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STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE
RELATIONS AND EDUCATION

Reference: Workforce challenges in the transport industry

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**SENATE STANDING COMMITTEE ON
EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION**

Wednesday, 2 May 2007

Members: Senator Troeth (*Chair*), Senator Marshall (*Deputy Chair*), Senators Barnett, Crossin, Fifield, Lightfoot, McEwen and Stott Despoja

Participating members: Senators Allison, Bartlett, Bernardi, Boswell, Bob Brown, George Campbell, Carr, Chapman, Eggleston, Chris Evans, Faulkner, Ferguson, Fielding, Forshaw, Hogg, Humphries, Hutchins, Joyce, Kemp, Ludwig, Lundy, Ian Macdonald, McGauran, McLucas, Milne, Moore, Murray, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Polley, Robert Ray, Sherry, Siewert, Stephens, Sterle, Trood, Watson, Webber, Wong and Wortley

Senators in attendance: Senators George Campbell, Fifield, Lightfoot, Troeth and Webber

Terms of reference for the inquiry:

To inquire into and report on:

Workforce challenges in the Australian transport sector, with particular reference to the following:

- current and future employment trends in the industry;
- industry needs and the skills profile of the current workforce;
- current and future skill and labour supply issues;
- strategies for enhanced recruitment, training and retention; and,
- strategies to meet employer demand in regional and remote areas.

WITNESSES

CREAM, Mr Greg, Private capacity..... 11

**GILLAM, Mr Clifford Wayne, Executive Director, People and Organisation Development,
Public Transport Authority 29**

HELDBERG, Mr Manfred, Chair, Training Committee, Transport Forum WA..... 11

KING, Mr Ian, Chief Executive Officer, Transport Forum WA..... 11

SINGH, Mr Navinder, Business Manager, Transport Forum WA 11

**TAYA, Mr John Andre, Executive Director, Organisational Development, Main Roads Western
Australia..... 2**

U'CHONG, Mr Raymond Harold, Chair, Freight Division, Transport Forum WA..... 11

**WALKER, Mr Mark Cameron, Director, Heavy Vehicle Operations, Main Roads Western
Australia..... 2**

Committee met at 9.02 am

CHAIR (Senator Troeth)—The Senate has given this committee broad terms of reference to look at current and future employment trends in the transport industry. We are considering the skills profile of the current workplace; current and future skill and labour market requirements; strategies for improved retention, training and recruitment; and ways of meeting employer demand in regional and remote areas. The committee is due to report in August 2007. All witnesses appearing before the committee are protected by parliamentary privilege with respect to their evidence. Any act by any person that operates to the disadvantage of a witness in providing that evidence is treated as a breach of privilege. Witnesses may request that part or all of their evidence is heard in private. I also remind witnesses that giving false or misleading evidence to the committee may constitute a contempt of the Senate.

[9.03 am]

TAYA, Mr John Andre, Executive Director, Organisational Development, Main Roads Western Australia

WALKER, Mr Mark Cameron, Director, Heavy Vehicle Operations, Main Roads Western Australia

CHAIR—I welcome representatives of Main Roads Western Australia. Thank you for your submission. Do you wish to make any amendments or alterations?

Mr Taya—No, we do not.

CHAIR—I now invite you to make an opening statement, after which committee members will ask questions.

Mr Taya—At the outset we would like to thank the senators for considering our submission. A very important part of the business of Main Roads Western Australia is the transport industry, particularly the heavy vehicle management function, which Main Roads Western Australia took over from the Department for Planning and Infrastructure a number of years ago. As a result, we put in place a strategic plan to deal with overall management of this function, including the recruitment of a very key part of that particular function in the area of transport inspectors. Mark Walker has some more detailed information on this.

CHAIR—Do you wish to say anything, Mr Walker?

Mr Walker—No.

CHAIR—Thank you for that. I note you have made recommendations for the wider transport and logistics industry and you talk about considering broadening the scope of the selection criteria for staff recruitment. Do you believe that what you have done so far with the introduction of that criteria has resulted in any change in the level of breaches discovered of the regulations that you are tasked to enforce—has widening the selection criteria for the workplace meant fewer or more breaches of regulations?

Mr Walker—With respect to breaches of regulations, the evidence we are gathering is that we are getting greater compliance from the industry. The trend over the last few years is that there is increasing compliance.

CHAIR—Is that partly because of a broad based criteria for selecting employees or other factors?

Mr Walker—It is other factors. I think it is to do with greater education and understanding of the industry and of the criteria under which the industry needs to operate.

Mr Taya—When we first took over this function it was very much an enforcement role. It was almost regulated to the extent that our inspectors would go out and act as policemen. What we have tried to do is use them in a broader role. As Mark mentioned, it is more working with industry trying to understand the real issues and working with truck drivers. As a result, we have developed a very strong relationship with the industry, and that is a big part of this strategy. So the education process—

CHAIR—As well as selection in the first place. Could you expand on what generic skills have been sought in candidates since 2002 and how they have improved your operation?

Mr Taya—We have gone beyond attracting people who had a very strong legislative background on enforcement to those with interpersonal skills for these transport inspector roles. We are looking for people who can work with industry and bring a customer focus type background to that particular role in addition to the enforcement skills they have used and an understanding of legislative requirements and so on. That is the expansion we have put in, whereas before it was purely on demonstrated experience of understanding the legislation and enforcement of that.

CHAIR—How do you assess those candidates when you bring them in for appointment or selection; what sorts of assessment processes do you go through?

Mr Walker—Through the recruitment process?

CHAIR—Yes.

Mr Walker—There is obviously a recruitment process that we go through which is very much in line with the Main Roads standard recruitment process through written applications and an interview process. We are looking at expanding that process to have a more rigorous process, which will take into account perhaps some role play or other more rigorous testing to tighten it up even further.

CHAIR—Before you get to the stage of interviewing and assessing the candidates, how do you promote the industry in general and your part in particular in the wider community in terms of advertising and recruiting? How do you get these people to apply?

Mr Walker—It would normally be traditional advertising.

CHAIR—Newspapers and so on.

Mr Walker—Yes.

CHAIR—Are you satisfied with the level of recruitment that you are getting in number terms?

Mr Walker—In the last recruitment round I think we recruited five and we got a very large pool. The difficulty obviously is that, although you get a large pool of applicants, by the time you shift down to the right competencies we took five and we had about three or four who were suitable.

CHAIR—On a shortlist.

Mr Walker—On a shortlist.

CHAIR—And that was out of a pool of how many?

Mr Walker—I think in the recruitment round before last—I am not sure how many we had last time—we had about 100 applicants.

CHAIR—You are obviously fairly selective in the people you take.

Mr Walker—Yes. It is an interesting mix of technical knowledge, customer focus—as John was saying—and also being able to cope with the lifestyle and the work environment, because they are working away from home, they are on the road all the time, and in that respect it is not for everyone.

CHAIR—It does not suit everyone.

Mr Taya—What we are trying to do with this is look not at a specific number out of a particular selection pool but at a calibre of people that we believe are suitable for these roles. In one instance we might target about five and actually take three; in another case we might go for seven.

CHAIR—I was just interested in the initial number and the interest from the general public in those sorts of positions.

Mr Taya—Since we first started advertising for these roles, applications have been consistent—around the 100 to 120 mark. What we have found is that we are getting people who are more focused on the selection criteria, whereas before we would find people just throwing their hat in the ring. Now they are addressing the criteria and, as Mark says, we are able to finetune the final selection process.

Senator GEORGE CAMPBELL—I understand what you are saying about your approach, endeavouring to move away from the punitive measures, but at the end of the day that is ultimately the sanction that you have available to you, isn't it?

Mr Walker—That is correct.

Senator GEORGE CAMPBELL—How else do you get compliance if you do not have the capacity to punish for non-compliance? You talk about the creation of career paths. What are the career paths that have been created in Main Roads WA that are making employment opportunities more attractive to people coming into your industry?

Mr Walker—I can comment from the heavy vehicles area. In the heavy vehicles area there is a distinct shortage of people with skills as you go up through the ranks. We are finding for inspectors who are coming in at almost the entry level—they come in at a low level in the organisation—that there are enormous opportunities to develop their capabilities and skills and move elsewhere in the organisation in other areas: for example, into our traffic operations area or

into the office environment and work in the planning and policy areas. A number of our inspectors have made that transition and are starting to grow into those roles.

Senator GEORGE CAMPBELL—Do you provide a training program for those officers to be able to upskill and move into those areas?

Mr Walker—I wouldn't say 'program', but we certainly provide training that it is identified they would need to move into those areas.

Senator GEORGE CAMPBELL—What sort of training is it and how is your training provided?

Mr Walker—For example, at the moment we are running a certificate III training course for the inspectorate in investigation. For officers who will be coming into the office environment, we would be looking at providing them with the necessary office skills, so we would be buying courses off the market.

Senator GEORGE CAMPBELL—Do you do this in-house or do you send them out to TAFE college or private providers?

Mr Walker—It would probably be outsourced.

Senator GEORGE CAMPBELL—To private providers or to TAFE?

Mr Walker—It is a mix.

Senator GEORGE CAMPBELL—So I presume this training that you are giving them is pretty much tailored to your needs. It would not be a generic course, as such.

Mr Walker—We have had tailored courses in the past.

Mr Taya—I will just expand upon that. We do not have what you call straight-line career paths in the organisation. That has been a fairly attractive avenue for a number of people, whether it is in the transport industry or the general technical engineering areas. People can come into the organisation, work in a transport function and then get further skills in more supervisory or management roles by going into a different function and then coming back. We have had a number of people who have gone down this path. To answer your question as far as development goes, while there is a focus in the transport area in particular on some of those technical elements, you would get broader management skills. So the management programs that we run with various universities, TAFE colleges and so on bring in those front-line management skills, and people can come back into the transport function at more senior levels.

