



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE
RELATIONS AND EDUCATION

Reference: Workforce challenges in the transport industry

MONDAY, 12 MARCH 2007

SYDNEY

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

Monday, 12 March 2007

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

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

Senators in attendance: Senators George Campbell, Hutchins, McEwen, Sterle and Troeth

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

FINEMORE, Mr Ron, AO, Executive Chairman, Ron Finemore Transport Pty Ltd 2

McMASTER, Mr Hugh, Corporate Services Manager, New South Wales Road Transport Association 11

THOMAS, Mr Andrew George, National Industrial Officer, Australian Rail, Tram and Bus Industry Union 19

WHITE, Mr Lyle, General Manager, New South Wales Road Transport Association..... 11

Committee met at 10.21 am

CHAIR (Senator Troeth)—I declare open this public hearing of the Standing Committee on Employment, Workplace Relations and Education. The Senate has given this committee broad terms of reference to look at: current and future employment trends in the transport industry; the skills profile of the current workforce; current and future skill and labour supply issues; strategies for improved recruitment, training and retention; and ways of meeting employer demand in regional and remote areas. The committee is due to report on the last sitting day of June 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. I welcome any observers to this public hearing.

[10.22 am]

FINEMORE, Mr Ron, AO, Executive Chairman, Ron Finemore Transport Pty Ltd

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

Mr Finemore—No; I would just like to add to it.

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

Mr Finemore—I think the employment of drivers in the trucking industry in rural and regional Australia is a major issue. Getting new people into the trucking industry as drivers, who pays for their training, and where and how they get experience are real issues. If we pay for it as a company, we have no hold on the person afterwards. So you can spend all that time and money and they can up and leave you for a better offer or a better truck.

Good people are leaving the industry because of better conditions in the mining industry and because of the high cost of minor infringements in points on their licence and the cost of fines. This is becoming more difficult, especially in New South Wales.

Our company is only small. We have 175 drivers. And today we are 17 short. For the last 12 months, we have always been between 10 and 20 short on any day. Forty-nine of these are casual, and if we get rain in the southern half of Australia, half of these will disappear back to their family farms to drive tractors for the cropping season.

The make-up of the fleet in rural Australia makes it impossible to bring new drivers through the system. In our fleet, two per cent of the vehicles are rigid, which a driver needs to have driven for at least 12 months and preferably longer before getting a licence to drive a semitrailer. These are increasingly reducing in number as well, because they are not competitive with multicombination vehicles. Ten per cent of our fleet is semitrailers and 88 per cent is multicombination units. The large majority of the trucks used in rural Australia are multicombination vehicles. A driver needs at least four years' driving experience before he can get a multicombination licence.

However, on top of that, most insurance companies will not insure drivers unless they are at least 25. I do not have that issue because over the years I have been able to show a record, in the companies I have led, of responsibility in employing people and therefore the number of accidents et cetera that we have.

With a very small percentage of rigid vehicles, and an increasing number of single articulated vehicles, it is impossible under the current circumstances to progress enough people through transport companies in rural Australia. Therefore there are almost no productive jobs to utilise young people to progress them through the various categories of jobs and give them the experience needed to be safe—and safety is a key issue. Then, if you do wear the expense, you have no hold on people to stay working for you after you have trained them and given them the necessary experience.

This is where I saw some benefit with recruitment from overseas with the use of 457 visas. If someone gets a 457 visa, they are committed to work for you if they are to stay in Australia. Then hopefully they will get a permanent visa and stay working for you afterwards if you have treated them properly. I have found great loyalty in the past from immigrants I have employed as both drivers and subcontractors and therefore thought that this may be a way of getting additional longer term drivers with experience.

In the past, our drivers had principally come from the sons of drivers or farmers who had spent time with their fathers or the fathers of friends on weekends or school holidays, going with them and learning and getting a taste of and love for the job as they grew up. But changes to OH&S rules and regulations really stops kids from being allowed to travel with their fathers or friends these days. This has cut off a major path of drivers in the past.

What do we do to fix the problem? I do not have the answers, I only know the problems, but somehow training has to be subsidised, somehow we need to find a way to keep the people who have been trained for a period of time after they have been trained to get a recovery. As a whole, the industry, government and unions should support the 457 visa process and allow train drivers, who then have to pass our licence criteria, to be brought into Australia and used in the workforce. Thank you.

CHAIR—Thank you, Mr Finemore. I might start off before I pass to other senators. Who trained the trainees in your firm? When you say that they have four years of training as they move up through the succession of more complex vehicles to drive, who does that training? Is that done by other more experienced drivers?

Mr Finemore—It is a combination. We employ a couple of driver trainers. Part of their job is continually assessing the new applications because, unfortunately, in that 10 per cent there is a major churn rate. In that 10 per cent you get people who start and two days later you find the truck parked in the yard and you never hear from them again or you ring them up and find that they are working somewhere else. At that bottom end, there is a major churn rate, so you have to continue to check people out and make sure that somebody travels with them to make sure that they are safe and responsible. You have to do that for an extended period because somebody can drive for an hour or two with somebody sitting with them and they will have their wits about them and be right, but you need to have someone sitting with them for five, six, seven or eight hours or even a couple of days to get how they really react. A heavy vehicle is a very lethal weapon and in the wrong hands of someone who is irresponsible it can cause a lot of damage. We also train them with senior drivers, but even drivers are reluctant to sit with somebody else and let them drive. Then there is the issue of productively earning some money with those people. In times gone by, years ago when I started in business, a lot of loads used to be handled manually, so you had an offsider who could do some work and assist in that process. Today there is none of that. Everything is forklifted, so there is no other work for that person to do.

CHAIR—Other than driving.

Mr Finemore—Then for the rigid vehicles in rural Australia you have to come through the various categories. There are very few of them. With most of them you have a fight between the older drivers. I know in our operation we have three vehicles and that is all we have in rigids. We have two 65-year-old guys who say, ‘I deserve the right to drive that truck, not to have to work at night time and to be at home.’ You really have to think in that situation. The other one is a younger guy trying to come through this situation. So it is an unbelievably difficult exercise.

CHAIR—When you interview or recruit drivers, what sorts of qualities do you look for? Do you have a standard set of criteria? Apart from, obviously, a drivers licence, what are the qualities that you look for?

Mr Finemore—We used to, but in recent times we have had to try to relax those standards a little bit.

CHAIR—To get people?

Mr Finemore—Yes. But you are trying to get somebody with a stable work history and who has stayed in one place for a period of time. You really do not want people who are unemployed. You want people who are employed somewhere else and want to shift to that location or have some other reason for moving employment. The people who are unemployed are continuing to move. They seem not to be stable employees. You have to teach them the work you are doing and the trucks you are driving. You are looking for people with a safe history of driving. You have to look at their record of infringements et cetera—their driving history. I do not mind a 22-year-old or 23-year-old person if they have come off a farm and they have had a long period of driving cars or tractors around the place.

CHAIR—They have the basics.

Mr Finemore—They have some coordination capabilities earlier. There will be some people of 40 that you would not employ and there are others of 20 that you would. It is those motor coordination skills that are very important.

CHAIR—I also meant to ask you about one of your comments in your submission. You would like to see a reform of the demerit system so that extra leeway is afforded to professional drivers. I see your point, but wouldn't the primary aim be to ensure that the drivers do not infringe in the first place? If we did anything about this, there would be the instant criticism that ordinary drivers are penalised and why shouldn't truck drivers be penalised.

Mr Finemore—I am not saying that they should not be penalised. But the number of points that is allowable is 12 points in most places around Australia. It is double demerits before holiday periods and after holiday periods. So you end up with the situation where everybody who was a truck driver applies to have their holidays in the Christmas and Easter periods and you still have to satisfy the clients.

You can get caught with changes of speed zones. I drive a lot in a car. I try my heart out to do the right thing. I have always said that you have to try to set the right example. Yet I get caught if there is a change of

speed zone. The zones change all of the time. If you are in traffic and you are watching something else, you can miss the zone all of a sudden. If you get caught twice at the wrong time of the year, you have lost your licence, and you have two years. The driver spends probably an average of 50 hours a week on the road. If he loses his licence he has no earning capability.

CHAIR—He is out of a job.

Mr Finemore—If he does a great job he is no different to anybody else. Why not apply a carrot-and-stick approach? You could give the driver that drives for three years with no infringements some extra points—

CHAIR—Credit points.

Mr Finemore—not just take points off them. These are professional people. They are responsible people. They are family people. They can get caught for minimal things. They could be five minutes over in their logbook and they are now bringing points into it. Finding the right place to park safely to rest is a major issue. If they pull up in the wrong place and abide by the law, somebody can run into the back of them and kill themselves. It will not hurt the driver; they will only run up the back of the truck. They can try to do the right thing safely but they can be penalised, lose their licence and lose their livelihood.

You must look at the amount of time those people are on the road and at their exposure. I know that people say they are professional. But you can get caught trying to do the right thing in a very marginal situation. If you drive down the highway there are changes in speed signs. When you come into them they can be at 80, 60 or 40 all of a sudden. The guy is sitting right at the bottom of a hill in the middle of a repair situation with a speed camera. Straightaway you are gone and you can have lost six points. At the wrong time of the year, you can have lost 12.

One of the issues is that the very large majority of truck drivers are very responsible and are great people. No matter what industry you are in, there is always a small element of ratbags. Unfortunately, our industry, as far as the community is concerned, is seen too much as the small minority rather than the great majority.

