



HEAVY VEHICLE DRIVER APPRENTICESHIP PROPOSAL AUSTRALIAN INDUSTRY STANDARDS

AUSTRALIAN TRUCKING ASSOCIATION SUBMISSION OCTOBER 2021

1. About the Australian Trucking Association

The Australian Trucking Association is a united voice for our members on trucking issues of national importance. Together, we represent the 50,000 businesses and 200,000 people who make up the Australian trucking industry.

2. Introduction

The ATA and its members support the introduction of heavy vehicle driver apprenticeships.

The apprenticeship model in the Australian Industry Standards consultation paper¹ would increase job seekers' interest in truck driving. It would increase the professionalism of the industry, improve safety and improve roadside interactions between enforcement officers and drivers.

The apprenticeship should be targeted at current school students through school based training and recent school leavers (page 7). It could also be made relevant to mid-career entrants by including business skills electives (page 11).

The apprenticeship should be amended to include a forklift licence as a core unit. It should be subject to regular reviews as technology changes; the qualification should be renamed as a **Certificate III in commercial heavy vehicle operations**. Many of the school leavers starting their driver apprenticeships in the coming years will spend most of their careers managing self-driving vehicles, not driving them. (page 11).

To support the proposed model—

- state training agencies should address employer churn by uniformly adopting the South Australian approach of requiring new employers of existing apprentices to pay a transfer fee to their former employer (page 8)
- prospective supervisors of apprentice drivers should be able to access free training in TAESS00017 – Workplace supervisor skill set, given that a third of the apprentices who fail to complete their training leave because of problems with their employment experience (page 9).

As an important next step, AIS should develop a project timeline that would see the apprenticeship established within 18 months (page 12).

¹ Australian Industry Standards, [Proposal for heavy vehicle driver apprenticeship](#). September 2021.

3. Consultation questions

Question 1: Do you believe the development of a heavy vehicle driver apprenticeship would assist in the professionalisation of the truck driving and/or the road transport industry?

The ATA and its members have long argued for better truck driver training and the development of a truck driving apprenticeship.

Our support for the concept and the specific proposals in this submission are based on—

- market research into the views of trucking businesses
- market research about the views of prospective employees and
- qualitative insights from ATA members.

Overall, the evidence supports the view that a truck driver apprenticeship would encourage more prospective employees to join the industry and improve their professionalism.

Trucking industry attitudes to industry participation and professionalism

In 2016, Volvo Group Australia published research by Clemenger BBDO based on a survey of 547 industry participants, including managers, company owners, drivers, mechanics and employers.²

The research showed that—

- 52 per cent of employers had issues in attracting the quantity of drivers they needed
- 82 per cent had issues in attracting drivers of the quality they needed.³

Table 1 summarises the perceived effectiveness of a trade accreditation program in finding a solution to the industry's recruitment and professionalisation issues.

Table 1: perceived effectiveness of a trade accreditation program for truck drivers

| | Effectiveness (per cent) |
|--|-----------------------------|
| Increasing driver availability | 66 |
| Improving driver quality | 75 |
| Increasing driver diversity | 73 |
| Shifting negative driver image perceptions | 73 |

Source: Volvo Group Australia.

² Volvo Group Australia, *Professional truck driver shortage: how driver availability impacts the transport industry and Australian society*. May 2016. Report prepared by Clemenger BBDO.

³ VGA, 2016. 8.

Attitudes of prospective employees

The Australian Government Department of Employment, Skills, Small and Family Businesses commissioned research in 2019 into the barriers, perceptions and enablers to entry for four occupations in skill or labour shortage, including truck driving.⁴

The three other occupations examined in the report have an apprenticeship pathway, and some of the research findings indicated that potential candidates considered the lower pay rates and length of training associated with these pathways as a barrier to attraction.

