

Contact Officer	David Hempel
Telephone	3235 1991
Div Ref	CXDC0948

House of Representatives Standing  
Committee on Employment,  
Education and Workplace Relations

Thank you for your letter dated 5 July 1999 concerning the House of Representatives' inquiry into the issues facing workers over the age of 45.

As you may be aware, Queensland Rail is one of the largest employers in Queensland and is a major contributor to the development of the state. While we must continually balance financial imperatives with social objectives, we recognise that QR's future and the job security of rail workers ultimately depends on our commercial viability. The days are gone where railways could enjoy the protection of being a monopoly supported by huge levels of subsidies from government.

As rail authorities across Australia and the world are separating their operations from the infrastructure in pursuit of efficiency, Queensland Rail has taken the unique step of remaining a vertically integrated railway and maximising the inherent commercial and operational opportunities available to this structure.

In realising our vision of becoming Australia's best transport and logistics business, Queensland Rail must continually reassess direction and seize new business opportunities. The building of the *Great South Pacific Express* represents one such decision where we were able to capitalise on, not just our tourist market position, but also our skills base.

While railways throughout the world are abandoning their workshop facilities, Queensland Rail's efforts have been directed towards further developing our workshops as we firmly believe they are a key commercial resource for a modern railway.

Railway Workshops, which are essentially trade based, will achieve good results when there is a core of skilled, competent, committed tradespeople who set a tone and ambience of quality, dedication and pride in the outcome. While it was not QR's specific objective to provide work opportunities for more mature workers through the building of the heritage train, it was rather predictable that the skills for this project would be derived from this age group of workers. While it is unlikely that another train of its type will be constructed in Australia, the legacy of this project will live on as an icon of railway quality and determination. This quality and determination, I believe, is manifested in all aspects of our business.

I commend the government for instigating such an inquiry, as Australia needs to focus on maximising the talents and skills of all people, irrespective of age. I am pleased to be able to present this submission to your committee supported by the enclosed book *"Turning a Dream into Reality"* and a video showing the construction of the *Great South Pacific Express*.

Should you wish to discuss this matter in greater detail, may I suggest contact is made with either Mr Michael Goode, General Manager Employee Relations on telephone (07) 3235 3133 or myself on the above number.

I trust this information is of assistance. Thank you for the opportunity to provide input into issues specific to workers over 45 years of age.

Yours sincerely

Vince O'Rourke  
Chief Executive

August 1999

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# SUBMISSION TO INQUIRY INTO ISSUES SPECIFIC TO WORKERS OVER 45 YEARS OF AGE SEEKING EMPLOYMENT, OR ESTABLISHING A BUSINESS, FOLLOWING UNEMPLOYMENT

## **BACKGROUND**

Queensland Rail is, like all other Australian railways, contending with the challenges of government micro-economic reform programs and the competitive pressures of the transport industry. Being government owned and as a large regional employer, Queensland Rail is forced to balance commercial realities with significant social imperatives.

Trends throughout the broader transport industry have forced railways to reassess traditional roles and markets. In response to the changing environment, QR began a significant rebuilding program that saw investment in new technology and expansion into other businesses including transport logistics and intermodal services.

Few organisations have been immune to Australia's changing economic and industrial face. While all other railways were in the process of separating their infrastructure and operations in response to third party operator threats, Queensland Rail adopted growth strategies and in doing so acknowledged the inherent links between the various QR businesses and the unique nature of the Queensland Context. Queensland Rail today remains as the only vertically integrated Australian Railway and yet continues to also be one of the most profitable. It is regarded as the most efficient heavy haulage narrow gauge railway in the world and yet instead of confining operations to specialised or niche products, is in fact diversifying and expanding its business.

In the early 1990's the Queensland Government backed the goal of turning Queensland Rail from a bureaucratic loss maker into a commercially viable enterprise. That restructure saw an investment of \$6 Billion and significant staff reductions that paralleled the Telstra and Bank experiences. The difficult decisions were made with the longer term objective of making QR a viable commercial enterprise thereby securing employment security for the future. In mid 1993 the restructuring process began to focus on a major workshop rebuilding program. The significant modernisation program undertaken in Redbank and Rockhampton Shops was to reduce work in Townsville Workshop with the plan to cut staff numbers from around 300 to about 50 and construct a new shop in Stuart (Townsville). Despite assurances concerning employment security, the reaction of workers, faced with what seemed like imminent unemployment, was overwhelming. It became clear that an alternative employment strategy was needed. At the time QR was revitalising it's passenger business and the Chief Executive saw an opportunity to combine the craft skills of Townsville Railway workers with a plan to build a unique and world class tourist business.

## THE HERITAGE TRAIN VISION

QR saw substantial opportunities in the travel industry. While trends in other states have seen passenger travel in the main reduced to sanitised mass transit services, QR sought to capitalise on both the local and overseas tourist markets by combining the unique experience of long distance conventional train travel with Queensland's natural tourism potential. The concept of the Great South Pacific Express (GSPE) grew from the belief in the commercial potential of the long distance passenger business. By upgrading three of QR's major tourist trains helped increase patronage on non-urban services by 5 percent and long distance revenue by 100 percent. QR's renaissance in passenger business had already given the organisation a new image as a dynamic and progressive railway business. The GSPE was a logical step in building upon this image and also as an opportunity to capitalise on the high level skills that had died out in other railways.



The Great South Pacific express was to be like no other train in Australia. It would offer a unique and world-class experience that would stand out here and overseas in terms of luxury and service.

## THE WORKERS

Queensland Rail has, like many other downsizing organisations, an ageing workforce. Mass retrenchments were avoided in favour of attrition. As a consequence the normal age profile that would occur naturally became skewed towards older workers. Of the 14,750 workers across Queensland, 34% are aged 45 years or more. In Townsville Workshops the profile is even more marked – 51% are older than 45. While QR acknowledges the need to inject new skills, our philosophy was that this should not be to the detriment of existing skills. Rather, it was to be a realignment. But the heritage train was not seen as merely an opportunity to preserve the older skills. It was also to provide a unique learning experience for trades apprentices and vocational trainees. The \$35.2 million project involved a total of 283 workers of which 256 were from Townsville Workshops. 5% of these were apprentices across a variety of trades who were directly involved in the building of the

20 carriages. As work progressed QR had to recruit additional employees, many of whom were older workers with specialised joinery skills.

## **THE FUTURE**

Many of the workers who were hired specifically for the building of the heritage train have since become permanent employees. Recognising the expertise that had been built up over the years and particularly on the GSPE, Townsville Workshops has ventured into further similar projects. A major refurbishment of the wooden cars on the Kuranda scenic railway is about to be undertaken with a further order for 20 replica wooden coaches to be commenced in the near future. While all other railways have abandoned their workshops, Queensland Rail has made a conscious decision to build theirs up. With the majority of work in other centres being heavy fabrication and major overhaul, the potential exists for Townsville workshops to establish itself as a specialist centre that is geared to undertake related projects both for rail and other industry.

Queensland Rail also recognises the value in ensuring that these skills will not be lost for the future. An important element of our workforce planning strategy is to increase opportunities for trade apprentices and traineeships. In 1999 we increased our intake of apprenticeships from an average of 56 each year to 150. Further, we offered 180 traineeships in 1998/99 with numbers to increase over the near future with the development of rail specific traineeships in the operations and infrastructure building fields. Experienced Rail tradespersons and operators like those used in the building of the heritage train will be key figures in the development of these new recruits.