

ANZSIC: 5301

Regulatory and/or Licensing Bodies

- WorkSafe WA is an agency within the Department of Mines, Industry Regulation and Safety (DMIRS) and is responsible for the administration of the Occupational Safety and Health Act. This includes the licencing and registrations for forklifts.
- Main Roads WA is responsible for the enforcement of Chain of Responsibility legislation. Anyone who has control within the transport chain can be held legally accountable if by action, inaction or demand they cause or contribute to road safety breaches.

INDUSTRY DEVELOPMENTS AND WORKFORCE CHALLENGES:

1. Existing and anticipated supply and demand for skills:

- The full impact of the recent adverse weather conditions (i.e. cyclones, flooding, bushfires and drought) as well as COVID-19 are yet to be determined. *Please see Industries Impact from COVID-19 for further information on the pandemic effects.*
- In Australia there has been a dramatic shift to online shopping with 73% of Australian households buying online.ⁱ Homewares and appliances is the third largest eCommerce category with 22.2% share of online sales in Australia.ⁱⁱ This growth has had some effect on businesses as they consider ways to restructure and are moving away from brick and mortar premises to embrace warehousing options in order to meet demand.
- Following the establishment of fulfilment centres in Sydney and Melbourne, Amazon announced that it will have a physical presence in Western Australia through establishing a warehouse within the Perth Airport business precinct. This increased online competition will mean businesses need to be more agile in responding to, and delivering to, customer expectations.ⁱⁱⁱ
- The following occupations are in demand within the warehousing and logistics sectors:
 - Scheduler:**
 - This role continues to be critical to industry as business operations can be severely impacted by the loss of workers in this role. Schedulers take a long lead time to develop the skills, knowledge and experience required for these senior roles. Whilst organisations are open to sourcing external candidates, Schedulers at the lower levels are usually promoted internally into these roles as these candidates bring with them a level of internal organisational knowledge making them better suited to the role than external candidates.
 - For smaller organisations there is no differentiation between the low and high level of Scheduler, thus there is high competition with larger organisations who can offer career
 - **Fleet Controllers** are considered to be high-level Schedulers and this role is currently in shortage^{iv}. In many organisations this more senior role is higher responsibility, longer hours (often with 24/7 responsibilities). Due to the nature of this role, there is also a high rate of burnout and turnover within industry.
 - **Despatching and Receiving Clerk** are considered to be low-level Schedulers and this is considered to be an entry-level role. Those at this level need to possess relevant industry exposure as well as practical hands on skills to complement their application of theoretical knowledge.

2. Emerging international, national or State training issues impacting your industry

- As a result of COVID-19, businesses are tending to prioritise survival amidst all the evolving changes relating to health, safety, policy and procedures of their operations. The utilisation of JobKeeper and JobTrainer has been very helpful for organisations where workers had been stood down.^v
- With the growth and widespread use of big data comes the need for cyber security and protection of data. This is vastly becoming an integral part of business operations given the incorporation of artificial intelligence, the Internet of Things (IoT) and adoption of block chain.^{vi}

INDUSTRY WORKFORCE PRIORITIES:

Strategic directions, policies and priorities for industry

- Industry has a growing preference for skill sets, as opposed to full qualifications, to upskill workers at the entry level as this provides a career pathway with shorter and more responsive turnaround times for meeting training needs. The Australian Furniture Removalist Association (AFRA) have developed a Career Pathway Chart for the Furniture Removal industry to attract and retain new workers which may offer a suitable career pathway progression for the warehousing and logistics industries.
- The WA Supply Chain COVID-19 Response Group (SCCRG) was established in WA to lead industry through the impacts of COVID-19. The LDSC ensures appropriate stakeholder engagement occurs to acknowledge all aspects of the supply chain including shipping, road, rail, air and requisite workforce needs for these areas. The group will also focus on how to ensure and maintain the safety of workers in the freight network to ensure the continued supply of essential goods to communities across WA.^{vii}
- Due to the disruption to global supply chains brought on by COVID-19, careful considerations have been made by businesses to ensure that locally sourced goods can be procured. These among other risk management strategies continue to be reviewed and adjusted. The 'new normal' which requires a high degree of agility and innovation has been a steep but necessary learning curve for many.^{viii}
- The growth in activity surrounding online shopping (up 40% year on year as at April 2020) resulted in increased processing of parcels at Australia Post.^{ix} Fulfilment and despatch centres have also had to adapt and integrate their systems and processes to meet social distancing, hygiene and disinfection requirements.^x
- The incorporation of value-adding services (i.e. real time tracking and monitoring) is gaining further momentum. Businesses are making greater use of big data to customise services to meet demand.^{xi} The ability to interpret and leverage quality data are skills that complement the traits employers look for in employees.^{xii}
- Work is currently underway by the Transport and Logistics Industry Reference Committee nationally to amalgamate Warehousing and Logistics qualifications into Supply Chain qualifications that better suit the needs of industry.^{xiii} It is anticipated that these changes will provide a more robust response to the training needs of industry.^{xiv}