Senator GEORGE CAMPBELL—So you are saying that there are a variety of directions in which an inspector can go, rather than one vertical movement through a particular career path as such?

Mr Taya—That is correct.

Senator GEORGE CAMPBELL—One of your recommendations is that the transport and logistics industry should investigate the creation of career paths. How would that work in the transport industry, given that we have had evidence that there are about 165,000 companies in this industry, most of them either individuals, self-employed, or employing two or three people driving trucks. So presumably the opportunity for any career path movement would be very limited indeed.

Mr Walker—My understanding, through talking to the transport industry, is that traditionally there was the opportunity for young people to come into the industry and perhaps start work driving a very small truck or a small piece of equipment, and then progress up through the company because the company had a range of vehicles in its fleet, from very small equipment that they could operate and learn on, to bigger equipment which they could graduate to. These days, that is not happening. The companies that are in the transport industry tend to be focused on one segment, so there is not the ability to grow. Those in the industry are saying that they are aware of that and need to address it.

Senator GEORGE CAMPBELL—But how would you overcome that? If there is the specialisation you say there is, how do you get sharing?

Mr Walker—I think that is a big difficulty. But the transport and logistics industry is a very big industry, and I would think that there may be opportunities within that to develop people. I do not know the answer to that. But I think the industry is considering that there are opportunities to address that.

Senator GEORGE CAMPBELL—We have heard evidence from a number of bodies which have voiced their support for a training levy or fund to be established in the industry so that the burden of conducting training is spread more broadly across the industry. That probably would accommodate the issue that you are talking about; it would allow people to use the resources of the industry to be trained, rather than be trained within one particular company, if that came about. Would your organisation be supportive of such a levy?

Mr Taya—We probably would. The reason we made this suggestion or recommendation is that we are using this quite effectively in the road construction area. We have a number of alliances where we work with industry, with a number of contractors, consultants and major organisations where we have that exchange. We are finding we get a better appreciation of the industry itself. And we can share some of that development because, in some of those areas where we just cannot develop our people because we are not doing the hands-on function or whatever, we know that the industry is doing it. So people are going out, working there for periods of time and then coming back to the organisation, and they certainly bring back a breadth of knowledge. If we can expand that into the transport industry I think we will get a better appreciation of the issues that might be out there that we could take on board. Alternatively, our people could get an understanding of the reality in the industry. As far as going back to the levy, sharing some sort of funding arrangement, that is something we would look at. We would see that as adding to the long-term development of our people.

Senator GEORGE CAMPBELL—In your submission you talk about the replacement value of the state's highways and main roads being in the region of \$21.4 billion. That is a considerable investment in infrastructure. How much of the maintenance work that you do

annually is attributed primarily to the movement of heavy transport on your roads? And is there an argument for looking at the development of a much more integrated transport system that utilises all the infrastructure that is available to us—including the stuff you do not have to maintain, the waterways and coastal shipping—for the movement of bulk transport around the country?

Mr Walker—The quantification of road wear and maintenance associated with heavy vehicles is a very difficult area. Modelling of vehicle loading on pavements is an area that nationally jurisdictions and Austroads have had difficulty working up, and there is a lot of work still being done in that area. Certainly, heavy vehicles do wear the roads, there is no doubt about that, and certainly when you talk about higher axle loadings under concessional loadings schemes that is very much the case. My understanding is that the Productivity Commission has been looking at that and that there is talk nationally about eventually moving towards some sort of incremental pricing and mass distance charging modelling to more closely link freight wear and freight use on the network to the consumption of the network and payment for the use of the network.

As for integrating road freight with other modes, certainly the state government is very aware of that issue. It is a delicate balance between trying to provide good access to the industry, good access for the economy and productivity and, at the same time, not providing freight solutions which actually jeopardise other transport modes. So we are very conscious of trying to have integrated transport solutions that include rail and coastal shipping.

CHAIR—On the subject of road wear and tear, for instance with the use of roads by the woodchip trucks in the south-west, have you thought of passing on those costs or asking the woodchip companies to pay some sort of contribution towards roads that they need and use?

Mr Walker—At the moment, the way access for heavy vehicles on the road network is managed is that restricted-access vehicles pay what you would say is a small or nominal fee for their access permits and those fees are in state legislation—

CHAIR—So could you give us an idea as a—

Mr Walker—At standard axle loads, which we call vehicles standards limits, a standard permit fee is \$25 for one year or \$50 for three years. If a vehicle is carrying at higher axle loads, at concessional loads, those fees are \$4 dollars per tonne extra per month. We do not allow woodchips to be concessionally loaded because those vehicles obviously have stability problems. But, no, we have not gone down that path with woodchips. We have started entertaining going down that path with iron ore.

CHAIR—In the north?

Mr Walker—In the midwest.

Senator FIFIELD—In terms of career pathways in Main Roads WA, is there much movement between the various roads authorities in the various jurisdictions? I know you do not want to you lose good people, but is any effort made between the roads authorities so that people who work for a particular organisation are aware that there are other opportunities elsewhere,

realising that sometimes it is good to keep people in the system, even if it is not in the particular authority? I am wondering to what extent the human resources people in each of the authorities work together, talk to each other and make sure staff are aware of career opportunities and of the sort of training that happens in the various jurisdictions.

Mr Taya—There is to a certain degree, but I would say that could be improved to a large degree. In fact, I am part of what they call the Austroads committee, which is all the state road authorities. We meet once every three months just looking at these types of areas. It is looking at the overall capability of the road industry. As recently as about a month ago we had one of our employees go over to South Australia—purely for family reasons; his wife got her PhD—and we managed to work with the highways department in South Australia to have that exchange. We have had a couple of people come over from Main Roads, Queensland, as graduates to get development in some of the work that we were doing purely because they were not doing it in Queensland. We are trying to encourage that more and more. I think the reality is that there is a long way to go with that, but we have started the ball rolling in that area.

Senator FIFIELD—You are a little further away from some of the other authorities.

Mr Taya—And there is the tyranny of distance.

Senator FIFIELD—That is right. Mr Walker, you mentioned training for staff. That is a mix of private providers and TAFE providers. Is the sort of training that your staff need, the range of training required, available in Western Australia? Are there any areas of training for your staff where you think, ‘We would like to do that but there is not the capacity in Western Australia for particular courses?’

Mr Walker—No, not that I am aware of.

Senator FIFIELD—Is there any sort of organised program where you place staff interstate into different jurisdictions to get a comparative sort of experience? I think you said there are lots of graduates from Queensland who are here. Is that a one-off? Or is there a systematic approach to expose staff to different ways of doing things?

Mr Taya—There is not a system in place at the moment, but we recognise the need for it, and we are working towards developing one. The cost factor comes into play too, and also the individual’s reasons for going over. What we are finding is that more and more younger people want to go over to the east coast and spend some time over there, but the bigger attraction for us is overseas now. They want to go over to London. We have about half a dozen people working in London transport and road authorities over there. I guess a positive of that is that we have got back over 50 per cent of those people. So they have gone there, they have spent a couple of years, and they have come back. The experiences they are bringing back and some of the exposures that they have had over there are incredible—new ways of thinking and so on. So it is happening across Australia but not in a structured way. We are hoping to go down that path, and I would say that probably in the next 12 months we will have something in place.

We are also finding, to link in with that, is that different jurisdictions are doing different work and different projects. Those learnings can be invaluable. Queensland is constructing a major bridge over one of their rivers. It might give our design people in the structures area some really

good exposure, so it might be that we are getting some good lessons from short-term placement, and that could equally apply in the transport industry with some of the movement that is going on in New South Wales in particular.

Mr Walker—As John has mentioned, there is the Austroads body, which is a model where all the jurisdictions join together and join forces to develop and research technology, policy and guidelines for the road transport industry. That model affords the opportunity for staff to work on joint projects and to build relationships with other jurisdictions, and that is a very positive opportunity for people.

Senator FIFIELD—Given the difficulties in recruiting and retention in the sector, if staff can see that there are a variety of opportunities, that you can work anywhere, and that the skills are transferable, that is probably something which will help retain staff. Thank you for that.

Senator WEBBER—In your submission you talk about the work that you are currently undertaking: a range of initiatives designed to improve conditions of work for truck drivers. Was that a long-term plan of Main Roads, or is that in response to the massive increase in road usage and heavy haulage in our home state?

Mr Walker—Main Roads is evolving. If you go back in time, Main Roads was purely focused as a construction agency. The focus during the fifties and sixties, probably even into the seventies and early eighties, was getting as much blacktop down and getting the road network built around the state. We then went through an evolution, realising that, as the network was built and aged, we had to start managing and maintaining the asset. We saw ourselves as asset managers. There is a further evolution going on. Again, we are picking this up out of our experiences with Austroads and internationally through the World Road Association. There is an evolution around the world in understanding that roads are in fact a service that we are providing to road users.

Now our focus is starting to evolve into looking at network operations. In looking at network operations there is the realisation that truck drivers and the freight industry are one of our key road user groups and that we have to provide them with a good quality service. In that regard, I guess combined with the fact that there is this enormous growth, there is a realisation that, certainly in the area of rest areas, breakdown areas and roadhouses, there are areas which require improvement. There is a COAG requirement for the AusLink network to be audited for rest areas. We are doing that at the moment. That review of rest areas has to go beyond the AusLink network and go across the entire road network.

While I am talking about this, in relation to roadhouses, the industry is making it very clear to us that they are concerned with their dwindling number. If you go back in time, transport truck drivers could actually find a good place to stop off, get some fuel, get a shower, have a good meal and then maybe have a rest or move on. The roadhouses are dwindling in number.