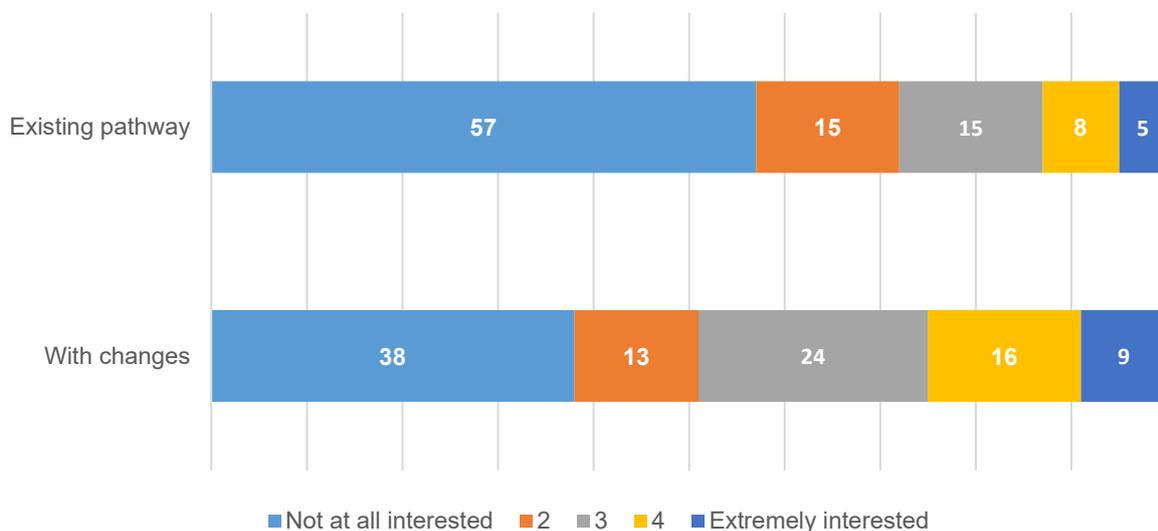
The survey participants were split into—

- job seekers on Newstart or Youth Allowance
- underemployed Australians who wanted a job with more hours
- career changers: Australian interested in retraining in the next three years.

Overall, the research found that interest in becoming a truck driver was very low – most job seekers (57 per cent), underemployed (65 per cent) and career changers (62 per cent) were ‘not at all interested.’⁵

Figure 1, however, summarises how job seekers’ attitude to truck driving would change if a package of policy interventions was put into effect.

Figure 1: appeal of becoming a truck driver, job seekers



Source: DESSFB.

⁴ Department of Employment, Skills, Small and Family Business, *Barriers, perceptions and enablers to entry for occupations in skill or labour shortage research*. Unpublished report, July 2019.

⁵ DESSFB, 2019. 43-44.

The three interventions that made the most difference to job seekers were—

- a training program that would allow new entrants to move around to different types of driving
- a cash incentive for each year of truck driving for the first three years
- coaches and mentors to help new entrants through their training and career.⁶

The apprenticeship model proposed in the consultation paper could achieve most of these results, although the delivery of direct incentives throughout the two year apprenticeship would depend on truck driving being added to the Additional Identified Skills Shortage List.⁷ Truck driving could also be added to the trade support loans priority list, to allow eligible apprentices to apply for loans of up to \$21,779 to assist with everyday costs.⁸

Insights from ATA members

During our internal consultation process on the paper, ATA members provided valuable insights into the advantages of apprenticeship models.

The managing director of one company said—

This initiative is well overdue and a must to allow the transport / supply chain industry to develop skilled operators in the long term.

Without introducing an apprenticeship program, we will see the average age of a driver continue to rise and in the not too distant future find ourselves unable to provide the services needed due to the lack of skilled operators.

Training a driver takes time and they are unable to drive from day one and most employers would find it difficult to do so due to the cost.

We already run our own in-house apprenticeship program bringing people off the street with no skills and over a period we have them trained so we may assist them in obtaining a MR licence to undertake driving duties in a small truck.

