

# Submission

to

Senate Standing Committee on Employment, Workplace Relations and  
Education

## **Inquiry into Workforce Challenges in the Transport Industry**

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**Submission**            22

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The SA Department for Transport, Energy and Infrastructure has diverse responsibilities in relation to the transport system and services and infrastructure planning for South Australia. These responsibilities include:

- identifying strategic infrastructure priorities for the State, coordinating infrastructure planning and development across government, and facilitating timely delivery of key projects that support the economic and social development of the State;
- providing leadership in the development of transport options;
- delivering and supporting safe, sustainable and secure transport;
- providing improved public transport;

It is a large employer within the South Australian transport industry, with 1695 people employed to provide services directly related to transport in South Australia.

Another SA public sector agency, TransAdelaide, provides passenger transport services incorporating rail operations and rail infrastructure services, directly employing 550 employees. In addition 3 private sector providers are funded by the SA government to provide bus services in metropolitan and regional South Australia, employing over another 1000 employees.

Key to the SA public sector's success is ensuring that it has the workforce capable of delivering expected infrastructure requirements and services. The Department is committed to strong relationships between the public and private sector to facilitate the delivery of major road infrastructure projects, public transport and other transport services, and recognises that the capability of the workforce of its private sector suppliers and partners is also critical to its success.

Like many other private sector and public sector employers in South Australia, the Department faces significant workforce capability gaps in the future due to an ageing workforce and increasing competition for a decreasing labour market. In both sectors organisations are already seeking to recruit suitable people from overseas to address existing capability gaps (eg project managers, engineers, bus drivers, tradespersons).

Skills shortages are presently being experienced in professional, para-professional and trade groupings. There is not one area of the Department's activities that is not facing a skills shortage. Such shortages are not confined to the public sector as suppliers of services to the Department are experiencing the same shortages.

Skills shortages are directly attributable to the buoyant construction and mining industry, an ageing workforce, outflow of graduates to overseas and interstate labour markets, insufficient numbers of graduates in relevant disciplines being produced by post school institutions and insufficient migration.

#### *Marine*

With the decline of Australia's interstate and international shipping industry and ship repair and maintenance capability the number of qualified master mariners, marine engineers

and naval architects has declined, along with a reduction in the number of marine cadetships.

An area of increasing concern for the Department is the difficulty in recruiting suitably qualified practitioners in support of our commercial marine compliance obligations. There is a distinct shortage of Marine Surveyors and Naval Architects across the country, and it has been DTEI's experience that lately, any recruitment that has taken place has been directly from other jurisdictions which provide a similar service.

Another implication of a reduction in the number of master mariners is that it will become increasingly difficult to recruit and train marine pilots. Pilots are essential for the safe navigation of ships in and out of declared harbours. This skill is essential for trade facilitation.

#### *Public Transport*

Within the bus industry it is becoming increasingly difficult to recruit and retain bus operators and bus maintenance repair tradespersons. Within the rail industry there are acute shortages of engineering personnel and track and signalling tradespeople.

The shortages will become increase over time rather than decrease particularly as the average rail industry work is set to retire in the next ten to fifteen years. Aspects of rail infrastructure maintenance are physically demanding and as workers age, they become less able to meet these demands.

#### *Road*

Austrroads recently commissioned a study of the capability of the Australian and New Zealand skilled roads workforce to meet infrastructure development requirements over the decade to 2006/16. The major finding of the study was that the future skilled labour supply in Australia and New Zealand will not be enough to meet forecast skilled labour demand in the roads sector, based on forecast road construction, maintenance and other road management activity and taking into account labour lost through workforce attrition. As a consequence, in theory, a capability deficit will arise. In South Australia, a peak in the predicted capability deficit is expected to occur in 2009, with the deficit again increasing from 2012.

The report states that 'In practice there will be no observable capability deficit. Either labour demand will fall back to meet the constrained level of labour supply — implying that future roads activity will need to be cut back or foregone — or measures will be put in place that will boost labour supply to meet current expectations of future roads activity.' What this means is that unless steps are taken to increase the available labour supply, planned activities to build and maintain roads will need to decrease to match predicted labour supply levels.

Workforce capability gaps within the Department for Transport, Energy and Infrastructure are wider than those examined in the Austrroads study, which was focused on road construction and maintenance. While civil engineering skills are critical to the department, the availability of other professionals (and related technical and support staff) also impacts on the ability of the Department to deliver its transport related services. These areas include, but are not limited to, project management, traffic modelling, planning and road safety. It is also important to note that these labour market issues are not just impacting on professional and technical areas, but also in the trades and traditional blue collar areas

(eg plant operators) where these types of employees are being targeted by the mining sector with notably greater salaries. In addition labour shortage issues are impacting on business support areas across the department.

Compounding these shortages is the shift in emphasis in the areas of expertise required for road infrastructure delivery towards public engagement, commercial analysis, planning and traffic engineering and management. This requires the development of additional capability within the department where possible and an increased need for skills that are in short supply.

#### *Development*

It is encouraging that the current inquiry is being undertaken. It is apparent that the transport industry (particularly in the area of road construction and maintenance) has been somewhat neglected at both the University and VET levels until recently. In this regard, the industry will need to work closely with these education and training sectors to ensure that appropriate qualifications and related curriculum are developed, and that students are encouraged to consider careers in the transport industry. Given the increasing competition for young people entering the job market, it is critical that a national approach is taken to promoting careers in transport at the secondary and tertiary levels.

The Department for Transport, Energy and Infrastructure is working with the Department of Education and Children's Services to develop curriculum to encourage secondary school students to consider civil engineering as a career. It is also working with the VET sector to promote career pathways into the Department and civil engineering. In addition it is working closely with local universities to promote the Department and make connections with students. However, this is resource intensive and would be supported by a national approach to promoting the transport industry in direct competition to other seemingly more attractive career options. Recent initiatives to develop new VET qualifications (eg: Diploma of Civil Engineering - Competencies) are supported.

Given the decreasing labour market and increased competition for those entering that market, the Department believes that it is critical to invest in the ongoing training and development of its people. This will enable the Department to meet some capability gaps by retraining or up-skilling existing employees into skill shortage areas, and in addressing new competencies required to work in an environment of greater public engagement. This is however, a costly exercise. While incentives exist to provide training to unqualified or new employees, additional incentives for employers to invest in retraining or up-skilling existing employees within the workplace would greatly contribute to the transport industry's ability to bridge the forecast capability gaps.