

Submission to the Productivity Commission Inquiry into Building a Skilled and Adaptive Workforce

Executive summary

- Australia has a truck driver shortage of over 26,000 unfilled positions.
- The Productivity Commission Inquiry is Whole of Economy Wide and fails to acknowledge sector specific challenges
- National harmonisation of heavy vehicle entry and licencing requirements must occur
- Incentives for Small to Medium businesses to provide training must be implemented to address heavy vehicle Truck Driver and adjacent trade training
- A National Truck Driver Standard must be implemented, based on competency and ensure consistency in training delivery

As Australia's largest association representing thousands of road freight transport businesses, National Road Transport Association (NatRoad) advances the interests and major issues for this \$96 billion industry and its members. Our board is made up of individuals who run transport businesses and have members from owner-drivers to road freight and large fleet operators, representing all aspects of the industry. Recognised as a leading voice for industry, we work with government, industry, members, and partners to improve the working environment for all road freight transport operators.

NatRoad acknowledges the work undertaken by the Productivity Commission (the Commission) to address the future skills shortage required for economic uplift and improved productivity. The Commission has taken a whole of economy approach and fails to address some of the sector specific challenges. In 2024, NatRoad undertook a global IRU truck driver shortage survey that reported 38% of businesses expected to experience more difficulty in filling positions in the next 12 months.

In 2024 Industry Skills Australia (ISA) delivered a Workforce Plan for Transport and Logistics which identified key focus areas and recommendations. Several immediate priorities and actions are yet to occur to address truck driver shortages and are identified as priorities in the 2025 plan¹, as such it is recommended any additional resources identified by ISA should be allocated.

¹ ISA, 2025, <https://isa-files.azureedge.net/2025-07/2025%20Transport%20and%20Logistics%20Workforce%20Plan.pdf>

In road transport alone there is a driver shortage of over 26,000 unfilled positions and road freight is projected to increase by 77% by 2050. Road freight accounts for approximately 80% of non-bulk domestic freight, i.e. consumer goods.²

In Attachment A, NatRoad details a Policy Statement ‘*National Leadership to Address the Truck Driver Shortage*’, which demonstrates broad alignment with Inquiry’s recommendations in the Interim Report:

Recommendation 2.1 Move toward a national system of credit transfer and recognition of prior learning (RPL)

Create a national truck driver standard

Safer drivers result in safer roads, and better recognition of skills is important for improving industry image and attraction.

Clear and concise information is vital. Industry, employers, employees and aspiring drivers need clarity about best practice to inform training and hiring decisions.

Australia has a collection of imprecise pathways for drivers. Some courses lack quality, and there is limited availability of the apprenticeship. More Registered Training Operators (RTO’s) are required with national quality standards in place.

We need a National Truck Driver Standard – a clear, nationally-consistent and competency-based standard that represents best practice for training truck drivers. There should be multiple pathways to achieving the standard, including the apprenticeship, the Certificate III in driving operations, quality industry-based programs and competency-based pathways.

Recommendation 2.2 Better target incentives to lift work-related training rates in small and medium enterprises (SMEs)

Introduce Training Incentives

The NatRoad IRU truck driver shortage survey shows that larger freight businesses have had limited success in improving the diversity of the workforce, which is critical to addressing skills shortages³.

The largest businesses (200+ employees) report a driver workforce with women making up 12 percent (compared to an industry average of 6.5 percent) and 8 percent of drivers aged under 25 (compared to an industry average of 5.2 percent). The ability of larger businesses to run recruitment, training and diversity programs is having an impact by increasing workforce diversity, although it should be noted that 70 percent of these businesses still face severe or very severe shortages.

Small businesses do not have the same access to training, and all businesses operate on tight profit margins. Introduction of improved training incentives would better enable industry to support new employee training.

² BITRE, 2022, https://www.bitre.gov.au/sites/default/files/documents/bitre_rr154_summary_report.pdf.

³ NatRoad, IRU Truck Driver Shortage Survey, Attachment A

NatRoad has long advocated for the need to provide incentives for small to medium businesses for training, this will incentivise the onboarding of apprentices and trainees, for both drivers and supporting trades such as mechanics. Beyond this providing training incentives will assist in building a diverse and skilled workforce.

Recommendation 3.1 Remove excessive occupational entry regulations that offer limited benefits

Reform licensing and training

Time-based licensing needs reform. Just because a driver has held a license for a set period doesn't mean they're capable of handling the complexities of a large truck on Australian roads. The industry needs to move towards a competency-based approach, where drivers are tested on their ability to handle a vehicle in different conditions, not just how long they've held their license. The process needs to ensure that drivers are gaining the right experience before moving up to larger vehicles.

Austroads review of the National Heavy Vehicle Driver Competency Framework reported shortcomings with the current competency standards and training and assessment pathways:

- Drivers are not sufficiently skilled for employment when they are first licensed
- Coroners' inquests have identified deficiencies in the skills of some truck drivers
- Significant variation in the length of training and assessment programs, including some very short courses.

Additionally, not all states and territories require drivers to complete training.⁴

Licensing in all jurisdictions should require nationally based training that focuses on practical outcomes to obtain a license. This should also apply to overseas drivers, who need to undertake Australian training to ensure they understand our vehicles, road network, and related rules. Training is essential for a safer and efficient industry.

The delivery of nationally consistent reforms to licensing and training requires leadership from National Cabinet.

Recognise driver skill levels

The Australian Bureau of Statistics proposal to establish a new skill classification for articulated truck drivers at skill level 3 (as part of the ANZSCO skill levels) and redesignate tanker truck driver as a skill level 3 should both be adopted. This is critical to ensure recognition of professional drivers and ensure the right skill level classifications. ANZSCO classifications are important for integrating with other government policy decisions, including funding.

Recommendation 3.2 Expand entry pathways and streamline qualification requirements for occupations

National Truck Driver Apprenticeship

With a shift to competency-based training, there should be national commitment to implementing the National Truck Driver Apprenticeship. National Cabinet must encourage and ensure all states

⁴ Austroads, https://austroads.com.au/_data/assets/pdf_file/0034/616966/NHVDCE_Factsheet1_Competencies_and_Training.pdf

commit to delivering the national truck driving apprenticeship. As part of this, consideration must be given to competency-based licencing, as current age restrictions are a barrier to entry for school leavers. As we've seen in Queensland, participants have a significant increased chance of success when completing Certificate III as part of an apprenticeship rather than a stand-alone VET course.

National Heavy Vehicle Skills Hub

Similarly, there is a dire need to address the gap in information for entry into the heavy vehicle industry and governments should fund and work with industry partners to deliver a National Heavy Vehicle Skills Hub, in line with the National Rail Skills Hub.

Next Steps and Consultation

NatRoad look forward to further engagement in this inquiry process and maintain the need for clear, actionable and measured recommendations endorsed by National Cabinet. Australia's productivity continues to fall, and the road transport industry continues to face significant pressure, not only for skills but increased, disjointed regulation and lack of national harmonisation, putting further pressure on margins and pushing operators out of the industry entirely.

NatRoad's detailed position can be found in Attachment A. NatRoad welcomes the opportunity to discuss our recommendations and policy statement on Truck Driver Shortage as it relates to the Productivity Commission's Inquiry.

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About NatRoad

The National Road Transport Association (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, express, car carriers, as well as tankers and refrigerated operators.