

EXECUTIVE SUMMARY

Australia's transport sectors – Road Transport, Logistics, Rail, Aviation, and Maritime and Ports – play the key enabling role in our economic activity. Without the capacities and capabilities provided by their 820,000-strong workforce, no passengers or freight move.

The Transport and Logistics Industry was estimated to account for 8.6 per cent of GDP in 2013, contributing \$131.6 billion to the Australian economy. Freight volumes have nearly tripled over the past three decades and passenger movements through Australian airports have more than quadrupled. By every measure in every mode, transport and logistics activity continues to increase.

Adoption of new technology within the industry and changing patterns of world economic activity are revolutionising supply chains. Technology – such as automation, robotics and the field encompassed by 'Big Data' – is improving the efficiency, speed and control of supply chains, supporting better forecasting, reducing risk, improving the customer experience and creating ways of meeting new customer demands.

Asia is set to overtake the combined economic output of Europe and North America within the decade to 2020. There will be more than three billion middle-class consumers on Australia's doorstep by 2030, up from 500 million today. Extensive, efficient and cost-effective supply chains into Asia will be crucial to Australia's ongoing economic prosperity.

Combined with the explosion in micro supply chains caused by the growth in online shopping, the Transport and Logistics Industry faces a future where it needs a better-skilled workforce working smarter and more efficiently using nationwide infrastructure able to cope with a massive freight task.

The transport sectors face several common issues in their workforce development needs. Sector-specific Trainers/Assessors are in shortage, as qualified candidates stay in operational positions to reap the financial benefits rather than move to lower-paid Trainer/Assessor positions. An ageing workforce plus an image problem in attracting and retaining high-quality new entrants is hampering efforts to upgrade the skills base and reap the full benefits of computerised technologies.

Technology has been perhaps most disruptive on the workforce skill requirements in the **Logistics** sector. Computerisation and automation have changed the nature of work, requiring specialised and higher-level computer skills, problem-solving and analytic skills, and more sophisticated contract management practices. The skills in demand reflect this: various specialist T&L Managers, Allocator/Scheduler and Custom Broker/Freight Forwarder.

Road Transport's workforce development needs are increasingly influenced by regulatory requirements and its domination by sole operators and SMEs surviving on low operating margins. 'Super-hubs', distribution centres and on-board technology that increase efficiency and reduce costs are counteracted by road congestion, route planning issues and incomplete network integration. Truck Drivers with varying licences remain in demand.

Strong growth in passenger and cargo movement by air in the Asia-Pacific will fuel the **Aviation** sector's ongoing need for baggage handling and ground crew staff. However, attraction and retention are difficult and require a greater commitment to raising skill levels and building career paths. Domestic demand for Pilots remains relatively stable, but growing demand in Asia is likely to increase competition for skills.

Rail's renaissance as a bulk carrier of people and commodities has led to several occupational shortages: Trainer Driver, Rail Track Worker, Plant Operator, Team Leader, Supervisor, Railway Signal Technician and Rail Signalling Engineer. With activity increasing through the construction of new rail infrastructure and installation of new signalling systems, shortages will continue. Increasing automation will also increase demand for higher-level skills.



The Australian **Maritime and Ports** sector has faced a declining skills base for decades. Its workforce is one of the oldest in the country and is ageing 1.7 times faster than all industries. Few ship-based training berths are available for new entrants and there is tension between the skills supply turned out by established training institutions and industry demands. There is strong international competition for skilled port workers, with regional and remote ports facing the most difficulties in recruitment. The occupations of Marine Engineer and Deck Hand/Integrated Rating are in shortage.

The three Training Packages administered by the Transport and Logistics Industry Skills Council – TLI10 Transport and Logistics, AVI08 Aviation and MAR13/MAR Maritime – have almost tripled their combined enrolments in the past decade and almost doubled them in the past five years, driven by above-average industry growth.

Around 80 per cent of employer respondents to the E-Scan 2015 survey answered positively on training delivery flexibility and quality, trainers' industry knowledge and their relationship with their RTO. Employers continue to recognise significant post-training productivity improvements, with improved OHS outcomes, improved technical skills and overall business productivity advances as the chief benefits.

RTOs reported that their biggest challenges were keeping up with ever-changing regulatory requirements in the VET framework and in the industry itself. In particular, this is making it difficult for them to attract enough Trainers/Assessors with relevant industry knowledge and experience.

At present the VET system is working its way through a reform process as part of the Federal Government's Industry Innovation and Competitiveness Agenda. All the industry skills councils, including TLISC, are concurrently part way through an extensive redevelopment of Training Packages to comply with 2012's New Standards for Training Packages.

The vast majority of industry stakeholders have indicated the VET reform agenda needs to quickly deal with the real blockages in the system to ensure that policy and standard changes have a positive impact on the quality of skills in the workforce. These blockages are:

- › addressing market failure (ensuring employers and learners can easily distinguish between the quality and performance of the 4,500 RTOs)
- › improving the quality of training and assessment (including practitioner capability and industry currency)
- › better targeting of VET funding
- › streamlining governance and regulation.

The reform process must also strengthen the key principles of the VET system's success: industry leadership, national

TLISC

TLISC is an independent, not-for-profit, stakeholder-focused organisation delivering innovative, high-quality solutions for the Transport and Logistics Industry.

TLISC supports the Transport and Logistics Industry to maintain and build a highly skilled and productive workforce through establishing national skills standards and providing strategic workforce development advice.

TLISC is trusted by industry to develop products and services that meet the current and future skills needs of its workforce. The industry encompasses activities in Road Transport, Logistics, Rail, Aviation and Maritime and Ports.

We invest in our people, and our focus is on building and developing long-term relationships across all sectors with employers, peak bodies, governments and working in collaboration with the vocational education and training (VET) sector to achieve quality outcomes.

We use a collaborative and inclusive process that opens communication between industry leaders, peak bodies, enterprise owners, their managers and employees. Using this process we gather intelligence on the skills and workforce development needs of the Transport and Logistics Industry.

recognition of qualifications and national consistency of standards for RTOs. Industry preparedness to support and increase its investment in a national VET system is dependent on being given a determinative voice, assurance of quality outcomes and systemic transparency of individual RTO performance.

The independent industry skills councils (ISCs) play a vital role in the development, maintenance and continuous improvement of Training Packages, providing a coherent framework and mediating influence that enables diverse and competing stakeholders to agree on shared skill priorities for the benefit of the industry as a whole. ISCs also enable stakeholders to look to the future and prepare for emerging skill needs.



ROBERT ADAMS

CEO, Transport and Logistics
Industry Skills Council

