

Submission to: Australian Workforce and Productivity Agency

Title: Future focus: Australia's skills and workforce development needs

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1. Introduction

Attracting workers to the heavy vehicle industry should be recognised as a priority by the government, as it supports a wide variety of businesses and activities. While demand for freight services continues to grow and is set to double by 2020, the heavy vehicle industry is under pressure from severe driver shortages and a negative image problem. This makes attracting young workers, female workers and other potential workers generally more difficult. Significant action from government and industry is needed in order to keep Australia moving, as current recruitment policies are not working. Some estimates have indicated that the rate of recruitment will need to increase by 150% in order to support the increased demand for road freight services and retiring drivers.¹

2. Australian Trucking Association

The Australian Trucking Association (ATA) is the peak body that represents the trucking industry. Its members include state and sector based trucking associations, some of the nation's largest transport companies, and businesses with leading expertise in truck technology.

3. Recommendations

Recommendation 1

The government should allow the migration of skilled truck drivers from overseas to support regional areas.

Recommendation 2

Management and the workplace environment be adapted to meet the demands of an ageing workforce.

Recommendation 3

The government to continue to support Indigenous communities through education and employment opportunities, to improve participation in the heavy vehicle industry.

Recommendation 4

Industry and government should work together to encourage women to join the heavy vehicle industry.

Recommendation 5

Industry should promote careers in the heavy vehicle industry to young workers.

Recommendation 6

Industry and government should work on promoting a realistic and positive image of the industry.

Recommendation 7

The government should address the concerns over restrictive waiting periods for licensing.

Recommendation 8

Insurance companies should use heavy vehicle incident data for under 25's and not the general under 25 accident rate for setting industry insurance premiums.

¹ Department of Transport Victoria, 2010, *A workforce strategy for road freight drivers*, page 4

Recommendation 9

Industry and government should support workers by offering training to make sure that drivers are compliant with regulations.

Recommendation 10

Industry and government should work together to promote healthy lifestyle choices for drivers.

Recommendation 11

Industry should allow flexible working hours and make workplaces family friendly.

Recommendation 12

Government should make sure that amenities used by the trucking industry are of a high standard.

Recommendation 13

Industry and government should make sure that guidelines for safe use of equipment are freely available to operators.

Recommendation 14

Industry and Government should support training programs in the industry.

Recommendation 15

The government should continue to support projects that encourage increased professionalism and that attract new workers to the industry.

4. Workforce challenges

The heavy vehicle industry has been suffering from limited availability of workers for many years and the problems mentioned below are well known within industry.

4.1. Regional shortages

Competition from other industries, specifically construction and mining, put extreme pressure on recruitment of heavy vehicle drivers. In a recent review ATA members nominated areas where they considered there to be labour shortages. A comprehensive list was drawn up:

NSW: Albury, Corowa, Wagga Wagga, Leeton, Griffith, Dubbo, Orange, Goulburn, Parkes, Forbes, Grenfell, Riverina NSW, West Wyalong, Temora, Junee, Cootamundra, Hunter Valley and Tumut.

NT: Darwin.

VIC: Wodonga, Wangaratta, Shepparton and Cobram.

QLD: Townsville, Mackay, Rockhampton, the region between the Bowen basin coal fields south to the coal seam gas region around Miles/Chinchilla/Roma as well as Gladstone.

WA: Derby, Port Hedland, Newman, Esperance, Karratha, Broome and Perth.

One explanation for the lack of available drivers is that the wages offered by competing industries are far higher than what a heavy vehicle driver would be paid. Mining, specifically in Western Australia and Queensland, offers substantial wages above what a hire and reward driver can earn.

The Department of Immigration recognised the shortage of heavy vehicle drivers and has included heavy vehicle drivers as eligible for a new Regional Migration Agreement (RMA). The RMA enables employers to sponsor workers from outside Australia in circumstances that are not otherwise permitted under the standard migration programs. A worker who is sponsored under an RMA will need to apply for a Temporary Business (subclass 457) visa.

