



Industry Skills
Australia

TRANSPORT & LOGISTICS INDUSTRY

KEY CHALLENGES AND DRIVERS SUMMARY PAPER 2025





About Industry Skills Australia

Industry Skills Australia (ISA) has been established as the Jobs and Skills Council (JSC) for the Transport and Logistics industry sectors, which includes Aviation, Maritime, Rail, Transport and Logistics, and the emerging sectors of Omnichannel Distribution and Logistics, and Air and Space Transport and Logistics.

Owned and led by industry, our JSC is committed to building a world-class supply chain workforce to increase productivity, create better jobs and build opportunities for individuals.

We will do this through:

- leveraging our more than 30-year history with the transport and logistics industry
- undertaking research and data analysis to inform workforce planning
- advocating for a workforce development approach in tackling industry skills issues
- developing priority training package products.

Purpose of the Key Challenges and Drivers Summary Paper

The purpose of this paper is to seek feedback on a summary of the key industry and skills-related trends identified for the Transport and Logistics Industry.

The main themes in this paper are drawn from extensive industry consultation conducted throughout the year including inputs from our Industry Roundtables, the Supply Chain Leaders' Summit and insights from our Strategic Workforce Planning Committee.

Feedback received on this paper will play a critical role in shaping the 2025 Transport and Logistics Industry Workforce Plan, ensuring that contemporary drivers and challenges within Australia's Transport and Logistics industry are correctly identified and developing forward thinking actions to address those challenges.

While every care has gone into ensuring the accuracy of the information contained in this Summary Paper, it is intended that this material will be validated by industry through our consultation and feedback activities over the coming months.

How to provide feedback

Stakeholders are invited to submit their comments on the key challenges and drivers outlined in this paper via a [survey](#) by close of business on **Monday 3 March 2025**.

The information provided in this paper is deliberately brief. The purpose of this paper is to validate and confirm consultation and research findings to date.

Additional responses and requests for further information should be emailed to:

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Key Challenges and Drivers

A. Industry struggles to attract and retain workers

Attraction and retention of workers is a major issue for the Transport and Logistics (T&L) industry, affecting businesses, supply chains, and the Australian economy.

- **Shortages of heavy vehicle drivers, customs brokers and warehouse workers**
 - Heavy vehicle driver shortages are leading to increased freight costs and contractual challenges for road freight enterprises.
 - Recruitment and retention challenges, particularly for Customs Brokers, owing to an aging workforce and stringent training requirements.
 - Shortages of skilled workers in warehousing, intensified by the rise of online shopping, requires more trained technicians.
- **Limited training incentives is a barrier to recruitment and skilling**
 - Minimal T&L training options under Fee-Free TAFE and rising operational costs limit the industry's competitiveness and ability to invest in training.
 - The removal of the Hiring Incentive from the Australian Apprenticeship Incentive System has hindered the industry's ability to attract and train workers.
- **A lack of diversity is contributing to occupational shortages**
 - Increasing diversity and inclusion is essential to addressing occupational shortages in Transport and Logistics, where women and other workforce cohorts remain significantly underrepresented.
 - Industry can help by removing employment barriers, improving recruitment practices, engaging with schools and support organisations, and fostering safe, inclusive workplaces to attract and retain a more diverse workforce.
- **Lack of skilled migration pathways to address workforce shortages**
 - Many T&L occupations experiencing shortages are not included in skilled migration visa settings for industry to utilise.

B. Heavy vehicle driver shortages persist

The heavy vehicle driver shortage disrupts supply chains, increases business costs, raises freight expenses, and poses safety concerns. The factors contributing to driver shortages are varied.

- **Industry is struggling to replace retiring drivers**
 - Many experienced drivers are nearing retirement, with insufficient young drivers entering the profession.
- **Barriers for new drivers: industry image, age limits, insurance, and rest facilities**
 - Heavy vehicle driving is seen as challenging and undesirable, and this image is deterring potential candidates from wider and more diverse demographics. This combined with the perceived lack of work-life balance contributes to the shortage.
 - Current age restrictions for heavy vehicle licences deter young workers. School leavers are often drawn to other industries that don't have similar age limitations for employment.
 - High insurance premiums for drivers under age 25 restricts the employment of younger workers in both road freight and passenger transport sectors.
 - Lack of suitable rest facilities discourages new workers and impacts existing drivers' fatigue management.
- **Bus driver training needs to be updated to better support disabled passengers and deal with anti-social incidents**

- Training for the transport of passengers with disabilities will need to align with proposed changes as part of the [Reform of the Disability Standards for Accessible Public Transport 2002](#).
- Challenges associated with increasing anti-social behaviours in the sector requires consideration.
- **National consistency needed for Bus Driver's Authority**
 - There is a need for national consistency in the requirements and recognition of the Driver's Authority to facilitate workforce mobility.

