

TRANSPORT, POSTAL & WAREHOUSING



Foreword



The Commission is pleased to present this report on South Australia's Industry Priority Qualifications (IPQs). This unique report details the extensive industry collaboration and consultation process undertaken by the Commission over the last 12 months, culminating in the identification of industry's priorities across the State economy and within 18 industry sectors; the first time this has been achieved. The level of engagement with industry stakeholders exceeded the Commission's expectations, and we acknowledge the hundreds of contributions made by industry. The scope and depth of the results achieved through this collaborative approach means this work will remain important and relevant for years to come.

These Priority Qualifications Lists are a direct reflection of industry feedback and will play an important role as one of a range of inputs used by Government to determine which Vocational Education and Training qualifications will receive publicly funded support.

South Australia needs a workforce that is innovative and adaptable but most importantly, in possession of the skills required to meet the ever-changing needs of industry and the South Australian economy. This report is a valuable tool to assist in meeting this challenge.

The detailed findings contained in this report are valuable across several domains; valuable to Government in guiding public investment in skills development, and valuable to industry to better understand and compare qualification priorities across sectors. These findings are also valuable to the Commission as they provide a platform for further exploration and policy deliberations which in turn will inform future recommendations to Government as part of our State Workforce Development Plan Skills for Future Jobs 2020 to be released at the end of 2016.

While it is acknowledged that the priorities of Government and public investment may differ from those of industry, we are encouraged by the fact that this is the first time Government will have a comprehensive understanding, informed directly by industry, of the needs of industry within the context of qualification and skills priorities.

On behalf of the Commission, we extend a sincere thank you to all contributors and respondents who participated in our consultations. It is clear that the challenges facing skills development for industry are significant, but so is the appetite from Government, industry and the community to actively pursue mutually beneficial solutions.



Anthony Kittel
CHAIR



Melinda OLeary
DEPUTY CHAIR

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The Training and Skills Commission

The Commission, established in 2003 and later reformed in 2008, is comprised of industry, academic and community leaders with responsibility for advising the Minister for Higher Education and Skills on skills and workforce development priorities for South Australia and regulation of our Apprenticeship and Traineeship system.

The Commission also provides independent, strategic advice on how South Australia can invest in a sustainable, highly skilled workforce particularly in key growth sectors. This advice is crucial to meeting South Australia's economic and social needs, now and into the future.

Our Responsibilities

The Commission's responsibilities include:

- promoting and encouraging investment, equity and participation in, and access to vocational education and training (VET);
- monitoring, reporting and making recommendations to the Minister on the state of VET and workforce development in South Australia, including the expenditure of public money in these areas; and
- promoting pathways between the secondary school, VET, adult community education, and higher education sectors.

Executive Summary

This report represents the significant findings of the Commission's Industry Priority Qualifications Survey. With 1,138 Qualifications, Skill Sets and Accredited Courses (QSCs) identified by industry as a priority, this report provides a unique opportunity for the State Government to strategically align its investment in skills development with the qualification priorities of industry.

The 'Whole of Economy' List of Priority Qualifications was informed by 850 responses to an industry designed survey, 20 half-day consultation sessions, discussion with peak employer and employee bodies and now a final revision after being available for feedback since the launch of the Interim Report on 8 December 2015. This document represents over 800 hours of consultation activity, and is arguably the most comprehensive exploration of industry demand conducted in any jurisdiction across Australia.

Across the breadth of our State's economy there are 106 QSCs identified as Highest Priority (Tier 1), 169 identified as a High Priority (Tier 2), 225 identified as a Priority (Tier 3), 639 identified as a Low Priority (Tier 4) and 2,961 were not selected (Tier 5).

As diverse as enterprises are within our State, the results of the Commission's stakeholder consultations indicate the wide application of generic and transferable qualifications across most industry sectors. Of the 106 qualifications identified as a Tier 1 priority, approximately 50 percent are highly transferable and non-industry specific. Leadership and management, general business related qualifications as well as work, health and safety qualifications were routinely identified as a high priority across most industry sectors.

These results are complemented by qualitative insights gathered from extensive conversations with our industry Partners, which in turn has enabled the identification of key trends and workforce development challenges in South Australia.

