

Draft 2026 Workforce Planning Update – Transport and Logistics

A Submission to Industry Skills Australia

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1. Introduction

Australia’s freight transport and logistics workforce is now a binding constraint on national productivity, supply chain performance, and cost-of-living outcomes. The sector underpins the movement of goods across agriculture, construction, retail, resources, and energy. When the workforce is constrained, the system does not adjust. It slows.

The Draft 2026 Workforce Planning Update reflects a more developed understanding of workforce shortages and training system limitations. These findings are consistent with issues raised by the Australian Logistics Council (ALC) across previous submissions, including the *Employment White Paper* and the *National Freight and Supply Chain Strategy review*. However, the Update does not fully reflect the trajectory of workforce constraints relative to freight transport and logistics demand. Australia’s freight task is projected to grow materially over the coming decades, with road freight transport alone forecast to increase significantly through to 2040 and beyond. Broader national freight transport and logistics projections indicate growth of up to 77 per cent between 2020 and 2050¹.

¹ <https://www.bitre.gov.au/publications/2022/australian-interstate-intrastate-and-capital-city-road-freight-forecasts-2022-update>

ALC's position is that workforce capacity is not keeping pace with this trajectory.

2. Recommendations

To strengthen alignment with industry needs and ensure the Update delivers practical and measurable outcomes, ALC recommends a set of targeted enhancements that move beyond the identification of issues toward implementation.

1. **Align workforce planning with freight demand:** Workforce modelling should be directly linked to freight demand projections. This should include scenario-based modelling across key roles to identify where capacity gaps will emerge. Without this, the policy will continue to respond after constraints are already impacting the system.
2. **Focus on roles that determine system throughput:** Priority should be given to roles where shortages directly limit performance, including heavy vehicle drivers, warehousing operators and logistics coordination functions. Entry pathways remain fragmented and time intensive. A nationally consistent approach to licensing, supported by accelerated and structured training pathways, is required.
3. **Lift training from qualifications to capability:** Training outcomes should be measured by what workers can do on entry, not what they have completed. Industry continues to report that new entrants are not work-ready. Greater industry involvement in design and assessment, alongside expanded work-integrated and simulation-based learning, is required to close this gap.
4. **Recognise the workforce as critical to fuel and supply chain resilience:** Workforce capability in fuel distribution, food logistics and essential goods movement should be treated as a priority. These functions underpin system resilience but are not consistently reflected in workforce planning.
5. **Plan at a system level:** Workforce constraints do not occur in isolation. Shortages in one part of the system affect performance across others. Planning should reflect the interaction between road, rail, ports and warehousing, and how constraints move through the network.
6. **Support workforce transition as roles change:** Technology is changing the nature of work across the sector. Workforce planning should include structured pathways to support reskilling and upskilling, particularly for the existing workforce. This needs to be aligned to how operations are evolving in practice.
7. **Integrate the workforce with broader system settings:** Workforce outcomes are shaped by land use, infrastructure and operating conditions. Planning should be aligned with freight transport, infrastructure and industrial land policy to address the underlying drivers of workforce constraint.
8. **Shift from consultation to delivery:** The freight transport and logistics industry has been clear on the issues. The focus now needs to be on implementation. This requires clear accountability, defined timeframes, and mechanisms for the industry to be directly involved in delivery.

2. Workforce Capacity as a determinant of freight system performance

The Update identifies workforce shortages across key occupations, including heavy vehicle drivers and transport and logistics roles, and acknowledges that these shortages are affecting industry performance. ALC supports this assessment. Feedback from members confirms that workforce availability is now a primary constraint on freight transport operations². Industry, member and government analysis shows that:

- Route planning is increasingly driven by driver availability rather than customer demand.
- Service frequency in regional areas is being reduced due to workforce shortages.
- Freight consolidation is being used to manage labour constraints, reducing flexibility.

These observations align with the Update's findings but indicate a more immediate operational impact than the update reflects. At the same time, as discussed, freight demand is projected to increase significantly over the coming decades. This creates a widening gap between demand and workforce capacity.