While this is definitely an improvement on the current immigration policy, the RMA is very demanding for the employer and has strict assumptions that may restrict the success of the program. Specifically for the heavy vehicle industry, there is a limit to what type of vehicles temporary migrants can drive, as Australia has the largest trucks in the world.

Recommendation 1

The government should allow the migration of skilled truck drivers from overseas to support regional areas.

4.2. An ageing workforce

Many heavy vehicle drivers are approaching retirement age, with new employees required to fill the vacancies created by the retiring drivers. The average age of a truck driver is 43; this is higher than the national average for other industries, 39.² The higher average age means that working conditions should be adapted for older workers, forward projections of the proportion of older workers in the industry supports this. The forecasting below shows nearly half the current workforce will be over 65 by 2026.

Table 2 – Potential share of existing truck drivers leaving due to retirement

Source: Based on ABS (2007a)

2006			2016		2026	
Age Group	Proportion	Number	Age Group	Proportion	Age Group	Proportion
15 – 24	4%	1,360	25 – 34		40 – 44	
25 – 29	7%	2,184	35 – 39		45 – 49	
30 – 34	11%	3,203	40 – 44		50 – 54	52%
35 – 39	14%	4,224	45 – 49	81%	55 – 59	
40 – 44	16%	4,850	50 – 54		60 – 64	
45 – 49	15%	4,627	55 – 59		65 – 69	
50 – 54	13%	3,923	60 – 64		70 – 74	
55 – 59	11%	3,228	65 – 69		75 – 79	48%
60 – 64	6%	1,933	70 – 74	19%	80 – 84	
65+	2%	741	75+		85+	
Total	100%	30,273	Total	100%	Total	100%

Source: Department of Transport Victoria, 2010, *A workforce strategy for road freight drivers: background paper*, page 16

While the workforce has a high percentage of older employees, the expertise and wealth of experience accumulated by these workers should be used to industry’s advantage. Allowing these employees to mentor new workers and become managers would be a sensible way to use these skills. Many of these workers do not have formalised education, however, the knowledge they possess is on the same level as many qualifications. Recognising this experience with a formal certificate would serve to validate these worker’s skills.

Adapting management to suit the demands of an ageing workforce needs to be considered. It has been recommended that there be a reduction of manual handling of freight by older workers, along with increased medical assistance, like occupational therapists. In order to ensure that older drivers maintain safety there will also be a need to increase medical testing. Additional education about lifestyle choices and health issues should be promoted.³

² J.Birdseye News and Media, ‘women, an underutilised resource in the transport industry’ 09 September 2011 Isuzu Trucks

³ Department of Transport Victoria, 2010, *A workforce strategy for road freight drivers*, page 17

Recommendation 2

Management and the workplace environment be adapted to meet the demands of an ageing workforce.

4.3. Lack of women workers and Indigenous Australians

Attracting as many capable workers to the industry is important and increasing the diversity of the workforce will help the industry meet demands made of it. However, the industry has struggled to attract women and Indigenous workers to participate in the heavy vehicle industry.

The AWPA paper states that “outcomes for Indigenous Australians improve dramatically with education. With increasing education, the employment gap between Indigenous and non-indigenous people is relatively small.” The literacy requirements to become a truck driver are demanding and making sure that safe driving, compliance and correct use of equipment is an overruling principle that cannot be changed to increase participation. Making sure that Indigenous Australians are provided the opportunities to contribute to the industry should be facilitated through increased education and support from industry.

States and Territories where there is a high density of Indigenous Australians are providing ongoing initiatives to support its indigenous population. The Northern Territory is providing a portfolio of projects including assisting industry to increase its Indigenous employment capacity and providing traineeships.⁴

It makes sense for women to play a larger role in the industry for more than just equality reasons.

Economically, women have proven to be an asset as they treat machinery cautiously and are less likely to behave recklessly, thereby saving companies on repairs.

Research has also found that “If Australia could close the gap between male and female employment rates it would boost gross domestic product by eleven percent.”⁵ However, the industry is very male dominated and the ‘boys’ club’ culture is off-putting to women, who may prefer to work in a diverse workforce.

