

A STRATEGIC PLAN

TO MEET FUTURE WORKFORCE REQUIREMENTS IN THE TRANSPORT & LOGISTICS (T&L) INDUSTRY, VICTORIA

MEETING THE WORKFORCE CHALLENGES OF THE TRANSPORT & LOGISTICS INDUSTRY TOWARDS 2020



PREPARED BY THE TRANSPORT AND
LOGISTICS WORKFORCE ADVISORY GROUP

SEPTEMBER 2010



VICTORIAN FREIGHT AND LOGISTICS COUNCIL





CONTENTS

- p.3 **Why are we developing a Strategic Plan for Workforce Fulfilment for our industry?**
- p.5 **The Transport and Logistics Industry in Victoria – An Integral Part of Our Economy**
- p.7 **Where is the T&L Industry Headed?**
Growth Expectations Towards 2020
- p.8 **Building a Strong T&L Workforce**
Industry and Government Working Together
 - p.8 Our Vision for the T&L Workforce Towards 2020
- p.9 **Transforming the T&L Workforce**
- p.11 **Strategies to Transform the T&L Workforce Towards 2020**
- p.23 **Implementation of the Plan**
 - p.23 **Role of the T&L WAG**
 - p.24 **More Information**

WHY ARE WE DEVELOPING A STRATEGIC PLAN FOR WORKFORCE FULFILMENT FOR OUR INDUSTRY?

In the past five years various reports have been compiled that focus on the forthcoming challenges for the transport and logistics (T&L) industry in Australia in the next five to ten years.

Also contained in these reports are suggested measures to remedy these problems, many common across the national industry.

This plan is a tool that we wish to use to draw your attention to the issues confronting us, and will be used to formally start the process of gaining government and industry support for the many strategic projects contained herein.

The support we seek is both financial and practical. This document is addressed to both government and industry. We require both short term and longer term support to enact the strategies outlined later in this document.

We also wish to gather together the many industry bodies that support the T&L industry, in an effort to work together to create a powerful machine that will unite and work together to start the process of attacking the issues that will constrain our industry over the coming years.

Despite the amount of time and money that has been expended to research and produce the documents referenced below, the problems remain. Little action has resulted to address the various issues that are inhibiting our industry.

Why? There are many reasons, but key among them are:

1. There is a need for a unified approach among support organisations so that economies of effort are created and so that duplication of initiatives is avoided.
2. Lack of funding to undertake unified initiatives that can benefit the industry as a whole.
3. Lack of unity by governments to recognise the urgent need to work together as a single force, and to work jointly with the T&L industry to achieve outcomes that will benefit industry, business and the various levels of government.

This document proposes an ambitious and practical approach to tackling some of the major problems facing the T&L industry today and into the future. It is a response to the many recognised issues, evident in the industry, that will continue to limit the availability of an appropriately qualified workforce towards 2020.

Many of these issues have been identified in previous papers about the T&L industry. They are acknowledged as the major impediments that are hindering the building of a cohesive, strong industry that will continue to support the array of industries that depend on the T&L industry as part of an integrated economy.



The transport and logistics industry is essential to nearly all other industries in our economy. Without a strong T&L industry serving Australia over the coming years, severe repercussions can be expected.

- Cost increases.
- Pressure on wages.
- Localised inflationary pressure on goods, and
- Constraint on trade both domestic and international.
- Shortages, when and where they are needed, of necessities such as:
 - o goods on shelves
 - o fuel at pumps
 - o medical supplies at hospitals
- Delays to both construction and production.
- Major impacts to farm production and mining where mass movement of freight is essential.

Now is the time to set in motion a more strategic approach that addresses the key impediments and that provides a vehicle for the many industry groups, business and governments to work together to achieve established goals.

While the recommendations in this document are relevant for Australia-wide consideration, this document has been developed as part of the work of the Victorian Transport and Logistics Workforce Advisory Group (T&L WAG). It is, therefore, directed primarily to the Victorian Government and Victorian business in the first instance, but has been developed with a broad application to working at national, state and local levels. Many key T&L organisations Australia have a national footprint, so a consistent approach across all States is most desirable.

