



The Future of Transportation Work:

A SUMMARY REPORT - PART TWO

by DR JIM STANFORD AND MATT GRUDNOFF as adapted by WA Transport Magazine. // Centre for Future Work at the Australia Institute

Transportation Work Today

In total, 625,000 Australians work in transportation; Figure 1 provides a breakdown of this total into its various sub-sectors. Of these, road transportation is the largest single source of transportation work, accounting for close to 270,000 positions, or over 40 percent of all transportation work. Employment in other direct transport modes is smaller: 100,000 jobs in total across the rail, air, and marine modes.

Ancillary and support service functions are increasingly important in total transportation work, reflecting the outsourcing of various functions to independent service providers (and the corresponding fragmentation of the overall supply chain). For example, postal and courier services now account for close to 100,000 jobs, with another 80,000 jobs in transportation support services, and close to 60,000 in warehousing.

The largest single occupational group in transportation, accounting for 45 percent of all employment, is drivers and operators. Interestingly, this occupation is considered to be especially vulnerable to coming technological change, given the advent of semi-automated and automated driving and navigation systems—but there is no sign yet of any slowdown in employment levels.

Clerical and sales workers account for over one-quarter of transportation jobs, while managerial and professional staff make up 17 percent. Two additional blue-collar occupational categories – labourers, and technical and trades workers – make up the remaining 10 percent of workers.

Drivers, operators, and managers have experienced faster employment growth than the sector as a whole in recent years; in contrast clerical and sales jobs grew relatively slowly, while technical and trades employment declined.

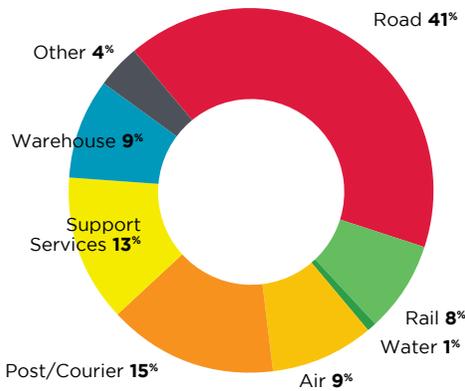
One unique feature of the transportation workforce is its relatively advanced age. In fact, as illustrated in Figure 2, the average age of transportation workers is higher than any other major industry: almost 45 years old.

One in four transportation workers is now over 55 years of age, a proportion that has more than doubled since the turn of the century. This poses both a challenge and an opportunity for the sector as it prepares for significant change in the decades ahead.

Other features of the transportation workforce include the high preponderance of male workers (who fill over three-quarters of all transportation jobs), and a relatively low level of formal training and qualification.

Transportation work is a demanding, high-skill occupation. But the traditional method for acquiring those skills has been through on-the-job training, rather

Figure 1: Transportation Employment by Sub-Sector, % of Total, 2016



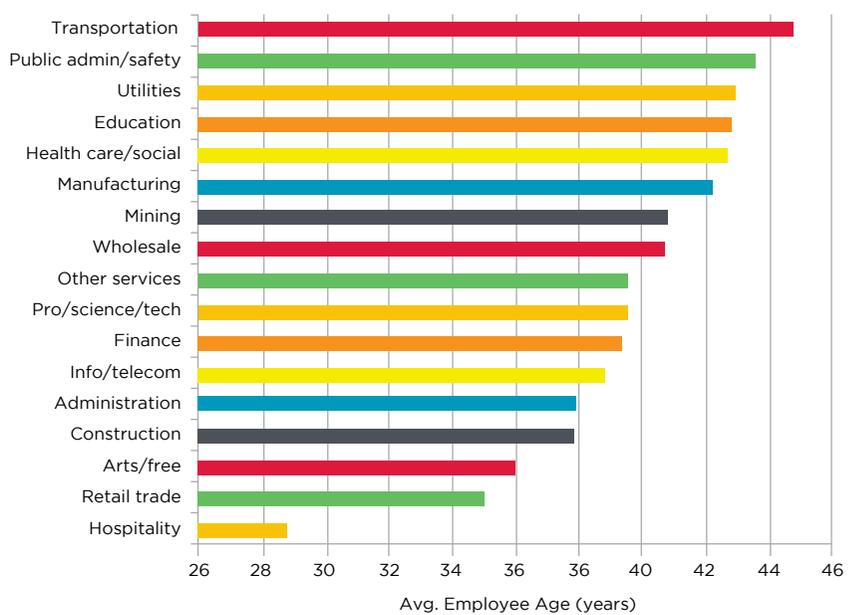
Source: Authors' calculations from ABS Catalogue 6291.0.55.003, Table 6.

than through formal qualifications and higher education. Across all transportation jobs, half of workers have no post-school certification at all, about 30 percent possess a Certificate III or higher credential from a vocational education provider, and 15 percent possess a university degree (less than half the share as the overall economy).

The evolution of work organisation in transportation services will also be a major driver of change in transportation work. The share of transportation workers employed in ancillary and support service functions has grown steadily (and now accounts for almost one-quarter of all transportation jobs), as providers outsource many functions previously performed internally. At the same time (and for related reasons), the proportion of transportation workers in non-standard or contingent employment positions has also grown markedly.

In fact, barely half of transportation workers now are employed in a traditional "standard" employment relationship: in permanent, full-time paid work with standard entitlements like holiday and sick leave (see Figure 3). Close to one-quarter work part-time (most of them in casual, irregular positions), and 20 percent are owner-managers.

Figure 2: Average Age, Employees by Sector, May 2016

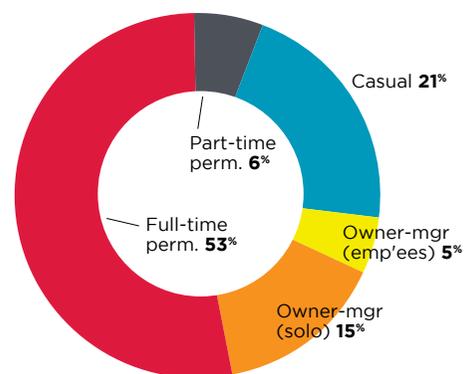


Source: ABS Catalogue 6306.0.

Among owner-managers, the vast majority are solo self-employed contractors with no employees of their own. Many of these workers perform functions similar to those of standard paid employees, but typically with lower and more variable compensation, without the same protections and entitlements (including superannuation contributions).

In summary, transportation is an important employer, and will remain one. The overall demand for transportation services has grown, relative to other parts of the economy. And even in traditional occupations (including drivers and operators), employment growth has been relatively strong. The industry's unique demographic characteristics – with a relatively older, overwhelmingly male, and less formally educated workforce – constitute both a challenge and an opportunity as the sector prepares for the changes ahead. In addition to the ageing of its workforce, the transportation sector has experienced challenges in job quality and stability, mostly associated with the expansion of non-standard employment (including part-time, casual, self-employed, and contractor

Figure 3: Transportation Employment by Job Type, 2016



Source: Authors' calculations from ABS Catalogue 6291.0.55.003.

positions). Despite these challenges, compensation in the industry remains modestly higher than economy-wide averages.

In the July edition we will look at the twin drivers of change in our industry, the first being technology. ■



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