The lifestyle that is inherent with heavy vehicle driving is at odds with the common ambitions for women to socialise and have a family. Until the lack of adequate female friendly amenities, flexible work hours and personal safety risks involved with driving a truck are improved, women will not believe trucking is a profession where they can achieve their aspirations.

It should be noted that manufacturers are making efforts to design their trucks to be more suitable for women. The physical demands for heavy vehicle drivers have been reduced, as forklift trucks and other loading equipment have limited physical strain.

Trucks have now been manufactured to be both suitable for men and women; Volvo has publicised that their trucks can suit both ‘tall men and short women.’

“A few years ago it was pointed out that the manual gearboxes were difficult to handle for shorter people; they had difficulty reaching the gear lever from the high seat. So we immediately changed that. Our task is to create trucks that are as comfortable and functional as possible for the specific tasks for which they will be used. The driver should benefit, irrespective of whether it is a woman or a man behind the wheel.”⁶

The industry suffers from the image that there are no female truck drivers. However, the ATA membership has some remarkable women who drive some of the largest combinations in Australia. Promoting the image of these women would be a first step in promoting the role of women in the industry. Encouraging women drivers to speak to high school girls about what it’s like to drive a truck would help to attract more women to the role. “Students need to be better targeted so they’re informed about each industry before choosing a career.”⁷

⁴ The Northern Territory Government - Department of Business ‘Gearing Up the Workforce 2012-2015’

⁵ R.Zivkusic-Aftasi, It’s A Woman’s World, Supply Chain Review, August 2012. Page 28 - 31

⁶ M.Vassiliadis, *Attracting Women to the driving profession – solution to the approaching driver shortage?*. Corporate news, Volvo Group Global, 2nd August 2010

⁷ R.Zivkusic-Aftasi, It’s A Woman’s World, Supply Chain Review, August 2012. Page 28 - 31

Women should be encouraged to become truck drivers; however, enforcing quotas would not result in the best outcome for industry. There should be equality of opportunity, not equality of outcome; safety has to be paramount.

Women play a large role in policy direction in the ATA council and Committees. Each year, women of distinction are nominated and rewarded with the 'National Trucking Industry Woman of the Year' award at the Australian Trucking Convention. Women in the industry support each other through associations such as Transport Women Australia, and individual state associations. This support and recognition in the industry is vital in promoting the role of women in transport, and there needs to be a continued drive to make sure that women are a valuable asset to the industry.

Recommendation 3

The government to continue to support Indigenous communities through education and employment opportunities, to improve participation in the heavy vehicle industry.

Recommendation 4

Industry and government should work together to encourage women to join the heavy vehicle industry.

4.4. Young people don't want to be truck drivers

Many young people are struggling to find employment; the heavy vehicle industry is a viable career for this demographic. However, attracting young people to the industry is an issue exacerbated by an ageing workforce, licensing arrangements and a lifestyle that does not suit the aspirations of young people.

While the Australian Workforce and Productivity Agency paper states that there has to be increased tertiary education uptake, the increased pressure on under 25s to advance beyond high school is having the effect of undervaluing those who undertake vocational education and those who do not attend university. It means the pool of labour that would previously be eligible to work in the heavy vehicle industry is being reduced, and the ambitions of this generation do not include being a truck driver.

Recommendation 5

Industry should promote careers in the heavy vehicle industry to young workers.

5. Why are people not entering the industry?

5.1. Tarnished image

The industry has a negative image which is continually perpetuated by generalisations in the media. For example, the National Portrait Gallery's Face to Face television advertisement, accessible at <http://www.starnow.com.au/markbearcampbellbulluss/video/116469/>, depicts a stereotypical truck driver in a stained blue singlet coming face to face with Deborah Mailman. Although the ad is undeniably witty, it also perpetuates a 1970s view of the industry. Today, a truck driver is likely to work in a high visibility uniform in a sophisticated truck cab.

Challenging and changing the negative images portrayed by the media about the heavy vehicle industry is important to attracting new workers, especially young people and females.