The T&L WAG was formed in 2009 with the specific purpose of providing advice to the Victorian Government about workforce development needs pertaining to the transport and logistics industry and is convened under the auspices of the Victorian Freight and Logistics Council.

THE TRANSPORT AND LOGISTICS INDUSTRY IN VICTORIA – AN INTEGRAL PART OF OUR ECONOMY

Facts

T&L contributes:

- Employs over 500,000 Australians directly
- Employs a further 700,000 Australians indirectly
- Encompasses 165,000 Businesses
- Contributes \$90 BILLION annually to the Australian economy
- Generates 14.5% of GDP
- The 'Freight task' (i.e. movement of freight) will double by 2020

League ladder of Australian industries

Rank	Industry	Equivalence of GDP
1.	Transport and Logistics	14.5%
2.	Manufacturing	10.3%
3.	Property and Business Services	9.9%
4.	Finance and Insurance	6.0%
5.	Construction	5.6%
6.	Health and Community Services	5.2%
7.	Retail Trade	5.1%
8.	Mining	4.7%
9.	Wholesale Trade	4.1%
10.	Education	3.8%
11.	Government	3.4%
12.	Agriculture, Forestry and Fishing	2.7%
13.	Communication	2.3%
14.	Electricity, Gas and Water Supply	1.9%

Source: Australian Logistics Council (2007), Contribution of Transport and Logistics to The Economy – Dispelling the Myths



T&L engages employees through:

- Private business and government employers.
- Small, medium and large organisations.
- Blue and white collars positions.
- A wide range of skill sets and qualifications from minimal educational and experience to high level tertiary qualifications and extensive industry experience.

The T&L industry is integral to the success of every other industry within the Australian economy. It does this through the provision of supply chain services and integrated transport systems that have made Australian industries amongst the most reliable and efficient suppliers of goods and commodities in the world.

Victoria is Australia's strongest T&L centre, employing 340,000 people in supply chain, logistics and transport operations. The state provides market gateway access for 70% of Australia's population.

It is the national focus for innovation in transport and logistics, headquartering more supplier companies than any other state. Global companies, such as Linfox, Toll, Startrack Express, Kuehne and Nagel, Schenker and DHL base themselves in Victoria. The north-west of Melbourne, where much of this activity is sited, is the fastest growing industrial area in Australia.

Victoria is characterised by mature industry collaborative mechanisms and a track record of industry-government partnership.

Supply chain is the planning and management of inputs and outputs for our business activities.

Transport is the movement of people and freight.

Logistics is the systems and processes that make it happen.

WHERE IS THE T&L INDUSTRY HEADED?