CHAIR—Yes, I think that was one of the factors that made us think that this would be an interesting inquiry to do in relation to improving that employment image.

Senator GEORGE CAMPBELL—I have a couple of questions, Mr Finemore. Isn't the issue of regulation of the industry one of the critical issues that you have to face up to? A number of the issues that you have raised in your submission all go to how you get around the regulations rather than how you make the regulations apply.

Mr Finemore—How do you mean 'get around the regulations'?

Senator GEORGE CAMPBELL—You want to give truck drivers different treatment in respect of demerit points.

Mr Finemore—They might have to earn them is what I am saying. I am suggesting a different approach.

Senator GEORGE CAMPBELL—But what you have put so far, from what I have heard, is about getting around the regulations—relaxing the regulations so they are not as severe on drivers in your industry as they are perhaps on the general public. From all that I have seen in relation to this industry—and I have not worked in it, but I have observed people on the road and there have been a number of television programs in recent times about the industry—a lot of the problems appear to derive from the fact that the regulations covering the industry are not as strictly enforced as they should be. That also goes to the issue of incomes of drivers if they maintain the regulations.

Mr Finemore—I have a history of 45 years in the industry.

Senator GEORGE CAMPBELL—I was not casting any aspersions on you. I was talking about the industry in general.

Mr Finemore—I believe I have led the industry in change: trying to promote a safer workforce and trying to promote responsibility in the industry. As a result of that, one of the things we did 25 years ago was move to shuttling drivers so that the driver was home every 12 hours, giving people a decent life and changing their lifestyle. I think I have led the way in creating a lot of those things.

Senator GEORGE CAMPBELL—But that is not the case across the whole of the industry.

Mr Finemore—I am talking about issues that I find in our company in my submission. I am not talking about how the whole industry goes.

Senator GEORGE CAMPBELL—From my point of view, we have to look at the whole of the industry.

Mr Finemore—I understand that.

Senator GEORGE CAMPBELL—We cannot look just at Finemore.

Mr Finemore—However, I did go to the trouble to put in a submission because I feel very strongly about this situation. I feel very strongly that the good truck drivers, who do a great job and are responsible, are not recognised enough for their actions. That is why I was suggesting that if somebody drives professionally for three years or another period, why can't they get extra points? Too much in society we penalise rather than recognise performance.

Senator GEORGE CAMPBELL—But if there were reasonable regulations in this industry, associated with reasonable income, would it be as difficult to get drivers as you are experiencing at the moment?

Mr Finemore—You talk about reasonable income. From where I sit, we pay above award wages. We pay people more for staying with the company for a longer period. We have paid people incentives for not having issues. Who, as a parent, looks forward to their child becoming a truck driver when they grow up? Great!

Senator STERLE—I do.

Mr Finemore—I do too. I started as a truck driver. That is how I am in the industry, so I do know something about it. I probably fight the drivers' case, both with management and everywhere in organisations. I have still got my licence. I am probably one of those 100,000 people who have licences who are not driving in the industry. There are a lot of them. We have got 30 in our company—people who have heavy vehicle licences. I still drive. If I find somebody is sick or not well, I will drive his truck to get the vehicle to where it needs to be or to give him a spell—I will drive instead of fly. I find with people that remuneration is not the major issue. There is a small percentage for whom it is. There are people in the industry, but there are so many jobs available that nobody has to work in the industry for somebody who is not treating them fairly. These days nobody has to do that, in my opinion.

Senator GEORGE CAMPBELL—But there is a correlation between remuneration and the regulation of the industry, isn't there?

Mr Finemore—We ask people what they want to work, and if people only want to work 36 or 38 hours, that is all they get. If people want to work 60 hours, they can. At different stages in life, people have a different requirement for earning power. You go through the various stages. We try to schedule the work for people to work what they want to work and what they can work legally. We schedule people to work up to 60 hours. They can work up to 72 hours, but we never schedule 72 hours. We only schedule up to 60 hours, because Murphy gets involved—he gets up every day—and things go wrong, so you have to make sure you stay under the legislation and the rules.

Senator GEORGE CAMPBELL—I am not necessarily talking about your company, but it is true that many drivers in this industry are forced to stretch the regulations in order to make reasonable incomes.

Mr Finemore—I do not think it is many. I object strongly to the word 'many'. I think you will find that today. There is legislation and there are rules. In my period as the Chairman of the Australian Trucking Association I was one of the key drivers of the chain of responsibility legislation, so other people became responsible, not only the truck driver. Everybody in the chain became responsible, from the consigner of the freight to the receiver of the freight to the operations people. Everybody passed a blind eye to this. But governments are also responsible for not controlling and not enforcing regulations. The person who does the right thing is penalised, not the people who are allowed to continue to operate doing the wrong thing.

Senator GEORGE CAMPBELL—What sort of things do you think government are not doing to enforce regulation?

Mr Finemore—They are not standing on the side of the road in the middle of the night to see the trucks that are running fast. I can tell you who they are every night between Melbourne and Sydney, and Sydney and Brisbane. They are the same trucks. Those blokes never get penalised. You know the companies. You can pick the people who are doing problematic driving hours and the people who are being asked to do extra hours. Everybody in the industry knows who they are.

One of the things the legislation has done is force some of the major companies that are consigners of freight and receivers of freight to at least monitor what they do. There has been major change at companies. The TWU, in New South Wales especially, had a major public campaign against Woolworths on the situation.

Woolworths is monitoring who they employ, who they use to do their work. It is with monitoring and auditing that people do the right thing. So that is a major move.

The chain of responsibility legislation has not been in for very long. That will create and is creating a major difference. What we need is the policing authorities in the various state governments around the country to enforce, as Queensland has with the assistance of the TWU on some people who were strongly and badly doing the wrong thing—to get stuck in. There are only a few that need to be addressed and made public, and it changes a lot of other people. Every day I get a phone call from somebody who wants to get out of business because it is too hard or because the regulations in place are being enforced and they either want to get out of the business or to have no succession. So there is major change taking place.

Senator GEORGE CAMPBELL—When you talk about subsidised training, who are you suggesting should subsidise the training?

Mr Finemore—There is only one person who can subsidise training and that is the government.

Senator GEORGE CAMPBELL—Other industries have levies through which they subsidise their training, which is paid for by the industry itself. It is not paid for by government.

Mr Finemore—In my previous history, I ran a company where we spent a lot of money on training people. But I got taken over because I spent too much money as a public company and did not make enough money. The company that took me over does not spend any money—or spends very, very little money—on training. So I was developing and training people and spending a lot of money on it. You have got no hold on them continuing to work for you. As a company I did not get the rate of return that was necessary for the shareholders. I was developing people for the future. But that company does not exist anymore because of that.

Senator GEORGE CAMPBELL—But there is the same problem for the engineering company down the street or carpenters—

Mr Finemore—In the number of people that can start up, our industry seems to be one where you can get a start in the industry very easily and get work. I have been a strong advocate of industry representation and industry associations. It is difficult to get people in our industry to be members of those associations. They want everything, but they do not want to put any contribution in. That does not help you. I understand that. It is a real problem.

Senator GEORGE CAMPBELL—Do you have any links with the TAFE system or any training providers?

Mr Finemore—In our office in Wodonga we do some work through TAFE, but TAFE just cannot get people who want to go into courses.

CHAIR—Is that because they are too busy driving or because they would sooner make income?

Mr Finemore—No. They are people who are not driving. They are trying to get new people into the industry, but they have not been able to get people to apply to be in the courses.

CHAIR—People do not see it as a desirable industry.

Mr Finemore—If you look at Wodonga, the unemployment rate is less than two per cent.

CHAIR—That is right.

Senator McEWEN—I am curious because you mentioned remuneration. Can you give us a sense of what a truck driver would earn? You say you pay above the award, so when you are advertising for a truck driver, what sort of wages or salary package can you offer them?

Mr Finemore—We do not advertise the dollars. You get people—

Senator McEWEN—What are you prepared to pay them?

Mr Finemore—The issue is not what you pay to get them in the first place, it is what you pay to keep them. If the people that you have working for you are doing a great job, they should not be penalised. They should be at the higher remuneration. New people who come along should have to earn that situation. We pay in different ways through the different parts of our business. But the rate is around \$28 an hour.

Senator McEWEN—Around \$28 an hour?

Mr Finemore—Some are above it. I am talking off the top of my head here. I do not have the list of what all the rates are and I do not run the day-to-day business.

Senator McEWEN—I know. It is just that you say in your submission that you are losing people to the mining industry. It would be useful for the committee to know, because we know what wages are in the mining industry, what the relative wages are in the transport industry.

Mr Finemore—We had tanker drivers who were working around 50 hours and earning about \$80,000 gross annually. They have gone to the mining industry for \$120,000, three weeks on and three weeks off, and being flown to Western Australia and back again.

Senator McEWEN—Would the \$80,000 earners be employees?

Mr Finemore—Yes.

Senator McEWEN—And that would be for roughly a 38-hour or 40-hour week?

Mr Finemore—No, that would be about a 50-hour week.

Senator McEWEN—Okay.

Mr Finemore—Drivers earn more money than anybody that manages them, other than the most senior people. That is why we have difficulty getting people to come into management as well.

Senator McEWEN—Whenever the committee is dealing with shortages of employees in particular industries we have difficulty getting a sense of the profits forgone by the industry because of the inability to get those employees. Have you done any assessments of profits forgone in your company because you have not been able to find 17 employees?

Mr Finemore—Yes, I have.

