



**ROAD TRANSPORT FORUM NEW ZEALAND INC  
SUBMISSION ON  
The 2016 Review of Essential Skills  
In Demand Lists**

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## **SUBMISSION BY ROAD TRANSPORT FORUM NEW ZEALAND TO MBIE ON THE 2016 REVIEW OF ESSENTIAL SKILLS IN DEMAND LISTS**

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### **1.0 Road Transport Forum New Zealand**

1.1 Road Transport Forum New Zealand (RTF) is a nationwide organisation representing the road transport industry. The Forum provides services to and public policy advocacy for its affiliated members who comprise owner-drivers, fleet operators and international corporates engaged in freight and logistics.

1.2 The Forum's Constituent Associations include:

- National Road Carriers (Inc)
- Road Transport Associations NZ (Inc)
- NZ Trucking Association

1.3 The Forum's member associations have in excess of 3,000 members and associate members who operate approximately 17,000 trucks over 3,500 kg.

1.4 The Forum is the authoritative voice of New Zealand's road transport industry which employs 22,600 people (3.0% of the workforce), has a gross annual turnover of \$6 billion and carts over 70% of New Zealand's land based freight on a tonnes/kilometre basis.

### **2.0 Forward**

Our objective is to have truck drivers, ANZSCO code 733111, immediately placed on the Immediate and Long Term Skills Shortages Lists.

2.1 MBIE have provided a nomination template for submitter use. We have opted for this format instead as it enables us to provide greater detail on the driver shortage, what industry is doing to address that and the barriers that are thwarting industry attempts to reduce negative impact associated with skilled driver shortage.

- 2.2 In the time since the 2014 decision to remove skilled drivers from skills shortage lists the industry has put in place, and participated in a wide range of initiatives to attract, recruit, train and retain skilled truck driver's. We have also sought productivity increases to offset the demand for drivers. Those initiatives include:
- Women in Road Transport
  - Targeted Review of Qualifications
  - Trucking magazines into schools
  - Improved liaison with careers advisors
  - Student Career Guide in Transport and Logistics
  - Road user working group workshops NZ Truck Driving championship
  - High Productivity Motor Vehicles
  - Driver licensing review Rollover Prevention Safer Journeys programme
  - Improved freight hubbing
  - Improved driver remuneration
- 2.3 These initiatives, while demonstrating great promise are not a panacea for the dilemma industry faces. Some have recently been introduced and there will be a lag before they return dividends.
- 2.4 The road freight industry has to contend with a range of barriers and impediments that exacerbate the demand for skilled drivers. Two notable examples are the extremely convoluted and expensive driver licensing regime and legislative hurdles which have constrained vehicle productivity aims. While the scope of this consultation is beyond remedying the problems afflicting the initiatives mentioned above until they, and other issues are remedied skilled driver demand will remain a significant issue.
- 2.5 New Zealand is not the only country experiencing these issues. International jurisdictions have taken a supportive and proactive approach to addressing skilled driver shortages.

- 2.6 North American trucking commentators identify that the trucking industry there is facing a labour shortage of up to 48,000 drivers<sup>1</sup>. They predict that could balloon to more than 170,000 drivers in the next 10 years. Nearly 30 percent of foreign-born drivers in North America are now from Asia, the Middle East, the former Soviet republics and Europe. Most of the rest are from Latin America. Surveys also found that the proportion of immigrant drivers varies from state to state, with California at 46 percent, the highest concentration of foreign-born drivers, followed by New Jersey at 40 percent.
- 2.7 The U.K. faces a shortfall of 45,000 to 60,000 truck drivers<sup>2</sup>. In recognition of that the British government is promising to play an active role in helping reduce a truck driver shortage.
- 2.8 In its 2015 budget the government of Prime Minister David Cameron pledged to work with road haulage firms *"on an industry-led solution to the driver shortage, including looking at the right level of access to, and funding support for, training."*
- 2.9 The Treasury Ministry also pledged to review the speed with which Heavy Goods Vehicle driving tests and driver medical assessments take place and to consider options to speed both *"to help address the shortage of qualified HGV drivers."*
- 2.10 Those jurisdictions appear to understand the dire consequences associated with skilled driver shortage and the extreme necessity to address that.
- 2.11 New Zealand transport operators are competing on a global scale for a scarce resource and are doing it at considerable disadvantage. It is

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<sup>1</sup> According to the [American Trucking Associations](#).