Growth Expectations Towards 2020

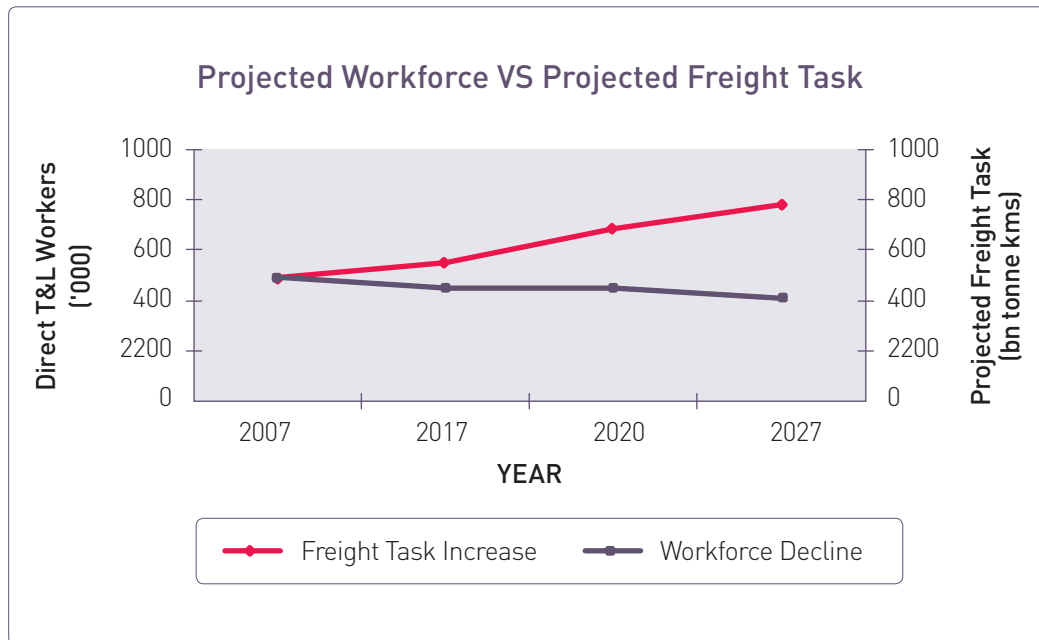
The T&L industry consists of many small, medium and large companies employing a large and diverse range of people from skilled professionals to front line personnel. In the next five years its' capacity will be severely tested as it is required to serve a significantly increasing task in moving both goods and people.

Public transport patronage is growing by around 9% per annum and the network is expanding.

Over the next decade, freight will also experience growth of 40% on current volumes.

It is forecast that within the transport operations and logistics specialist services areas, Victoria will require 23,000 additional workers over the next five years, an annual growth of 4,600 employees.

The ambient growth of the industry workforce required is 1.3% p.a., accounting for productivity gains. However, there is a large cohort of older workers leaving this industry, particularly in transport operations. This generational change will push up the workforce growth demand to 2% per annum.



Source: VFLC 2010

BUILDING A STRONG T&L WORKFORCE

Industry and Government Working Together

While industry must satisfy customers, manage costs and provide employment opportunities and conditions conducive to attracting and retaining employees, effective governments know it is vital to direct public resources and policies where they will have optimal benefit for economic growth.

The T&L industry is integral to many other industries in our economy. If we do not apply ourselves to the task of finding the necessary solutions to enable the industry to grow, the ramifications for our economy will inevitably lead to cost increases on goods and services, escalating wages, and constraint on both domestic and international trade.

This strategy maps a practical workplan for the T&L WAG and its members over the next three years with the overall aim of:

- Investigating industry and government labour demands for the T&L industry towards 2020, and
- Recommending solutions to provide an effective workforce across the industry.

Our Vision for the T&L Workforce Towards 2020

Our workforce will have undergone a transformation by 2020.

It will be larger, younger, better trained and more diverse in background and utilise complex systems, equipment and processes for moving people and goods.

It will consist of professionals who understand the link between the competitiveness of Australia's economy and productivity of the sector.