Over time, they are skilled up to develop their capabilities, add value to our business and be a safe and well informed driver on the road.

[National contract logistics, 360 employees]

⁶ DESSFB, 2019. 49.

⁷ Australian Apprenticeships, [Additional identified skills shortage payment incentive](#). Fact sheet, 2019.

⁸ Australian Apprenticeships, [Trade support loans – at a glance](#). Fact sheet, 2021.

A second business ran an apprenticeship program for three years before its funding was cut. Despite the loss of funding, two of the apprentices went on to do well in the industry—

...we hired one of the apprentices at the fuels depot in Boggabilla where he began as a storeman driver and progressed to MC with our company, moving on to another carrier later. The second apprentice we hired in our scheduling department. She went on to get her MC and became a relief driver / scheduling clerk and now is in Toowoomba as scheduler of our distribution hub there.

It was a good program that had potential and was being watched by a few of the other carriers.

Due to age constraints and applicable insurance exemptions, we were able to ensure cover for these two drivers by presenting the modules to the insurance providers and received dispensation as they deemed the process to be effective in mitigating the risk that age dictates in the role.

[Fuel transport, 500 employees]

Question 2: Do the two primary apprenticeship pathways outlined capture the variations in the targeted cohorts or should other pathways be considered?

The consultation paper sets out two apprenticeship pathways—

- formalising the professionalism process for people who are already employed in the industry and hold a heavy vehicle licence, or for potential new entrants who have not obtained a licence
- a traditional school to work apprenticeship, which would include obtaining the necessary heavy vehicle licences.⁹

People already employed in the industry / potential mid-career entrants

In the ATA's view, **the apprenticeship proposal should not be targeted at people already in the industry**. It should be available, however, for people who want to do it.

The proposal offers no advantages for drivers who are already licensed and working, compared to other training options such as—

- a straightforward Certificate III in Driving Operations through an RTO, with RPL as an option
- a reputable course outside the formal VET system, such as Wodonga TAFE's ProDriver program¹⁰
- a manufacturer's driver development course or
- training days or individual driver training offered by employers.

Mid-career entrants may find a structured program of training and mentorship helpful, but some will already have the contacts to find employment or start a business in the industry.¹¹

For mid-career entrants, a shorter-form credential would be more relevant and consistent with international best practice.¹² These could include—

- Wodonga TAFE's Superior Heavy Vehicle Licence program¹³ or
- a skill set such as the Heavy Vehicle Driving Operations Skill Set offered by TAFE WA with the support of the Western Roads Federation, an ATA member association¹⁴

⁹ AIS, 2021. 8.

¹⁰ Wodonga TAFE, [ProDriver program](#).

¹¹ For example, it is not uncommon for a heavy vehicle mechanic to transition to driving trucks for their employer, either on a full time basis or in addition to their trade. It is also not uncommon for a heavy vehicle mechanic to start their own trucking business.

¹² See Digital Transformation Expert Panel, [The learning country: digital transformation skills strategy](#). 2021. 36.

¹³ Wodonga TAFE, [Superior heavy vehicle licence](#).

¹⁴ TAFE WA, [Heavy vehicle driving operations skills set](#).

Mid-career entrants should still be able to undertake an apprenticeship, however, and one way of making the apprenticeship more relevant for this target cohort would be to **add a business skills component**. This is discussed further on page 11.

A traditional school to work apprenticeship

In the ATA's view, the heavy vehicle driver apprenticeship concept should be targeted at **current students through school based training and recent school leavers**.

