

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

Dear Sir/Madam,

Re.: Inquiry into Workforce Challenges in the Transport Industry

Following is a condensed version of the Transport Workers' Union's submission to the Senate Employment, Workplace Relations and Education Committee's Inquiry into Workforce Challenges in the Transport Industry.

A more detailed appendix to this submission, including comprehensive qualitative and quantitative research will be forwarded for the committee's consideration in the coming weeks.

Outline

The Transport Workers' Union (TWU) represents 85,000 members across Australia in the transport industry. The TWU is the largest union in the transport industry with the majority of TWU members employed specifically in road transport.

Whilst the term 'transport' encompasses road, air, rail and water passenger and freight movement, this submission specifically addresses the issues of labour shortage in the road transport industry.

The Australian economy relies on transport. A viable and efficient road transport industry is necessary in a country where a relatively small population is spread across considerable distances. Experienced, skilled, well-trained and licensed drivers are an essential element of improving the viability and efficiency of the road transport industry.

The TWU agrees that the road transport industry could face challenges in the availability of truck drivers within the next decade. A number of suggestions have been made as to how the potential challenges should be dealt with. Some industry groups, including the Australian Trucking Association, have gone as far as suggesting that imported labour, through the 457 visa regime, should be used to address the need to meet the expected doubling of the road transport freight task by 2020¹. Some board members of the Australian Trucking Association stand to gain personal financial benefit if the use of cheap imported labour becomes a common practice. The TWU's supplementary submission will provide details of solutions which the transport industry can use to address any challenges to the availability of truck drivers without resorting to using foreign labour.

In developing those solutions, two key questions have been necessarily addressed:

Why are experienced truck drivers leaving the road transport industry?

Why is the next generation of truck drivers not being recruited and trained to replace drivers who leave the industry?

Retention

Contributing to impending labour shortage in road transport are the levels of retirement and retention amongst the existing workforce. In 2006 153,900 Australian workers were employed as truck drivers. Of those, 45 percent were over the age of 45². This suggests that within twenty years, should drivers aged 45 retire at the age of 65, road transport will need to recruit 77,000 truck drivers to maintain existing levels. Since 2004 the number of employed truck drivers in Australia has fallen by 4,700³.

It is important to recognise why drivers are leaving the industry. Addressing the lack of driver retention in the road transport industry requires an understanding of the pressures faced by truck drivers in the course of carrying out their normal duties and how those pressures contribute to drivers leaving the industry. Drivers, particularly those in the largely non-unionised long distance sector, face considerable financial pressures as a result of the industrial relations system under which they are remunerated. Many drivers are not paid for time spent waiting to load and unload, which can amount to many hours of unpaid work during any given week. Owner drivers in particular are faced with rates of pay paid per trip or per kilometre which often compel them to choose between servicing their debt on the vehicle or working for longer than is safe. National minimum safe rates of pay for owner drivers are an essential element of attracting new drivers to the road transport industry.

WorkChoices has allowed transport companies to implement rates of pay and systems of remuneration which make working in the transport industry less attractive. Drivers often face considerable client pressure to meet unrealistic deadlines. Such pressure not only puts truck drivers' lives at risk, but risk the lives of all road users. Considering the low rates of pay, time spent away from family and the personal risk involved in being pressured by clients and transport companies, it is no wonder that many drivers choose to leave the industry.

Recruitment

¹ Department of Transport and Regional Services, Bureau of Transport and Regional Economics, *Skills Shortages in Australia's regions, Working Paper*, page 31.

² Australian Job Search, Gender, Age & Hours, retrieved 30 January 2006 from <http://jobsearch.gov.au/joboutlook/default.aspx?pageId=KeyInfo3&AscoCode=7311#age>

³ Ibid

The long term solution to any challenges to the availability of truck drivers is improved training and improving industry working conditions. Short term solutions will only serve to exacerbate any challenge to which develops. Particularly concerning is the proposed reliance on foreign labour to supplement local drivers. Increasing reliance on overseas sources of experienced drivers would absolutely guarantee that Australia is unable to continue to service its own freight task.

In times when housing costs making raising a family particularly challenging, it is little wonder that recruiting young Australians to be truck drivers is becoming more difficult. A job in which one's life could be endangered by pressure to drive unsafe hours and where rates of pay are being driven down by a race to the bottom on price is hardly the ideal foundation for a financially secure future. Research commissioned by the Transport Workers' Union, and conducted by Globe Communications, suggests that employed and unemployed people would be interested in working as truck drivers if remuneration was reasonable. See the following actual quotes from focus groups conducted as part of the research⁴:

"If they paid me big money I'd take...and no stress." - Male, over 30

"Money-wise, I'd jump at it, as I am only earning \$32 000. I could even earn more by working less hours than I do now." - Male, over 30, retail assistant

Others suggested that the scheduling of trips would prevent them entering the industry:

"I've got a family at home, they are very young. I don't think I could ever do it. I'd be out on the road. I couldn't do it." - Male, over 30

TWU research, which will be presented orally at any inquiries held, indicates that the cost of recruitment of a foreign worker is at least \$10 000. The cost of providing the relevant training to upgrade a standard driver's licence to a heavy vehicle licence is \$2 000. The benefits of encouraging Australian truck drivers into the industry are two-fold: providing job opportunities for young Australians, particularly in regional areas; and recruiting more truck drivers to the industry for each dollar spent.

I look forward to any opportunity the committee may offer for representatives of the Transport Workers' Union to provide evidence in person.

Yours sincerely,

Tony Sheldon

National Secretary
Transport Workers' Union

⁴ Full details and results of this research will be presented as part of the complete version of the Transport Workers' Union's submission.