C. Limited access to industry relevant training hinders skills development

Jobs and Skills Australia's report [Better Together](#) highlights that over 90% of future employment growth will require post-secondary qualifications, with 42.6% relying on VET pathways. This shows the importance of the VET system as an effective and efficient way of imparting the skills needed for employment.

- **Shortage of trainers and assessors, particularly in rural areas**
 - The lack of qualified vocational practitioners in rural, regional, and remote areas compounds educational disparities and impacts the industry.
- **Lack of quality training resources and skilled trainers impacting rural workforce development**
 - Challenges include a lack of high-quality training facilities, up-to-date training equipment, qualified assessors, increased training costs, numeracy and digital literacy issues, and the need for cultural competency in working with First Nations communities.
- **Industry struggles with inconsistent funding opportunities across jurisdictions**
 - Navigating training and funding availability across different jurisdictions continues to be raised as a challenge for industry.
- **High turnover in regional areas due to inadequate housing and essential services**
 - High attrition rates due to health and social issues with a significant barrier being the lack of appropriate housing to support the future workforce in regional and remote areas.
- **Digital divide worsened by poor connectivity in remote areas**
 - Lack of mobile phone or internet coverage in remote locations hinders access to training and employment services, widening the digital divide between metro and regional areas.

D. Skills gaps in specialised roles/sectors

Skills gaps in training for the highly regulated T&L industry needs to be addressed, focusing on safety practices and regulatory changes.

- **Training needs to be updated for workers in transport compliance roles, livestock, dangerous goods transport, and crane operations**
 - Developing a nationally consistent approach to training in animal handling and safe transport of livestock, considering the [Australian Animal Welfare Standards and Guidelines for Land Transport of Livestock](#) and NHVR's [Regulatory Advice – Livestock](#) guidelines.
 - Updating training products to meet the requirements of the new [review of the Australian Dangerous Goods Code](#), ensuring appropriate skills and knowledge for dangerous goods drivers.
 - Reviewing and updating training to align with changes in the [High-Risk Work \(HRW\) licence framework](#) for cranes.
 - Develop training to skill compliance personnel in understanding industry regulatory requirements and obligations to ensure safe and efficient transport operations.

- **Training gaps must be addressed in leadership, waste transport, electric vehicle recovery, and oversize/overmass (OSOM) loads**
 - Identifying essential skills for transport leadership and management roles, analysing current training products for relevance developing consistent training and clear progression pathways.
 - Training for heavy vehicle drivers in the waste and recycling sector should be reviewed to ensure it meets current skills and knowledge requirements, aligning with the new [Waste and Recycling Industry Code of Practice](#) and other relevant state/territory requirements.
 - Developing guidance and training for safe towing and recovery of electric vehicles.
 - Improving training availability for drivers transporting OSOM loads to meet regulatory requirements.
- **Training must be consistent and accessible, particularly in rural and remote areas**
 - Developing consistent training for specific roles or industry sectors is highlighted as a key priority by stakeholders, ensuring alignment with updated regulations and standards.
 - Improving access to industry-relevant training, especially in rural, regional, and remote areas, by leveraging industry expertise.

E. New skills needed for emerging technologies

Emerging technologies and decarbonisation efforts are reshaping skill requirements in the T&L industry. Advancements in Artificial Intelligence (AI), digital literacy, cyber security, and zero-emission vehicles demand updated training to ensure workforce readiness, safety, and sustainability.

- **Digital literacy, AI, and cyber security are essential skills for the T&L workforce**
 - Increasing adoption of advanced technologies, such as automation and AI, necessitates higher digital literacy, posing challenges for certain workforce cohorts.
 - Identifying new skills required for improving traffic management, route optimisation, inventory management, demand predictions, safety, and transparency in the T&L industry.
 - Recent data breaches have highlighted the necessity for robust cyber security measures in T&L enterprises to safeguard against these threats and maintain industry and economic stability.
- **Decarbonisation and Environmental, Social, and Governance (ESG) compliance are driving demand for new industry skills**
 - Government investment in clean energy and the shift to zero-emission vehicles in the Transport sector highlights the need to identify the evolving skill requirements for operating and maintaining these vehicles, ensuring a safe and productive working environment.
 - As part of decarbonisation efforts, the emerging offshore wind industry is transforming port operations. Further analysis will be required to determine how these changes will affect workforce training and skill requirements.
 - Increasing importance and regulatory requirements for Environmental, Social, and Governance (ESG) metrics, challenging for small to medium enterprises. Further analysis will be required to determine how these changes will affect workforce training and skill requirements.



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