



NATIONAL ROAD TRANSPORT ASSOCIATION

**Submission to Australian Industry Standards**

**PROPOSAL FOR HEAVY VEHICLE DRIVER  
APPRENTICESHIP**

**14 October 2021**

## **Executive Summary**

The National Road Transport Association strongly supports the establishment of an apprentice system for the road transport industry.

As Australia's largest national representative road freight transport operators' association, we are acutely aware of a widespread shortage of drivers across Australia.

While development of an apprenticeship program will not be a silver bullet, it would be a step in the right direction in addressing the issue.

A 2016 identified that employers find it difficult to recruit not just the quantity but particularly the quality of drivers needed. 52 per cent reported having issues attracting the quantity of drivers needed and 82 per cent had problems attracting the quality of drivers they expect.

Over time, the issue has worsened. NatRoad's 2021 annual survey of members found that 45% of respondents reported that they were experiencing a driver shortage.

There is a pressing need to allocate much greater industry and government resources to the issues associated with training and the development of career pathways in the road transport industry.

NatRoad has consistently expressed strong support for improved driver training, comprising a nationally recognised qualification combined with supervised on-the-job experience and a move to competency based licensing arrangements. The option of an apprenticeship pathway aligns with that objective.

The current time-based requirement for heavy vehicle licencing is poorly conceived and delays the natural progression of young but highly competent drivers in certain license categories.

This is frustrating for young people who want to work in road transport, and potential drivers are more likely to change to a profession that offers faster job progression and earlier access.

The Australian Industry Standards Consultation Paper concisely covers the relevant issues and only lacks a timeline for development.

## Introduction

1. This submission responds to the Industry Consultation Paper<sup>1</sup> (Consultation Paper) seeking views on the establishment of a formal apprenticeship for heavy vehicle drivers in Australia.
2. NatRoad is Australia's largest national representative road freight transport operators' association. NatRoad represents road freight operators, from owner-drivers to large fleet operators, general freight, road trains, livestock, tippers, car carriers, as well as tankers and refrigerated freight operators.
3. NatRoad policy is to strongly support the development of an apprenticeship system for the road transport industry. We therefore commend Australian Industry Standards (AIS) for producing the Consultation Paper and for giving this issue needed priority.
4. NatRoad considers that there is a need to allocate much greater industry and government resources to the issues associated with training and the development of career pathways in the road transport industry.
5. In 2016 a survey identified that employers find it difficult to recruit not just the quantity but particularly the quality of drivers needed. 52 per cent reported having issues attracting the quantity of drivers needed and 82 per cent had problems attracting the quality of drivers they expect.<sup>2</sup>
6. Over time, the issues raised in the survey mentioned in the prior paragraph have not improved. In NatRoad's 2020 annual survey of members just over 45% of members reported that they were experiencing a driver shortage.
7. NatRoad has consistently expressed strong support for improved driver training comprising a nationally recognised qualification combined with supervised on-the-job experience and a move to competency based licensing arrangements. In particular the current poorly conceived time-based requirement for heavy vehicle licencing delays the natural progression of a young but otherwise highly competent driver in certain license categories. This is frustrating for those who would like to work in road transport, and potential drivers are more likely to change to a profession that offers faster job progression and earlier access to a full qualification.
8. All of these themes converge in the Consultation Paper which NatRoad members have commended for being concise and covering the principal issues in contention, albeit that members have indicated a timeline from further development to introduction would assist the industry.
9. Having outlined the basis of our general support, the balance of this submission proceeds by setting out the NatRoad response to the questions posed in the Consultation Paper.

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<sup>1</sup> chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/viewer.html?pdfurl=https%3A%2F%2Fwww.australianindustrystandards.org.au%2Fwp-content%2Fuploads%2F2021%2F09%2FConsultation-Paper-Heavy-Vehicle-Driving-Apprenticeship-  
<sup>2</sup> *Professional Truck Driver Shortage: How driver availability impacts the transport industry & Australian society*, Volvo Group Australia, May 2016

**Question 1: Do you believe the development of Heavy Vehicle Driver Apprenticeship will assist in the professionalisation of the Truck Driving and/or the Road Transport industry through the apprenticeship model?**