The majority of industry operates safely and professionally. However, most national news stories report on heavy vehicle accidents, speeding or bad driving. It should be noted that the cause of an accident is more likely to be a third party than a truck, "In 82% of crashes where a heavy vehicle is involved with a third party, such as a car, the third party is at fault."⁸

⁸ National Transport Insurance, Major Accident Investigation Report, 2011, Page 6

Technology plays a much larger role in the industry than it did 20 years ago, and the interactive nature of the industry should be attractive to younger workers, who are more intuitive with technology than older generations.

The ATA holds an event called TruckWeek Biennially in August, which promotes the professionalism of the industry and its contribution to the community. The ATA encourages operators to hold public BBQs and reward good drivers with certificates of recognition. Participating in the community improves the image of the industry and secures the importance of trucking in regions.

The ATA has an interactive mobile education centre, The Road Ahead, which travels to schools and large events to raise the profile of the industry. This centre informs children and the general public about careers in the industry and road safety.

Recommendation 6

Industry and government should work on promoting a realistic and positive image of the industry.

5.2. Restrictive regulations

The current licensing regulations prohibit young people from obtaining a truck license due to mandatory waiting periods on driver licensing progression.

License category	Current eligibility criteria
Heavy Rigid (HR)	Car license held for 2 years
Heavy Combination (HC)	Held HR license for 12 months
Multi-Combination (MC)	Held HC license for 12 months*

** To obtain an MC licence, the applicant must also complete an approved course*

The current graduated licensing system disregards any competency training that a driver undertakes. This contributes to delaying competent drivers and means that there is a shortage of quality drivers, especially HC and MC operators. Limiting the natural progression of young drivers restricts the attractiveness of becoming a heavy vehicle driver.

Heavy vehicle drivers are likely to be at least 20 before they can drive heavy combinations this is frustrating for those who would like to work in transport, and potential workers are more likely to work in a profession that offers greater job progression and access earlier.

Ensuring road safety is the number one priority of any licensing system. However, under the present system limited training is mandated in the current waiting periods. There is a strong argument for competency based training to be encouraged to make sure that safe driving is taught to potential drivers. The ATA has previously promoted a system where drivers can advance quickly through the graduated licensing system if they undertook advanced competency training and assessment, and then demonstrated a history of safe driving on the job in the relevant heavy vehicle class.

Progressing to higher levels of heavy vehicle license is also under strain because of the shortage of heavy vehicle driving instructors.⁹

The National Heavy Vehicle Regulator is set to examine the graduated licensing system and we hope that it will be implemented given the demand for competency based training.

Recommendation 7

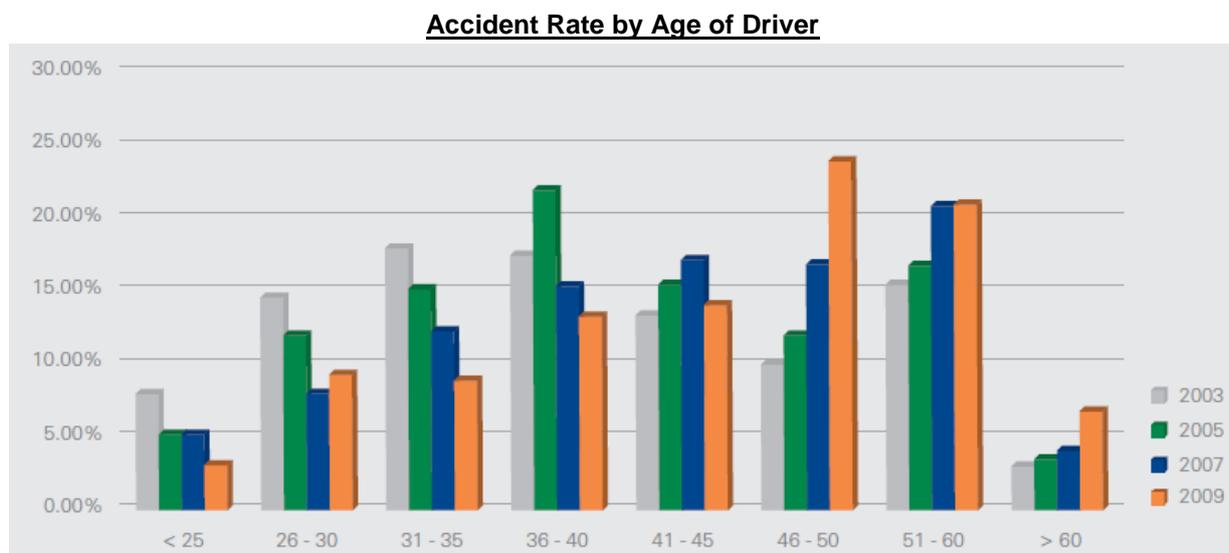
The government should address the concerns over restrictive waiting periods for licensing.