These include:

- The increasing complexity of the Vocational Education and Training (VET) sector is proving difficult to understand and navigate;

- Formal training is not always the answer to the workforce development needs of industry;
- Enterprises highly value skills that increase the internal mobility and capabilities of employees;
- The Australian Qualifications Framework (AQF) and Training Packages are inconsistent and often misunderstood by many engaged in the VET system;
- Continual changes to the level of public subsidy for VET qualifications at both a State and Commonwealth level diminishes business planning capability;
- The capacity of industry to invest in skills development varies widely between sectors and sub-sectors, as well as between small and large employers;
- As diverse and unique as our State's economy is in the national context, so too are the unique needs of our regions when compared to the broader South Australian economy; and
- High growth employers have demonstrated differing needs than those employers experiencing subdued conditions.

Throughout the process of consultation the Commission has remained committed to its principles of transparency with its approach and methodology.

The final consultation phase and work of the Commission has reaffirmed the strength of this engagement, with some (though not extensive) changes in priorities that reflect additional stakeholder feedback and analysis.

The Commission is confident that the 'Whole of Economy' Priority Qualifications List now represents the best platform South Australia has ever had to guide Government investment in VET towards industry need. These qualifications have been self-identified by industry and have been considered in the context of the wider economy. Discussions with our industry Partners and stakeholders were extensive to the point of being able to consider individual qualifications and their place in our diverse VET sector.

It is not always the case that VET qualifications are undertaken for the purposes of employment or improving business productivity. It is therefore important to understand the role that VET plays in our society in the broader context. The Commission has long provided support and analysis on the importance of the VET sector in social inclusion, and recognises the integral part that Adult Community Education (ACE) plays in providing pathways that encourage participation in work and community.

In this report, the Commission has provided suggestions on how the South Australian Government should treat the findings as well as identifying opportunities for future policy work.

That said, this report is a platform for industry as much as a blueprint for Government; one which provides better information on market demand and activity, as well as providing a tool to promote closer alignment of Government support to industry need.

As perhaps the only report of its kind – industry, government, training providers, employers and various other stakeholders now have yet another piece of the strategic puzzle, one which can respond to the question of ‘what training and skills should the Government support’?

This report, although not the complete answer, is a significant step forward and one that will provide insight into the skills needs of industry well into the future.

This report should be read in conjunction with the full Report on South Australia's Industry Priority Qualifications available at: www.tasc.sa.gov.au



Respondents

850 respondents completed the IPQ Survey representing employers, individuals, unions, registered training organisations and industry groups.

Key Insights



Employer Size

58% of employers surveyed identified as **micro or small businesses** with less than 20 employees.



Qualifications

Over 1,100 Qualifications, Skills Sets and Accredited Courses (QSCs) were identified by industry as a priority. This is just over 25% of all available QSCs (4,103) embedded within the IPQ Survey.



Priorities

106 qualifications were identified as a **top priority** for industry over the next five years, while 169 were identified as a high priority and 225 identified as a priority. The remaining 639 were identified as lower priority.



Top Qualifications

Generic (business-related) qualifications were consistently identified as high priorities for industry and the SA economy. These qualifications were often considered applicable to multiple occupations and transferable across industry sectors.



Skills Clusters

Managerial and Leadership, Sales and Customer Service and Information and Technology skills were ranked most highly across industry sectors by survey respondents as the skills required in the next five years.



Key Challenges

Reskilling will be a **priority** to meet the skills and workforce needs of the future as structural change presents ongoing challenges for the South Australian economy.



Projected Employment Growth

TaSC Interim Modelling projects employment growth of **1.1 % per annum (43,000 new jobs)** over the next five-year period.



Regional Needs

The **Industry Priority Qualifications of State Government Regions** are **very diverse** and need to be better understood.



High Growth & Small Employer Needs

Both High Growth and Small Employers have ranked **Marketing & Customer Engagement qualifications** as high priority.