Industry Impacts Caused From COVID-19

- As a result of COVID-19, there was a decline in activity in Chinese manufacturing hubs and reduced international trade between Australia and China. This subsequently led to delays in the supply chain.^{xv}
- According to IbisWorld, the contraction in imports and exports will see industry revenue continue to decline by 1.5% nationally in 2020. This will be further compounded by a reduction in demand for cold storage services as a result of national Government COVID-19 restrictions placed on bars, cafes and restaurants.^{xvi}
- During the early stages of COVID-19 panic buying created new trends for online retail. In what would typically take distribution centres months to prepare (i.e. sourcing enough stock for big events such as Christmas and Easter). Distributors were faced instead with very shortened turnaround times, delivery delays and were initially unprepared for the sheer volume of goods being despatched during the early stages of the COVID-19 pandemic.^{xvii}
- Panic buying trends and depleted stock levels exposed vulnerabilities in supply chain visibility for both perishable and non-perishable items. There are many businesses that are reliant on external markets for component parts and/or products they would then use or on-sell. Combined with the added bottlenecks of quarantine and border closures, they were also faced with additional cost of alternatively sourcing goods to ensure that supply needs were being met.^{xviii}
- Increases in online delivery and household goods continues to put logistical pressure on retailer's delivery networks, nationally. As a result, there is increased demand for large distribution and warehouse facilities nationally, due to the pressure on national supply chains, and the closure of brick and mortar retailers.^{xix}
- Some areas continued to face transportation delays from the supplier end (i.e. packaging limitations and or other transportation constraints). With the easing of COVID-19 restrictions the focus is now

on resuming normal workloads and reducing backlog in orders (thus there will also be a commensurate decrease in the need for overtime and weekend shifts work).^{xx}

- During the height of COVID-19, operators implemented measures to protect customers, staff and supplies. For example: increased cleaning and sanitization at all sites, including disinfecting door handles, touchscreens, handrails and other frequently touched surfaces; delivery drivers given detailed directions to clean their vehicles and equipment, and staggered start times and break times in warehouses to make it easier for people to physically distance themselves from one another. These and other measures are likely to continue to be seen across many companies within the National Supply Chain.^{xxi}
- Mental health has been recognised as an area that needs to be monitored, particularly as online spending habits become more commonplace and the role of workers changes to become more technology-based.^{xxii}
- With the easing of panic buying, early data indicates that consumers are continuing to stockpile grocery and medical items, placing some distribution pressure on supermarkets to continue to meet demand for these essential products. Although in some areas, it appears this demand is easing, these permanent shopping trends are likely to become established behaviours.^{xxiii}
- Once in recovery it is anticipated the way supply chains operate in the future will change within the supply chain and other sectors as employers continue to embrace new technology (such as automation and digitalisation of paper-based processes) and new ways of working to better shield them from the continued economic effects of COVID-19 or the impact of another pandemic.^{xxiv}
- There is now early evidence of economic recovery in China which remains a critical export market for Australia. In addition, future anticipated trade agreements with other key growth markets (i.e. Japan, South Korea and Indonesia) will likely stimulate employment growth in key export sectors within the supply chain for the freight and logistics sector.^{xxv}

Workforce

- There was initially a significant increase in demand for both casual and part time workers across all areas of the supply chain. Employers struggled to meet the increased demand caused from panic buying, the increase in online sales and to ensure they had a reserve workforce available to continue the provision of services should any employees test positive for COVID-19. Businesses relied mostly on social media to advertise for this reserve workforce.^{xxvi}
- The classification of Transport and Logistics workers as an essential service was welcomed by industry.^{xxvii} The rapid increase in demand for fast moving consumer goods (i.e. groceries) at the height of COVID-19 resulted in an increase in shifts and in worker numbers to cope with the heightened demand for goods.^{xxviii}
- Some smaller businesses reported that they were faced with reduced hours due to the impact of COVID-19 however, there were no job losses incurred as not many operational duties can be conducted remotely due to the hands-on nature for these types of roles.^{xxix}
- Although no job losses were incurred for a range of stakeholders, there were roster changes to accommodate the change in demand, with more afternoon shifts and less morning work. This mostly affected those in the roles of Storemen and Pickers and Packers, as well as procedures/and policies that needed to be adapted. In the logistics space, there has been a redeployment of workers to assist with clearing goods with additional ongoing cleaning regiments needing to be met.^{xxx}
- Some companies within the Northwest needed to temporarily stand down employees and create job-share roles for remaining staff due to the decrease in demand for this area. Smaller companies are heavily reliant on JobKeeper to retain their staff, with many companies lacking the work to sustain their workforce.^{xxxi}