Evidence from the Australian Competition and Consumer Commission (ACCC) shows that current supply chain settings are constraining system performance. Capacity exists across parts of the freight transport network but is not being efficiently utilised due to landside constraints, coordination gaps, and workforce pressures. This is contributing to reduced reliability, greater variability in service delivery, and sustained upward pressure on freight costs. The issue is not

² https://austroads.gov.au/_data/assets/pdf_file/0032/616964/NHVDCE_Decision_RIS.pdf

infrastructure alone - it is how the system is operating under current policy and regulatory settings.³ The Update would be strengthened by explicitly linking workforce capability to system capacity and recognising that workforce constraints are already limiting throughput across the network.

3. Workforce as an operational requirement for fuel security

The Update highlights workforce capability across supply chain and freight transport functions but does not explicitly address the role of the workforce in fuel distribution. ALC's view is that fuel distribution is highly sensitive to workforce availability, particularly within the road freight task. The domestic fuel supply chain depends on the continuous movement of product from terminals to end users, with road transport carrying most of this task. This is a time-critical, tightly coordinated system that relies on a specialised, safety- and compliance-focused workforce to operate effectively.

The ALC has reported during recent periods of disruption that:

- Fuel availability within the system does not guarantee delivery
- Workforce constraints delay distribution to regional and critical locations
- Prioritisation frameworks are difficult to implement without sufficient workforce capacity

This reflects a broader issue. Workforce capability is a prerequisite for fuel security outcomes. ALC supports the Update's recognition of workforce capability as a critical enabler of industry performance. However, it should be extended to explicitly include fuel distribution as a priority area, given its role in underpinning the broader supply chain.⁴

4. Agricultural supply chains and peak demand constraints

The Update recognises the diversity of workforce needs across supply chains, including agriculture. ALC members operating in agricultural freight transport report that workforce shortages are most acute during peak demand periods, particularly harvest cycles.

During these periods:

- driver availability limits the rate at which commodities can be moved;
- storage facilities operate below capacity due to labour constraints;
- delays in transport affect export scheduling and pricing.

These observations align with ABARES analysis on the sensitivity of agricultural supply chains to transport delays. Members also report that these constraints are becoming more pronounced as workforce shortages persist.⁵ ALC supports the Update's focus on workforce capability but considers that it should more explicitly account for peak demand scenarios, where workforce constraints have disproportionate impacts on system performance.

5. Structural constraints in critical operational roles

The Update identifies shortages in key occupations, including heavy vehicle drivers, and highlights challenges in attracting and retaining workers. ALC strongly supports this focus. Member feedback consistently identifies these roles as the most critical constraint on operations.

Members report that:

- licensing pathways are complex and inconsistent across jurisdictions;
- time and cost barriers to entry limit workforce growth;
- retention is affected by working conditions, particularly in long-haul operations.

These challenges have been persistent and are not responding to general workforce initiatives.

ALC notes that the Update references work underway to address these issues, including licensing and training reforms. However, members indicate that these initiatives have not yet translated into measurable improvements in workforce

³ <https://www.accc.gov.au/system/files/container-stevedoring-report-2023-24.pdf>

⁴ <https://www.aip.com.au>

⁵ <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook>

availability. The Update would benefit from a clearer articulation of how these initiatives will address structural barriers and improve entry and retention in critical roles.

6. Misalignment between training outcomes and operational capability

The Update identifies the need to improve alignment between training and industry requirements. ALC strongly supports this focus. However, feedback from members indicates that the scale and operational impact of this misalignment is more significant than currently reflected.

Across road transport, warehousing and broader logistics operations, industry feedback provided to the ALC indicates that current training pathways are not consistently producing work-ready entrants. ALC submissions highlight that many qualifications remain outdated and overly theoretical, with insufficient alignment to real-world operating environments and limited integration of work-based learning.⁶

This gap is reinforced by member consultation pointing to fragmented training pathways, constrained pipelines, and capability mismatches at the point of entry. The consequence is slower workforce deployment, increased operational risk, and reduced responsiveness to demand across the supply chain.