10. As can be seen from the discussion in the introduction of this submission, in short the answer is “Yes.”
11. In particular the six arguments for proceeding with an apprenticeship set out at page 7 of the Consultation Paper are supported. In relation to attracting drivers, we agree that the apprenticeship would not of itself solve the problem. But we also agree with the assertion that its establishment would “create an attribute of professionalism that could be harnessed by transport enterprise to attract new workers in the medium to long term.”<sup>3</sup>
12. The NatRoad position is that whilst it might seem counter-intuitive to raise the bar on driver training and licensing at a time when road transport operators are grappling with a long-term, chronic driver shortage, reform in both of these areas will eventually help the industry to attract more, and better qualified people.
13. There is an additional rationale that NatRoad proffers. While the current training packages available (Certificates II, III and IV in Driving Operations) are nationally recognised qualifications, the inconsistent approach to delivery and unit selection (due to the program design primarily being driven by the particular Registered Training Organisation (RTO)) means that many operators view these qualifications as unreliable and ineffective in providing transferable core/baseline skill sets. A nationally recognised apprenticeship system should be designed to overcome this lack of industry confidence.

**Question 2: Do the two primary apprenticeship pathways outlined capture the variations in the targeted cohorts or should other pathways be considered?**

14. The NatRoad specialist working group that considered the Consultation Paper believes that the two paths set out in the Consultation Paper would be adequate, although the first category might be best separated.
15. The two paths outlined are first, for currently licensed personnel and non-school new entrants and secondly for new entrants proceeding from a school to work via the apprenticeship. Feedback is that conflation of existing drivers with new entrants in the first category could impede Recognition of Prior Learning (RPL) applications. Those with considerable industry experience might be deterred from undertaking the apprenticeship unless there was a fast-tracking of RPL that recognised their experience in a dedicated pathway. Hence, consideration should be given to making the first currently proposed category, two separate streams.
16. The pathways (two or three) should not be other than a replacement for the current traineeship model. To be clear, completing an apprenticeship should not be mandatory for existing or future heavy vehicle drivers. There should be no compulsion on road transport operators to require their workers to complete an apprenticeship. NatRoad wants barriers to entry as a competent, career oriented heavy vehicle driver to be removed; this step will be facilitated when there is real competency based progression in heavy vehicle licensing requirements. That step would see

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<sup>3</sup> Above note 1 at p 7

younger people enter the driver stream and therefore complete competency based progression at an earlier age than the current time based system delivers. Hence, whilst the apprenticeship should not await the outcome of competency based heavy vehicle licence progression, the acceleration of that work would assist.

**Question 3: With consideration that apprenticeship funding incentives will not offset all costs, are there other financial concerns that need to be considered?**

17. NatRoad would ask AIS to consider approaching Government for a tailored scheme that would assist to stimulate the uptake of the proposed apprenticeship. This could be presented as a means to assist the industry post-COVID. In particular it could be modelled on the Supporting Apprentices and Trainees wage subsidy which ran from 1 January 2020 through to 31 March 2021. Eligible employers were able to claim 50 per cent of an Australian Apprentice's gross wage up to \$7,000 per quarter, per eligible apprentice or trainee.<sup>4</sup>

**Question 4: Are there implications for the removal of the traineeship? If so, what are they?**

18. This issue is covered in paragraph 13 above.

**Question 5 Would likely supervision requirements for apprentices impact your enterprise? If so, please describe how?**

19. One member of the NatRoad working group consulted on the issues raised in the Consultation Paper has said:

*Supervision requirements would not present difficulties. Pre-license holders would have close supervision in depots and workplaces, license holders would need relatively less which could be covered by an on road buddy system or short local trips building to longer trips as skills are built.*

20. Another member of the NatRoad working group considers that supervision requirements will necessarily depend on the area where the apprentice is required to meet certain competency or skill requirements. For example, for the requirements of load restraint, an apprentice should be supervised by a person who has clear expertise in that field and is suitably qualified, for example has an in-depth knowledge of the load restraint guide<sup>5</sup> as well as demonstrated practical experience. How that qualification (and other similar areas of specialist expertise) should be recognised moving to an apprenticeship model is a question that needs greater consideration.

**Question 6: Could this apprenticeship model impact small to medium enterprises negatively? Are there options for addressing any disadvantage?**

21. Members of the expert working group consulted said that it is more likely that the apprenticeship model will benefit smaller enterprises, just as plumbers and electricians embrace apprenticeships. For example, it would be a good opportunity for owner drivers to get additional assistance such as with loading/unloading whilst providing grassroots training in industry skills until better competency based license standards are achieved.