Senator McEWEN—And? From your point of view is it a lot?

Mr Finemore—It is substantial. The high fixed cost in the transport industry is a high proportion. Once you get to breakeven, 50 per cent of your additional sales goes to the bottom line. So a considerable amount is forgone. You have to satisfy the clients you are contracted to and either subcontract or use other people's assets to provide the other service. You get very little contribution out of that. You might get a five per cent contribution compared with a 50 per cent contribution—after you get to breakeven.

Senator McEWEN—One last question: a number of submissions to the inquiry have noted that it is a very blokey industry—most of the people who work in the transport industry, particularly in the driving side, are men. Are you aware of any programs or initiatives that your own company has undertaken to encourage women to participate in this industry?

Mr Finemore—In my previous life we tried very hard to encourage women. We have successfully employed several, but there is not a big number. We are trying to specify equipment that is more user friendly. All the new equipment has got automatic gear boxes. It is pretty easy but it is still something where experience is the key. It takes time to get that experience. I am not aware of any specific programs to encourage women in the area.

Senator McEWEN—In your view, what are the barriers to women participating in the industry? Is it the hours? The culture?

Mr Finemore—I do not think it is the hours. It is a 24-hour industry but there are a lot of industries that are 24 hours, seven days a week, and weekends, that women participate in. Maybe it is the culture. I pushed to employ women and I have some real bad experiences where the women, different from the men, would not allow anybody to help them—had to do it all themselves, had to be independent. Whereas the guys, if they had a flat tyre on the road and another truck was coming they would pull up and help. The women had to be independent and do it themselves. That held them up; that took longer. The women who take on the job seem to want to be totally independent and do it all themselves. They seem to want to prove themselves. But no man does that. They accept help when they need it. That is the major difficulty I have found.

Senator STERLE—Firstly, I am a supporter of the transport industry, so do not feel ambushed by my line of questioning. There are a few things I want to raise with you. In your submission you talk about an apprenticeship or substantial subsidy. Senator George Campbell asked you about the subsidy. I am interested in how, if we introduced apprenticeships into the transport industry, that would go a long way to alleviating the skills crisis in the future.

Mr Finemore—I do not think any one thing will alleviate the problem for the future.

Senator STERLE—I agree.

Mr Finemore—I think we have to do a lot of things to do that. All I am saying is that I think we have to work in all the different areas. One of the big issues is the time at which young persons leave school. The persons who end up as truck drivers, in the majority, are the ones who should leave school at year 10 rather than wasting their time going through year 11 and 12. I am talking as a father with a son who has done that, and it was the greatest waste of two years of his life that ever existed. He wanted to be a truck driver too. He was fortunate that I could send him to do other jobs—wash out stock crates and all sorts of things. But if you do TAFE—at that time there were not any courses—there are a lot of skills that you can add. There are a lot of skills in driving and advanced driving that can be taught to people to add to the practical side of working.

Senator STERLE—I have a Western Australian slant on it, but I am aware that around Australia in the last two years we have had existing employee traineeships and in the west we have school based traineeships. I do not know if that is extended all around the country. I am all for having apprenticeships in the transport industry, but could you expand on how apprenticeships, if they were introduced in the transport industry, could go a long way towards alleviating the skills shortage?

Mr Finemore—It definitely will not go a long way; it will go part of the way. I am trying to come up with ways for it to work; I personally have difficulty with it working. I cannot sit here and tell you all the problems without trying to come up with a contribution on the solutions as well. So spending some time on learning those skills, and having some jobs in an organisation where people can be productive and contribute as well, would help.

Senator STERLE—I fully understand. I am not trying to box you into a corner, but how would apprenticeships differ from traineeships?

Mr Finemore—Call it what you like. Where we sit at the moment is that we need to pay the people sitting alongside the driver the same amount of money as the driver is earning.

Senator STERLE—It is a bit like bricklaying. Bricklayers are wanted but you can only apply if you have the skills to do it, so where are people going to learn? The transport industry has the same problem. I understand that.

Mr Finemore—I go through the process of doing that. One day after you have got them to a position where they can drive, somebody else offers them 1c or 2c a kilometre extra or a better truck to drive and they are gone. You have spent 12 months and \$50,000 and you get no return for it. That is the whole problem as I see it from what I have been doing.

Senator STERLE—I would like to spend a bit more time on that if we can. You did say that no-one today has to work for someone who is not paying the correct money—I think Senator Campbell asked you about remuneration—but you further said that there is a ratbag component out there. You have said once again that you spend money training people and doing the right thing—putting them in uniforms and safety boots and through all sorts of occupational health and safety courses—and then they up and leave you. The sad reality in your industry is that they will go and work for someone who is not doing the right thing.

Mr Finemore—I am not saying they go and work for someone who is doing the wrong thing. There are plenty of people doing the right thing but not spending any money on training.

Senator STERLE—Maybe I should rephrase that. They are going to work for people who are not investing as much in training young people for the future. That is the sad part. I have not met you before, but I am aware of your commitment to the transport industry over the last half a century. Would it be fair to say that, unfortunately, the majority of employers in the transport industry do not have that commitment or foresight and have not spent the money, time and effort on training, and that is what has led us to where we are now?

Mr Finemore—I did not think that has led us completely to where we are now. We have had a change in society in that nobody wants to do a certain category of jobs today. The young people in rural Australia want to live in Melbourne, Sydney and the Gold Coast, not rural Australia. So there is a combination of things. I do not think it is any one thing. But I agree that a lot of people have not contributed.

Senator STERLE—I understand that the transport industry can be a very rewarding industry both financially and professionally. There is no argument about that. But, sadly, there are varying degrees of conditions, wages and earnings. Do you agree with that?

Mr Finemore—Yes.

Senator STERLE—That brings me to your comment about 457 visas. In your submission—and I have absolutely no reason to doubt you—you said:

The argument put by others that these people would be underpaid is wrong.

We are talking about immigrating truck drivers. You then said:

They would be paid the same as their Australian counterparts.

That would definitely be the case with you as the employer, but if truck drivers on 457 visas were brought in, there is absolutely no way anyone could guarantee this committee that they have done the right thing. You have done the right thing by them: you have employed them; you have trained them. But, once their term is up, they can take off, because they do not want to live in rural Australia. They might want to live on the Gold Coast, Melbourne or Sydney. Sadly, we will find that workers, whether they are 457 workers or they are Australian citizens, born here and trained in Australia, could well be and will be exploited.

Mr Finemore—That will happen in every part of society, though, won't it?

Senator STERLE—Yes, it will, and there is no argument from me, but I just want to clarify, certainly from your point of view, that would not be the case. You could not speak for the rest of your brothers in arms?

Mr Finemore—To get a 457 visa, the company has to be approved.

CHAIR—Correct.

Mr Finemore—The company itself has to be approved and then that company can be audited.

CHAIR—That is correct.

Mr Finemore—I am happy to be audited by the TWU, or by whoever wants to audit the situation, in that exercise. There are two problems with visas, as far as I am concerned: one, truck driving is not a skilled occupation, and I think it is a skilled occupation, and I will stand up and fight. The TWU always love to hear me say that, don't they, Senator Hutchins? I have stood up for them in the 45 years that I have been in the industry and said that. I think they should be recognised and rewarded accordingly. I do not have a problem with that.

In South Australia I took over a company called Friendly Transport that had 300 subcontractors. Most of the subcontractors were immigrants, because their principal was also an immigrant. Before we took them over, they were definitely being exploited. Afterwards, I wanted to pay them fairly for what they did and employed them accordingly. Those people were unbelievably loyal and still are today.

In Queensland a couple of Vietnamese drivers came to work for us. We went through the process of training them. They then brought along their brother, their cousin, their uncle, their aunty and their sister. We went from having two to having 25. All of those people were paid. They were union members. They were treated appropriately and did a fantastic job and contributed to society in a responsible manner. Those two examples of my past experiences were both positive.

Senator STERLE—But that is because you are a responsible employer who treats your people fairly. I know your reputation. I have heard more than enough about you over the years, and please do not take that the wrong way. But we cannot guarantee that every employer in the transport industry—and I hear you say they would be audited—your competitors, who are competing against you for the same contract, would have to pay—you pay \$28 an hour—anywhere near that, yet they would still pass the auditing by Immigration.

Mr Finemore—Anybody that tenders for a contract today should think very seriously about how much wages they are putting into it. I have just tendered for a contract that I do not have, and I have not put award wages into it, because I know that I will have to have more money. It is no good winning the contract and not being able to deliver on the service levels or get the people. I can buy the trucks and do all the other things, but the one key thing I cannot deliver today is drivers. I am going to have to pay and treat people reasonably in that situation to get them. The people who treat people properly will be the ones that have the business and will have the majority of employees. The ones that do not will disappear. I think we are heading into a situation and part of the way through the situation we will see a major fall-out of a lot of those companies and operators.

Senator HUTCHINS—It was a bit of a disturbing statement you made that you had only three rigid vehicles in your fleet at Wodonga. I do not know if you have had a chance to read the RTA submission. I am not being critical of the RTA, but they make the observation:

Vehicles and loads will either become bigger driven by productivity and regulatory reform or smaller especially in the case of urban based courier and taxi truck services.

Once upon a time young men, in particular, would work through from loading and unloading a vehicle and a container to driving a forklift and then graduate from driving a rigid vehicle to a larger vehicle. It appears that that is not going to exist anymore. What do you see happening in relation to the multicomination licences in the future? It seems to me that people will have to come straight out of high school and into being able to drive very heavy vehicles.