There are any number of reasons. People are saying it is because the big retailers are buying out the fuel companies and are moving out of that area. In addition, vehicles, including trucks, are getting longer range capacity. Fuel is no longer a baseload part of the business for these roadhouses, so they become very marginal. Certainly around Wubin, which is one of our key breakdown points in Western Australia for the transport industry moving north and south, we

have an issue that we are talking to the industry about. We have made a commitment to look into whether there is actually a commercial opportunity for a business to run a proper service centre there.

Senator WEBBER—Is developing this plan for improvements such as rest areas and what have you very much driven by Main Roads or is it that industry has come to you and it has been a consultative, joint development, recognising the increased stress that everyone is under now?

Mr Walker—The Main Roads commissioner chairs the Heavy Vehicle Advisory Group, which meets every three months. It comprises industry representatives as well as local government and a very broad cross-section of police and planning and infrastructure. Through those groups we obviously get feedback on how we are going on what the issues are. Certainly rest areas and the need for that service provision has come up through that forum, but we are very much driving that as well and we have written internal plans and strategies to deal with it.

Senator WEBBER—Because of my discussions with some of the local government bodies, particularly up north, I know they have real concerns about the increased wear and tear on their road network from the boom, but, because of fly-in and fly-out, what have you, they do not get the funding they need to undertake these improvements and maintain the facilities. They do not have the rate base. They are obviously looking to you to assist them in that process, it would seem.

Mr Walker—Local government roads and state roads are, obviously, funded differently. Freight still falls under that same funding model.

Senator WEBBER—Going back to looking at the generic skills base, how much is that strategy being driven by the tightening of the labour market in Western Australia anyway?

Mr Walker—For inspectors or generally?

Senator WEBBER—Generally and for inspectors.

Mr Walker—I would have to say for inspectors that to me it is not being driven by the tightening market. It is being driven more by the desire to get the right people and make sure that the fit is right so that not only do we get people who can fit into the job but people who, when they come into the job, are not making the wrong decision and it does fit in with their lifestyles.

CHAIR—You mentioned your revised selection criteria for transport inspectors and the new standards. Will the committee be able to have copies of those?

Mr Taya—Yes, we can provide those to the committee.

CHAIR—That would be very useful. I think that is all our questions. Thank you very much for appearing before us. It has been very useful.

[9.44 am]

CREAM, Mr Greg, Private capacity

HELDBERG, Mr Manfred, Chair, Training Committee, Transport Forum WA

KING, Mr Ian, Chief Executive Officer, Transport Forum WA

SINGH, Mr Navinder, Business Manager, Transport Forum WA

U'CHONG, Mr Raymond Harold, Chair, Freight Division, Transport Forum WA

CHAIR—I welcome witnesses from the Western Australian Transport Forum partnership. Do you have any comments to make on the capacity in which you appear?

Mr Cream—I am the state manager of Grace Removals.

Mr U'Chong—As well as being the Chair of the Freight Division for the Transport Forum WA, I work for a private company, JD Transport, at Fremantle.

CHAIR—Thank you for your submission. Do you wish to make any amendments or alterations?

Mr Heldberg—No.

CHAIR—I now invite any or all of you to make an opening statement, after which committee members will ask questions.

Mr King—On behalf of our group, I would like to thank you for the opportunity to meet with you today. I think that probably the most important thing I can say is that we are in a very diverse and extreme competitive environment and, like a lot of the other industries that we see and hear about, 'skills shortage' are not buzzwords; the skills shortage is a reality. We are facing a very hard road ahead and this is why the submission was made to the Senate committee. The things we have to look at are that positive action is taken and that there is proper acknowledgement that there is a skills shortage in the transport industry. Having looked at the DEWR webpages about the skills shortages, we would like to put forward our case to make sure that it is acknowledged and recognised.

Mr Heldberg—One of the major concerns of the transport industry—and the logistics industry in its entirety—is that there seems to be a lack of recognition that there is a problem. Western Australia, as you all know, has a labour problem—not just skilled labour. In whichever documents we read and in whichever reports come out, transport and logistics hardly ever seems to get a mention. We would like to make the point that without it nothing will happen. With a lot of the development that is mooted to happen in the north west of this state, there is a fair chance it will not happen because we just will not have the people to make it happen.

Mr Cream—I have a slightly more specialised concern. Not only is there a skills shortage—and obviously I support the training and in fact use the Transport Forum for training purposes—but we are now losing skills which are not recognised skills. I particularly mention removalist drivers; there is transport and then there is what we refer to as removalist drivers. If we do not do something urgently, we will lose the skills base to the degree that there will be no-one even to train. One of our concerns is that at the moment a removalist driver is not a recognised skill and we therefore cannot even take advantage of the 457 visa provisions to introduce skilled people for training purposes.

My particular concern in appearing at this committee hearing is to encourage the government to take a very hard look at the loss of skills, which we cannot just replace with the stroke of a pen. People with skills are an ageing population. With the economy in Western Australia running the way it is, people have been drawn out of this particular industry because the wage disparity is massive. They have not been beneficiaries of the resources boom in terms of their wages. In fact, wages elsewhere are so attractive now that the skill is a dying one—but it is a necessary part of our development. This state is burgeoning with a growing population. If all of my colleagues and counterparts from within my industry were here they could all tell you the same story. There is no incentive to remain within an industry when there is an attraction for earning elsewhere.

CHAIR—Does either of you two gentlemen want to make a statement?

Mr Singh—No.

Mr U'Chong—No.

CHAIR—With that exodus from the transport industry, do you mean here in Perth in metropolitan areas or in Western Australia generally?

Mr Cream—Most of our industry is Perth-based for most of the year. These people are specialised not only in their skills but also in their willingness to travel into some fairly extreme circumstances without normal accommodation for up to three months the year; they are as far removed as Kalumburu on the outer missions. They bring with them not only road train driving skills—the maximum certification—but also the ability to pack, to unload, all those things.

CHAIR—Are they going to jobs like that or are they going to more unskilled jobs in the resources industry?

Mr Cream—They have simply gone to where they are able to leverage their licences—the mining industry—

CHAIR—Like a heavier vehicle licence or something like that?

Mr Cream—Yes, absolutely. The driver issue is critical; it has drawn them out of our industry altogether.

CHAIR—What efforts are being made by you and other parts of the industry to attract other people—particularly younger people—into the industry. For instance, are you doing any work with schools?

Mr Cream—Yes, we do. In fact I have a meeting at the Forrestfield High School on Friday with Navinder Singh. I have made a commitment to attend all the regional high schools in our area so that the Transport Forum can introduce them to our workplace as workplace based trainees, in particular for the year 12s. We currently have a trainee, and there are two other trainees from another school, so we have three trainees in the system. I need a minimum of 10.

CHAIR—When you go to the schools, how do you promote the industry and the sorts of jobs that they could look forward to?

Mr Cream—Essentially my role in that presentation will be to describe my first job when I left school as a removalist. I am now the state manager of what could be fairly described as an iconic Australian company. Grace Removals is well known. Admittedly I did not spend very long in removals, but I am back as a state manager. There is a career path there for someone who is willing to move furniture. We are developing not only removalists and drivers but also administrators and managers. It is an entire holistic environment where people can become whatever their talents allow them to become. Also, if they may not have been high achievers at school they can still become high achievers out of school. So from a low educational base they can still find their way into industry as either managers or at senior levels.

CHAIR—So you speak to years 10, 11 and 12?

Mr Cream—We speak primarily to year 12.

CHAIR—So you speak to those about to leave school.

Mr Cream—Our need is dire. We need those from year 12. We need someone who is approaching mobility, who will have a drivers licence within a few months, and who can reasonably be expected to handle a near-adult load in terms of physicality and who is responsible. Below that level they are too young. We do have trainees in year 11. They are admin based trainees.

CHAIR—What about the time that needs to elapse between them leaving school and going into that traineeship and being able to obtain a full heavy rig driving licence. I presume there is a gap.

Mr Cream—There are age restrictions. The commitment at our end is that we would not see someone in a prime mover with a road train, which is the sort of operation we have. We would be investing probably four or five years in these people to get them to be old enough and trained enough. It is no ordinary task to head north with three trailers behind you.

CHAIR—Do they appreciate that it will be some time before they will be leaping into a B-double or a B-triple?

Mr Cream—Absolutely.

CHAIR—Do you get a nodding of heads and interest from students when you talk to them?

Mr Cream—At this stage we are embryonic at this level. We are working towards this with Navinder's assistance. Our difficulty is getting in front of enough people at all who are not perhaps focused on different careers or moving out of the city towards a better paying, more lucrative opportunity.

CHAIR—How do you find the Commonwealth apprenticeship scheme? You are talking about trainees. Is that done at a state level?

Mr Cream—The apprenticeship scheme is not something we are working within.

CHAIR—Have you looked at it?

Mr Cream—No, we have not.

CHAIR—Is there any particular reason for that?

Mr Cream—I am not familiar enough with it to know what is available to us. I have been working within the state based traineeship.

CHAIR—You may like to look at it. There are school based apprenticeships for years 11 and 12 students which work on exactly the same basis.

Mr U'Chong—We have encouraged that. We are Fremantle based and mainly look after import and export stuff. Last time we employed a young lad from year 11. Through the Transport Forum we have been very active in encouraging students from southern suburbs schools to attend. It is a small company down in Fremantle. We have had about five students come through. Out of them we had one who was very interested, and he is still with us. He is now in year 12. You talked about the Commonwealth traineeship system. That is working well for us. We have put on a whole lot and we now have them trained. The information coming back from these people once they have been through a session is very valuable. So far they are staying with us. We have employed people from it. One person was a butcher. One was a gardener. So there are different types of people coming in, and they are staying. They are all young people between the ages of 17 and 23.

CHAIR—I would encourage you to explore that further.

Mr Cream—I have just discussed this with Navinder. He is very aware of our circumstances. We have been using the Commonwealth system. We have put around a dozen students through to date. We are getting them qualified through certificates II and III and some of them to certificate IV in transport. So it is something we are doing.