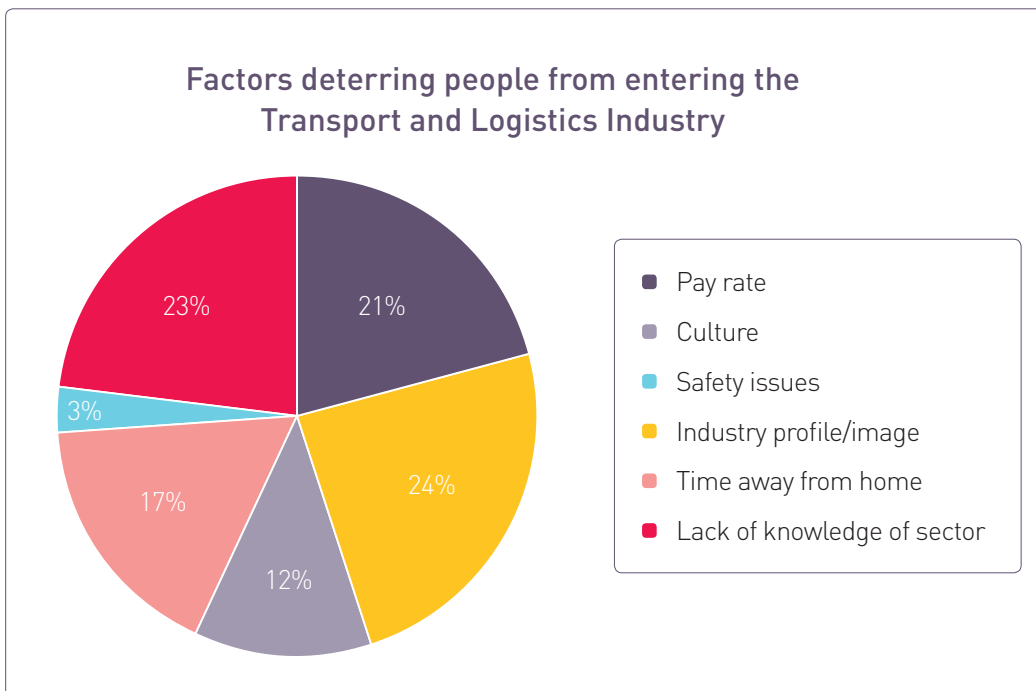
People who work in this industry will be able to work in national and global businesses with career progression and opportunities and scope to move throughout the industry.

It is an industry that will feature 'employers of choice' and will be viewed as an industry that enables choices around career, lifestyle and values for its workforce.

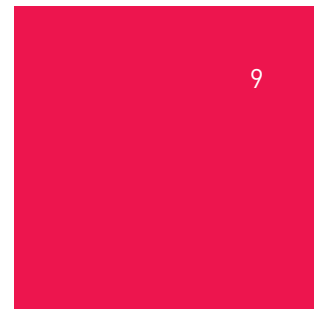
TRANSFORMING THE T&L WORKFORCE

The Transport and Logistics Industry Skills Council Report 2007 identified five key areas that require a considered focus, innovative solutions and implementation strategies to achieve a strong foundation upon which to stabilise and develop growth in the T&L workforce to meet the forthcoming demand. In addition they identified factors that deter workers from engaging in the T&L industry.

This chart also highlights that Safety is no longer a key 'deterrent issue' because the industry is now seen to take OH&S seriously and act on it. In the past, people have linked poor industry profile and image to T&L being an unsafe industry. We should highlight this reversal and use it as springboard to promote other positive images of the industry.



Source: TLISC 2007



The task of assessing labour demand requirements for this industry is complex and challenging, but it is essential that government and industry make a concerted effort to address the various issues that exist, or are anticipated to arise over the coming years, so that we can ensure a skilled T&L workforce.

Key issues to be addressed and actions to be developed, include:

ONE

Communicate positive messages about the T&L Industry towards 2020

TWO

Renew Industry Workforce and Promote greater workforce diversity

THREE

Establish and offer real career paths and skills upgrading opportunities for existing workers

FOUR

Recognise the value of people in the T&L Industry

The following Sections outline the Strategies, Strategic Directions and Initiatives and Actions of this Strategic marketing Plan

We encourage all stakeholders to actively participate in this process by contributing your ideas to the 'Activities and Initiatives' section of each Strategy.

Ideas were canvassed and discussed at the T&L WAG meeting on 14 September 2010. With stakeholders given a further 1 week for additional suggestions or amendments.

STRATEGIES TO TRANSFORM THE T&L WORKFORCE TOWARDS 2020

Strategy One:

Communicate positive messages, both internally and externally, about the T&L Industry. Become an 'employer of choice'.

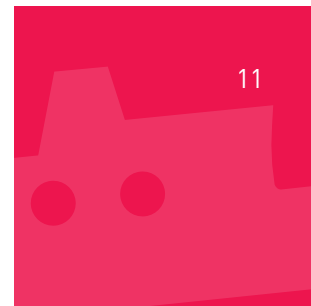
The T&L Industry must deliver a campaign of positive messages and images in order to reposition itself to compete with other industries and attract workers.

