

DRIVER RECRUITMENT/RETENTION IN THE HEAVY TRUCK TRANSPORT INDUSTRY

EXECUTIVE SUMMARY

Prepared for:

- Road Transport Forum NZ,
- New Zealand Forest Owner's Association Inc.
- Log Transport Safety Council

There is currently an estimated shortage of over 1,250 truck drivers or 5.5% of the drivers required to move the country's goods on the road. This shortage is placing considerable pressure on existing drivers and the industry as a whole with existing trucks under-utilised and truck purchasing being delayed. The industry is able to recruit enough drivers to replace those that leave through normal attrition but is unable to recruit additional drivers to meet the increasing demand for freight transport. An annual growth in transport demand of 4% per annum over the past 5 years is 1.6 times the growth in GDP. This is consistent with the European experience that transport grows by 1.5% for each 1% growth in industry production.

Unless action is taken to meet the increasing shortfall the driver shortage will grow to a cumulative shortage of over 4,000 within 3 years (by the end of 2005) and about 10,000 by 2010. This would have a major impact on the New Zealand economy, especially as the level of skill required to be a driver is similar to those required by a number of other sectors in the economy who are also experiencing major labour shortages.

The report quantifies the driver shortage and presents the findings of two surveys of key groups of people in the industry. The surveys were aimed at identifying the underlying causes of the driver shortage and what actions are required to address the problem. A number of strategies aimed at improving driver retention and recruitment were developed. These strategies can be grouped as follows:

- Strategies that will solely improve truck driver recruitment.
These strategies are aimed at:
 - making entry into the industry more affordable for potential new recruits
 - making entry into the industry faster

- improving the percentage of trainees who successfully complete their training programme and subsequently become proficient drivers.
 - making entry into the industry easier for new truck driver recruits by providing them with work experience opportunities
 - ensuring potential recruits have the essential skills or attributes required to become good truck drivers
 - reducing the demand for new drivers through productivity improvements
- Strategies that will solely improve truck driver retention.
These strategies are aimed at:
 - improving truck maintenance in order to avoid drivers having to use badly maintained or illegal vehicles
 - reducing the pressure on drivers to drive in breach of the regulations
 - targeting enforcement action on persistent offenders and generally improving driver and operator understanding of the legal requirements
 - avoiding presenting drivers with illegal loads to haul
 - avoiding presenting drivers with tasks that are impossible to perform without breaching the regulations
 - reducing the level of dangerous overtaking especially of trucks and in the face of on-coming trucks
 - improving the communication of new regulations to drivers and others concerned in order to reduce inadvertent breaches
 - Strategies that will bring improvement to both recruitment and retention.
These strategies are aimed at:
 - improving the industry's image, making entry into the industry more attractive to new recruits and more attractive for existing drivers to stay
 - providing a career path for existing drivers that recognises differing levels of skill required to drive, for example, off-highway log trucks
 - achieving remuneration that is perceived by drivers as being adequate or good
 - achieving employment conditions that are perceived by drivers as being adequate or good
 - improving management culture to avoid workplace dissatisfaction.

The report proposes four prioritised major initiatives for future action to take forward these strategies:

Highest priority.

- A. Initiative to enhance the truck driver recruitment and training process (11.1).
- B. Initiative to improve pay and conditions in the truck transport industry (11.2).

High Priority

- C. Initiative to improve the standing of the industry and of truck drivers (11.3).
- D. Initiative to reduce the demand for drivers through productivity improvements (11.4)

Finally, the report concludes that the driver shortage is not an issue the industry will be able to solve on its own. Many of the issues are beyond the control of the industry, including the attributes of potential recruits and the driver licensing requirements. The shortage of skilled labour is a problem for a number of other sectors in the NZ economy as well, for example the marine, forestry and building sectors. It is recommended that, as the next step, the report findings should be discussed with the relevant government agencies that are in a position to help address the driver shortage. These agencies and their potential roles include:

Department of Labour

A review of the Department of Labour's responsibilities has highlighted the key role they may be able to take in overcoming some of the obstacles the industry faces with driver recruitment and retention. In particular, they should be able to help with the important issue of the level of entry skills required for truck driving and supporting driver training and recruitment initiatives.

LTSA

The two key areas where LTSA needs to take a leading role are in:

1. Accelerating the process of obtaining a class 5 licence and extensions.
2. Ensuring drivers understand the importance of safety, the legal requirements (especially new requirements) and what is expected of them.

NZ Police CVIU

It is recommended that the findings of this report be discussed with senior CVIU staff, MOT and Government Ministers to explore ways in which a greater emphasise can be placed on encouraging willing compliance rather than the current focus which is primarily on the issuing of infringement notices and fines. The effective targeting of persistent offenders is also seen as a priority.

MOT

MOT's "business is to make sure there is an affordable, integrated, safe, responsive and sustainable transport system for New Zealand by 2010". Clearly the driver shortage is a major impediment to ensuring that this happens. It is recommended that the report be sent to MOT and a meeting arranged to discuss ways in which Government can help to overcome the driver retention and recruitment problem the industry faces.

WINZ and Skills NZ

These agencies also have a role to play in addressing the driver shortage problem through supporting training and other initiatives.