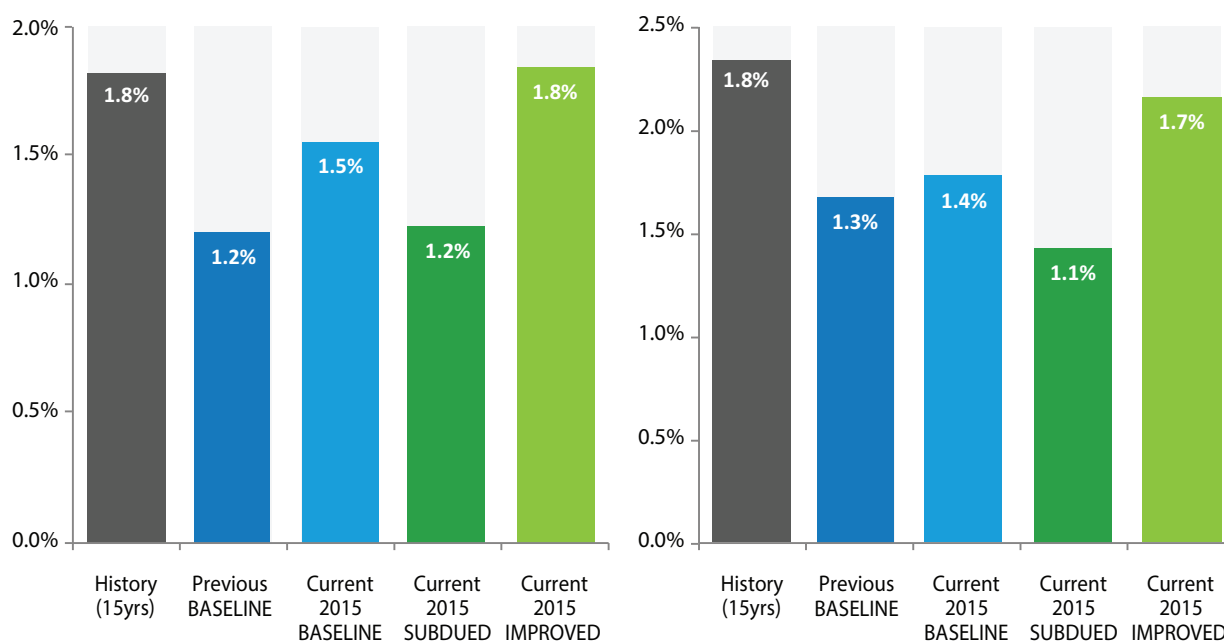
Transport, Postal and Warehousing

Employment Outlook

According to the Commission's interim modelling, employment in the Transport, Postal and Warehousing Industry is projected to increase 1.5 percent a year over the next five (5) years under the baseline scenario. This compares with a rate of growth over the past 15 years of 1.8 percent per annum.

Over the long-term (2014-15 to 2024-25), the Industry is expected to record continued employment growth above the State average. As a result, its share of the State's employment is projected to increase from 4.8 percent to 5 percent.

**Figure 1 - Transport, Postal & Warehousing, Average Annual Employment Change
2014-15 to 2019-20 and 2014-15 to 2024-25**