Our view is supported by the research evidence, which shows that job seekers would value the structure, incentives and industry experience that can be delivered through an apprenticeship.¹⁵

The consultation paper raises the need for a dialogue about the future treatment of younger workers, including—

- exploring the degree to which an apprenticeship program might positively alter the insurance risk profile of younger heavy vehicle drivers¹⁶
- lowering the statutory age limits for heavy vehicle licences where the worker is part of a formal apprenticeship program and subject to a graduated level of supervision.¹⁷

In relation to insurance, it should be noted that specialist insurer NTI now has very few policy restrictions on younger/less experienced drivers. NTI does not insure two-up drivers aged 23 and under and requires drivers to have experience in lower risk combinations (for example, semitrailers) before driving higher risk combinations (for example, quad road trains). These limited restrictions would not stop the rollout of an apprenticeship program.

The ATA and its members have consistently argued that the graduated licensing system should be reformed to focus on competency.

Competency based reforms to licensing would certainly make driver apprenticeships more attractive, but **the implementation of the apprenticeship proposal should not be contingent on licensing changes**.

Licensing reform will necessarily be a slow process: linking the two together would delay the rollout of driver apprenticeships indefinitely.

¹⁵ DESSFB, 2019. 49.

¹⁶ AIS, 2021. 10.

¹⁷ AIS, 2021. 9.

Question 3: With consideration that apprenticeship funding incentives will not offset all costs, are there other financial concerns that need to be considered?

Training apprentices imposes considerable costs on employers. In 2011, NCVER found that the main cost to employers was the time and resources involved in supervision. The lower productivity of apprentices compared to fully trained employees was found to be offset by their lower wages.¹⁸

The cost of supervising an apprentice is highest in the early period of the apprenticeship,¹⁹ so employers who invest in training are reasonably concerned that apprentices may transfer to other businesses toward the end of their apprenticeships.

In the ATA's view, **the solution is for state training agencies to adopt the South Australian approach of requiring the apprentice's new host employer to pay a transfer fee to their former employer.**²⁰

As table 2 shows, these fees can be substantial.

Table 2: training contract transfer fees, South Australia

| | Small business (≤20 employees) (\$) | Medium-large business (≥21 employees) (\$) |
|----------------------------------|---|---|
| First year of training contract | 1,600 | 2,000 |
| Second year of training contract | 3,200 | 4,000 |
| Third year of training contract | 4,800 | 6,000 |
| Fourth year of training contract | 6,400 | 8,000 |

Source: South Australian Skills Commission.

The transfer fees would need to be modified for the driver apprenticeship, because it would involve a two year rather than a four year contract.

¹⁸ Nechvoglod, L et al. [The cost of training apprentices](#). NCVER occasional paper, 2009. 25.

¹⁹ Nechvoglod, 2009. 15.

²⁰ South Australian Skills Commission, [Transfer of training contracts and substitute employer](#). South Australian Skill Standard 9, June 2021.

Question 5: Would likely supervision requirements for apprentices impact your enterprise? If so, please describe how?

Effective supervision is the key to making sure that apprentices finish their training. In 2008, 33.4 per cent of the trade apprentices who did not complete said that ‘problems with the employment experience’ were the reason they left.²¹

The supervisor of an apprentice or trainee must be competent and qualified, but does not need to be trained in how to be an effective supervisor. Some state training agencies provide excellent guidance material.²² Others mandate maximum supervisor: apprentice ratios.²³ But there is no substitute for structured training.

The training and education training package includes a valuable skill set for current and potential supervisors (TAESS00017),²⁴ which includes the following units of competency—

- TAEDEL404 – Mentor in the workplace
- TAEDEL301 – Provide work skill instruction
- TAEASS301 – Contribute to assessment.

The ATA recommends that the apprenticeship proposal include free training in TAESS00017 for potential apprentice driver supervisors.

²¹ Bednarz, A. [Understanding the non-completion of apprentices](#). NCVET occasional paper, 2014. 14.

²² NSW Department of Education. [Supervising your apprentice or trainee: a guide for workplace supervisors](#). August 2021.

²³ South Australian Skills Commission, [Supervision](#). South Australian Skill Standard 5, June 2021.

