



Industry Skills
Australia

TRANSPORT & LOGISTICS INDUSTRY

INDUSTRY SKILLS PRIORITIES PAPER - 2023





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About Industry Skills Australia

Industry Skills Australia (ISA) has been appointed by Government as the Jobs and Skills Council (JSC) for the Transport and Logistics industry sectors, which includes Aviation, Maritime, Rail, Transport and Logistics, and the emerging sectors of Omnichannel Logistics and Distribution; and Air and Space Transport and Logistics.

Owned and led by industry, our JSC is committed to building a world-class supply chain workforce to increase productivity, create better jobs and build opportunities for individuals.

We will do this by leveraging our more than 20-year history with the transport and logistics industry, undertaking research and data analysis to inform workforce planning, advocating for a workforce development approach in tackling industry skills issues, and developing priority training products.

Purpose of the Industry Skills Priorities Paper

The purpose of this paper is to seek feedback from industry stakeholders on a summary of the key industry and skills-related trends that have been identified for the Transport and Logistics Industry. The main themes in this paper are drawn from desktop research, and targeted industry consultation since ISA commenced operations, and by drawing on our deep industry engagement over previous years. This information, along with feedback from stakeholders will be used by ISA in the development of the 2023 Transport and Logistics Industry Initial Workforce Plan and to prioritise work on the Transport and Logistics Training Products.

In the 2023 Initial Workforce Plans, JSCs are required to include a scan of each industry sector to identify key workforce challenges, identify existing workforce strategies/measures, and outline planned industry engagement that will inform a more comprehensive 2024 Workforce Plan, including a schedule of proposed initiatives in response to identified workforce challenges.

Consultation questions

1. Are the identified issues/priorities correct?
2. Is there any additional information/context related to the identified issues that needs to be included in the Workforce Plan?
3. Are there any other key issues (existing or emerging) affecting skills and workforce development in the sector? What is driving these issues?
4. Are there any existing initiatives responding to workforce challenges that are achieving good results and could be used in other settings?

How to provide feedback

Stakeholders are invited to submit their comments on the key themes and issues outlined in this paper by close of business on **Friday 28 July 2023**.

It is acknowledged that the information provided about industry skills priorities in this paper is deliberately brief. The purpose of this paper is to validate and confirm consultation and research findings to date.

Responses and requests for further information should be emailed to:

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About the Transport and Logistics Industry

The Transport and Logistics industry comprises road transport, logistics, and stevedoring. The activities of the industry can be categorised into three (3) occupational areas:

- **Road Transport** - operating and coordinating road vehicles for the transportation of passengers or freight by road.
- **Logistics** - planning, operating, and coordinating the flow of passengers or freight by any mode of transport. Includes warehousing, inventory management, demand and supply planning.
- **Stevedoring** - loading or unloading vessel cargo, stacking and storing on the wharf, and receiving and delivering cargo within the terminal or facility. Includes the loading of trucks and trains that transport cargo from consigner to the consignee.

The industry is characterised by an immense range in occupations, workforce development needs, business types and sizes, and locations. Because of its integration within the economy and the embedded nature of its functions, the relative 'health' of the industry is often considered a barometer for the overall strength of the economy. The industry employs over 580,000¹ people across its major subsectors: road transport; logistics and stevedoring. The average age of workers is 44.6 years², with women making up 22.3% of the workforce³.

Notes

- i. Significantly expanded statistical data will be provided in the 2023 Initial Workforce Plan
- ii. The Transport and Logistics Jobs and Skills Council does NOT cover leasing or hiring vehicles, farm vehicles or waste collection operations. These areas fall under the coverage of other Jobs and Skills Councils.

¹ Australian Bureau of Statistics (2023) Labour Force Survey

² Australian Bureau of Statistics (2021) '2021 Census - Employment, income and education', TableBuilder

³ Australian Bureau of Statistics (2023) Labour Force Survey

Key issues and drivers affecting the Transport and Logistics workforce

Attraction and retention are still the number one issues for the transport and logistics industry

Attraction and retention have become serious concerns for the transport and logistics industry, with far-reaching implications for businesses, supply chains, and the overall Australian economy. All sectors of the industry are struggling to find suitably skilled staff to operate productively and profitably. The heavy vehicle driver shortage is causing many trucking enterprises financial pain, as unused fleet vehicles still incur significant costs.