Source: Interim TaSC Economic Modelling, 2015

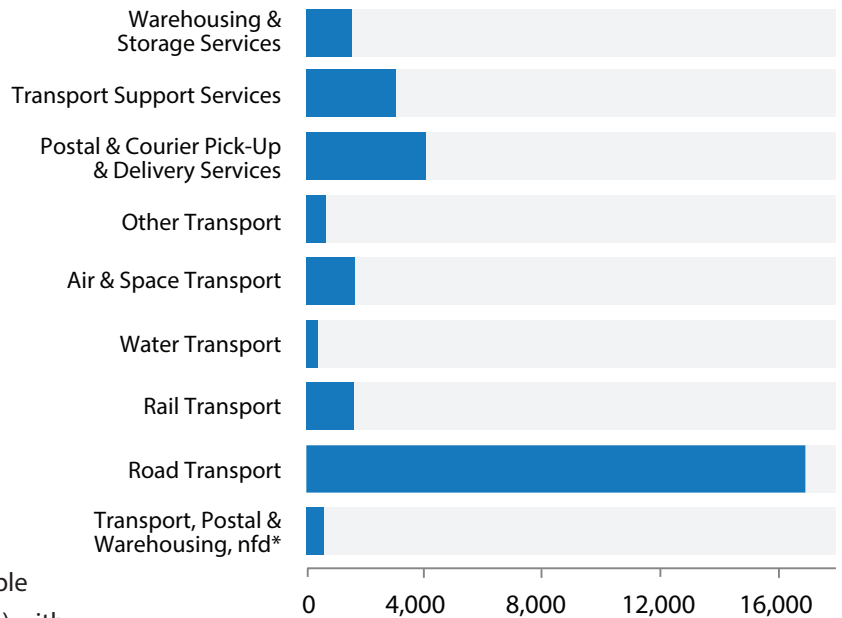
Industry Outlook

Employment in the Transport and Logistics Industry is expected to grow strongly through the period 2015-20. Freight volumes have tripled over the last three decades and passenger movements through Australia's airports have more than quadrupled. New and enhanced technologies in the form of robotics, automation, wireless sensor networks, intelligent objects, smart packages, mobile devices and Big Data are being used across the Industry to enhance operational efficiency¹.

The South Australian transport sector directly employs 51,200 people (6.4 percent of the State's workforce) with employment dominated by males (87.4 percent of total employment). The majority of employment is full-time (69.9 percent) and the age profile of the workforce is younger than the State average. The most common qualifications are Certificate III or IV (held by 17.7 percent of workers); however almost three quarters of the workforce have no post-school qualifications.²

The performance of the Transport, Postal and Warehousing Industry is closely linked to the economic cycle. In South Australia, the next section of the North South Corridor to be delivered will be a 3.7km stretch of South Road between Torrens Road and the River Torrens. This new section of road will significantly improve travel times for both north-south and east-west bound traffic.

Figure 2 - Transport, Postal & Warehousing, Employment by Sub-Sector



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011

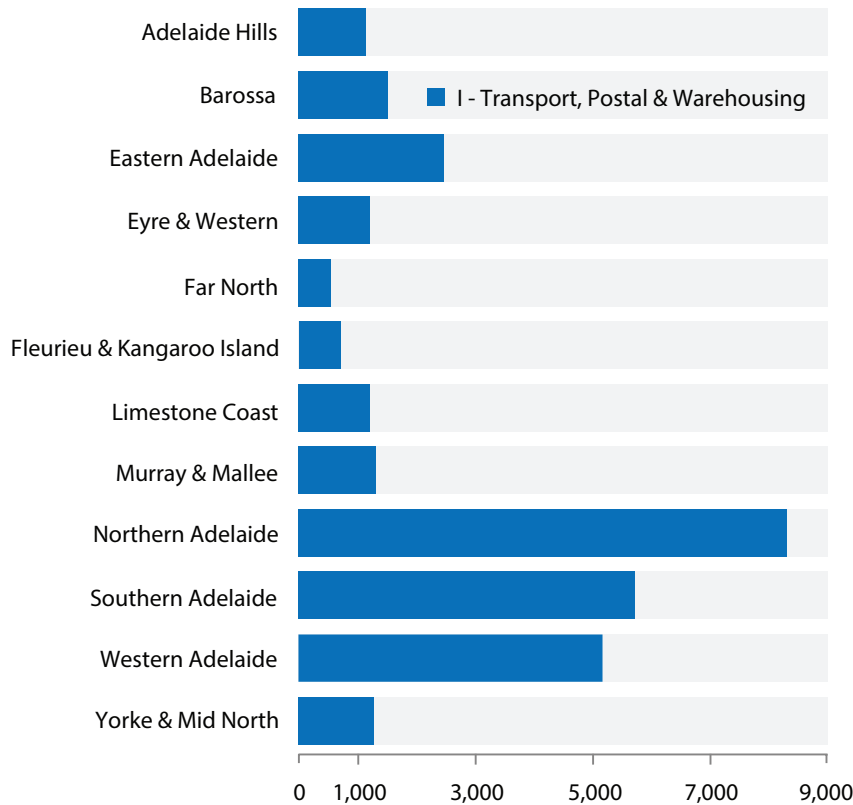
The Commonwealth and State Governments have committed \$896 million to construct the Torrens Road to the River Torrens Project. The project will create an estimated 480 jobs per year during the construction phase. It is expected that the project will commence mid-2015 and is scheduled for completion by the end of 2018³.