Rationale:

The Transport and Logistics Industry in Victoria has the potential for a vibrant future.

It is an industry that can:

- provide an increasing number of employment opportunities over the next decade due to market forces
- provide jobs for workers with a wide range of skills, offers a variety of career pathways, has positions at all levels and in organisations of all sizes
- offers opportunities in a wide geographical spread
- provide generous remuneration, safe working environments, professional development, and the recognition of achievement through promotion
- provide local, national and global employment opportunities
- provide a variety of modes from which to choose to build a career



Strategic Directions

- Develop a rebranding campaign that provides positive messages and images that can be used by government, business and industry partners. The campaign should focus on the broad range of opportunities available at all employment levels, different sized organisations, geographical opportunities, diversity, scope of local to international work opportunities, and skills/professional development prospects.
- Identify and develop partnerships with tertiary providers, industry partners, business and government to develop a marketing campaign ('T&L Towards 2020') to deliver the rebranding campaign over a nominated period.
- Establish benchmarks of awareness and industry image prior to commencement of campaign. At nominated intervals during the campaign measure success of the campaign and adjust the rebranding messages and images where necessary. Develop revised strategy for a second delivery stage.
- Develop and communicate messages to existing and potential workers about how the T&L industry is 'The industry that goes the extra mile!'
- Support industry organisations' initiatives that promote the T&L industry to the wider community.

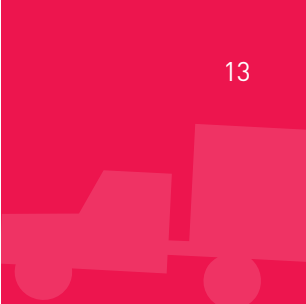
Initiative and actions

- Engage with government, business, and industry partners to agree in principle to the development of a rebranding campaign.
- Secure agreement from stakeholders to participate in the campaign, establish their level of involvement, and their contribution.
- Compile brief for consultant/s and appoint consultant/s to develop campaign concepts, delivery.
- Implement campaign to meet established deadline.
- Develop communications messages in the rebranding campaign that focus on promoting the T&L industry as one that supports and values its people, has a strong OH&S record, offers training and upskilling paths, remunerates well, and provides work / life balance opportunities. 'The Industry that Goes the Extra Mile'.
- Attend seminars and conferences where potential cross-over opportunities exist to promote the T&L industry e.g. health, education, leadership.

Additional stakeholder suggestions

Strategic Directions

Initiative and actions





Strategy Two:
Renew Industry Workforce and Promote greater workforce diversity

Attract and retain younger workers so the industry can overcome generational change and to build a strong workforce for the future.

Encourage workforce diversity by employing more women and immigrant workers, providing an opportunity to grow the workforce through segments that are currently underrepresented.

Rationale:

The T&L industry is exposed to the risk of generational change as workforce ageing is expected to exacerbate skill shortages that are already evident.

- to meet its workforce needs, and confront the challenges of the 21st century, the industry must embrace the recruitment and retention of many groups currently under-represented in the industry
- the number of workers aged 15 to 34 years is below the average for all industries (30% compared to 40% for other industries)
- specific strategies to attract and retain young people will be necessary to overcome generational change and establish a workforce that will grow with demand

Lack of workforce diversity has come about due to a number of both real and perceived factors:

- historical recruitment and employment practices by the industry
- community perceptions and images
- regulation and licencing requirement that restricted access for some groups

Women currently account for 28% of the T&L workforce, compared to over 40% of all industry average.

As a global industry, supply chain, logistics and transport benefit from a diverse cultural mix of employees and there are many opportunities for immigrant workers in the whole spectrum of roles within the industry.