CHAIR—So it is playing a part?

Mr Cream—Yes, it is.

CHAIR—That is good.

Senator GEORGE CAMPBELL—Mr Cream, what is the wage disparity between truck drivers, furniture removalists, and drivers in the resources industry?

Mr Cream—Essentially, in the removals industry we are working on very tight margins which have become increasingly tight. So, whereas there have been perhaps margin rises across a lot of the sectors, in our sector we have for nine months of the year an oversupply, because people do not move 12 months of the year and there are a lot of assets and a lot of companies competing for the same area of our business. An example would be that a removalist driver with road train skills is still looking at around \$23 an hour. The same person's currency out on a mine site is in multiples. It is not increases; it is actual multiples of \$23 for someone triple road train rated. Our industry could not withstand that cost to maintain someone at those sorts of prices. So it is a special person, who has to love our industry, who stays with us. There is a disparity. Our industry is dependent upon three very busy months, and then we suck it in for nine months. There is downward pressure on our prices and our profits; it is not upward. There is no upside.

Senator GEORGE CAMPBELL—So really your problem is the same as that of a whole range of other industry sectors out there—the engineering industry, plumbing, call it what you like. While the boom is on, people are going to go chasing the big bucks.

Mr Cream—That is correct.

Senator GEORGE CAMPBELL—It is as simple as that.

Mr Heldberg—I think where my concern sits is that the industry has a problem today, but we are not addressing the problems of tomorrow. I think it becomes not only a dollar and cents thing—and I totally agree with Greg here, to answer your question, that the variance between hourly rates could be as high as \$20 an hour comparing some fellow running around Perth or running around the bush.

The image that the transport industry still has, not just in Western Australia but Australia-wide, is such that if you do go to a school—and I have adopted a high school myself—the teachers do not talk to kids about transport. I think we are still seen as running around with blue singlets and beer bellies and sucking on cigarettes that we should not be smoking and taking so many drugs to let us stay awake until we are Superman. I cannot deny that that may well have been the case in the past. We need to overcome that.

So what we effectively have is that, yes, we are hiring trainees. In the other hat I wear, I have 30 trainees. It has just taken me 12 months to find them. At that rate, we will all be retired before we get anywhere. My favourite saying these days is: 'I hope you've got a big backyard here. You'd better put a cow in it, because that's the only way you're going to get some milk in future, because there's no-one else who's going to deliver it for you.' It is not just money. That would fix today, if we all threw a bucket of money at it—which we do not have. That would fix today, but what fixes the medium and longer term?

Senator GEORGE CAMPBELL—But, again, your problem is no different than what it has been for others. We have gone through a period over the past 10 or 15 years where the whole focus has been on keeping kids at school to year 12, irrespective of whether they are going anywhere or not. And this culture has developed in our schooling system that, somehow or other,

getting your hands dirty is not a noble profession—that you should not be looking in that direction, that everyone ought to go through to the tertiary system. We know full well that only 30 per cent of them ever make it, but that is the mentality.

We had an example in another inquiry, in Newcastle, where we had a young person who I think got his HSC but wanted to be a formwork carpenter. He had his career set—I do not know whether his parents owned a business or what it was. At the end of the day, the careers officer in the school threw the yellow pages at him and said, ‘Go and look up formwork carpenters in the yellow pages and see if you can get a job.’ He was absolutely not interested in helping that kid to get himself a position to serve an apprenticeship as a formwork carpenter, simply because the school had a mentality of getting all of its students that it could through into the tertiary system. That is how they see whether or not they qualified. So this problem has been building for some 10 or 15 years; it is not something that occurred with the resources boom, although the resources boom has exacerbated the problem.

Mr Heldberg—I totally agree.

Senator GEORGE CAMPBELL—I do not think there are any quick fixes for it. It seems to me that one of the problems in your industry, which seems fairly apparent, is the lack of capacity of the industry to actually invest in training. Sections of it certainly are, but there are substantial sections of your industry that are not investing. It is interesting to me that a number of organisations that have appeared before this committee have all supported the concept of the establishment of a training fund or a training levy to share the burden more widely in the industry for training drivers now. Whether at the end of the day that solves all your problems or not is something that remains to be seen, but at least it is a starting point.

Mr Heldberg—I agree. I think it is an aspect that should be very strongly investigated. I will draw a parallel. I agree with you that this is not a recent problem, but if we turned the clock back to 20 years ago and asked the kids in a class who had done three years of high school, ‘How many of you would like to become a truck driver the same as your dad?’ I suspect that 10 or 12 kids would put up their hand. If we asked the same class now, who are going to do five years of high school, ‘How many of you want to become a truck driver?’ no-one would put up their hand. That is what has changed. We have moved on. We have changed the way we run the business. I am not knocking it—I think a lot of it has been excellent—but the result is that, whereas little Johnny used to go to work with his dad driving a truck, little Johnny does not do that anymore because he is not even allowed in the transport yard. The net result is: he will not know what a rope looks like or what a tarpaulin is used for.

I am out of the transport industry. I have put on a new hat these days. I am in the recruitment game. But at the end of the day I have to totally agree with you. The industry per se has not been doing any training since the federal government withdrew the training guarantee levy. I am probably the oldest person in the room, because I can remember that. That was a lot of years ago.

Senator GEORGE CAMPBELL—Not quite! It has been out of existence for quite a while. Can you give us a bit more detail about the fast-track driver training model that you talk about?

Mr Heldberg—Basically what we would like to do—and I guess it comes back to money—incorporates getting people in and training them how to drive a truck, be it under a traineeship or

an apprenticeship or however, but getting them into the industry. I am not fully aware of how it used to happen, because it was before my time, but I gather there was a scheme federally funded some years ago that actually allowed that to happen. Our problem today is, if you go out there and you train a driver, the industry just says: 'You've trained him; thank you. I'll pay him 50c an hour more and I'll nab him.' We have to get some kids out there locked in, be that by apprenticeship or traineeship or whatever. As to how the system works, I am sorry, that part of it was not written by me, so I cannot really comment on how that used to be the case.

Senator GEORGE CAMPBELL—There is a training school called DECA that we visited in Victoria, in Melbourne—and I think they have a number of sites. I think they have an association with TAFE. Do you have anything similar to that in the west?

Mr Heldberg—No. It is all privately funded in WA, and therein lies half the problem.

CHAIR—Do you mean that any training that goes on is privately funded?

Mr Heldberg—Other than the amount of money that the Commonwealth government puts in. If I want to become a truck driver, I have to pay for it myself or my employer pays for it. That is really where the crunch comes in. With the traineeship, as we all know, after three months you get \$1,250 and so on.

CHAIR—Yes. Halfway through you get it and then at the end you get it.

Mr Heldberg—And I am not knocking that either, because it tends to take up some of the costs of training and I suppose the lack of productivity, whereas I think the fast-track driver training thing would be more of an immediate to medium-term fix rather than a long-term fix.

CHAIR—The term payments of course also try to provide an incentive for the employer to keep the apprenticeship on rather than being diverted.

Mr Heldberg—Yes—to go from certificate II to certificate III and so forth.

Senator GEORGE CAMPBELL—But the issue of procurement that you talk about in your submission—essentially you are talking about people poaching labour from other areas of the industry—to a large degree would be diminished if everyone were making a contribution to the training in some form or other.

Mr Heldberg—Yes, it would be.

Senator GEORGE CAMPBELL—The pool would be the industry's pool rather than an individual one.

Mr Heldberg—Our industry is no different to most other industries. Everybody goes to work in the morning, profit is not a dirty word, we have to make a quid to survive et cetera. The problem historically has been that the transport industry works on about a three per cent margin. Greg may even say that it is lower in his industry—I am not sure. There is not a lot of money left to take somebody and teach them for two years. We filch them from each other. That has, historically, always been the case. We are unable to do that these days. We have run out. All we

want to do is throw money which we do not have at the problem. Not only is there a short-term problem, which we are fully aware of, but there is the question of where we go from here. I do not think that there is one issue that we need to look at as an industry. Yes, we need to work out how we can deliver the milk and the fuel tomorrow, but we also need to work out how we can do it in five years time. It is my firm belief—and the belief of a lot of operators these days—that this is not a problem that is going to go away in the year 2007.

Mr Cream—This state has a peculiarity also that has to be understood and may not be recognised in other states: we do not have a rail infrastructure to support—

CHAIR—We are certainly aware of that.

Mr Cream—I would just like to mention it, though, because from within our industry I get massive volumes of interstate freight that will arrive on a train with everything sweet. Suddenly—and this is not a metro issue; this is right through to Kununurra—we have a problem delivering that. The style of driver that we are looking for is not someone who can be trained overnight; it is someone who can drive a rig that is 100-and-something feet long and can travel through to Kununurra and back safely within a specified period of time. Those people do not develop overnight. That is why I have emphasised the 457 visa. This is within your power. It is a skill and it needs to be in the qualified area.

Senator GEORGE CAMPBELL—I have to say to you that from the evidence we have taken so far there is not much support around your industry for 457 visas, for a whole variety of reasons related to safety and so forth. But you seem to also have a more difficult problem, I would have thought: your capacity to recruit people at a younger age. It is going to be very difficult for your industry to try and recruit young people who have gone through to year 12. A kid who has completed year 12 will not necessarily be looking for a career in transport. You are more likely to get a kid who drops out of school at year 10. They might be interested in that area. Even in the trades areas some of the recruitment agencies have been finding that those kids who are in danger of dropping out at the end of year 10 take an interest in going into the trades when they get a bit of experience using some of the skills and the tools. It was pointed out to me that quite often those kids who start off working as a boilermaker or a fitter are at 65 still a boilermaker or a fitter. They are the type of people who you are looking for. But you have that gap between 16 and 18 or 19 when kids are able to get behind the wheel and do a bit of training. What do you do with them in that interim period? Is that an issue the industry has addressed? Have you addressed what you can do with kids between 16 and the age when they can get a licence? How can you bring them into the industry? What type of training can you give them? You can train them in yard work or in packing furniture vans or whatever.