Members report that:

- additional on-the-job training is required before workers can operate independently, often extending onboarding periods by several months;
- training delivery does not adequately reflect live operating environments, including time pressures, compliance requirements, and interaction with real-world systems;
- variability in training quality across providers leads to inconsistent capability outcomes, increasing risk for employers.

In heavy vehicle operations, this gap is particularly pronounced. Holding a licence does not equate to operational competency. Members report that newly licensed drivers often require extended supervised driving to manage fatigue compliance, route planning, load management, and interaction with other network users. This delays workforce deployment and increases the cost of bringing new entrants into the industry.⁷

In warehousing and distribution environments, the gap is widening as facilities become more complex. Members report that training does not consistently prepare workers to operate within automated systems, warehouse management platforms, or high-throughput environments where coordination and accuracy are critical. As a result, employers are required to invest in additional training before workers can contribute effectively. This creates a structural disconnect between workforce supply and workforce capability. While training completion numbers may indicate an increase in workforce supply, the proportion of that workforce that is immediately deployable remains constrained.

The implications are system-wide:

- workforce shortages are effectively amplified, as available labour cannot be utilised at full capacity;
- onboarding costs increase, reducing the ability of operators to scale their workforce;
- productivity is reduced, particularly in high-demand periods where rapid deployment is required;
- safety and compliance risks increase where capability does not match operational requirements.

ALC supports the Update's recognition of this challenge but considers that further emphasis is required in three key areas.

First, training design must be more directly led by industry. Members report that current training frameworks do not consistently reflect the realities of freight transport operations. Greater industry involvement in curriculum design, assessment standards, and delivery models is required to ensure alignment with operational requirements.

Second, there is a need to expand practical, work-integrated, and simulation-based learning. Members indicate that exposure to real-world operating conditions - whether through supervised placements, high-fidelity simulation, or structured on-the-job training - is critical to developing competency. Classroom-based learning alone is insufficient for roles that require real-time decision-making under operational pressure.

⁶ <https://austlogistics.com.au/wp-content/uploads/2025/06/250606-Building-a-skilled-and-adaptable-workforce.pdf>

⁷ https://austroads.gov.au/_data/assets/pdf_file/0032/616964/NHVDCF_Decision_RIS.pdf

This aligns with broader industry and national training evidence that work-integrated learning is essential to developing job-ready capability, with programs designed specifically to build “work readiness skills to industry standards” and improve employability outcomes through direct exposure to workplace environments.⁸

Third, training must be aligned to task-level requirements rather than broad occupational definitions. Freight transport and logistics roles are increasingly complex and specialised. Workers need to be capable of performing specific tasks safely and efficiently from the point of entry. This requires a shift toward competency-based outcomes that reflect actual job functions.

ALC also notes that this misalignment has broader implications under projected workforce conditions. As workforce shortages intensify, the system will become increasingly reliant on new entrants. If those entrants are not work-ready, the gap between workforce supply and effective capacity will widen. Without targeted intervention, increased training activity will not translate into increased system capability.

7. Workforce interdependence across the supply chain

The Update recognises the interconnected nature of the transport and logistics sector. ALC supports this approach but considers that workforce planning should more explicitly reflect interdependence across the supply chain, particularly how workforce constraints in one part of the system directly affect performance across others. Members consistently report that workforce shortages do not remain isolated within a single function. Instead, they propagate across the network in real time:

- driver shortages affect port operations and container movements, delaying collection and return cycles;
- Warehouse capacity constraints reduce transport efficiency, limiting receipt and dispatch throughput;
- delays in one part of the system create compounding impacts elsewhere, increasing congestion and reducing overall network performance.