Groups that should be targeted include:

- women
- young people
- mature workers
- career changers
- indigenous people
- migrants

Strategic Directions

- Develop a campaign to attract younger workers into the T&L industry.
- Encourage government and business to offer incentives for younger workers to join the industry and retain effective middle aged and older workers beyond their anticipated termination date.
- Tailor specific messages in the rebranding campaign to ensure that attention is placed on attracting younger workers, and that a consistent and strong message is being used by all stakeholders when discussing the issues of workforce renewal .
- Attract groups from a broader demographic base to the T&L industry. Generate interest from groups previously disengaged and / or under-represented within industry.
- Assist government to develop incentive programs for employers to engage migrant workers and/or support existing employment initiatives that promote great workforce diversity.

Initiative and actions

- Generate a brief for government, employers, and other stakeholders to highlight the importance of taking action now. The brief should highlight the need to adopt workforce renewal strategies.
- Garner support from government, industry partners (particularly peak bodies) and business for a program of workforce renewal projects to attract younger workers. Some partners might include: VTA, ATA, VECCI, SAL, ASA, AIG, IPA, MUA, TWU, NUW, DIIRD, DOT.
- Inculcate knowledge of T&L into education curriculum. Develop and promote effective careers advice tools.
- Create meaningful work experience opportunities in T&L industry.
- Partner with organisations that have a wide reach with young people to influence them to consider a career/ vocation in T&L.
- Develop communications to use in rebranding campaign that focuses on attracting younger workers to the T&L industry.
- Develop communications messages in the rebranding campaign to ensure that under-represented groups are targeted.
- Develop a suite of marketing collateral aimed at encouraging selected groups to consider the T&L industry as a primary career option.

Strategic Directions

Initiative and actions

- Develop activities to promote and engage with selected groups through government and peak bodies (eg: Victorian Dept of Education (DEECD), Career Education Association of Victoria (CEAV), Career Development Association of Australia (CDAA), schools, recruiters, careers counsellors, umbrella groups, affiliated organisations, migrant organisations, youth / sporting clubs etc.
 - Seek funding to employ full-time T&L Careers Promotional Officer (T&L CPO) for a period of 3 years. This resource would assist with the development of materials, promotional activities and identifying new markets from which to draw potential workers.
 - Jointly with peak bodies, promote uptake of T&L VET and tertiary-related training courses at secondary and post-secondary level.
 - Promote 'foundation skills' assistance available to employers to attract migrant workers.
 - Support Workforce Victoria push by organising employer briefings / information at forums, meetings, conferences, etc. Provide information about subsidies, training opportunities, etc.
 - Develop program to combine usage of ATA 'Ready for the Road' facilities and program, combined with educational packaged designed by South Australian Freight Council.
-

Additional stakeholder suggestions

Strategic Directions

Initiative and actions



Strategy Three: Establish and offer real career paths and skills upgrading opportunities for existing workers

It is critical that a significant increase in the uptake of skills training in the industry is achieved to keep pace with the growing demand for more sophisticated skills.

Rationale:

The development and promotion of real career paths, skills recognition and achieving greater uptake of skills training is critical on a number of levels.

- **Developing Skills Sets to Meet Technological and Regulatory Demand.**

Supply chain execution is based on a suite of complex interactions, overlaid with regulatory and licensing requirements. It is essential that we recognise the complexities and skills required to operate successfully in the supply chain industry. Innovation, and the increasing sophistication of technology, will demand workers who possess upgraded skills sets to match operational requirements.

- **Changing the T&L Industry Image.**

As the T&L industry evolves, it is crucial that we change current perceptions of a blue-collar and unskilled industry to promote a professional and dynamic industry.

- **The T&L industry needs to be viewed as a dynamic growth industry that is central to Australia's economy.** It needs to attract ambitious, clever people to maintain its current momentum.
- **The industry needs to become an 'industry of choice'.**
- **Valuing People.** Employers, with the support of government, need to offer career and training opportunities to upskill existing workers as part of an overall strategy to offer attractive and flexible career paths for both existing and future employees.
- **Employers and government need to ensure that an agreed uptake of skills training is achieved.**
- **Existing workers should be recognised as valued employees** who are integral to the ongoing success of the industry, and who are rewarded with greater independence, decision making authority and appropriate remuneration.