Mr Finemore—They cannot do that.

Senator HUTCHINS—But how will they get experience in this new environment, because a bloke who drives a courier van is probably not going to be able to graduate to driving a heavy vehicle?

Mr Finemore—We only have three vehicles, because we are not in that type of business. The business that we operate in does not do small deliveries and those sorts of jobs. The vehicles we have pick up fruit from orchards, bring it into a central place and load it onto other vehicles. The problem in rural Australia is that the smaller vehicles are not economical. They cannot compete with the other vehicles. You are talking about training. How do they teach airline pilots? I think we have to spend time on simulators. I think we have to look at other ways. Many years ago I looked at simulators in the US. At that point of time they still needed a lot of work done on them. We looked at buying one and setting it up at Finemores and doing that sort of training. You are still going to have to do some practical training, but I think simulators are one of the things that we are going to have to look at.

Senator HUTCHINS—How much would one of those simulators cost?

Mr Finemore—Today I have no idea, but I do know that all that technology has got a lot cheaper since I looked at it last time. Last time it was going to cost me half a million dollars for one. That was 10 years ago.

Senator HUTCHINS—How much would it cost your company to go through the hoops to get a 457 visa to get someone from wherever to work here?

Mr Finemore—Quite a lot of money. What we have done is take a driver trainer overseas, hire a vehicle, go through the driver test and test that the drivers have had the experience that they say they have. There is the cost of flying there, taking a guy over there, hiring the vehicle and flying me there to interview them personally. There is the cost of the airfares and the process and all the paperwork. It is many thousands of dollars.

Senator HUTCHINS—Have you been successful in getting people with 457 visas?

Mr Finemore—No, because the two departments in Canberra cannot get the two hands to play together.

CHAIR—Isn't it also that they don't see truck driving as a skilled occupation? There is a limited range of occupations—

Mr Finemore—Under the 457 rule, you are supposed to be able to get through the hoops. I know of companies that have got through the hoops, but ours has not. I have tried to extend the situation and get it a bit more reasonable, but we have not been successful at this point in time. I have a list of people to whom I have offered jobs who have many years of experience and who have learnt English. Part of the requirement was that we could not have people who did not pass the English test, and they have done that. I have not been able to get the visas as yet.

Senator HUTCHINS—Have you been looking at any particular country?

Mr Finemore—Yes.

Senator HUTCHINS—Which one?

Mr Finemore—I went to Poland because the majority of the people who work for me in Adelaide were Polish, and Poland had 30 per cent unemployment. I am not racist in any way. These European people had assimilated into Australian society very well. I could have gone to Thailand because I had a big operation in Thailand and I could have got a lot of people to come here, but those people found it a lot more difficult to learn English. A lot of the truck drivers in Poland operated long distance travel all over Europe and therefore they had to get away with some English. They had part English in that situation. Those people, with the high level of unemployment, where they were in the economy and everything, I thought, would best fit into our society here.

CHAIR—Thank you very much for appearing before us today; it has been most valuable.

[11.12 am]

WHITE, Mr Lyle, General Manager, New South Wales Road Transport Association

McMASTER, Mr Hugh, Corporate Services Manager, New South Wales Road Transport Association

CHAIR—I welcome our witnesses from the New South Wales Road Transport Association. Thank you for your submission. Do you wish to make any amendments or alterations to it?

Mr White—No.

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

Mr McMaster—The New South Wales Road Transport Association has represented road transport operators since 1890 and is the industry's peak body in New South Wales. Workforce challenges in the industry arise primarily from an expected doubling of the road freight task in the next 15 years or so. As we say in our submission, road freight competes with other transport modes for the pick-up and delivery of freight. However, with increasing client demands, road has taken market share from other transport modes. There is also a trend towards direct pick-up and delivery of freight and less reliance on warehousing as well as using transport yards for the movement of freight from one point to another.

The road freight industry interacts with all sectors of the economy. The demand for road freight is derived from the collective needs of clients and is subject to seasonal and cyclical conditions. This shapes the demand for labour and the skills needed to ensure freight is moved safely, efficiently and in accordance with client expectations. Truck driving is the major occupation in the industry. There is also a significant proportion of people engaged in warehousing tasks such as forklift driving and in operational roles. Most other roles in road transport are prevalent in other sectors of the economy. These include roles in areas such as management, sales and customer service, financial management, vehicle repair and maintenance as well as information technology.

Notwithstanding this, the industry needs the skills to deal with all sectors of the economy and all other transport modes and to move all types of freight, including but not limited to dangerous goods, refrigerated goods, livestock and oversized loads, around the corner, across the country or around the world. Other notable trends having an impact on the industry skills base are an increasingly complex regulatory framework, increased recognition of a credit and audit regime as alternatives to the traditional regulatory approach, and the emergence of a greater level of responsibility in areas such as occupational health and safety and environmental sustainability.

Traditionally, skills have been based around measures such as the graduated drivers licence scheme and qualifications to use forklifts, cranes and other equipment. These have been supplemented by training in specialised areas such as the transport and storage of dangerous goods. In more recent years, traineeships developed under the Australian qualifications training framework have proved popular with many employers. The range of modules developed under the AQTF system across the transport and storage sector reflects industry skills needs. The New South Wales Road Transport Association, alone, has trained or is in the process of training 7,000 trainees through 4,000 short courses.

At the heart of the industry's workforce challenges are the lack of a formal career path and an accompanying institutional framework, insurance issues for truck drivers under 25 years of age, perceptions regarding working conditions and lifestyle, the domination of males in the industry as well as recruitment and retention strategies amongst employers. We know the average age of workers in the industry is increasing and that employers will need to become smarter in how they recruit and retain employees. We know the proportion of the population in the traditional working age range of 15 to 64 years will fall. These demographic factors, when combined with the industry's workforce challenges and its laissez faire approach, mean that the industry is starting well behind many others.

We do face a skills shortage in the industry. However, because all freight moves by road, we must do whatever we can to institute cultural change; otherwise, we will experience bottlenecks. There will not be the drivers to pick up and deliver or the warehouse personnel to keep goods in storage. Governments need to work with industry representatives to change the mindset. The New South Wales Road Transport Association is ready to put up its hands and help where possible.

CHAIR—Thank you. Do you wish to add to that, Mr White?

Mr White—Yes. A passion of mine is the creation of a framework that makes the industry work. I noticed that a lot of the issues discussed with the last speaker were based around operators—the good ones, the bad ones et cetera. What we fail to have in our industry is a qualification framework. We can talk about a training framework, we can talk about all of these issues, but we do not have a qualification framework. If I asked: ‘What is the qualification for a person to drive an MC truck?’ people may say, ‘It is a licence to sit behind a wheel.’ If I asked: ‘What is the qualification for a person to drive a forklift?’ they may say, ‘It is a licence to sit behind a wheel.’ If I asked: ‘What guarantee do we have that that person has had any additional training in the workplace?’ they may say, ‘None.’ If I asked: ‘Is there any need to?’ they may say, ‘No.’ There is no qualification. It all falls back on the individual operator and his feeling good about putting training in place or suddenly clouting you across the ear and saying, ‘You’d better do it, because you are going to fail an occupational health and safety system.’

The association and I believe that there should be a qualification framework in some form that offers professionalism. A number of applications I have made for funding suddenly find a brick wall because we do not have recognition. Other industries have recognition. If I were a bricklayer, I would have to be a qualified bricklayer. I do not have to be a qualified truck driver; I have to have a licence. Why don’t I have to know all the other skills? What are the skills? Who has identified them? Are they aligned with a payment scheme? What is the role? We do not know, because we have this bunch of people who wander through the industry getting specific qualifications about a specific skill, not a unified total qualification. It is the qualification that is missing. We have the skills to make that qualification with the TDT packages which have been very carefully designed and developed around skills. Many people have put many hours into developing the outcomes for those skills so that they are highly identified.

What have people achieved in getting a certificate II or certificate III in transport and distribution? Absolutely nothing. It is just a piece of paper that has a qualification on it. What recognition is there of it? Absolutely none. We do not have any streamed qualification framework to recognise the professionalism of a transport operator. I am not just talking about truck drivers; I am talking about the industry, because a good truck driver is based on a good manager. A good manager is based on a good framework and a good framework recognises a qualification of a person who has a diploma in logistics so that he understands how to handle people. Foremen need to have been given the right qualifications so that they can deal with handling that individual, so that they can address conflict, so that they can address drugs and alcohol and so that they can address all of these issues. They are professionals in their role.

What do we do? We make truck drivers into operations managers. Have they had any training? No. Remember the rule: if you have a licence you can become a truck driver, if you become a truck driver you can become an operations manager. What will they take with them? They will take all those learned skills unless they are given a proper qualification that says, ‘You cannot become that until you go through this level.’ In any other industry you would have to do that, why not in ours?

Mr McMaster—I think what Lyle is saying is that, for professions, we recognise something in a formal way and we do it in the trades, but it does not happen in an industry like road transport. Something like 3½ per cent of the economy is derived from road transport. It employs something like 200,000 people. But for all the occupations in the industry, whether they are driving a vehicle, being in the radio room or being in the managerial room, there is no formal structure. There is no institutional framework behind them.

One of the things our association wanted to do was be part of the Australian technical colleges framework. We could not do that and the main reason for that was that the occupations in the industry are not associated with the traditional trades. So the associations that represented the building trade, the metal trade et cetera are affiliated with the ATC system. Our association, which wanted to be part of that, was left out of the loop.