9 Transport and Logistics Industry Skills Council, Environmental scan logistics management, road transport and warehousing supplement, 2010, page 2

5.3. Insurance for young drivers

Insurance premiums for young people are high; this is a significant barrier to operators wanting to hire young workers. Young people, especially males, are more likely to be involved in road incidents than older drivers, in general.

However, the evidence runs contrary to this view when examining young truck drivers' incidence rates. National Transport Insurance (NTI) has found there is 'no evidence of drivers under the age of 25 years increasing their involvement in major truck crashes.' They also strongly believe that the lowering of the involvement of under 25's in accidents is due to improved management and the monitoring of apprentices.¹⁰



Source: page 20 2011 Major Investigation Report NTI

High insurance premiums limit the amount of in-cab training young drivers are able to do. There may be greater opportunities for interactive simulated training, but it is unclear whether operators would pay for training where no freight is moved.

Drivers who undergo advanced competency based training should be rewarded for their efforts with reduced insurance premiums, as is custom with advanced competency training in light vehicles when a driver obtains a drivers license.

Recommendation 8

Insurance companies should use heavy vehicle incident data for under 25's and not the general under 25 accident rate for setting industry insurance premiums.

5.4. High responsibility

The industry is subject to increasing compliance regulation. Chain of responsibility and fatigue management affects all areas of the trucking business, meaning from the manager down to the driver, there are huge compliance requirements on every operation they carry out. Improving the safety and accountability of the industry is important. However, the increase in paperwork and compliance is likely to put potential workers off, and burdens current workers who have to factor in extra paperwork.

Additionally, there is increasingly higher demand for literacy skills to perform satisfactorily in the industry. The work diary which each driver has to correctly fill in for compliance with working hours, has been rated 4 out of 5 in terms of the English literacy skills required to complete it.

Recommendation 9

Industry and government should support workers by offering training to make sure that drivers are compliant with regulations.

¹⁰ National Transport Insurance, Major Accident Investigation Report, 2011, page 21

5.5. Health problems

The sedentary lifestyle of a truck driver can contribute to health problems. Facilities provided at truck stops or on the road are limited and often unhealthy. This increases the risk of serious health issues like heart disease and diabetes. The prevalence of sleep apnoea in the industry is of huge concern for fatigue management and the health of drivers.

Sleep apnoea is being addressed in the industry with managers encouraging their workers to be tested, however, waiting periods for testing can be long and workers could possibly be banned from working by road agencies or employers until the results of the test come back.

Access to exercise is limited, and long working hours reduce the motivation to undertake physical exertion.

Education programs about the importance of a good diet and healthy living in the heavy vehicle workforce should be promoted by industry and government.

Recommendation 10

Industry and government should work together to promote healthy lifestyle choices for drivers.

5.6. Family life work balance

Working as a truck driver is a very diverse lifestyle; it could involve long haul, short haul, overnight or early morning work. This disruptive lifestyle is not attractive to most and does not match the aspirations of young people.

Along with being away from home, rest area and truck stop amenities in most places are not up to a sufficient standard. The poor standard of amenities affects the overall working conditions that truck drivers have to deal with. Improving rest areas and change over bays where workers can swap trailers has to be an objective of government upgrading of roads, as this would not only improve the use of the amenities but support fatigue management in the industry.