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<sup>4</sup> <https://www.dese.gov.au/supporting-apprentices-and-trainees>

<sup>5</sup> <https://www.ntc.gov.au/codes-and-guidelines/load-restraint-guide>

22. Remote delivery of training packages (online delivery and appraisal) would be essential as a means of assisting road transport small business.
23. It might be of some concern to small and medium businesses for there to be a transition from viewing heavy vehicle driving as solely involving the driving function. Feedback is that to succeed small and medium businesses must move to a business model which takes into account the other skills that are necessary to run a business and this notion should be reflected in apprenticeship training.

**Question 7 Are there any other major issues associated with this apprenticeship model not yet addressed in this paper? Please outline.**

24. NatRoad believes that the two major issues associated with the introduction of the apprenticeship are industrial relations issues and those associated with young people.
25. The industrial relations issue is that the opportunity of introducing new skill levels into the Award may lead to there being a case made for work value increases to wages by, say the Transport Workers Union. This would be a difficult matter for NatRoad members to address, with COVID-19 pandemic profit levels being extremely low. IBIS-World as of February 2021 indicated that the industry profit margin was 2.4% with negative industry growth of minus 3.2% in that margin between 2016-2021.<sup>6</sup> Affording any increase in real wages would be difficult for most enterprises in the industry, especially small to medium operators.
26. Further, how the changes to the two main transport awards, the *Road Transport and Distribution Award 2020* and the *Road Transport (Long Distance Operations) Award 2020*, would be varied to accommodate the apprenticeship would need early negotiation between industrial parties and agreement in advance of acceptance of the proposed variations by State and Territory training authorities.
27. In addition, whether the other transport awards that apply to specialist elements of the sector, e.g. waste management under the *Waste Management Award 2020*, would also have a change based on the generalised notion of a heavy vehicle driver apprenticeship should be clarified by AIS. NatRoad's preference would be for the apprenticeship to apply to all transport awards.
28. The concern expressed about industrial relations issues founding a case for work value, contrasts with the assertion in the Consultation Paper that "it is not envisaged that the adoption of an apprenticeship model will have any material impact on industry wages – and that future wage increases would progress in accordance with annual national wage case considerations."<sup>7</sup> This assertion is made on the basis that "the current Award System is structured in accordance with progression under the national heavy vehicle licensing system." But the current licensing system needs to change to one that is competency based and there would likely be some industrial relations consequences associated with that change, inclusive of a recognition of a trades certificate. More detail on the reasoning expressed in the Consultation Paper would assist.
29. The Consultation Paper addresses the issue of young people and impediments to their engagement. The main point in this context is that "one of the major historical deterrents to the industry utilisation of young drivers (i.e., under 25 years of age) has been the high cost of business

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<sup>6</sup> IBIS World *Road Freight Transport in Australia: Industry Report Feb 2021*

<sup>7</sup> Above note 1 at p10

insurance premiums. The magnitude of the financial penalty is such that this issue alone could be a major inhibitor to the market adoption of a heavy vehicle driver apprenticeship in the future.”<sup>8</sup>

30. NatRoad partner, insurance broker AEI, has expressed the following view on this subject:

*The notion of insurance implications for young drivers should no longer a hindrance for the establishment of an Apprenticeship. There are only a handful of insurers that even require the declaration for under 25 year old drivers, and of those it generally relates to owner driver rather than larger fleet operators. AEI’s experience is that 95% of insurers will remove any and all driver excesses and/or restrictions as long as we can show a documented driver training programme.*<sup>9</sup>

31. Accordingly, NatRoad believes that further canvassing of insurance companies is required to better assess the statement just quoted from the Consultation Paper. We would be pleased to assist in that process but note that in itself the need for a documented driver training programme would ipso facto be satisfied by enrolment in the apprenticeship. As one member of the NatRoad working group said:” What is sought to be achieved is in itself an answer to the insurance problem.”

## **Conclusion**

32. NatRoad supports the arguments made in the Consultation Paper.

33. We submit that a timeline which shows the fast track completion of all the necessary tasks to introduce the recommended apprenticeship should be published as soon as possible.

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<sup>8</sup> Ibid

<sup>9</sup> Private email 29 September 2021