CHAIR—I might ask you some more about that in a minute. I would just like to ask you what sort of elements in addition to occupational health and safety and dealing with people—which are elements you said should be in the framework—would you like to see specifically?

Mr White—Specifically, you build a framework. For example, you start with the job description for the particular position, which is a heavy vehicle operator. That heavy vehicle operator is going to have an achievement of, say, level three. The waste industry has done this particularly well, and I know the civil construction industry has too. You identify the skills that are core. Part of that core is having a common level at the bottom—security, manual handling, following occupational health and safety and the ability to carry out risk assessments, because any truck driver who goes through any area anywhere, no matter what he is driving, is expected to carry out a risk assessment. When you are coming into a roundabout, how many risk

assessments do you need to carry out? When you are driving down the road and you are passing a car, how many risk assessments do you have to do?

Once you have taught the skills of being able to do this, you are starting to deal with the development of the learning of these individuals. Remember that, at the moment, a lot of them have left school at year 9, if not before. So we are expecting a higher level skill from them without actually doing the training. To me, the risk assessment is a real core. When it starts raining, do I drive the same as when it is not raining et cetera? That becomes part of the core. Manual handling is another one, because that is an injury based one and so on. So you have this core of maybe nine units that would become the certificate I core.

In certificate II you start to go to the operational level. You start to look at the loading and the handling of the load, and that becomes particularly streamed based on the particular type of operator that you have got, whether it be dangerous goods, livestock, furniture, whatever. That becomes then a stream and they start to build those streams. You put your level in and, say, the heavy rigid level comes in at that stage.

When you go to certificate III, this person is a person that starts to manage his load. He actually understands what the loading is, he actually understands how to do his driver fatigue management plan, he actually understands self-management as far as fatigue management is concerned et cetera. So he is taught how to do these things. We just do not just expect or suspect that he knows how to do them and just shove them out there and shove them in a half-hour course and say, 'Now you know all about it,' but he understand stands how to do his calculations and all the rest of it, so he has a clear understanding of all of those by III.

By the time he gets to certificate IV you start to talk about the supervisor. He is the person who has to manage all of these skills. He has theoretically come through all of those three levels, gets to IV and then has a clear understanding of those and is taught the managerial skills—how to manage those people on the way down. At certificate V you get to the depot manager, the branch manager, which is the diploma level, and then to the advanced manager level, which becomes general manager. They become mandatory levels and you cannot get into those levels unless you actually perform them, and there is commensurate pay.

CHAIR—And the Australian technical colleges—was it possible to be affiliated with them?

Mr White—Yes. I was the representative on the Australian technical college in Western Sydney. We went right through it. From the original submission—we went with Brendan Nelson and it was all signed off—they were aware that we had traineeships and that we were putting traineeships into place. We went through all the pain of getting it approved with the department of education, getting all the modules accepted and all the rest of it so it could be done in years 11 and 12. Then, at the last minute, we were refused entry to the ATC. The basic reason for that was that we were not a recognised skills shortage area—which leaves me a bit mystified; I cannot quite understand how that came about. The other one was that we were not a traditional trade. So we were exempt because of that. So which one do you want to get killed on? You can have one of the two—it did not matter, take your choice—you were not going to get through anyway.

Mr McMaster—It is probably fair to say, too, that the two are linked. There are probably better stats and analyses on the traditional trades or the professions than there are on so-called unskilled occupations like truck driving or forklift driving or other occupations that are associated with the industry. So part of what we have to do is better understand the nature and the extent of the shortage in the industry and the significance of that.

Mr White—I would like to propose a theoretical question to the inquiry: how many industries provide a new operator with \$500,000 worth of equipment, a million dollars worth of load and put at risk the lives of thousands of people every day and are not a traditional trade? That is what the transport operator does. He has to make decisions about all of those things every minute of every day. He drives down the road and he passes cars all the time. If he makes a mistake he puts the lives of other people at risk. He needs to be well trained, well taught and he needs to understand all of the issues. It is not just the company that controls that. There has to be something that is a bigger picture.

CHAIR—Can some of the research that you are undertaking in conjunction with the TWU begin to provide some of those statistics?

Mr McMaster—I was interviewed as part of a grant given to the union, which in turn hired the communications company. I guess we tried to say that there is not a lot of good information out there on the industry. There are probably plenty of areas where the practices of employers, in terms of recruiting and retaining personnel, could improve a lot. But if we do not understand the nature of the problem, the nature of the challenge, we cannot have the policy framework and the institutional framework to address the problem. So we need to better understand that. Certainly, we would be very strong advocates of more support—

CHAIR—Information gathering.

Mr McMaster—from government to help better understand what issues are out there. We are not even at first base. I have a copy of the report from Globe Communications with me. It is a good start, but it is qualitative information; it does not provide a solid basis for developing policy and agreeing on a way forward.

Senator STERLE—Mr White, I want to ask you a few questions on your submission. I could not agree with you more. As CEO of the New South Wales Road Transport Association do you have the same support from the membership?

Mr White—If you use the measure of the number of people who have used the traineeship, and the frustration of the members that we have, I would say, yes, we do have the support of our own members. But I cannot talk for the whole industry because we only represent a small part of it. One of the big sectors that is missing from that whole scenario is the contractor. We do not have a lot of individual contractors who are part of that process. However, I believe they should be subject to the same thing. When you start talking about the core entry level, that should be a business management level so that at some stage these guys understand that I have to carry out all the core business activities to be able to get into the industry, which means I have to understand how my maintenance is done, make sure that I have the money available to do that, know what my costings are and all that. So that becomes part of the entry level as well as the qualification. I believe both should occur.

Again, the money that has been made available for traineeships, for example, is not available to contractors. We have thousands of contractors out there who are virtually, theoretically, untrained because there is no money available and they will not do it unless they are forced into and somebody else is paying; they do not want to put their hand in their pocket. That is why I believe the qualification system needs to be in place; you do not get to become a contractor unless you have gone through basic business management and can demonstrate your competency. Now that you have those competencies, can you demonstrate your industry competencies and therefore get your qualifications? Part of our association does not represent that part of the body; we have only a few. But from the ones that I talk to—and I am very close to the industry—I know that we need that sort of framework, because a lot of them get into trouble.

Mr McMaster—I will answer that in another way. We mention that we trained about 11,000 individuals and 7,000 of those were through traineeships. That tells you, I think, that there is a core group of our members who are passionate about offering some sort of training and aligning that training with, in particular, the Australian qualifications training framework, which was developed through TDT Australia—the model Lyle referred to earlier. But there are others who really do not see training as being that important. So there are a lot of companies in the industry, a lot of employers, who have some way to go before they recognise the importance of giving the workers who work for them the qualifications they need. As Lyle said earlier on, we have a long way to go before certificate I, certificate II, certificate III et cetera are recognised as a formal qualification in the industry and linked to a defined career path.

Mr White—Once you make that qualification a compulsory status in the industry, you stop all the other crap.

Senator STERLE—I could not agree with you more. How many of the 11,000 trainees you have trained or put through the training programs were existing employees?

Mr White—We were only allowed to do a maximum of 600 new entrants a year, and we are just about at our maximum of 600 a year. Over five years we have done around 2½ thousand new entrants out of that 7,000.

Senator STERLE—Are any of these school based?

Mr White—There is a problem in New South Wales doing school based traineeships.

CHAIR—What is that?

Senator STERLE—Do you want to tell us?

Mr White—Yes. It is an industrial issue that is, I believe, in the process of being fixed. There is no award for school based traineeships.

Senator STERLE—Are you aware of what the West Australians are doing—the TWU and the Transport Forum?

Mr White—Yes, I am—and in Queensland. It has worked extremely well, and so has Queensland. I believe we are moving towards that in New South Wales; we have not quite got there yet.

Senator STERLE—Good; I wish you luck. I want to pick up on a statement made, unfortunately, that in your industry training ‘is only done if someone is whacked around the head with legislation or regulation’. There is no quick fix but, sadly, this sort of thing led us into this skills crisis. I am not sure whether it is as prevalent here as it is in Western Australia and certainly Queensland and South Australia.

Mr White—I do not think it totally led us to this crisis. The crisis is a result of a multiplicity of sins, and one of them is the insurance issue. I keep going back to this qualification thing—if you had a qualifications system this would not happen because you would have people attached to you from the time they left school until the time they finished. If you send a person away for a few years, he suddenly finds there is a lifestyle doing IT, hospitality or anything rather than hanging around and waiting until he is 25 and then coming back to be assessed to see whether he can drive or not. He is not going to hang around. Suddenly he finds a job where he can work 12 hours a day and make more money. Why would he come back to the transport industry? That is a major impact. We loose them—they go away and they do not come back.

Once you have the qualifications you have a pool of people that you know you can interchange. You can start to do the job-share thing. People can work three days a week or four days a week so you can still have your seven days operational—as long as you have got the pool of skilled people. Without the pool of skilled people you cannot do it. Without the qualification you get no recognition of skilled people. I hate to be like a parrot; I keep coming back to that one issue. Without the qualification the other issue does not exist. Not only that, with the qualification you can then go to the insurer and say, ‘Wait a minute, we have these people coming through. Here, you do an assessment on them, an evaluation’—and I have been able to swing this with NTI a few times and put people in place. They have become 21-year-olds who have become very valuable employees and have a much better safety record than some of the older guys.