Busways and Transport for New South Wales (TfNSW) have reported that over the last 12 months their biggest issue is skilled bus driver recruitment. A key finding reported by the NSW bus industry taskforce is 'that most cancellations and other service failures are a direct result of driver shortages. Some depots are significantly understaffed.' This is not a new challenge and unfortunately it is systemic across the entire transport industry.

The warehousing sector is struggling to maintain timeslots for loading and unloading due to the lack of suitably skilled staff, creating increased waiting time, which reduces productive driving time and adds to the cost of moving freight. The increasing popularity of e-commerce means demand for warehouse workers will increase, but there is a limited pool of suitably qualified workers. Technology plays a crucial role in optimising warehouse operations, yet many warehouses continue to rely on manual processes, which can lead to inefficiencies, errors, and increased operating costs.

In the Stevedoring sector Australia's major ports are experiencing congestion issues. Increasing container volumes and larger vessels have put a strain on existing port infrastructure. Achieving optimal efficiency and productivity is crucial for the stevedoring sector. Advancements in technology are transforming port operations worldwide, however adoption of these technologies in the Australia has been relatively slow.

Factors contributing to this issue are varied:

- ***Ageing Workforce***: An aging demographic profile is one of the primary causes of skilled worker shortages across the entire transport and logistics industry. Without an adequate pipeline of new recruits, the disparity between supply and demand will grow, exacerbating the shortage and placing additional costs on industry. Enhanced attraction efforts targeting schools, women, and younger recruits are required to create the necessary demographic shift.
- ***Perceived Challenging Work Conditions and Industry Image***: Heavy vehicle driving presents numerous perceived challenges, such as long hours on the road, extended periods away from home, physically demanding work and concerns about road safety. These can deter potential candidates, especially those from a wider, more

diverse demographic. However, the basis for these perceptions is often based on a misunderstanding of the roles. The public perception of heavy vehicle driving as a low-status occupation is also contributing to this issue. Work-life balance and wellbeing initiatives could assist in redefining the industry's image, while raising awareness of the benefits and opportunities within the industry is essential to attracting a broader range of candidates.

- **Regulatory Hurdles and Licencing:** Stringent licencing requirements to obtain a heavy vehicle driver's licence involve substantial costs and also rigorous training and testing which can pose barriers for aspiring heavy vehicle drivers. At the same time, there are numerous skills required of heavy vehicle operators that are not tested or trained for as part of the licencing process, such as load restraint, loading and unloading, completion of work diaries, compliance with regulations, road law Chain of Responsibility, fatigue management, and skills for the specific truck type. Some licenced heavy vehicle drivers are not employed in the industry due to the lack of these necessary skills.
- **Lack of Skilled Migration Pathways:** Whilst heavy vehicle operators are on the skills shortage list, they are not currently on the "Priority Migration Skilled Occupation List", which means that people cannot be hired from overseas countries to help meet the demand for truck drivers. Collaboration with governments and key stakeholders to address this issue would help to help ease the critical driver shortages relatively quickly. These industry wide shortages are a complex issue that demands a multifaceted approach. By tackling the underlying causes and implementing targeted solutions, the transport and logistics industry can increase the supply of skilled workers. Emphasising the benefits and career opportunities, enhancing training programs, improving work practices, leveraging technology, and fostering collaboration are all essential components of a comprehensive strategy to address the shortages and secure the industry's future success.

Potential solutions include:

- A comprehensive attraction and retention strategy to target schools and more diverse pools of potential workers and assist employers to retain existing workers. ISA will seek to trial a suite of attraction approaches to establish what works well and is sustainable for the industry.
- Collaboration between industry stakeholders and government agencies to develop a harmonised approach to national training, streamline licencing processes, reduce the financial burden on aspiring workers and implement supportive policies that encourage investment in training and welfare. For example, it may be possible to use models such as the Western Australian and Victorian driver programs as the basis for a trial initiative to support licenced drivers to become skilled heavy vehicle operators.
- Encouraging and supporting employers to implement measures such as flexible scheduling, dedicated rest areas along routes, and improved communication systems to enhance driver satisfaction and well-being and improve retention. There are existing resources that could assist, such as the Healthy Heads, Trucks and Sheds program, which focuses on well-being by providing adequate support, mental health resources, and access to healthcare.