These observations align with findings from the ACCC, which has identified landside constraints - including delays in container transport - as a key contributor to increased container dwell times and reduced port efficiency.⁹

A practical example of this interdependence is evident in container supply chains connected to major ports such as the Port of Melbourne. ALC members operating in container transport report that driver shortages are limiting the number of daily container movements, resulting in longer container dwell times at port terminals. At the same time, warehouse operators report labour shortages that constrain capacity, meaning containers cannot be unloaded quickly once they leave the port.¹⁰ This dual constraint creates a feedback loop. Containers remain on wharves or in transport yards for longer periods, reducing available capacity within the system. This, in turn, leads to increased congestion, higher transport costs, and reduced reliability across the supply chain. These operational conditions are consistent with ACCC observations that landside logistics performance is a critical determinant of overall port efficiency.

ALC considers that workforce planning should adopt an end-to-end perspective that reflects these system dynamics. Workforce constraints should not be treated as sector-specific issues but as interconnected pressures that influence performance across the entire freight network. Without this perspective, workforce initiatives risk addressing isolated shortages while leaving underlying system constraints unresolved.

8. Technology and the changing nature of work

Technological change is increasing the complexity of workforce requirements across the transport and logistics sector, and this shift is already visible in how freight operations are designed and delivered.

Automation, digital platforms, and data-driven systems are no longer emerging features of the supply chain - they are embedded in day-to-day operations. Major logistics operators and retailers have invested heavily in automated distribution centres, advanced warehouse management systems, and real-time freight tracking platforms. For example, large-scale automated fulfilment facilities in Australia now rely on integrated robotics, automated storage and retrieval systems (ASRS), and AI-enabled inventory management to handle high-volume, time-sensitive freight tasks. These systems do not remove labour requirements; they fundamentally change the nature of work being performed.

⁸ <https://www.aph.gov.au/DocumentStore.ashx?id=cd19a195-1e2a-4351-836d-00dedd35960a>

⁹ <https://www.accc.gov.au/system/files/Container%20stevedoring%20monitoring%20report%202022-23.pdf>

¹⁰ <https://www.portofmelbourne.com/wp-content/uploads/Port-of-Melbourne-Capacity-Review-Final-Report-Rev09.pdf>

Workers in these environments are no longer performing discrete manual tasks. They are required to manage system interfaces, monitor automated workflows, respond to exceptions in real time, and interpret operational data to maintain throughput and safety. This represents a shift from task-based labour to system-based capability.

A similar transition is occurring in road freight transport. The increasing use of telematics, fatigue management systems, route optimisation software, and compliance technologies has expanded the role of heavy vehicle drivers beyond vehicle operation. Drivers are now required to interact with multiple digital systems, manage regulatory compliance in real time, and respond to dynamic routing and scheduling inputs. This increases both the cognitive load and the skill requirements associated with the role¹¹. Industry evidence indicates that these changes are increasing demand for higher-skilled workers rather than reducing overall workforce demand. Research into freight automation and labour markets shows that automation redistributes tasks within roles rather than eliminating them, shifting demand toward workers with stronger technical, digital, and problem-solving capabilities. In practice, this means that roles are becoming more complex even where the number of roles remains stable. International evidence supports this trend. The International Transport Forum and OECD have found that automation in logistics is leading to “task reconfiguration” rather than wholesale job displacement, with new roles emerging in system supervision, maintenance, and data-driven operations¹. This aligns with observed changes in Australian supply chains, where demand is increasing for workers who can operate within integrated digital and physical environments¹².

The implications for workforce capability are significant.

First, the baseline skill requirement for entry-level roles is increasing. Workers entering logistics and transport roles are now expected to have a level of digital literacy and system awareness that was not previously required. This raises barriers to entry and reduces the pool of suitable candidates where training systems are not aligned.

Second, existing workforce cohorts are at risk of capability mismatch. Workers trained under traditional models may not have the skills required to operate effectively in technology-enabled environments. Without structured reskilling pathways, this creates a growing gap between workforce capability and operational requirements.