Senator STERLE—In the submissions we have heard so far we understand it is a tripartite problem that we have: employers, unions and employer associations, and trucking contractors. But I would like your view on the monster that has been created in the last eight to nine years of labour hire companies. I certainly have firm views that they have absolutely no commitment to the future of the transport industry but I would be interested to hear your views.

Mr White—I believe they are a stopgap exercise forced on us by what is happening. If they were put under the same regime which required qualifications—here I go again—and if that qualification was in place and it was compulsory for them to have that qualification, we would not have a problem with labour hire companies because they would be a source of people being able to move around everybody. But they have to have the qualification. Some of the labour hire people that are supplied have absolutely no skill whatsoever. They are just a body that is placed in the transport industry and the poor operator cops this person thinking he is getting a qualified person, and he is not. They should be put under the same regime.

Mr McMaster—To elaborate on what Lyle has said, labour hire companies can, if you like, supply an accountant, lawyer or somebody who has a skill that is recognised within a formal framework, and you know as the employer that you will get somebody who will have a recognised qualification and should be able to perform a certain task with some competence and certainty. The other thing we have to realise is the nature of the industry means that you will get seasonal and cyclical cycles, so there is probably realistically a role for labour hire type companies. The issue is to ensure that, as Lyle said earlier on, the people that are supplied, however they are supplied to an employer, have a recognised qualification. Therefore it is the person and the skills that are more important than where the person comes from or how they end up being employed or engaged by the employer.

Senator HUTCHINS—I have two questions. I do not know whether you were here when Mr Finemore was commenting on the issue of points for professional drivers. Does the association have a view?

Mr White—I was not here when he said that.

Senator HUTCHINS—Mr Finemore was advocating, in one form or another, that professional drivers may need some consideration, and have more than the 12 points, because of the number of hours they are on the road. Does the association have a view?

Mr McMaster—The association in the past has certainly advocated the idea that we should try and have a carrot and stick approach to the points system. In other words, for a period of time—and who knows what that should be?—there should be some reduction in the number of points accumulated, to reward good driving behaviour, and that should be offset against poor driving behaviour. Certainly, I think that if a driver does, say, 200,000 kilometres a year, as opposed to somebody living in a major city like Sydney who drives 15,000

kilometres a year, there may be the case for adjustment to the points system. On the other hand, there is an argument that asks: if you are a driving vehicle for a living why should you be given some sort of tolerance in terms of the amount of travel that you do?

The other issue is that it would be pretty hard to administer the difference between a short-haul driver driving around town, who might do 40,000 kilometres or 50,000 kilometres a year, as opposed to somebody driving long distances in the line-haul type of function. So I can understand where Mr Finemore is coming from but I think a much better approach would be to use more of a carrot and stick approach as far as demerit points are concerned.

Senator McEWEN—Of those 11,000 people who have been through your training courses since 2002, how many were women or girls?

Mr White—A very small percentage—probably one or two per cent; that would be about it.

Senator McEWEN—Have you given any thought to encouraging women's participation?

Mr White—Absolutely. We have gone out into the marketplace and specifically advertised a course for females. We even went to Job Network agencies and ran a little program called *Ready for the Road* to try and encourage women specifically. It was just for women. We got two applicants and the Job Network agencies just said that there were no people who were interested.

There were a number of reasons for that. One of them was the lifestyle and the fact that it was a 12- to 14-hour type job. And if it was not that, it was because they would be away from family, boyfriends, husbands and so on. Lifestyle was a major issue. The other issue was the physical requirement. A lot of the short-haul work involves getting in and out of the truck all the time, and moving parcels etc up and down off the truck. You might do 50 pickups in a day, and at the same time you have to work out exactly where you are, what locations you are going to, and memorise five different runs in a particular day. The physical exertion involved in all of that seemed to be too much for a lot of the women. We have had a number who started the courses and just quit. We have aggressively gone out and tried to encourage them. We have five, now, who we have successfully placed. They are still there and are doing very well.

Senator GEORGE CAMPBELL—I understand your argument in relation to having various levels of training. You say you have trained 7,000 trainees. What is the period of a traineeship in your industry?

Mr White—Two years.

Senator GEORGE CAMPBELL—So it is a two-year traineeship. Who established the training packages?

Mr White—The training package was established by the industry about 11 years ago. It came out of the Melbourne Institute in Victoria. It was written as a basic package. It was then switched across to TDT Australia, who engaged consultants with the industry to develop the content of the package.

Senator GEORGE CAMPBELL—Was this approved by ANTA?

Mr White—Yes, it was actually funded by ANTA.

Senator GEORGE CAMPBELL—So this is a training package funded by ANTA which presumably sets out criteria that you have to meet within the two-year training period. Why did the training package not take into account the graduated level within the industry?

Mr White—It does that.

Senator GEORGE CAMPBELL—If it does do that, why is it an issue within the industry?

Mr White—Perhaps somebody can tell me that, because I cannot answer. I cannot understand why these levels have not been made mandatory. There just has been no agreement anywhere that stipulates that. It seems to have been quashed at the recognition level, either by DEST or by government, that there is no requirement to have a particular level to have that qualification. I am not sure where that decision was.

Senator GEORGE CAMPBELL—So what you are saying is that you have traineeship packages that the government is partly funding, that are meeting a set of criteria endorsed by ANTA but there is no way of enforcing that, and in fact probably the reverse is the case and it is being impeded?

Mr White—Absolutely.

Mr McMaster—Often, employers do not necessarily recognise somebody who comes to drive for them who says, 'I have achieved training certificates 1, 2 and 3. I have been through a traineeship; I've got my 21 modules. I've got skills in these areas.' All the employer wants is someone to drive his semi.

Senator GEORGE CAMPBELL—Have you sought to talk to state governments about the implementation of these training packages?

Mr White—Yes. We keep running into a brick wall that says we do not have recognition and, therefore, that is it. We are not recognised as a traditional trainer.

Mr McMaster—Perhaps a possible recommendation for the committee would be to encourage the relevant ministerial council to explore this issue more closely, because it does involve collaboration at various levels of government. Mr White is much closer to this than I am, but we have found that we do come up against a brick wall in terms of recognition.

Senator GEORGE CAMPBELL—Has that issue ever been raised at the intergovernmental level?

Mr White—I am not sure about the intergovernmental level, but it has certainly been raised at the DEST level and at the VET level. In both of those situations I have raised it personally, as have others. I know Hugh has been there at some time also. We have put up our case as to why we believe it should be, particularly when we were in the debate with the ATC. We put it very strongly that we believe there should be a definite qualification framework that links in with job skills. Obviously what will happen from that is remuneration. Take the model of the civil construction industry, for instance, which followed the same path as we did; they had the same problem further down the track. They have gone a long way: matrices have been developed so that people are paid according to their various skill levels, and you cannot employ or get people to do a particular job unless they have that qualification completed. I cannot see any reason why it should not happen in the transport industry.

Senator GEORGE CAMPBELL—It seems strange that it does not. I assumed that, as you graduate up the various levels of trucks in this industry, you would require additional skills to be able to drive them.

Mr White—Congratulations! You are the first person to have actually said that.

Senator GEORGE CAMPBELL—I would have thought that would be mandatory.

Mr White—It is great to hear somebody say that they understand this issue, because I do not how many people I have spoken to. I think the shape of my head has changed over the last five years, as I have kept hitting it against brick walls and not getting anywhere. There is not even a vision for having a qualification and, therefore, people being answerable and responsible for the particular levels. You will stop a lot of issues in the industry once you do that.

Senator HUTCHINS—Mr White, does any OECD country have the qualification framework you are advocating?

Mr White—I am not absolutely sure, but I understand that there are some sectors in Europe that do. I went chasing a simulator two years ago, and part of the core training framework around that simulator is that they have to pass at the simulator level before they get into the workforce.

Senator HUTCHINS—If you have any information that you can supply to the committee, it would be welcome.

Mr White—I will see whether I can dig out. I will take the question on notice.

CHAIR—The TWU has argued that the rates of pay for contract drivers are too low, with the result that the road freight market is competitive at the expense of owner-drivers. Do you think the dominant market players are driving down the price for owner-drivers?

Mr White—You have to realise that when you talk about the contract rate for an owner-operator, the question is: what is the contract rate for an owner-operator? That is the really big issue. There is no such mandatory thing floating around out there.

CHAIR—So it depends on the job?

Mr White—It depends on the job and it also depends on the situation. There is a whole range of issues associated with that. Again, I go back to my original statement. If a person was able to get into the industry, in a lot of cases, with a contract, if the industry was properly structured and you had the proper qualifications for the person going in, then they would understand how to negotiate the rate that they need to operate. The way the industry is structured at the moment, the contractor is what we call a rate taker. The contractor who owns that contract is a rate giver, so he determines what the rate is.

CHAIR—Yes, I certainly understand that.

Mr White—That becomes quite a problem because contractor A might be very well set up and he understands, ‘Okay, I only have to finance 50 per cent of the vehicle to make this survive, not 110 per cent and throw my house into it as well. I will therefore increase my borrowings up to \$6,000 instead of \$3,000.’ You start to have a business management model. So what is a rate? There are a lot of issues floating around that rate issue. We are not talking about the redundancy and all the rest of it.

CHAIR—I understand that.