- Raising awareness of technology that can relieve the burden on drivers and enhance operational efficiency. Semi-autonomous technologies, such as advanced driver-assistance systems (ADAS), have the potential to improve safety, and reduce driver fatigue. We could raise awareness of these types of technologies with a view to encouraging a broader range of prospective workers to consider an occupation in transport and logistics. Warehousing challenges require proactive measures and collaboration among industry stakeholders. Investing in training and upskilling programs can help to alleviate the skills and labour shortage, while adopting advanced technologies will improve operational efficiency. As warehouses shift to greater levels of technology implementation this will ease the skilled labour shortage issues, and increase the digital skills required by these workers.
- Addressing stevedoring issues requires a multi-faceted approach including collaboration between companies, port authorities, labour unions, and government agencies. Investments in infrastructure expansion and modernisation, embracing technology, and implementing sustainable practices are key steps to enhance the efficiency and competitiveness of the Australian stevedoring sector.

Compliance roles are becoming critical

The role of compliance personnel within the transport and logistics industry is crucial for ensuring that businesses operate within legal and regulatory frameworks. Compliance personnel are responsible for managing and implementing various compliance-related tasks and ensuring adherence to laws and regulations to maintain the integrity of operations and avoidance of penalties or legal action. They serve as guardians of legal and ethical practices.

Training to upskill transport and logistics workers in compliance requirements, safety practices, and regulatory changes is required as an increasing number of occupations operate in high-risk environments. This includes immediate attention to address regulatory issues in two Chain of Responsibility Units of Competency within the Transport and Logistics Training Product.

Training is also required to support roles where compliance is the central function. This may focus on areas such as:

- Key Aspects of Compliance Roles.
- Regulatory Compliance.
- Policies and Procedures.
- Licencing and Permits.
- Auditing and Monitoring.
- Incident Response and Investigation.
- Industry Advocacy.

Common issues and themes across ISA industry sectors

We have identified four common issues and themes that are impacting the industries supported by ISA.

Technology and Automation

Automation and digital technologies are revolutionising industries and reshaping business operations. In transport and logistics, [robotics](#), drones and [big data](#) analytics are optimising operations and improving productivity. Autonomous trucks have been recently [trialed](#) in Australia and autonomous vessels trialed in the maritime industry, with some already in [operation](#). The rail sector is operating autonomous trains, using smart devices and conducting automated asset inspections using LiDAR. In the aviation sector, cutting-edge technologies such as uncrewed aircraft systems, [remote digital tower](#) technology, [OneSky](#) and satellite based augmentation systems are being implemented.

Despite these changes, the role of humans in operating and maintaining systems remains highly significant, and workers will need the technical [skills](#) to work safely with these new technologies.

Sustainability

The adoption of sustainable practices and technologies to reduce Australia's carbon emissions has been gaining pace, and the industries we support are well [positioned](#) to be key enablers of this change. For example, the supply chain sector is relying more on autonomous technology and alternative fuels such as hydrogen to reduce its carbon footprint. Trials for zero-emissions hydrogen fuel-cell battery trucks are already [underway](#) in Australia, as are [trials](#) of alternative fuels in the maritime industry. The aviation industry is working towards the [replacement](#) of ground equipment with hydrogen powered fuel cells, while the rail industry is focused on technologies such as hydrogen or battery electric to phase out diesel trains.

Once again, these changes will require workers to have the skills and knowledge to safely work with these technologies and comply with regulations.

Workforce Challenges

Australia is grappling with significant labour shortages across many industries, including those supported by ISA. There is both a general [shortage](#) of skills, as well as a slowing down of skilled migration as a result of border closures due to the pandemic. Ongoing impacts are likely to be seen in terms of business operations and the [completion of infrastructure](#) projects.

Globally, organisations have started to prioritise the [attraction and retention](#) of new talents. Similarly, Australian businesses are investing in staff training, developing skills, and attracting [young people](#) and more [women](#) into traditionally male-dominated industries and occupations.

Industry Skills Development

The Vocational Education and Training (VET) system in Australia is well positioned to supply the skills and knowledge required for the future of work. However, barriers such as [perceptions of the VET sector](#) and shortages of qualified trainers are impacting on the attractiveness of the sector to prospective learners and on learner outcomes. The challenges are even greater in [regional and remote areas](#), where lack of high-quality training facilities, up-to-date equipment and training providers further compound the situation. Establishment of clearer career pathways and articulation arrangements that enable learners to seamlessly transition from the schools sector into VET and onwards to Higher Education are needed to build opportunities for individuals and support the shift to higher skilled job roles.



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