²⁴ [TAESS00017 – Workplace supervisor skill set](#) (release 1)

Question 6: Could this apprenticeship model impact small to medium enterprises negatively? Are there options for addressing any disadvantage?

The hire and reward trucking industry is an industry of small businesses.

56 per cent of the businesses in the industry are entirely run by the owners or directors. They do not have employees at all. In all, 98 per cent of trucking businesses have 19 employees or fewer.²⁵

The consultation paper rightly notes that the apprenticeship model will need to be sufficiently flexible to ensure that apprenticeships are as accessible and practical for small to medium enterprises as for large enterprises.²⁶

The VET system already has a well-established solution to this problem: group training organisations.

Group training organisations are the legal employers of their apprentices and are responsible for paying their wages and entitlements.

Group training organisations place their apprentices with host employers and, if necessary, rotate apprentices through a range of hosts so the apprentices receive the full range of on-the-job training they need.

Group training organisations must comply with national standards and be registered to be eligible to apply for Australian or state government funding.²⁷

²⁵ ABS, [Counts of Australian Businesses, including Entries and Exits, July 2016-June 2020](#). Data cube 2.

²⁶ AIS, 2021. 9.

²⁷ Australian Apprenticeships, [Revised national standards for group training organisations](#). January 2017.

Question 7: Are there any other major issues associated with this apprenticeship model not yet addressed in this paper?

Forklift licensing

In the ATA's view, the apprenticeship should be structured to enable a school leaving employee to undertake meaningful work within a trucking business as soon as possible.

As a result, the apprenticeship should include, as a core unit, **TLILIC0003 Licence to operate a forklift truck**.

Future proofing the apprenticeship

Autonomous trucks are no longer a future technology. With PACCAR and FedEx now piloting autonomous trucks between Dallas and Houston,²⁸ the future is already here.

Many of the school leavers starting their driver apprenticeships in the coming years will spend most of their careers managing self-driving vehicles, not driving them.

To be attractive, the apprenticeship must recognise this truth. It must comprise units of competency that will make apprentices job-ready now and units that will equip them for the future.

As a result, the units in the apprenticeship should be reviewed regularly in consultation with industry.

The name of the qualification should be amended to **Certificate III in commercial heavy vehicle operations** to reflect the likely future of apprentices who complete this training.

Adding business skills content

The DESSFB research shows that one way to make the apprenticeship more relevant to career changers would be to add content about how they could develop their own business, including mentoring and entrepreneurship training.²⁹ In contrast, job seekers were uninterested in this content.

The current owner driver skill set, TLISS00161,³⁰ includes one unit of competency relevant to the financial management of a trucking business, BSBFIA303 Process accounts payable and receivable.³¹

²⁸ PACCAR, [PACCAR, Aurora and FedEx Launch Autonomous Truck Commercial Pilot](#). Media release, 22 September 2021.

²⁹ DESSFB, 2019. 49.

³⁰ [TLISS00161 – Owner driver skill set](#) (release 2).

³¹ [BSBFIA303 – Process accounts payable and receivable](#) (release 1)

BSBFIA303 unit deals with recording transactions and following up on late accounts. It delivers skills that are undeniably vital to business success. The apprenticeship should go further, however, because the unit does not address more fundamental business issues such as deciding whether to start a business at all and quoting for work correctly.

For these reasons, **the apprenticeship should include, as electives—**

- **BSBFIN301 Process financial transactions**,³² the current version of BSBFIA303
- **BSBESB403 Plan finances for new business ventures**³³
- **PSPGEN028 Provide a quotation**.³⁴

Timetabling the reform

The ATA and its members consider that the apprenticeship should be established with all speed. Australian Industry Standards should develop a project timeline that would see the apprenticeship established within a set period. That period should not exceed 18 months.

³² [BSBFIN301 – Process financial transactions](#) (release 1)

³³ [BSBESB403 – Plan finances for new business ventures](#) (release 1)

³⁴ [PSPGEN028 – Provide a quotation](#) (release 1)