Third, the pace of technological adoption is outstripping the pace of workforce transition, with industry investment in automation being driven by productivity and cost pressures. Workforce development settings are showing up as an afterthought.

Projected forward, this will result in a widening mismatch between workforce capability and system requirements. This creates a paradox. Technology is introduced to improve efficiency and resilience, but without workforce alignment, it can introduce new constraints.

ALC has previously identified that workforce capability must evolve alongside system design, not lag it. This requires a shift in workforce planning from a focus on entry pathways to a focus on transition and capability uplift across the existing workforce¹³. Workforce planning must therefore incorporate structured transition pathways, including:

- identification of task-level changes across key occupations;
- targeted reskilling programs aligned to emerging technologies;
- integration of digital and systems capability into core training frameworks;
- support for mid-career workforce adaptation.

Without this shift, workforce constraints will not only persist but will become more complex, limiting the ability of the freight system to fully utilise technological investment.

9. Workforce outcomes and broader system settings

ALC supports this focus but considers that workforce outcomes are not determined by training and skills settings alone. Broader system conditions, including land use, infrastructure performance, and operating cost pressures, shape them. These factors influence both the availability of labour and the ability of businesses to attract, retain, and develop their workforce.

Members consistently report that these external settings are reinforcing workforce constraints:

¹¹ <https://www.nhvr.gov.au/safety-accreditation-compliance/fatigue-management/electronic-work-diary>

¹² <https://www.oecd.org/employment/future-of-work/>

¹³ <https://austlogistics.com.au/wp-content/uploads/2026/01/260131-ALC-Pre-Budget-2026-27-Paper-1.pdf>

Industrial land constraints are pushing logistics operations further from established labour pools, reducing accessibility for workers and limiting the available workforce catchment

Infrastructure inefficiencies, including congestion and limited freight-capable access, are increasing travel times, reducing predictability, and affecting workforce retention—particularly in shift-based and time-sensitive operations

Operating cost pressures, including fuel and compliance costs, are reducing the capacity of businesses to invest in training, workforce development, and retention initiatives

For example, industry operating in outer metropolitan logistics precincts reports increasing difficulty attracting workers where facilities are located significant distances from residential areas and public transport. This is compounded by congestion on key freight corridors, which extends travel times and reduces the attractiveness of roles that already involve irregular hours or shift work¹⁴.

Similarly, where operating margins are under sustained pressure, members report that investment in structured training programs, apprenticeships, and workforce development is often deferred in favour of maintaining core operations. This limits the ability of the sector to build long-term workforce capability. These observations highlight that workforce availability is influenced by the interaction between labour markets and the physical and economic structure of the freight transport system. ALC therefore considers that workforce planning must be integrated with broader freight, infrastructure, and land use policy. Without this integration, initiatives focused solely on skills and training will not fully address the underlying drivers of workforce constraint, and system-level outcomes will remain limited.

11. Conclusion

ALC supports the direction of the Draft 2026 Workforce Planning Update and its focus on strengthening workforce capability.

The freight transport and logistics industry has been engaged in this work for some time and continues to invest in training, partnerships and workforce development. There is a clear willingness to support practical reform. However, workforce constraints are already limiting system performance. This is not a forward-looking risk. It is a current condition affecting capacity, reliability, and cost across the supply chain.

The Update identifies the key issues. The next step is to ensure workforce planning reflects how the freight system operates in practice. This means recognising the workforce as a determinant of system capacity, aligning planning with freight demand, and ensuring training delivers work-ready capability. It also requires a clearer focus on critical roles and a system-wide view of how workforce constraints affect performance. Without this shift, workforce shortages will continue to reduce reliability, limit capacity, and increase costs across the supply chain. The freight transport and logistics system underpins national productivity and resilience. Its performance depends on the workforce that operates it. Workforce planning should reflect that.

¹⁴ <https://imoveaustralia.com/wp-content/uploads/2023/04/Creating-our-future-transport-and-mobility-workforce-Final-report.pdf>