1 - <http://www.tdtsa.com.au/downloads/TDTSAPercent20Strategicpercent20Planpercent202015percent20-percent202016.pdf>

2 - <http://www.tdtsa.com.au/downloads/TDTSAPercent20Strategicpercent20Planpercent202015percent20-percent202016.pdf>

3 - <http://www.tdtsa.com.au/downloads/TDTSAPercent20Strategicpercent20Planpercent202015percent20-percent202016.pdf>

Figure 3 - Transport, Postal & Warehousing, Employment by Region



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011

Skills needs

Survey respondents ranked the Work Health and Safety (WHS) skills cluster as having the highest importance, followed by the Sales and Customer Service, and Managerial and Leadership skills clusters.

Entrepreneurial and Language, Literacy and Numeracy (LLN) skills clusters were ranked of lowest importance by the Transport, Postal and Warehousing Survey respondents.

Table 1 - Transport, Postal & Warehousing, Ranked Skills Clusters

Skills Clusters	This Industry	All Respondents	Compare
Work Health & Safety (WHS)	1	4	↑
Sales & Customer Service	2	2	↔
Managerial & Leadership	3	1	↓
Administration & Support	4	5	↑
Information & Technology	5	3	↓
Sustainability & Environmental	6	9	↑
Marketing & Engagement	7	7	↔
Human Resources	8	8	↔
Financial	9	6	↓
Language, Literacy & Numeracy (LLN)	10	10	↔
Entrepreneurial	11	11	↔

Workforce development themes and issues

The business composition of the Transport, Postal and Warehousing Industry shows that 66.7 percent are self-employed, and 30 percent have less than 20 employees. Small businesses cannot always afford the costs or time of additional training.

Despite huge strides in available technology, Transport and Logistics businesses differ in their ability to innovate through the introduction of technology due to varying levels of digital literacy in their workforce and capital availability.⁴

This age profile is particularly visible in the road, rail and maritime sectors. With a large proportion of workers aged 45 years and above intending to retire in the next decade, succession planning is a pressing issue for employers. This is particularly true for rural and remote operations, where the workforce tends to be older than in metropolitan areas.

In the coming years, the ability to successfully attract, train and retain young workers will become more critical but efforts will be required to make the Industry attractive and provide career pathways.

World air cargo is expected to grow placing further demand on ground crew. Retention of baggage handlers and ground crew continues to be a challenge and further improvements are required.

The rail workforce in mining is being impacted by the use of driverless trains. This may free up some workers to meet the expected increases in rail freight but also places demand for higher-level skills. While maritime freight transport slows, in line with reduced mining and resources activity, the cruise market is growing rapidly creating demand for multi-skilled seafaring workers at all levels⁵.

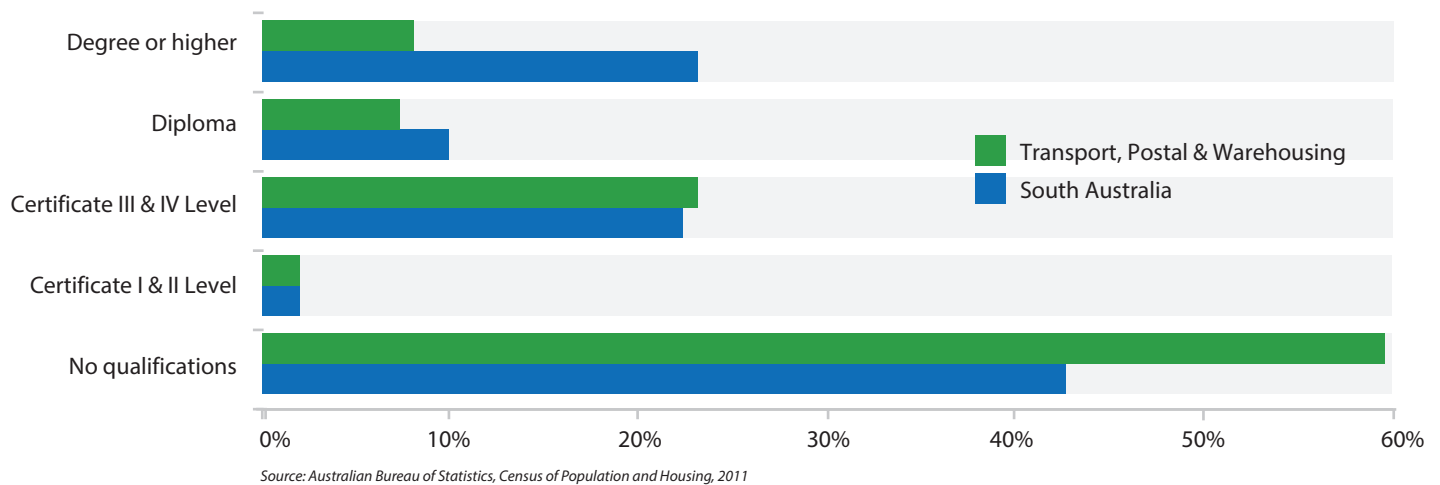
The South Australian Transport and Logistics Industry has a number of workforce challenges including the ageing workforce and thin training markets in some sectors like rail operation, rail infrastructure and aviation. Training is largely driven by legislative changes addressing fatigue management and national licensing requirements. For parts of the Road Transport Industry, there has been reluctance over the past three years to invest in training, due to the time it takes to train (up to five years), the costs involved and the issue of retention⁶.