Mr Cream—I am committed to a dozen of those immediately. The real issue there is that the schools do not seem to encourage full-time participation in the workplace before mid year 12. We only have a partial training opportunity with the year 11s—one day a week. The lead time is massive. I agree with some of your sentiments. Why do we keep kids at school who may not benefit from that experience when at year 10 they could come into our environment and we could train them?

Mr Heldberg—I support what Greg is saying. I will not mention names, because that is not what we are here to do, but I was at a high school late last year and I said to the headmaster, ‘I

would like to talk to your kids about a career.' He said, 'I want to keep the kids at school.' Where we want to go and where the education system wants to go are two different places. If kids leave school then, from what little I understand, the school is downgraded and gets fewer teachers and fewer funds.

CHAIR—They will have a lower retention rate. They will have a lower throughput for VCE or whatever you call year 12 over here. With competition among government schools for students, they will be seen as a less favourable option. That would be my explanation.

Mr Heldberg—I think you are right. At the end of the day I thought this was all about teaching kids and giving them a career path, so if little Johnny is never going to be a brain surgeon we help him find something meaningful in life. However, the teaching profession seems to be more interested in keeping kids at school.

Mr King—Also, if I may add this, the traineeship and apprenticeship programs are inhibited because—and what Senator Campbell said is quite true—of the difference in the age from when they come on board to the age when they can actually do it. Whether the age barrier is because of IR or OH&S or, more importantly, insurance problems, that is the issue. That is really the key factor as to getting them out of school and getting them onto a truck. There is that three- or four-year period, and that is when it is very hard to keep them. Otherwise, they can go up to a mine site, work as a trades assistant and get \$90,000 a year. Whilst the boom is on that is great for them.

Mr Heldberg—The boom will not last.

Senator FIFIELD—Mr Cream, I wish to follow up the issue of 457 visas. It is probably fair to say that the TWU and a number of individual drivers are not keen on 457s, but I have spoken to a number of employers in the transport industry, a number of significant truck operators, who are very keen on 457 visas. I think that is not an uncommon view throughout the transport sector. What of your particular business if your particular staffing requirements were classified in a skill shortage category? Are you aware of overseas drivers who would be appropriately qualified and whom you could source at fairly short notice?

Mr Cream—Most definitely. It is an international business. In fact, Grace is owned by the same ownership as that of Crown Worldwide Movers. Also, as a sector we are internationally connected through organisations such as FIDI, which is essentially an international body representing our particular skill. There is any amount of interest internationally, particularly in countries where there is a lag and they are talking sabbaticals for people to come out, cross-skill, train or be retrained in new concepts. From the point of view of our sector, and ours is very narrow compared to that of the broad transport sector, there is a skills base internationally which is available to us. Through our international networking and conferencing we have the context to actually make suggestions in certain countries of origin that this could even benefit their industry by having people available on sabbatical to our industry at a time when we have this absolute absence not just of drivers but also of skills replenishment and training. People that have the skills have exited, and I am not just talking about the driving skill; I am talking about the load, the unload, the pack and the international pack. The absolute craft of that is being lost at this point in time. It actually comes back to the driver pressure. It is all about the driver.

Senator FIFIELD—So it must be incredibly frustrating for you, knowing that you could so easily source drivers. You know they are there in the company and available through the network and you want to grab them because you need them and you really want them but you just cannot get your hands on them.

Mr Cream—Yes, but it is not a recognised skill; it does not qualify under the visa. For us that is difficult. I understand the political nuances and I understand the interest groups and I understand the national interest, but, taking the big picture, who wants their furniture wrecked on the next move? That is what we are talking about.

Mr Heldberg—We get a lot of inquiries by email from people in the UK wishing to migrate to Australia. Again, it gets back to part of what Greg is saying: how do we bring them over?

Senator FIFIELD—Yes, it needs to be recognised as a skill. I refer to your comments about a career through the industry and about how you could start off as someone who moves furniture. I guess if you are someone who can move furniture well, that indicates that you are someone who has a good organisational capacity—to make the bits of furniture fit on the truck—that you are someone who has attention to detail and that you are someone who can relate to customers well.

Mr Cream—You have your customer skills but also your administrative skills, because, when someone is moving, an inventory is no longer a single tick on a sheet; it is a very detailed inventory of someone's life. So the people you send into a home learn from the moment they enter this industry that you do not arrive as just a truck driver; you arrive as an intelligent truck driver with other skills—and all of those skills are transferable.

Senator FIFIELD—As a percentage, how many of the people who do the uplift, the packing and the moving would progress into different roles in your company? I appreciate that not everyone wants to, but—

Mr Cream—All of my managers began as removalists—100 per cent. I am the only one that is a blow-in, and I still claim to be a removalist, which was my first choice, so I qualify. And that is the story within our company nationally, right through to our managing director, who started in this industry as a trainee. Our owner, Jim Thompson, was a removalist. He now owns a worldwide business. As it happens, Jim Thompson was in town yesterday and I presented service awards to three of our employees. One owns a franchise. So we actually have franchise opportunities. Our Albany franchisee has now done 35 years. The business has been very good to him. He owns a farm, he owns a mussel farm, he owns a very large business in Albany and he is now progressing through to Esperance with a new business, and his son is taking over that business. So the opportunity for him began when he started with us at 15 as a swamper, as we used to call them—just packing and putting things together. He now is a respectable part of the Albany community and he has broadened out to Esperance. We also have franchisees in Geraldton and in Bunbury, and all of them began life with Grace packing and moving boxes. So, yes, as a career it can take you through to owning your own business. That is making a major contribution to this country.

Senator FIFIELD—I think there is no more effective way of convincing people that there is a future in the transport industry than by using a specific example of an individual's life. Having

someone such as you actually front up to schools saying 'I am an example' must be very powerful. It is very good that you do that.

Mr Cream—We have to represent ourselves. It is the only way now. We are at that point. There is a time issue for me to get out and do all these things, but they have to be done. We realise it is that serious.

Senator WEBBER—Mr Cream, I want to go back to the 457 visa issue. It will probably come as no surprise that I represent the other side of the argument presented by my colleague Senator Fifield. I would be interested to know from what countries you think we can get these skilled drivers that can drive to Kununurra. I would be surprised to know of any truck driver in the UK who would be ready to take my furniture to Kununurra.

Mr Cream—I would suggest that—

Senator WEBBER—Having said that, I want to put on the record that I think Grace is lovely: 20 years ago I moved to Perth and you were the mob that moved me from Canberra!

Mr Cream—Thank you, Senator. I will take that as an endorsement. It is the mix. Let me start there: first of all, it is the mix. We have drivers who need to be able to go from here to the wharf. A European truck driver would have encountered traffic way beyond anything we encounter. So if I had a European truck driver driving from, say, Kewdale to the wharf and back all day, it would be a walk in the park and it would free up the driver I do have to go up north. If that European truck driver were here for a maximum period of, say, two years, over that two-year period—he already knows how to drive a truck—we could then, through what we refer to as our busy period, do as you do with a pilot. I have sat in the cockpit of a plane where they do endorsements. No matter how qualified a particular pilot may be, there are certainly airports and regions and destinations where they come in with another pilot who has already done it. So that driver would be teamed appropriately at our busiest time so that, instead of sending two operators to, say, Kununurra, we would send one of the old hands and, for argument's sake, a European driver, to do the same task. At some point, if his driving skills are correct and if he is comfortable—and that is determined only by his ability to sit in the cab, going backwards and forwards over those distances—then I would suggest he can become valuable to the total task.

Our problem is that our pool is now so diminished that we cannot even get to the wharf. That is how serious this is. At the moment I pay double and triple my normal internal rate to get containers with incoming sea freight off the wharf at Fremantle. The situation now is that I have to make the decision: do I send a guy north to Kununurra or delay him by 24 hours so that he can go to Fremantle? The cost of the delay is so great and there is the actual commitment to the contracts. I should declare that our business in this state has a common usage agreement with the state government through the Department of Treasury and Finance, and we were probably the largest winner in that particular process. It is for six years.

A lot of what we do is for the state government, and we have some really stringent conditions upon us for delivery. An example is that we move all of the school teachers in this state—100 per cent—and we cannot have those delays. As you know, the teaching crisis hit the wall and even as kids are turning up to school their teacher's furniture is still going in. There are no delays. I would suggest that we need drivers with removals experience, even if they are just here

in a teaching role, even if they are in our branches and they can do the wharf runs and the local deliveries. We also move prime movers and trailers through our city. Just to illustrate how serious this is: I have not driven a truck in anger now in 30 years—

CHAIR—We are waiting for the ‘but’.

Mr Cream—There is a ‘but’. On Friday I actually had to drive through this city because we did not have a driver. I had a team that could unload the truck, so I drove from Forrestfield to Stirling. I was the only driver because we could not get labour hire. There was no other driver, and I actually made the delivery because we had a commitment to a customer that we had to meet. I then jumped in a van and came straight back to my office. That is how thin it is.

Senator GEORGE CAMPBELL—Next time you do that, let me know, will you?

Mr Cream—These guys will be chasing me now, because they know I can drive! But that is how serious it is—the state manager of a major business in the transport industry, particularly the removals industry, driving a truck because there were no other options. Secondly, at that same time I had four prime movers parked in my yard. On the same day I had two rigids—and I assume you know the difference between prime movers and rigids—because we had drivers for rigids but we did not have drivers for prime movers. So let us say that I had half a million dollars worth of prime movers parked up and two Thrifty hire rigids because the only two drivers I had were so green that they could only drive rigids. So I am now not even able to use my own fleet; I am hiring another fleet for this emerging group of drivers who are not ready to go up to the HC or MC certification. Suddenly I have assets I cannot use, I am hiring assets at a cost and I have drivers who are not yet ready to drive. It is that serious.