Mr White—I am talking about what is structurally necessary to operate and what can a person afford as a private enterprise to receive to enable him to operate that business. If the contractor cannot make that decision then he should not be in the business at all. If his business is not set up appropriately to handle that, he should not be doing the long-line haul; he should be doing the short haul. It should be recommended that that is the type of vehicle he should get into. He should do his apprenticeship in a small, face-to-face area instead of getting a redundancy payment from the mine, walking down the road and picking up a truck because he has seen all of the coals going down there. He says, ‘Oh, these guys have got to make a fortune. I will go and get a truck and do the same thing.’ Six months later he is broke.

CHAIR—Point taken.

Mr McMaster—Another thing to add to that is that there are different markets. The refrigerated transport market is different from the livestock transport market. If you were a subcontractor involved in livestock transport at the moment, you would have the backside out of you. You would be really struggling because of the drought. The market moving freight from Sydney to Brisbane is different from the market moving freight from Brisbane to Sydney. You may stop at Port Macquarie and pick up or drop off something on the way back. There are so many variables at play—

CHAIR—Yes, I understand that.

Mr McMaster—that it makes it very hard to structure a fixed rate and say, ‘That is what you should be paid.’ At the same time, we can understand the concerns of the union with regard to inadequate rates, because, at the end of the day, if a contract is negotiated and it does not work out then that can lead to increased risks of irresponsible behaviour on behalf of subcontractors. Nobody wants to see that. As Lyle said earlier on, if we had a qualifications framework in place and if a condition of becoming a contractor was that you had to achieve a certain skill level, you may be able to analyse a particular market, work out the costs to run a truck to negotiate a reasonable rate and work out how the market in that sector of the industry works.

CHAIR—Thanks very much. Thank you for your time today.

[11.55 am]

THOMAS, Mr Andrew George, National Industrial Officer, Australian Rail, Tram and Bus Industry Union

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

Mr Thomas—No.

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

Mr Thomas—The RTBU appreciates the opportunity to address this committee and we also appreciate the establishment of this inquiry to look specifically at workplace challenges in the transport industry. As mentioned in our submission, we are not aware of any inquiry by any organisation, be it the Productivity Commission or any other, which has looked specifically at the workforce challenges in rail as distinct from the rail industry per se.

Before making some general comments, I want to make two points. Firstly, a perusal of a number of the submissions brings into focus the definition of the transport industry. In particular, from our perspective, on the question, ‘What is the rail industry?’ senators will find that views differ between submissions. For example, that of the Department of Employment and Workplace Relations tends to adopt a rather narrow focus. If, for example, you look at whether or not warehousing is incorporated into it, you will find that DEWR tends to say no, but a number of the others, the Victorian or New South Wales governments and private bodies say yes. Also, on the rail side, submissions differ as to whether or not the maintenance of infrastructure is incorporated. The RTBU would call on this committee to adopt a broader definition, if for no other reason than that there is not much to be gained from adopting a narrower perspective.

Secondly, there is the problem of data. Again, in our submission we note that there is a dearth of data on transport challenges in railway transport generally or indeed in the labour force generally. In that respect it may well be a case of *deja vu* for some of the senators in these proceedings as it has been raised in earlier reports of this committee.

The RTBU has members in the rail, tram and bus sectors of the broader transport industry. By far the largest number is in the rail side; hence, our submission focuses to a large extent on that part. The railway industry has been the subject of significant change over the last 20 or so years. Our submission seeks to address the cause, nature and impact of that change. As such, it is not my intention to elaborate on that here. It is there for each of the senators to peruse in their own time. But there are a number of key points I want to make to the committee.

Firstly, much of the current workforce structure in the rail industry is a product of employers who have been more interested in reducing the size of the workforce than in the role of the workforce, together with an array of state and federal governments that have been busily trying to rid themselves of as much to do with the rail industry as they possibly could. Secondly, there is a skills shortage within the rail industry and, in some areas, a skills shortage is imminent.

Thirdly, training is a problem. There has been an over-reliance on the residual workforce from the public ownership days. Employers tend to be selective as to whom they train and what they train them in. The Transport and Distribution Training board is rarely used by a number of employers. In that sense I can say that in the middle of last year I became a director of that board, that I have attended three meetings and that, frankly, the purpose of those three meetings was to put us into survival mode. It was very clear to us that if some had their way there would be no Transport and Distribution Training board. The meeting as of last Friday had to make a number of changes to ensure that the board received funding for the next 12 months. Nevertheless, what we have had to go through has been a diversion from what organisations such as the Transport and Distribution Training board should be doing.

Fourthly, it is our experience that, as for the general position of employers in the industry—I do not say all of them and I would not tar them all with the same brush; this afternoon the committee will see the Australian Rail Training Centre at Petersham, which has been there for some time and has done a lot of good work but does have a public sector focus—there is no systematic approach to training. It is *ad hoc*. Employers pick and choose what they want to train people in. While there are competency standards, through the Transport and

Distribution Training board, employers have a tendency to pick and choose which competencies they want or indeed pick and choose which pieces from which competencies they want with no generalised outcome.

There has been the use of labour hire, which I note was mentioned here by the last witnesses. Not one of all the submissions before this committee is from a rail employer. There are submissions from governments who run railways and there is a submission from the Australasian Railways Association but there is not one submission from a railway employer. In my view, that is pretty much an indictment as to, or a reflection of, where those employers stand on this matter. You would have observed that we have made a critique of the Australasian Railways Association's submission. In particular, we say that the role of the federal government in the rail industry has made no positive contribution as to workforce challenges. I mentioned to you earlier the difficulties with the Transport and Distribution Training board. The submission of the Department of Employment and Workplace Relations to this committee, as I state in our submission, reads like an advertisement for Work Choices and overall they adopt a very pessimistic view on the position of rail in the economic and social structure of this country.

The next point to make is this: where to from here for rail? As our submission points out, that depends on what the government and the people see as the role of rail. In recent years contemporary events such as environmental climate change, congestion in the big cities and oil prices should, in our submission, have augured well in favour of an expanding rail industry, but our experience tells us to be very wary of that.

It is also our submission that employers must accept far greater responsibility for training. The rail industry has a number of unique skills, skills that cannot be found in other industries. Take, for example, train driving, shunting, marshalling of trains, examination of trains, signalling and train controlling. They are all skills that are very much tied up in the rail industry and nowhere else. It is our submission that many of the companies that have been the beneficiaries of privatisation have an obligation to take up the nature and extent of training that was conducted by the previous publicly owned rail systems.

Finally, we think they need to look at a number of alternatives given the career path limitations. It is true that we have a very broad base narrowing to an apex in a pyramid form. That reflects large numbers of employees in certain specific groups such as train drivers or terminal operators, who are employees employed in terminals. Above that there is not very much.

If you wish to attract employees into the industry, you have to offer something in addition to the potential career path. Many of those go to conditions of employment. As we say in the submission, it is a hard industry to work in. It is 24 hours a day, seven days a week. It is shift work, weekends and periods away from home. They are not the sorts of things that you would immediately think of if you were trying to attract young people in particular to the industry.

Finally, I refer to the bus and tram part of our membership. As you will see from the submission, the bus side is only in the publicly owned area in three of the capital cities and some of the regions. You can see that bus services are expanding. The number of bus operators is increasing. However, with the other activities, in particular maintenance, there is a greater tendency to contract that work out. The same applies on the tramway side. We have a rather large tramway network in Melbourne, a much smaller one in Adelaide and here in Sydney those services are growing. The workforce is ageing. There is a high turnover and interestingly enough recruitment preferences of employers these days appear to be for people with higher qualifications and people who have already spent some time in the workforce and may well be in their 30s. Senators, that is a summary of our submission.

CHAIR—Thank you.

Senator STERLE—Mr Thomas, you mentioned that your transport and distribution training board is dying a death of a thousand cuts. Why do you think that is?

Mr Thomas—It is fairly clear to us. The position of the federal government is that they do not particularly want it. It seems to us that the position of the federal government is that training should be left to the employer. It certainly should not be in the hands of or have any involvement with trade unions.

Senator STERLE—Was the TDT a very active platform for training in the industry in years gone past?

Mr Thomas—Yes, it has been around for a number of years now. It came in with the development of competency structures in the nineties. There is some material in there to show that there have been thousands of certificates undertaken by people through the TDT. You need to keep in mind that it is not only rail but maritime, road and warehousing. Unfortunately, the rail side appears to have the least take-up, but in a number of areas the TDT has been very productive. Only in the last 12 months, in particular in October last year, a

report by DEST was used as a basis to, in a number of ways, read the riot act and say that unless there were certain changes—for example, changes in the composition of the board—the funding would cease.

Senator STERLE—What sorts of changes?

Mr Thomas—This will give you more of an idea. At the moment, there is an equal representation of unions and employers on the board. Apparently that was not satisfactory to DEST or the government. Their position was that there had to be a simple majority of employers. If that was not to be the case, then they would cease funding. The board clearly had no choice to acquiesce to that demand if it wished to survive. The composition of the board was subsequently changed.

Senator STERLE—But you were saying it is also struggling to survive.

Mr Thomas—I am saying that it is struggling to survive in the context of the attacks on it for the past 12 months.

Senator STERLE—Has there been a deduction in funding now the changes have been made as well?

Mr Thomas—I cannot tell you off the top of my head whether there has been an absolute reduction in funding. I could find out for you, but I would only be hazarding a guess if I were to proffer an answer.

Senator STERLE—If everyone were fair dinkum about improving the training and future of the industry, bipartisanism is always the best way. That certainly does not send that message across. I will move on. You also mentioned labour hiring in the rail, tram and bus industry.

Mr Thomas—Yes.

Senator STERLE—Can you elaborate? Where exactly is the labour hire?