Strategic Directions

- Identify training requirements for the T&L industry over the next ten years, with a focus on current and future skills gaps.
- Develop recommendations to government for future training opportunities for the T&L industry.
- Facilitate the uptake of government programs and incentives by T&L industry.
- Promotion of more effective investment by industry of their training \$ (in training and education).
- Develop cogent careers information for internal use within industry.
- Better promote career path options.

Initiative and actions

- Determine benchmarks of current uptake on the top five training programs currently accessed by industry in Victoria, examine training outcomes, barriers and estimate potential uptake.
- Compile recommendations for future training programs as a supplement to state and national scans, based on:
 - a review of current industry requirements throughout Victoria, including regional areas,
 - consultation with participants in the T&L industry
 - training experiences in other Australian States and Territories, and overseas, and
- Develop a suite of marketing collateral, including training programs information, aimed at encouraging existing workers to take up training opportunities.
- Develop activities to promote training opportunities through industry bodies, government, RTOs, unions, events etc.
- Review feasibility and adaptability of roll out of existing or new training programs at a national level e.g. Cadetship, SEED, Green Triangle, Virtual Enterprises in schools, etc.
- Develop specific messages in the rebranding campaign to ensure that attention is placed on conveying a message that the industry is dynamic and is evolving into a sophisticated industry that is integral to Australia's economy, and an industry that offers career opportunities that are attractive and flexible.



Additional stakeholder suggestions

Strategic Directions

Initiative and actions

Strategy Four:

Recognise the value of people in the T&L Industry

*Continuous improvement of worklife and
working conditions.*

Rationale:

As the T&L industry becomes more focused on the need to retain and attract a greater number of workers.

- Improving work-life balance will be the result of improved conditions of employment.
- This sector is a 24/7 operating environment. It is also an environment which demands high standards of management of occupational health and safety.
- Businesses must recognise the importance that people play in the success of their operations and provide the working conditions necessary to attract and retain quality workers who value a safe working environment and the opportunity to balance their working lives with their leisure time.





Strategic Directions

- Encourage employers to take an active role in becoming recognised as 'employers of choice' through leading edge HR practices, work / life balance initiatives, etc.
- Encourage the uptake of T&L education and training at all levels. Ongoing review of the relevance to industry,i.e,
 - content of courses
 - specialization of skills
 - recognition for qualifications, etc

Initiative and actions

- Support organisations, and activities, such as
 - Freds (Shepparton) Couples sharing driving duties
 - TWU. Mentoring programs
 - VTA Fuel Group. ('Youth' group)
 - WISC (Women in supply Chain)
 - ALC. Women in transport mentoring program ('Women moving forward')
 - Sleep apnoea study
 - Transport and Logistics Cadetship program

Additional stakeholder suggestions

Strategic Directions

Initiative and actions

IMPLEMENTATION OF THE PLAN

Role of the T&L WAG

The general charter for the T&L WAG is to:

- improve access to appropriate transport and logistics industry education, training and employment;
- improve workforce planning, recruitment and retention practices, including workplace arrangements and environment and input to national issues where appropriate (e.g. skilled migration, tertiary education and training); and
- provide advice on streamlining transport and logistics industry regulatory impediments effecting workforce;

for workers employed in the Transport and Logistics industry.

Within this Strategic Marketing Plan its' role will be:

- coordination of activities
- preventing duplication of activities or by different bodies
- review progress and recognise achievement
- report on progress to Government and industry
- ongoing refreshment of the Strategic Plan



More Information

More information regarding the plan can be obtained by contacting:

Mr David Henderson

Senior Project Officer
Victorian Freight and Logistics Council
Level 10, 80 Collins Street
Melbourne VIC 3000

Email: david.henderson@transport.vic.gov.au

Telephone: 03 8688 1831