Senator WEBBER—I understand that it is serious, and we can go back to the point that Senator Campbell was making before that these crises do not just happen overnight. It has not suddenly become serious, has it?

Mr Cream—No.

Senator WEBBER—This problem has been coming for a long time. It is just that we have hit crisis point in terms of changes in commitment to training, industry development and a whole range of things. When you start ripping out the support, just getting by end on end and not supporting the industry, all of a sudden you lose people.

Mr Cream—Senator, can I just say something—and I can only speak about this state—because I think it is really important and someone has to say it?

Senator WEBBER—Yes.

Mr Cream—No matter what we have done and no matter what sins the industry carries for not training, I would suggest that a lot of soul-searching is going on internally within our business and that we are committed to training. At the moment we are willing to wear losses to insure ourselves against this happening again year after year because of the growth in this state. There is also an obscene obsession in some of the other industries to have truck drivers who do not even drive trucks. The HR licence carries so much currency that it is almost a pre-requisite to

go onto some sites when in actual fact these people are never asked to drive. I have a mining background also—I have been with BHP Billiton, I have spent time at Newman and I know the rules—and I can assure you that the people who can drive are not driving at the moment because they are out there earning the money whichever way it comes. But this crisis would have happened regardless.

Senator FIFIELD—Partly as a function of a booming economy.

Mr Cream—Exactly. It is a booming economy. So I am saying: yes, we know we were wrong. We know we did not train and we did not foresee it. But no-one could have foreseen what has happened in Western Australia. It has an economy that is growing faster than China's, for crying out loud. It is an extraordinary situation. So we do need help and we do need concessions, even if they are only for this state.

Senator WEBBER—Going back to the discussion about 457 visas, are the old hands, as you call them, going to be happy to do all the long-haul stuff because they are the only people you have on the books who can go up there?

Mr Cream—We are in the situation that they are doing it and are still happy to be doing it. Our difficulty is that we cannot meet our metropolitan requirements.

Senator WEBBER—So it is metro—

Mr Cream—No, it is broader than that. We have no-one to fill any of the gaps. This is our quietest time of year. For me to have two hired pieces of equipment and for me to have to drive the truck—and this is as quiet as it gets—by the time we hit December, the difficulty for us is going to be such that the people in this room could not react fast enough for my problem this year. There is nothing that anyone in this room can do that will alter what I am already facing in December.

Mr King—We mentioned the age factor, or the older people. I think they probably prefer those sorts of long runs. The classic example is the person in case study No. 1 in our submission, who happens to be the chairman of the transport forum and is in his mid-60s. He volunteered to go back and help his son, because they cannot do the north-west run. That is the problem that we are facing.

Mr Heldberg—Senator Webber, you are familiar with Western Australia, so you would know the name Len Buckridge?

Senator WEBBER—Very well.

Mr Heldberg—I will throw his name in for what it is worth. He is one of my major customers. As of yesterday, he was parking five tip trucks because we could not supply him with drivers. As you are probably also fully aware, he is to commence manufacturing bricks some time next year—if he ever gets the brickworks up and running. It is my job to find him drivers. I think I will retire! I do not think I am going to be able to help him.

Mr Cream—There may be some people who are happy about that.

Mr Heldberg—I realise that. Life is what life is.

Senator WEBBER—There is a lot of talk in Perth about the retirements that those brickworks may lead to.

Senator LIGHTFOOT—Gentlemen, you would be well aware that it is a misnomer to think that, say, truck drivers in England, Scotland or Wales merely travel between London and Glasgow, between Leeds and Birmingham or between Glasgow and York. They are, in fact, long distance truck drivers. They are not only used to considerably heavier traffic than here when they drive, but are also used to driving on icy roads. I do not think that Australian truck drivers generally get that experience.

Mr Cream—Correct.

Senator LIGHTFOOT—The same thing happens in South Africa. Although, unless they drive up to Mount Kilimanjaro, they do not experience icy roads. But they travel from Cape Town, from Johannesburg and from Durban, and they travel north right up to the Congo and areas beyond. They also drive on the left-hand side of the carriageway. It is a great advantage here, when you are trying to introduce people to a new country, that they are well versed in driving on the left-hand side of the carriageway. It is the same as in India and Japan. Having said that, how do you advertise for your 457s? For instance, if you were looking for a truck driver, I do not think it would be deceptive to advertise for a truck mechanic, a particular type of mechanic, a diesel fitter or someone who is versed in doing up transmissions and other speciality areas of a truck. What I am saying is: if you advertise for mechanics who must be able to drive a certain type of truck or something of that nature, that would be a legal way, in my belief—although I am not giving you legal advice; nor should I—of getting some people whom you want here. You would get two people, because you probably need mechanics, who are in short supply anyway. They are taking off in the mining industry too. That is one section to my two-part question.

The second part is: I recall very well, having been in the mining industry for a great deal of my working life, and having studied geology and some of those areas, when Western Mining owned Olympic Dam, and they had a major expansion in the late 1970s and early 1980s when there was an unbelievable boom in gold mining, and it soaked up every person—very similar to today. They advertised in smallish rural areas, and they actually drew young men and women, with multi skills, that came off farms. These were young people who could drive trucks, could do their own mechanics, could repair things, could build something and do all sorts of things that were not necessarily confined to a specific discipline. This actually solved major problems for Western Mining. I recall it quite well and quite vividly. Have you tried advertising more in areas like Esperance, Albany, Busselton, Bunbury, Geraldton or even Kununurra, rather than just in the capital city papers?

Mr Cream—We have the regional branch network, and our Geraldton branch—as of now—does not have a driver, as an example. The traditional farm based or smaller regional area based operator has decided, ‘If I’m going to leave the family farm, I’m going to take all of my skills and go straight to the mines.’ I have two stories—both true, both recent. In Perth, we managed to find someone and employed him for a start the following morning, and the following morning he was on a plane to a mine, because that afternoon he had received an employment opportunity. In

Geraldton, the same week, they had not one but two drivers who moved immediately—simply because of a better opportunity. They were not unhappy with the employer, they were not unhappy with anything other than the fact that they had an opportunity elsewhere—and they were highly mobile—in the mining sector. And the mining sector also recognises those extra skills. They make better TAs, they can drive a water truck, an electric truck, and right now I just think we are in an anomalous period of time. If things back off—which Fred assures me they will—that is great. I am assured, on the other hand, that we are looking at a fairly strenuous long-term activity in our resources area up north, and that may be the case. So if that is the case, this pressure will remain.

It also needs to be understood that there is no incentive even for Australians to come into this state at the moment, because the cost of our housing has made it absolutely prohibitive for the sorts of rates that we can afford to pay for people to transfer—even if we transfer them for free. Where do they live? One of my children is a refugee; she has left this state to move to New South Wales, because it is cheaper.

Senator FIFIELD—An economic refugee.

Mr Cream—An economic refugee, yes.

Senator LIGHTFOOT—With respect to the first part of my question, with respect to the long-distance truck drivers who do have experience, who do drive on the left side of the carriageway, what has been your—

Mr Cream—We need the extra skill of someone suitable for our industry. I think the gentlemen here would have to answer that differently. Ours would be Commonwealth countries, preferably, where they drive on the left-hand side.

Senator LIGHTFOOT—Mr Heldberg may have some answer to that. If you do have an answer, Mr Heldberg, for what it is worth I do not see the boom coming to an end any time in the foreseeable future.

Mr Heldberg—With all due respect, Senator, I did not say when.

Senator LIGHTFOOT—No, but you implied that the boom was going to come to an end, meaning you had a vision of it coming to an end. If you can, I am sure the mining industry would like to hear when it is going to come to an end. It does not appear to be that way. There may be a dip; it is not going to be a straight road upwards on the graph. It is going to go south on odd occasions, but it will go north a lot more times than it will go south.

Mr Heldberg—I believe that, at the pace that we are going, I cannot see that lasting—in my opinion only—past the next two years. I am not saying it will not continue; I am saying that the boom that we have at the moment will not keep going at this pace, because we will not have the people to do it. That is the point I was trying to make. Everything cycles—seven years, nine years, whatever the case might be. It will not last.

Senator LIGHTFOOT—With respect, my question was really framed around the 457s and getting people from countries that have experience with long-distance drivers, who are not

enjoying the boom that we are enjoying at the moment, and who would love to come to Australia under a 457. If you were to advertise: 'Wanted: licensed heavy articulated truck driver,' you would be confining yourself to such a degree that it would be very difficult. If you could convince someone that that was under the 457, I would be surprised.

Mr Heldberg—I believe there are people out there in the world who can speak our language and would fit into our culture who would love to come to this country and be given a job.

Senator LIGHTFOOT—Have you tried these countries?

Mr Heldberg—No, I have not; it is not the industry I am in. And it is not what the transport industry has been doing because we get a lot of opposition from the Transport Workers Union when we talk about this. They are certainly against it—as I think we are all aware. But I think that as a short-term fix it has to be seriously considered.

Senator LIGHTFOOT—I can assure you that the Transport Workers Union does not control the migration department—not totally, anyway!

Mr Heldberg—I am aware of that, Senator.

Mr King—On the second part of your question, Senator Lightfoot, the biggest haulage company down in Albany, Halls, have had a weekly advertisement in the Albany paper since, probably, January and they cannot get drivers. It is because of the season—they are cutting the wheat. But also they are trying backhauling to Ravensthorpe, trying to get people to go over there with the BHP Billiton expansion. That is just one company that I know of that regularly advertises in the local papers. I do not know of many others, for example in Kalgoorlie. But, as I said, I would say that they would all be trying to do that because there is nothing around in the way of drivers, especially the ones off the farms where they can get their experience up from smaller trucks to the very large ones. But, as I said, I have been watching Halls—nothing.