<sup>2</sup> British government pledges to help reduce UK truck driver shortage. [http://www.joc.com/trucking-logistics/labor/british-government-pledges-help-reduce-uk-truck-driver-shortage\\_20150320.html](http://www.joc.com/trucking-logistics/labor/british-government-pledges-help-reduce-uk-truck-driver-shortage_20150320.html)

clear that most OECD governments are facilitating migrant driver uptake. Whereas in New Zealand the policy setting actively hinders this uptake.

2.12 That must change if New Zealand is to remain internationally competitive.

### 3.0 **MITO involvement**

Applications are circulated by MBIE to a range of entities and organisations for their view on whether an occupation should be listed or removed from the skills lists. Industry Training Organisations are included in that. MITO's involvement is questionable and it would appear that MBIE officials do not appreciate that ITO's do not provide training..

3.1 ITO's are responsible for setting industry qualifications. They do not employ trainers and are not directly involved with skills development. There is no direct relationship between MITO and skill shortage identification. Schools, universities and polytechnic's are not consulted on skills shortage decisions yet they provide training and education with tangible links to industry.

### 4.0 **Skills shortage evidence**

National Road Carriers' February 2016 skill shortage survey<sup>3</sup> identified that of their members 335 companies (37%) were suffering driver shortages. The total shortage from that survey is 774 drivers.

4.1 Anecdotal evidence strongly suggests the driver shortage is significantly higher than that. The corroboration is that there are over 4,000 road freight transport companies in New Zealand. National Road Carriers' survey comprised a small portion of those and scaling that suggests the magnitude of driver shortage is considerably greater than their figures suggest.

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<sup>3</sup> Attached

4.2 The Sector Workforce Engagement Programme's involvement of the road freight transport industry provides further evidence of the significance of the issue.

4.3 Transport operators in all New Zealand regions are constantly and consistently advertising for drivers.

#### 5.0 **Immediate Skills Shortage List**

Truck drivers had until 2014 continually been placed on the ISSL nationally (i.e. in all of the list's regions). Truck drivers are still in shortage in all of the New Zealand's regions.

5.1 Given the historical listing of truck drivers on the ISSL, the increased future freight predictions, continual nationwide advertising for skilled drivers to fill truck driving vacancies and that there is still a severe shortage of skilled drivers in New Zealand we suggest that drivers be placed on the ISSL.

#### **Long Term Skills Shortage List**

6.0 Truck drivers have historically been considered as a collective group when LTSSL decisions are made. Doing so is negatively affecting the chances for skilled drivers to be added to the LTSSL.

6.1 Proportionately, skilled drivers are heavily outnumbered by unskilled drivers. Unskilled drivers are generally remunerated at levels lower than skilled drivers. Unskilled drivers also do not possess the levels of competence that skilled drivers do.

6.2 By considering all truck drivers as a collective group the ratio of unskilled drivers' lower remuneration and skills are reducing the average wage and skill level of drivers.

6.3 ISSL qualifying drivers are now required to hold a full class 5 driver licence (or international equivalent) and have three years' experience

driving heavy combination vehicles with a gross combined weight of more than 25,000kg.

- 6.4 Applying similar requirements to LTSSL processes for migrant truck drivers would ensure that skilled drivers would be considered on their own merits rather than being hampered by being collectively considered with lower remunerated and lesser skilled drivers.

## **Conclusion**

There is a demonstrated significant shortage of truck drivers in New Zealand.

The road freight transport industry has put a number of initiatives in place to address that. Although they are attracting people to join or remain in the industry the deficit is too great to adequately meet demand.

International jurisdictions are experiencing similar issues but on a larger scale. Generally they have active government support to attract and retain migrant drivers. New Zealand transport operators are not receiving similar assistance.

Migrant drivers should be added to the short and long term skills shortages lists immediately.

We welcome further discussion on this and welcome the sharing of this submission.