drivers and attracting more young people into the trucking industry.

The competition is open to all Australian truck drivers born after 1 April 1967 holding an HC or MC licence, and will involve a mix of theory and practical assessment through questionnaires, interviews, and driving competitions. The competition will culminate in a national final in Sydney on 1 April 2007, with the winner of the competition to be awarded a brand-new Scania P420 prime mover.

Please see at:

<http://www.yatd.com.au/>

Of course, as the NISI report covers, the road freight industry is a key participant in the freight logistics sector, and makes an important contribution to the national economy. Many operators consider themselves to be logistics providers rather than trucking businesses. In addition, intermodal terminals are increasing nationally.

These elements should, and are being promoted to attract and retain industry staff because they promote more career options.

Another avenue for industry promotion was the ATA's Safety Education Trailer, which toured trade events, school events, and Easter and country shows. This trailer has now been retired, and will be replaced by a modern trailer with state of the art exhibition equipment.

- *Attract school leavers*

The ATA Careers and Training Council, and other industry and training organisations have enabled programs to attract school students.

A prominent example is the SHIFT program which:

- Links companies with their local schools and community to find young people and encourages them to consider the wide range of occupations associated with the road freight industry.
- Suggests one-to-one placement of young people with interested local employers and helps to negotiate:
 - Work placement programs including work experience, part-time work and New Apprenticeships
 - Training aligned to national qualifications
 - Suitable secondary schools subjects
- Is a community based approach and aims to support young people get jobs in their local environment.

SHIFT commenced in South Australia through industry efforts.

Another example is the Highway Program.

This program brings young people into the Transport and Logistics Industry through full-time schooling and part time New Apprenticeships.

School based New Apprenticeships (now Australian Apprenticeships) in the Transport and Logistics Industry provide opportunities for young people to gain quality qualifications and undertake employment while also completing a senior secondary certificate.

Students undertaking School Based New Apprenticeships must meet the same employment and training requirements as for other New Apprenticeships/Traineeships. The young person is considered both a full time student and a part-time employee.

An example in Queensland where trucking operators have been active in attracting school students to the industry, is at the Oakey High School. An innovative Transport and Logistics vocational program has been launched for students who will gain practical workshop experience, and be awarded a Certificate 2 in Transport and Distribution (Road Transport) after the two year course.

- *Attract mature workers and other workers*

An industry program is Ready for the Road to attract workers.

Ready for the Road uses the Job Network System to bring people into the Transport and Logistics Industry. The program involves employers and the program co-ordinators/providers working with the Job Network System to identify people aged between 25 and 55 years of age that would make suitable employees in the road Transport Sector.

Selected candidates are interviewed by the employer and undergo a risk assessment evaluation to be eligible to take part in pre-vocational training for a fortnight, during which time an industry safety induction course is undertaken including the theory of applicable licence level is carried out.

Some candidates enter employment as new apprentices/trainees, while others enter as employees. Once placed with employers, program co-ordinators/providers continue to hold a mentoring role with the new employees and to meet with employers, registered training organisations and other parties to organise training and assessment as needed.

An example is that the NSW Road Transport Association in conjunction with the Commonwealth and NSW Governments developed 'Ready 4 the Road' to assist disadvantaged Australians to find jobs in the transport industry and help overcome skills shortages.

The last published results were excellent ie:

- Of the 120 who commenced, 82 people have completed formal training ie. 68% of those who commenced the course
- Of the 82 that completed the formal training component and moved through to the driver training section 68 were successful in obtaining their licence – ie 83%;

So far of the 68 that obtained licence upgrades 51 have been confirmed in fulltime driving jobs.

That is over 40% of the 120 disadvantaged Australians who commenced 'Ready 4 the Road' now have a fulltime driving job.

It has also been well received by insurance companies who have waived their normal restrictions on inexperienced drivers due to the comprehensive nature of the training.

Another example is the 1st pilot program by TDT Australia for farmers at Toowoomba Queensland in 2005. Toowoomba was selected, as it is a major transport hub, the Darling Downs is a drought declared region that has a driver shortage and has a strong local transport stakeholder network. It also has only 2.3% unemployment, so there is not a great deal of potential candidates to select from, so it was an opportunity to put farmers in the "mix" to broaden employer selection possibilities.

The Toowoomba pilot was the first of the 'Farmer Ready for the Road' pilots to be implemented. This was much more difficult to implement than initially planned. TDT, with the assistance of the RTO- Southern Queensland Institute of TAFE (SQIT), met with various stakeholders to discuss the plan, and process this initiative.

Despite the enormous amount of work that was required to get this pilot up and running, a great deal of information was gathered to assist in the subsequent pilots that were planned. This program was an overwhelming success with 9 of the 10 participants gaining employment in the industry.

Farmers turned out to be a great 'fit' for work in the Transport & Logistics Industry as they have a great work ethic, mechanical knowledge, inherent skills & a great desire to succeed, to ensure they can supplement their farm incomes.

- *Migration*

The ATA is negotiating with the Australian government regarding a pilot regional labour agreement, initially for 100 foreign drivers and/or diesel mechanics. The ATA believes that the Australian Government should finalise this agreement as soon as possible, with a view to expanding it after its operation has been positively reviewed.

The ATA believes that this avenue may be of limited assistance to address the labour shortage. A major reason is the cost of employer obligations, which are estimated at \$10,000-\$15,000 per employee. These obligations include the payment for employees and their dependents of health costs or health insurance, and repatriation costs.

This may limit uptake, especially in the SME segment, which is a considerable part of the trucking industry.

The ATA is also making a submission to the Parliamentary Joint Standing Committee on Migration's Inquiry into temporary business visas, adopted on 6 December 2006.

- *Training Funding*

All of these recommendations can be enhanced through additional funding from government, especially in promoting the industry to young people. It should be noted that traineeships through the Australian Apprenticeships scheme (formerly New Apprenticeships) are widely used.

NCVER research in 2006 shows training packages in transport and distribution account for over 20% of total packages, but more support is needed to encourage recruitment and retention of employees.

Summary of Recommendations

- *Promote the industry as offering a great career in logistics in an attractive industry.*
An example is the ATA and Scania Young Australian Truck Driver competition.
- *Attract school leavers*
Programs such as SHIFT and involvement in schools is important.
- *Attract mature workers and other workers*
Ready for the Road and Farmer Ready for the Road are examples of useful programs.
- *Migration*
This avenue is of limited assistance with high costs.
- *Training Funding required*
All of these recommendations can be enhanced through additional funding from government.

Conclusion

The ATA continues to receive industry reports of skills shortages of truckdrivers, diesel mechanics and other positions, and is willing to participate in public hearings if required.