Senator LIGHTFOOT—On a practical assessment of your particular predicament, isn't the 457 visa—or, more specifically, migration—perhaps your only chance of resolving some of your problems?

Mr King—Definitely.

Mr Cream—Yes, but I can only speak for a sector.

Senator LIGHTFOOT—Yes. So is there consensus on that?

Mr King—I would say without a doubt, because, as I said, it does not matter what part of the industry you are talking about, they all have major shortages. And it does not matter what you do—going right back to what Greg originally said in relation to going to the schools—it is not going to improve it in the short term.

Senator LIGHTFOOT—I am sure the government is prepared to help in some way with advice on that issue.

Mr Heldberg—I cannot forecast what the grain harvest is going to be in this state this year—and I am not sure whether the figures are out—

Senator LIGHTFOOT—Pretty good, with the initial rains, if they can just continue.

Mr Heldberg—but this problem will be exacerbated further when the grain harvest is due.

Mr Cream—It will be extraordinary.

Mr Heldberg—We will be in deep trouble because with some of the guys who are now driving trucks and come from a farming background, dad will pick up the phone and say, 'Hey, Johnnie, come and help me get the crop in.' That will happen and, quite frankly, I dread that time coming. I'm with Greg here; we may have fundamental differences on some things—and I think that is healthy—but the point is: we really do not know where to go any longer. This is past me joking about a cow in the backyard. I am not joking; the people are not there. What are the figures at the moment? I think there is 2.95 per cent unemployment in this state. As I understand it, that is full employment. And I totally agree with Greg: we cannot bring them in from Coffs Harbour or Newcastle or Byron Bay where they were surfing—where are we going to put them up? There has been a suggestion made that we do something similar to what one transport operator did in Port Hedland and buy a hotel—purely and simply to put his drivers somewhere because he had no other place to put them. And maybe that is what we need to consider. I think we are scraping the bottom of the barrel of ideas, but we are in trouble.

CHAIR—My next question is not about scraping the bottom of the barrel, but what about the use of female labour?

Mr Heldberg—Love them.

CHAIR—Can you get them?

Mr Heldberg—No.

CHAIR—Why not?

Mr Heldberg—I cannot answer.

CHAIR—Don't apply? You and I would know the reasons: perceived barriers, attitudes et cetera. Also if males nowadays jib at staying away from home for long periods then I guess females would as well.

Mr Heldberg—You are talking long distance driving—

CHAIR—Long distance or even short haul, such as what you are talking about.

Mr Cream—We are happy to train and recruit them; we do not have a gender bias.

CHAIR—I was not implying that you did.

Mr Cream—Senator Campbell, I think, touched on something about schools. I do not think there is a generation of young ladies out there right now that would do this work. A number of years ago there were the advertisements saying ‘Hand a girl a spanner’; they depicted girls in trades and all sorts of things. That seems to have disappeared. And I would just as soon have a female team. We do have female teams. We do have a number of female drivers. But, as a group, there is no particular interest in entering that skill base. I do not know if that is true across the board.

Mr U’Chong—We did have a lady driver, and we encourage ladies. There are lady drivers around through recruitment agencies. It is not that we are biased or whatever.

CHAIR—I did not mean that there was bias; I am just interested.

Mr U’Chong—They do not apply.

CHAIR—No, they do not apply.

Mr U’Chong—The lady we had had an incident and left, and that was very sad. But very few apply.

CHAIR—That is understood.

Mr Heldberg—I have two on my books at the moment who, in their early 20s, said, ‘I want to be a truck driver.’ Luckily I have a client who takes them on board and teaches them what a truck looks like. Six weeks later we assist them in becoming what we call a ‘medium rigid’—driving a little van around the city. They are preferred employees because they are easy on the equipment, more careful with what they do and their paperwork is by far better than the average male. It happens to be a fact. The number of applicants is very small; we just cannot get them. I think that is an image thing more than anything else, quite frankly.

CHAIR—Thank you very much for your appearance. It has been very useful.

Proceedings suspended from 10.40 am to 10.58 am

GILLAM, Mr Clifford Wayne, Executive Director, People and Organisation Development, Public Transport Authority

CHAIR—I welcome our next witness, from the Public Transport Authority of Western Australia. Thank you for your submission. Do you wish to make any amendments or alterations?

Mr Gillam—No amendments or alterations, in that we have not at this stage provided a written submission to the inquiry.

CHAIR—No, but you will be speaking to us in a moment. I invite you to make an opening statement, after which committee members will ask questions.

Mr Gillam—Thank you. I have provided a written statement. I will simply attack the key points, if you like, in that statement for the record. It is probably useful if the Senate has some sense of the background of the organisation I represent, the Public Transport Authority, which was created by an act of parliament in the state on 1 July 2003. Essentially that act provided for the creation of an entity that would manage and coordinate the integration of urban public transport systems in metropolitan Perth particularly. There were some ancillary responsibilities assumed in terms of regional rail passenger travel and some regional road coach services. The creation of that agency brought together what formally was in the department of transport, which was a management unit charged with overseeing the outsourced contract provision of metropolitan bus services and the old Western Australian Government Railways Commission, which by that stage had been reduced from a combined urban and freight operation to simply an urban operation with the sale of the freight division of the business in 2000.

Effectively, the submissions I make this morning will have an emphasis on rail. We do not directly employ a large number of road coach drivers. We have some 35 in our regional services. The vast majority of our direct employment is in the rail business—the urban rail business particularly. The matters that I have addressed in my written submission really go to the impact upon the rail part of our business primarily, but there are some interesting knock-on effects with regard to the construction and maintenance of the infrastructure for which we are responsible as an agency.

The key impact of skills shortages come down to four broad areas for the Public Transport Authority of Western Australia. The key one is in the obligations we have in the management of rail infrastructure. That requires us to employ people who have a basic skills competency in the electrical trade primarily, although some engineering trade skills are also applicable. It is also necessary for us to supplement the basic trade certificate training with highly enterprise specific training that goes to the nature of our rail infrastructure. We have found in the past three years that it is almost impossible for us to employ electrical trade personnel. They are simply not available in the marketplace. We are not in a position to compete with the sort of money that is being offered for those trade skills in the booming resources sector. In Western Australia in recent times we have also had something of a construction boom. That has also soaked up a lot of the available trade labour. That presents us with a very significant problem because the management of our electrical rail system depends absolutely on people having those core skills.

The second key area of skills shortage that has a direct impact on the business is at the other end of the scale. I am talking about the professional categories of engineering: civil engineers, electrical engineers and mechanical engineers. This is for much the same sorts of reasons. When we go to the marketplace we are simply not able to source the appropriate people. We do not employ construction personnel directly in the PTA but the generalised shortage of construction trade skills and electrical trade skills in the state economy has had a very significant knock-on effect on a major project for which we have ultimate responsibility as the principal contractor. That is the construction of the Southern Suburbs Railway. The Southern Suburbs Railway is currently running some nine months behind its scheduled completion date. A lot of that has to do with the fact that the contractors who we are employing to construct the railway on our behalf are simply not able to source precisely those trade skills that are necessary for them to carry out their contractual obligations. So there have been some significant delays in the completion of that major infrastructure project because of the lack of skills.

Similarly, we do not employ many road coach operators or bus drivers ourselves, but the contracting companies that provide those services to us in the urban environment are having extreme difficulties in recruiting bus drivers. The contracting companies have offered various blandishments. They are offering to pay for the full driver training of people who they hope to attract into their organisations. They are obviously funding the licences themselves. But these steps have done very little to mitigate the profound shortage of people willing to take up a career as a bus driver. That has an impact on the Public Transport Authority because our contracted service providers are unable to fully meet their timetabled and scheduled obligations because they simply do not have the labour. Those are the four key areas where the impact has been felt by us.

One of the issues that the Australasian Railway Association, through its Rail Skills and Career Council, upon which the PTA is represented, has been addressing is the problems that we have as an industry—I here talk specifically about rail—in the attraction and retention of people. Research commissioned by the ARA in 2005 showed fairly conclusively that part of the problem—and put to one side the general pressure in the economy because of boom and so forth—was the community perception of the industry, which was perceived as an old industry, with old technologies, conservative management and ideologies et cetera. We maintain from inside the industry, and particularly for the sector in Western Australia, where we are constructing a world-class extended urban rail system, that in fact that is a misperception. There are some exciting new technologies in the industry, particularly in digital communications, in CCTV security systems and so forth. So we are working very hard to freshen up, if you like, the brand of rail as an employer in the industry, in the hope of attracting young people.

The attraction of young people is a major priority for our industry. Here in Western Australia, as a public sector entity, the public sector as a whole has an ageing demographic. In the broad public sector in Western Australia, the median age is 48. In our organisation it is 49. Within 10 years, our retirement intention surveys show us that we will lose 50 per cent of our core personnel, and these will include people with fundamental knowledge of the operation of our system—senior professional engineers, senior managers and a good many of our railcar-driving personnel.

We have one upside, if you like, in terms of the pressures we are experiencing, in that in two of the core areas of our business—security on the urban system and the actual driving of the

railcars—we are not reliant on external training providers to train people up and bring them to us. We train all of our security personnel fully, from scratch, over a 13-week period before they go onto the system, and similarly with railcar drivers. Provided that basic mechanical aptitudes are there in an applicant for the position, we can take someone with absolutely no experience and, within 22 weeks, have them capable of operating on our urban train system.