4 - http://tlisc.org.au/wp-content/uploads/TLISC_134_E-Scan_lores_singlepages_FA.pdf

5 - http://tlisc.org.au/wp-content/uploads/TLISC_134_E-Scan_lores_singlepages_FA.pdf

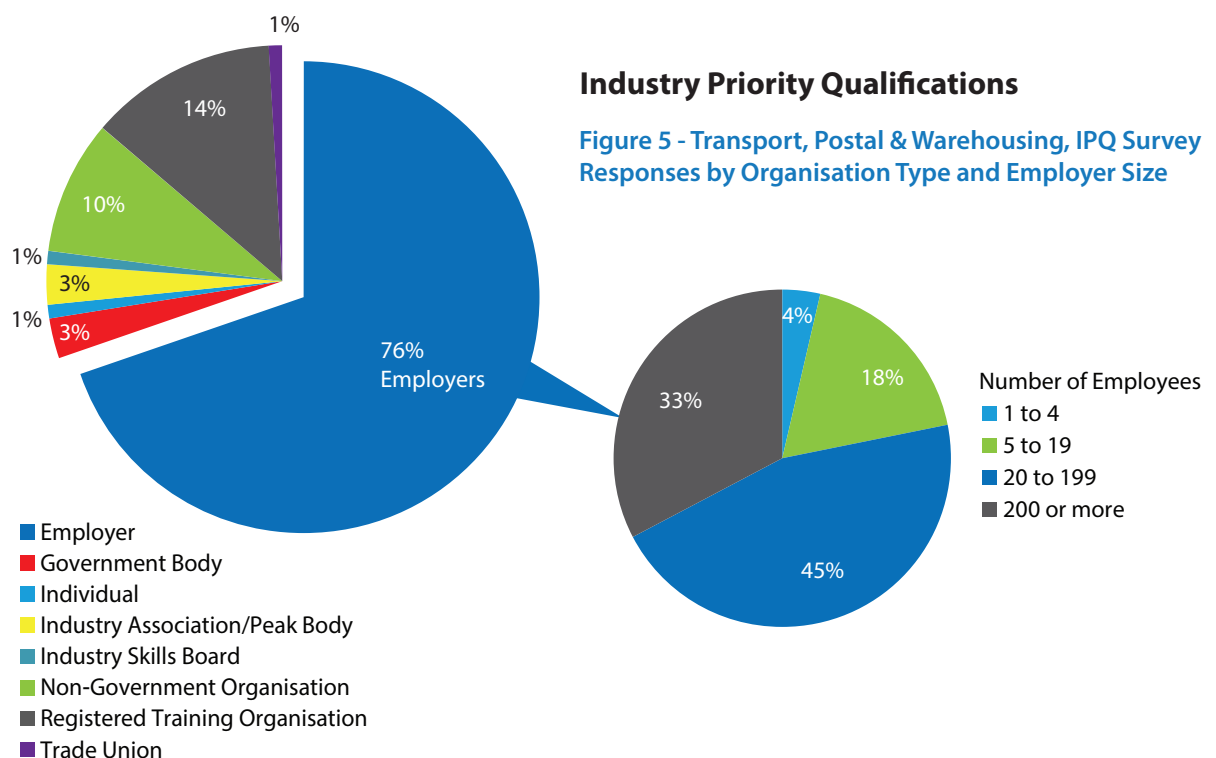
6 - <http://www.tdtsa.com.au/downloads/TDTSAPercent20Strategicpercent20Planpercent202015percent20-percent202016.pdf>