Mr Thomas—Labour hire is overwhelmingly in the infrastructure maintenance part of our membership—that is, the people who do the maintenance of the track and associated infrastructure. There are labour hire companies involved in the operations side. There are some labour hire companies who provide drivers. For example, there are some who will provide forklift drivers or overhead crane operators to people to load and unload trains. Our experience is that, in the infrastructure maintenance side, the people they generally use are those who used to be employed in the railways, anyway, took a redundancy and have now come back via labour hire. They are the people who at least have some knowledge and training. The labour hire companies do not train people. My submission goes to that area.

There are examples in the train driving area of a person who came from Europe, drove two-carriage passenger trains, turned up at Kalgoorlie via a labour hire company and was looking at a 4,000 tonne locomotive to take across the Nullarbor. He got up and had a look at the gadgetry in front of him on the locomotive and wondered what half of it was. We have had people who operate those small trains in the Queensland sugar fields turn up thinking they can just hop on a locomotive. It is like getting off a forklift onto a B-double if you want to use a road transport analogy—‘I’ve worked in the road industry; I have driven a vehicle.’ Those sorts of things are happening. It seems to us that labour hire organisations are being used to circumvent the need for companies to undertake their own training.

Senator STERLE—Yes, I think that would be very clear too. In terms of the rail maintenance side, what qualifications do employees need?

Mr Thomas—Right now, to be able to go onto a railway line, all persons need a requisite safety certificate. That has been a recent innovation. There is a range of qualifications, none of which, I might say, can be formally acquired through a school. They tend to be in-house qualifications. At the bottom level, there are labourers. They are people who use a pick and shovel. As you move up, a range of equipment is used—equipment involved in replacing sleepers, laying the rail, tamping the track and ballasting the track. As you may have seen in a number of places, some of that equipment is quite large. Some of the big re-laying type equipment can be 60, 70 or 80 feet long. We are not dealing with toys here. Historically, the training has been provided by the rail employer who owns it. A labour hire company does not own anything. An employer will ring up and say that it needs 10 people, and they will turn up.

Senator STERLE—Is the workforce population ageing?

Mr Thomas—Yes, the rail population is ageing. Part of that is a consequence of what was generally an older workforce anyway. The figures for the last 20 years or so show that rail industry employment has dropped by about 60 per cent. It has not employed anyone other than those that it has absolutely had to, so the workforce has aged as a consequence.

Senator STERLE—If we have the Transport and Distribution Training board fading into insignificance and if we have the labour hire companies that are employing the majority of these people on rail infrastructure contracts and, as well, the contractors not training, what does it say for the future?

Mr Thomas—That is why we are here. What it says, as this committee has recognised, is that there are a number of challenges facing the transport industry. Hopefully, this committee will, amongst other things, address that.

Senator GEORGE CAMPBELL—First of all, I would like to ask you about the Australian Rail, Tram and Bus Industry Union and the skills that exist across all its three sectors. Is there any interchangeability between those three sectors? Have you endeavoured to look at the issue of interchangeability?

Mr Thomas—We have not looked at interchangeability. It is a novel idea. I am not aware of anywhere where such interchangeability has occurred. The only place for which I can say I am aware that it has is where people have been made surplus to requirements in one part of an organisation and moved to another part. For example, a number of tradespersons who work for TransAdelaide are now driving trams and they go onto wages maintenance. In many senses, that was a choice for the individuals, who could have taken redundancy and gone elsewhere if they so chose. There were some bus operators who became train drivers. But my understanding of it all is that is more a product of a lack of an alternative rather than a voluntary thing or something that is genuinely promoted.

Senator GEORGE CAMPBELL—So there has been no attempt to broaden the skills base of the employees in the three sectors in terms of interchangeability between the sectors themselves?

Mr Thomas—No. I think part of that is they are different companies and they do not tend to take any interest in what happens outside—

Senator GEORGE CAMPBELL—They used to have the one employer.

Mr Thomas—Yes, they used to, but it is a different world.

Senator GEORGE CAMPBELL—So privatisation would have been an impediment to that. What has been the impact of privatisation, for example, on the rail industry, with the advent of companies like Toll coming into the industry? What impact have they had upon training and the nature of employment?

Mr Thomas—Mentioned in the report of this committee on bridging the skills divide was a valid comment that as many of the public sector organisations such as railways who were major providers of training have tended to fade out training has faded with them.

Our experience with the privatised companies is that they will train when they have to. In the submission we make the point that one company, Pacific National—which is Toll—are now putting many of their trainee drivers on bonds. Their position is that they will take on a trainee, they will train them to be a driver and they will then say, ‘You will enter into an agreement that if you leave within three years of the completion of your training you will pay us a certain amount of money, which represents a reimbursement of our investment in your training.’ It is a bit like the old—

CHAIR—Teachers.

Mr Thomas—Yes. And why are they doing that? They say to us—as we have tried to prevent that from occurring because there could be many reasons why people have to leave, particularly if they are in remote places such as Port Augusta—that they are not going to train people only to have other employers come along and pinch them. It is the body-snatching problem, which I think you will hear about on a number of occasions during the course of these proceedings.

Each company trains their own people; it is not necessarily the same. They will have a qualification to drive a train in Pacific National. They could leave and go to someone else, who will say, ‘We need to give you further training.’

Senator GEORGE CAMPBELL—So the competencies with respect to the training are not common across all of the companies?

Mr Thomas—Not specifically.

Senator GEORGE CAMPBELL—It is more company specific rather than industry specific?

Mr Thomas—Yes. There is the capacity to do it because there are the competencies developed by the Transport and Distribution Training Board. You will note even in the Australasian Railways Association

submission that they see it as rather odd that rail employers complain about not having a national system but when they have one they will not use it.

CHAIR—Do you think a national system would be the answer?

Mr Thomas—In our view, the national system, through the competencies of the TDT, is essentially there. They are talking about a national certificate—a licence, so to speak—for train drivers. That will be looked at this year by the National Transport Commission. We are not opposed in principle to a licensing system. But part of the motive for it is based on a concern by employers that if a driver gets terminated for a breach of safe working practices—say, for going through a red signal, a SPAD, as they call it: a signal passed at danger—he will turn up at another company tomorrow, given the shortage of drivers at the moment. Somewhat ironically, that company can then be purchased by the company which has sacked him—and that has happened. Toll have managed to buy back a number of employees that they had terminated over the years.

Senator GEORGE CAMPBELL—And presumably, if they are terminated, they do not have to pay the bond.

Mr Thomas—That is right. It is a pretty extreme way of avoiding a bond, I would have thought.

Senator GEORGE CAMPBELL—Yes, I would have thought so.

Senator McEWEN—If a young person had a dream to become a locomotive driver and drive the Ghan from Adelaide to Darwin and back again, how would they go about becoming that driver? What sort of qualifications would they have to get and where would they go?

Mr Thomas—To take the example of the Ghan, it is not operated by the company that actually owns it. The locomotives and the crews of the Ghan and of the Indian Pacific and the Overland are provided by Pacific National. So the person would need to apply for a job as a locomotive driver with Pacific National, either in Adelaide or in Sydney. The operations of the Ghan are built into the roster. A number of people will drive that train specifically but others can rotate through it in accordance with the roster. So they would have to become, at this point, a train driver for Pacific National.

Senator McEWEN—So you would apply to Pacific National to be a locomotive driver. What training do you do?

Mr Thomas—You will spend a period of time in a school and then a period of time on the track getting practical knowledge. An important part of being a locomotive driver is what they call route knowledge. That is knowledge of the track that you are running over, so that you know where all the signals are, where the train will need to slow down or power up and all of the knowledge that ensures that you can run a train as a smooth unit rather than stopping and starting, which then has implications for the draw gear, fuel efficiency et cetera. That is the way the person would get on.

Senator McEWEN—So it is pretty much on-the-job training?

Mr Thomas—Yes. There are competencies that are—

Senator McEWEN—And how much would I earn?

Mr Thomas—If you worked with Pacific National, you would earn between \$70,000 and \$80,000. Much of that is a product of the hours that you work. Whether we like or not, much of the freight moves at night. That is when they get access to the track, particularly going through metropolitan areas, where you can get caught up with suburban trains. There is some work being done to separate freight trains from suburban trains in the major urban cities, such as the creation of dedicated lines to the ports. There is a lot of work being done on that.

Senator McEWEN—Are there any female locomotive drivers?

Mr Thomas—Very few.

Senator McEWEN—Do you know why that is?

Mr Thomas—Traditionally it has been male dominated. That is not necessarily right, but it has been male dominated. Employers have, from time to time, undertaken programs to employ women. They do employ a lot more women on the suburban rail network, but for freight trains there are very few. One of my fellow organisers drove freight trains in the Hunter Valley but she is very much the exception to the rule. RailCorp have undertaken quite a large campaign to increase the participation of women in the industry. In my submission I quote some of the few figures that are available. In 1984 males made up 94 per cent of the

workforce in the rail industry. In 2004 I think it was 84 per cent. Whilst it has moved down, one could say there is still a long way to go.

Senator McEWEN—Right. Do you know the percentage of women driving suburban trains?

Mr Thomas—No, but if you are visiting RailCorp this afternoon you might be able to get that information. They are also using them a lot more as guards on suburban trains. They tend to go from guard to driver. There is a big difference between some of the suburban systems and the freight.

CHAIR—As there are no further questions, we thank you very much for appearing before the committee today.

Committee adjourned at 12.29 pm