E-Commerce

- There has been a significant increase in the demand for supply chain services. This has been across many areas such as retail, and other online shopping ventures as people seek to comply with restrictions and stay home. In many instances demand for workers has also increased rapidly across the supply chain. As an example, Woolworths, reported a 320% increase in the use of its online shopping and catalogue browsing within its app.^{xxxii}
- COVID-19 presented some employers with the opportunity for new technology and innovation changes to be implemented earlier than planned within the organisation.^{xxxiii} Both small and large

companies are continuing to find innovative practices to remain viable and competitive. It is predicted these trends will increase demand for same day delivery requiring additional facilities to store stock locally and to process deliveries. ^{xxxiv}

- E-commerce and direct sellers have evolved their selling strategies to include more technology-based options such as online demonstrations using a variety of digital platforms. With this technology improving customer relations the changes are likely to be long lasting past the COVID-19 pandemic. Currently the workforce has adapted well to these changes with upskilling taking place over short periods of time. ^{xxxv}
- E-commerce statistics have had slight gains from 11 to 11.5% of total retail expenditure and is predicted to now be approximately 15% nationally (NB predictions are being made with caution as it is still too early to predict the full impact from COVID-19). If accurate, this estimation will have brought e-commerce market share rate forward by 2 years in a 4-week period. ^{xxxvi}
- It is anticipated that e-commerce may see further growth once spending habits return to normal across all areas as it is believed there are some people who are still constricting their spending due to employment and other lifestyle changes (i.e. the part time and casual workforce). ^{xxxvii}

Impact of Reduction of Flights on the Supply Chain

- The significant falls in aircraft movements (nationally and internationally) have negatively impacted operators in the freight forwarding space. The charges for cargo rose sharply to approximately \$10/kg (up from about \$1/kg) as they utilise the cargo space in the hull of passenger aircraft, charges are at a premium and is expected to remain high into 2021. ^{xxxviii} This is also impacting outbound time sensitive refrigerated freight, mail and parcels. ^{xxxix}
- The reduction in domestic and international flights is affecting the supply chain, particularly for small freight forwarder companies who are reliant on the use of air freight, with approximately 85% of their capacity now unavailable to them. ^{xl}
- Whilst small aviation charter companies initially stepped up to provide air freight services these options have now become cost prohibitive to use. To circumvent the loss of air freight, larger e-commerce organisations are transporting items by air to Singapore and then using sea freight to transport items to Australia. This has created some delays in custom clearance systems due to the market now being oversaturated by sea freight entries. In addition, the road transport and delivery network has also been impacted due to the volume of e-commerce taking place from March-July 2020. ^{xli}

Impacts to Training and Delivery

- Where possible, RTOs have adapted to new training methods with a focus on online delivery for courses (i.e. Certificate III in Warehousing Operations). Other training was predominantly conducted in-house for areas such voice picking, (pick/pack ordering), manual handling and onsite equipment. ^{xlii}
- Across warehousing and logistics, cleaning regimens were implemented to comply with hygiene and disinfection requirements. This included a mix of in-house and external training where applicable. ^{xliii}
- Industry utilized health advice from government to implement COVID-19 and infection control strategies, processes and policies. Because of these rigorous workplace changes they do not see a need to undertake further formal infection control training, however it may be useful for management to undertake as a mapping exercise to ensure best practice within their organisations. Unions also strongly support the infection control skill set as providing a standardized duty of care for employers and employees across industry. ^{xliv}
- A new Logistics and Warehousing skills set is now available as part of the JobReady Skills Sets initiative in Infection Control. ^{xliv}
- For those organisations that had no changes to staffing levels, it was noted that the pandemic provided valuable insights and opportunities to invest further in digital transformation and integration with operations. This will require an evolving set of skills moving forward. ^{xlvi}
- Companies anticipate cybersecurity and big data analytical skills will become even more vital for them to remain relevant post-COVID-19, with any impacts in cybersecurity being felt across the entire supply chain. ^{xlvi}

Jobs in Demand and Training Required

- Organisations are more likely to consider candidates with transferable skills aligned to job requirements which is minimising the need to upskill. Subject to health assessments and ability to conduct manual work people will be accepted into roles without the need for previous experience or qualifications. For instance, Qantas has undertaken an initiative to see the temporary redeployment of airline staff to retail, warehousing and logistics roles.^{xlviii}
- The number of applications per job ad are increasing across Transport and Logistics industries, with recruitment efforts also being ramped up by 3.2%. This may place additional pressure on employers to source quality applicants with quick employment turn-around times as they endeavour to assess the suitability of applications and progress applicants through the recruitment cycle.^{xlix}

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