Figure 4 - Transport, Postal & Warehousing, Employment Share by Post-School Qualification Level



Industry Priority Qualifications

Figure 5 - Transport, Postal & Warehousing, IPQ Survey Responses by Organisation Type and Employer Size



The Transport, Postal and Warehousing Industry received a total of 72 responses to the Survey. This was the third highest for any Industry and was one of several that received far more responses than the targeted number. The sub-sector distribution was generally quite good.

Almost 80 percent of respondents in this Industry were medium or large employers. Over

half of the employers reported likely additions to staff in the short to medium-term.

This industry had excellent stakeholder representation. The consultation sessions had robust discussion, particularly around qualifications from the more niche sub-sectors. Several qualifications in these sub-sectors were reprioritised, but overall the number of changes were relatively modest.

Table 2 - Transport, Postal & Warehousing, Prioritised Qualifications

Transport, Postal and Warehousing

Tier 1 (Highest Priority)

Certificate III in Driving Operations
Certificate III in Logistics
Certificate II in Driving Operations
Certificate II in Warehousing Operations

Tier 2 (High Priority)

Certificate IV in Logistics
Certificate IV in Train Driving
Certificate IV in Transport and Logistics
(Road Transport Heavy Vehicle Driving Instruction)
Certificate IV in Work Health and Safety
Certificate III in Maritime Operations
(Marine Engine Driver Grade 2 Near Coastal)
Certificate III in Maritime Operations
(Master up to 24 metres Near Coastal)
Certificate III in Stevedoring
Certificate III in Warehousing Operations
Certificate III in Waste Driving Operations
Certificate III in Work Health and Safety
Certificate II in Logistics
Certificate II in Maritime Operations
(Coxswain Grade 1 Near Coastal)
Certificate II in Road Transport Yard Operations
(Freight Handler)

Tier 3 (Priority)

Advanced Diploma of Work Health and Safety
Diploma of Leadership and Management
Diploma of Logistics
Diploma of Work Health and Safety
Certificate IV in Leadership and Management
Certificate IV in Maritime Operations
(Master up to 35 metres Near Coastal)
Certificate IV in Transport and Logistics
(Road Transport - Car Driving Instruction)
Certificate IV in Warehousing Operations
Certificate III in Business Administration
Certificate III in Furniture Removal
Certificate II in Automotive Servicing Technology
Certificate II in Emergency Medical Service First Response
Certificate II in Furniture Removal
Certificate II in Maritime Operations
(Marine Engine Driver Grade 3 Near Coastal)
Certificate II in Rail Infrastructure
Certificate I in Logistics
Certificate I in Transport and Logistics (Pathways)
Certificate I in Warehousing Operations

A full list of **Tier 4** (Low Priority) Industry Prioritised Qualifications are available in the IPQ Dataset
www.tasc.sa.gov.au



Government of South Australia

Training and Skills Commission

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Disclaimer: The material contained in this report has been developed by the Training and Skills Commission and was informed through a detailed survey of industry and consultations with key industry partners and groups. The information contained in this report does not necessarily reflect the views of the Government of South Australia or the Department of State Development, or indicate any commitment to a particular course of action.

The information contained in the report is provided in good faith and all reasonable care has been taken in its preparation. The Training and Skills Commission recommends users exercise care in interpreting this report and carefully evaluate the relevance of the material for their purpose and where necessary obtain appropriate advice specific to their particular circumstances.

A full copy of the Report on South Australia's Industry Priority Qualifications can be accessed electronically at:
www.tasc.sa.gov.au

Images have been supplied by the Department of State Development and the South Australian Tourism Commission.

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