Improving the flexibility of work hours needs to happen if there is to be a greater diversity in the workforce. Short shift driving for those with families would target over 35's and women in the industry. While this is one of the clearest ways to attract and retain workers, operators are resistant to an idea that will increase costs just to suit some members of the workforce. The 'just in time' response of freight movement also means that these kind of options cannot always be provided.

Recommendation 11

Industry should allow flexible working hours and make workplaces family friendly.

Recommendation 12

Government should make sure that amenities used by the trucking industry are of a high standard.

5.7. Occupational injuries

Industry has strived to improve its safety record, compliance and competency to increase the professionalism of industry. Better maintained vehicle equipment along with smarter in-vehicle technology has made safety compliance and especially fatigue easier to monitor. However, some dangerous practices still continue, such as not wearing a seatbelt and inappropriate use of loading equipment.

Promoting appropriate guidelines for use to make sure that all drivers are aware of how to use equipment safely are supported by the ATA.

Recommendation 13

Industry and government should make sure that guidelines for safe use of equipment are freely available to operators.

5.8. Limited training opportunities

Training and education have not been historically provided to many in the industry, as the larger part of industry is made up of smaller enterprises, where the resources are not available to provide or pay for additional training. Additionally, the industry does not have an accredited apprenticeship scheme. The lack of an established training scheme makes a profession in the industry uncertain.

Larger operators can provide mentoring, compliance guidance and training. However, there is a view that if training is given drivers will leave the heavy vehicle industry for a higher paying position with the resources sector, limiting the willingness of operators to provide additional training.

Establishing a national apprenticeship scheme and encouraging colleges to provide relevant courses for road management would secure younger workers into the trade. Improved education on compliance issues is vital to industry understanding its responsibilities as well as having a workforce that can care and act on legislative matters.

Schneider National, in the US, has a very successful training program, where it offers continual training and promotes a program that offers drivers opportunities to diversify into the mode of freight movement they want e.g. regional, tanker etc.¹¹

Recommendation 14

Industry and Government should support training programs in the industry.

6. Current policies to address shortages

TLISC Programs

The Transport and Logistics Industry Skills Council (TLISC) has been very active in improving the talent of the workforce and helping solve labour shortage problems. TLISC also offers training packages in transport.

The ATA Skills and Workforce Committee have been involved with providing information to TLISC about issues in the industry.

National Workforce Development Fund

This is a four year fund that seeks to combat skills shortage areas. Transport managers and truck drivers are on the priority occupation list. The support TLISC provides to the industry is in developing a tailored training program that suits the needs of either the enterprise or the individual, identifying appropriate Registered Training Organisations (RTOs) and assisting in the application process.

WELL Program

The WELL program is focussed on improving the communication, writing, reading and numeral skills for existing workers, particularly remote and regional workers.

Example of State based programs

Queensland

Transport and Logistics Workforce Advisory Group (TLWAG)

TLWAG has been working with the Department of Transport and Main Roads The program focuses on skill and workforce shortages in the key industries. To date it has injected more than 100 new or up-skilled operators/drivers into the industry.

¹¹ D.Whistler 'Schneider offers \$6,000 tuition reimbursement to attract drivers' Fleet Owner ,25th July 2012

Queensland has also recently funded a \$1 million fund for skilling and skill development across the heavy vehicle and bus industry.

Victoria

VicRoads Heavy Vehicle Licensing Access Project (HVLAP)

This program is an accelerated licence graduation for a heavy combination vehicle driver. Some of the parameters for gaining a HC licence using the HVLAP method, will include supervised and non-supervised hours of driving, which will then allow the applicant to be assessed for a HC licence. Essentially, there is the opportunity to obtain a HC licence in 3 to 4 months with plenty of driving exposure, as opposed to 12 months or longer now where there may be little or no driving exposure.

This program is still in creation.

Recommendation 15

The government should continue to support projects that encourage increased professionalism and that attract new workers to the industry.

7. Conclusion

Without the effort of both government and industry to create policies, problems attracting workers will not be solved efficiently. Improvements in productivity will not just appear given the pressure industry is under; there will have to be real action to make working in the trucking industry viable for under 25's, women and other potential employees.