That is in part a legacy, I suppose, of the way the rail industry in Australia in the past did business: largely integrated urban freight businesses, fully vertically integrated, lots of internal construction. Here in Western Australia, 20 years ago, the Midland Railway Workshops provided a base for the development of trade skills which not only serviced the rail industry as it then was but became an important source of trade skills for the broader Western Australian economy. That has all disappeared, and we are finding that there appears to be not sufficient incentive or support out there for private sector firms to build up the apprenticeship intakes. That is a real worry, because we are not having young people with basic trade skills putting their hands up to join us and further specialise those skills in a rail industry context.

So demographics are a major problem for us, and, as I say, the nature of the industry and its image present some challenges in attracting young people. We are working very hard through ARA and the Rail Skills and Career Council to address those particular issues. So far as core skills shortages are concerned, the impacts for us, as I said, are principally in those areas of trade skills, electrical skills particularly, and at the other end in the professional engineering sector—and I do not know what the short and easy answer to that is.

CHAIR—I do not know that we expect any!

Mr Gillam—Broadly speaking, that is a summary of what is in this document, which I am happy to make available. I have copies.

CHAIR—Thank you for that. The committee will accept that. At what age do your drivers and personnel retire? You quoted the advancing age, which is now 49 as an average. How much working life would they have left after that?

Mr Gillam—Our retirement intention surveys show that most of our employees intend to leave the industry at about the age of 60. Whether in fact that occurs as they approach more closely to that age, and whether appropriate superannuation is in place, is difficult to know, but certainly the expressed intentions are by age 60. As I said, the median age is 49, but that means that a very significant proportion of our drivers are in the 55 to 60 age bracket already. We know that we will lose some 30 per cent of our driver workforce within the next four to five years.

CHAIR—When you say there is not a lot of support for apprenticeships in the private sector, does that mean from the private sector itself or the way that the apprenticeship system works?

Mr Gillam—I think it is a combination of the two, frankly. My view of it is that, for a great many smaller businesses, the cut and thrust of competition and so forth is such that they think very carefully about putting on an apprentice, whom they will perceive as being less immediately productive, if you like, and there does not appear to be a sufficient amount of offset in the VET system to provide direct support to employers to offset what they perceive as a lack of immediate productivity from apprentices. So the two things are working in tandem, I think.

Employers are reluctant unless they get some support. The VET system is not providing sufficient support to encourage those who are in a position to develop trade skills in young people to do so.

CHAIR—We heard from the previous witnesses about traineeships, which I gather are available at a state level. Is there much impact from those on your industry?

Mr Gillam—There is less impact than we would like. One of the problems that we experience with traineeships as they are promulgated through the TAFE system here in Western Australia is that the criteria for what constitutes a traineeship and the sorts of competency assessments that go with it are not necessarily flexible enough or broad enough to accommodate our business needs. That becomes a disincentive to managers, who are finding that they are dealing with a highly, if you like, bureaucratised process. We would welcome the opportunity to place a great many more trainees within our organisation, but we meet internal resistance from line managers, as I say, because of that bureaucratisation of process. We believe that we should be able to bring young people into the organisation as trainees and move them through areas of our operations so that they develop a capability to build a long-term career within our industry, but it is difficult to get that path shaped against a predicative path in a document that says, ‘This is what constitutes a traineeship.’

CHAIR—Thanks.

Senator WEBBER—Being from Western Australia, I am familiar with the important role that particularly the Midland workshops played in providing a skilled labour force. In fact, it is hard to find a Western Australian fitter and turner of a certain age who did not do their apprenticeship out there. I gather from talking to some of my colleagues on the committee, although I was not there, that they were impressed with the involvement that Queensland Rail have in their training regime. Is there any discussion between the PTA and Queensland Rail about the regime they have for training and maintaining their skilled labour force, and is that perhaps something that the PTA could be more directly involved in and interventionist about?

Mr Gillam—The advantage that QR possesses is that it is an employer of some 15,000 people. It operates freight rail systems not only in Queensland but here now in Western Australia and in other parts of the nation, as well as a complex urban system. That means that it has retained that capacity to integrate construction, maintenance and workshop operations with a sufficiently critical mass to be able to justify, yes, having a number of apprenticeships.

In our case, here in Western Australia, we would dearly love to have more mechanical-engineering tradespeople and electrical tradespeople working directly for the PTA, and we have recently engineered a situation which has allowed us to bring in three electrical apprentices. I say ‘engineered’ because we have had to enter into an arrangement with the private sector contractor who looks after the maintenance of our urban rolling stock. So, while we are now the nominal indentured employer of those three apprentices, most of what they learn will be learned in the private sector company which is doing the rolling stock maintenance. That is the only area where we actually have construction-maintenance sorts of responsibilities.

Senator GEORGE CAMPBELL—So you do not employ any maintenance people at all?

Mr Gillam—A limited number. We do employ signal technicians and overhead catenary maintainers, but the number that we employ and the size of the system means the numbers of apprentices we can bring through is naturally limited. Certainly, even if we were to treble our apprenticeship intake it would not go anywhere near the gap that we see looming in available, particularly electrical, trade skills as some of our older signal technicians exit the workforce.

Senator GEORGE CAMPBELL—If you have your maintenance contracted out, and it sounds to me like you have, why can't you, as part of those contracted arrangements, require those contractors to keep their apprenticeships up to a certain level to ensure you have a continuity of supply of skilled workers?

Mr Gillam—It is an interesting question. I am not sure that I know the exact answer to it, because I am not sure what the legal constraints upon the PTA as a public sector agency are in imposing requirements upon tenderers with regard to their labour. That obviously has a lot to do with what the industrial relations context and the policies of given state governments might be. It is certainly something that I have raised within our organisation—that it should be part of our contractual arrangements with outsource providers. The response I have had is, 'Yes, that is a good idea, but we think that there may be some legal impediments.'

Senator GEORGE CAMPBELL—Have they ever attempted to test that?

Mr Gillam—No. There has not been a test as yet but I believe that a test will come soon.

Senator GEORGE CAMPBELL—There is a message in there somewhere.

Mr Gillam—Yes. Frankly, we in the PTA really do feel that in the current environment we face some major challenges to sustainability of the urban rail system. Unless we can find creative ways to attract more young people into the industry, and particularly more trained electricians into the industry, we are going to face major challenges to the safety of our system into the future.

Senator WEBBER—You were saying in your opening remarks that there was an emphasis on freshening up the brand to attract young people. Can you take us through some of the initiatives you have to freshen up the brand?

Mr Gillam—We have recently begun a program of presenting information about the PTA at a wide number of career expositions around the country—in fact, in Sydney and Melbourne as well as here in Western Australia. In July we will also be presenting at a career expo in New Zealand in the hope that we can attract some people from New Zealand to our system. Essentially we have tried to emphasise that the rail industry is not as it is often stereotypically portrayed. Unfortunately, rail companies in the past were partly to blame for this. When you see photographs of rail systems, they tend to be middle-aged men in rail cars or people in fluorescent vests with hammers—when I say people, they are generally male—working on a track somewhere. This is nowhere near the range and scope of career opportunity that exist within the industry. In the contemporary rail industry there is a growing reliance on up-to-the-minute, cutting-edge information technologies, and that is attractive to a lot of young people. So in career expos we are trying to emphasise: 'Hold on! A career in rail is a lot more diverse, a lot

more interesting and a lot more technologically exciting than you have been led to believe.’ That is the sort of promotion that we are doing.

We are also doing a great deal of work to encourage a great many more women into our industry, because it has been perceived as a male bastion. That obviously requires work internally within organisations on their culture. It also requires us in presenting an image of the industry—at careers expos, at universities, when we talk to graduates and so forth—to emphasise the fact that we have family-friendly initiatives in the workplace and that we strongly support processes which allow women to build career and family together. In the rail industry that presents some significant challenges, particularly at the coalface—that is, railcar driving and security areas—because we are a 24/7 industry and 24/7 shiftwork operations can be very difficult to manage if you have family responsibilities.

Senator WEBBER—You mentioned earlier the shortage of bus drivers. How much is that due to the overall tightening of the labour market and competition as opposed to real concerns that some of the bus drivers have had—and there has been publicity in times gone by—about their employment conditions, stress and the relationships they have with some of the contractors?

Mr Gillam—It is difficult for me to comment on that directly because I do not have much direct contact with the bus company providers. I am conscious that bus drivers in the bus industry experience some difficulties with security on the system. There has recently been publicity in Perth on the extent to which bus drivers, particularly those working late night shifts, confront difficult situations and are looking for a greater degree of security and personal protection. As to whether an improvement in employment conditions might lift application rates, it is difficult to say. One assumes that if more money were paid and shifts were easier it would lift the attraction but, given the current labour market in Western Australia, I do not know if even significant increases in remuneration would make a lot of difference to the challenges the bus companies are facing, simply because even a significant lift in remuneration will not match what is otherwise available to people in the construction and resource industries.

CHAIR—That has been quite illuminating. If you cannot get electricians in the numbers that you need, what will you do? I know there are no easy solutions.

Mr Gillam—One of the problems that we face in sourcing electricians is the general problem the market faces, which is that the demand is higher than the supply. Part of the way you offset supply-demand imbalances in the marketplace is by changing the price, and that means the price of labour has gone up. Part of the reason we cannot attract staff is because we cannot be anywhere near competitive. That is a particular issue for the public sector; there are constraints on the extent to which we can be flexible with remuneration. We are working very hard, through our minister, who is sympathetic to the problems we face and understands the crisis that looms, to work with the public sector entities in Western Australia who are decision makers with respect to remuneration policy. We have had some success. We have been able to build in an attraction and retention allowance for electricians being brought into our industry as potential signals technicians. That has made some difference, but it has been minimal. Again, it is because the margin between where we can be and what the market is providing is so great.

CHAIR—We understand. Thank you very much for your remarks today; they have been very useful.

Mr Gillam—Thank you very much for the invitation to attend.

Evidence was then taken in camera—

Committee adjourned at 11.59 am