

# 1. Executive Summary

## 1.1 General Observations

The road transport task faces a significant problem, interviews with Industry stakeholders believed a current shortage of truck drivers in the Long Distance sector and in some rural and regional areas and a pending shortage in years to come across the entire industry if significant efforts aren't made now.

Demand is now outstripping supply of truck drivers. Current Truck drivers are older and work more hours than the 'typical' Australian worker. Yet, forecasts indicate that the demand for road transport services will increase at a pace faster than the growth in truck driver employment, exacerbating the current shortage of drivers in the Long Distance sector and in rural and regional settings.

Adding to this is an ageing truck driver workforce, which could potentially see the current truck driver workforce halved within twenty years, if significant numbers of new entrants to the industry are not found.

Research indicates there are significant barriers to attracting new drivers to the industry, as well as getting former drivers back to the industry.

This preliminary report provides a 'snapshot' of a current problem and a looming crisis for the road transport industry.

## 1.2 Key Observations

### Quantitative Research

- According to the latest figures released by the Bureau of Transport and Regional Economics (BTRE) Road Transport has grown on average by 6.5 percent annually since 2000 with contribution to Gross Domestic Product reaching \$13 billion last financial year (in 2003-04 constant prices).
- This growth equates to an aggregate increase of over 26 percent growth in the road transport industry since the 2000-01 financial year<sup>1</sup>.
- During this same period the aggregate growth in specific truck driver employment has risen by 1.6 percent, averaging 0.32 percent annually. In 2005/2006 employment experienced a decline.
- If the road transport industry is unable to recruit and retain truck drivers there is potential that in less than twenty years time the workforce will have halved.
- Over 50% of truck drivers work in excess of 41 hours a week- the average hours worked is 46.8 hours compared with 39.7 hours for all occupations. This means that truck drivers work on average an additional 369.2 hours per year compared with all occupations average<sup>2</sup>.
- Whilst truck drivers earn a higher weekly salary compared with all occupations<sup>3</sup>, on an hourly rate truck drivers earn \$18.48 compared with \$21.23 for all occupations. Truck drivers weekly earnings are higher than all occupations because they work on average an extra 7 hours each week<sup>4</sup>.

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<sup>1</sup> <http://www.btre.gov.au/docs/events/ATS2006.pdf>

<sup>2</sup> *ibid*

<sup>3</sup> as defined by the Australian Bureau of Statistics Labour Force Survey

<sup>4</sup> <http://www.btre.gov.au/docs/events/ATS2006.pdf>

- ABS statistics on average ordinary time earnings for full time non managerial male employees show truck driver earnings as having the fourth highest increase over 20 years (seasonally adjusted), being 275%.

### Qualitative Research

- Whilst there was respect for truck drivers, focus group participants employed in jobs outside of the transport industry viewed work as a truck driver as hard with current driver conditions and work stresses as significant deterrents to entering the industry.
- For female focus group participants employed in the transport industry, to consider a job as a truck driver a number of industry changes would need to be made, including more flexible work hours, the opportunity to drive set route work, and exemption from heavy lifting.
- Truck driver focus group participants were attracted to the road transport industry because of the pay and the sense of freedom and autonomy.
- Truck drivers who had left the industry indicated that it would take a large increase in pay rates, combined with a strong commitment to occupational health and safety, along with safer vehicles, to see their return to truck driving.
- Truck drivers close to retirement age had limited retirement plans with most citing that retirement would be forced through a deterioration of health, rather than any planned decision.
- Each key stakeholder group (Union/Employer Association/Participating companies) held a different perception about the depth of the truck driver shortage.

### 1.3 Issues

- Research into truck driver employment levels shows that the road transport industry is faced with a critical shortfall in truck drivers within ten to twenty years, though qualitative research concludes that some states such as Western Australia and South Australia are currently experiencing a shortage.
- The growth in road transport and the decrease in truck driver employment infer that already truck drivers are working more efficiently and productively than previously. If forecasts in increased road transport industry output are realised, existing truck drivers and the small number of truck drivers entering the industry will have further increased workloads to meet the needs of customers<sup>5</sup>.
- Whilst Employer Associations and Unions acknowledge the immediacy of the truck driver shortage, companies appear less concerned in a practical sense demonstrable by their lack of long term strategies into recruitment and retention.
- When asked about what represents a typical 'truck driver', all focus group participants irrespective of working inside or outside of the road transport industry responded very similarly, that 'truck drivers' were line haul drivers with issues of hours and lifestyle being raised as negative aspects of the work.
- Through interviews with participating companies, the industry believes that growth will require additional drivers but that those employers with the capacity to resource initiatives on the issues of recruitment and retention are yet to do so. There appears no consistent leadership in the industry to grapple with the problems now and in the future.

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<sup>5</sup> This inference relies on the assumption that there is limited technological change available to make the transport task more efficient and that the use of alternative methods of transport (rail) will not increase at a rate large enough to meet the rate of demand for transport services.

- The Union believes that using existing training frameworks and funding to invest in new entrants to road transport is an immediate solution to recruitment. However they believe that funds are not being used to training new entrants, rather to retrain already licensed truck drivers.
  - At least one major employer has indicated their recruitment strategy of 'waiting till the death of the resource boom'. This is of concern as it does not address the inherent problem of recruiting for the long term, that being the need to recruit younger workers<sup>6</sup>.
  - Other major employers rely on their status as 'employer of choice' as a means of recruitment.
  - Anecdotally there appears more trucking licenses than trucks in operation, implying that there may be an existing 'skilled' base for targeted recruitment. However as qualitative research findings conclude recruiting back into the industry will be a challenge requiring strategy and resources.
  - The majority of employers do not keep systematic demographic information about their employee truck drivers. Rather human resources and operations managers are relying upon anecdotal evidence or projections of industry research as the basis for conclusions about forecasted shortages.
  - The majority of employers reject the recruitment strategy of introducing Temporary (457) Work Visas into the industry. This is not to imply that such options haven't been explored. However there is a perception presented by some employers that some types of transport work is not palatable to 'typical' truck drivers and could require imported labour to meet employer needs.
  - Several employers have indicated their belief that major clients are profiteering on recent oil price increases and have failed to pass on any customer surcharge to transport companies. This, they infer, makes it harder to increase truck driver conditions of employment and rates of pay.
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