



SUBMISSION

to the

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

Inquiry into workforce challenges in the transport industry

April 2007



Introduction

Queensland Rail, trading as QR, is a member of the Australasian Railway Association and contributed through the Rail Skills and Career Council to the preparation of the ARA submission to the Committee.

QR agrees with the ARA's position and commends it to senators. QR also agrees with many of the other submissions put to the Committee, particularly those from the Chartered Institute of Logistics and Transport and the Transport and Logistics Industry Skills Council.

QR's submission presents the case from the unique perspective of Australia's only national, passenger and freight rail operator with integrated intermodal services and ownership of a rail network.

About QR

QR is Australia's largest national rail operator offering passenger, freight and logistic services. QR also owns, maintains and manages access to 9,500km of rail in Queensland. Established in Queensland more than 140 years ago, QR became a Government Owned Corporation in 1995.

QR is a major transport industry employer with people in more than 500 locations nationwide. It currently employs about 13,000 people (more than 30% of workers directly employed by the Australian rail industry). Including subsidiaries, QR has more than 14,000 employees in Queensland, New South Wales, Victoria, South Australia and Western Australia.

As a fully integrated rail business, QR offers about 300 job categories grouped under eight occupational streams - six award classification streams, a feeder apprentice/training stream and a management stream.

Thirty-five percent (35%) of QR employees are engaged in operations roles, 25% in engineering trades, 12% in civil infrastructure, 3% in the professional stream and 1% work in technical roles. The remaining 24% are in administrative, management or trainee/apprentice positions.

At any given time, QR employs more than 425 apprentices and 40 trainees. In the period 2003-2005, QR increased its apprentice numbers by 40% across Queensland.

QR is a Registered Training Organisation (RTO) with a strong commitment to, and investment in, capability development. It works closely with TAFE colleges.

As further evidence of this commitment, by the end of 2007 QR will have assisted 1,350 of its Infrastructure Services staff to attain nationally accredited civil infrastructure qualifications.



Workforce Challenges

Attraction, Recruitment and Retention

QR faces similar challenges to other rail operators in Australia, particularly promoting rail as an attractive industry sector to prospective employees rather than stereotypical views of the industry as a traditional, non-progressive employment sector.

There is no question that other factors, such as remuneration packages, come into play in recruitment and retention for management and executive positions. However, image, once again is an important issue.

As part of its attraction, recruitment and retention strategy, QR offers a range of non-financial incentives to potential and existing staff.

In meeting the image challenge, QR has implemented a range of initiatives such as a successful employment branding campaign based on the slogan “More than I’d Imagined”.

Other initiatives include schools-based apprenticeships and a graduate recruitment program. Such measures are designed to give young people exposure to the industry, allowing them to make up their own minds before being influenced by negative stereotyping.

However, many of the categories in which QR experiences challenges in filling jobs are those that are generally in short supply, such as engineers and engineering trades positions.

Training

QR spends more than \$50 million per annum on learning and development delivering a program that is considered the most comprehensive and varied in the rail segment.

As part of its program, QR offers a range of internally and externally delivered training/development (see a sample list at Attachment A).

Of course, QR’s success in training also render it susceptible to poaching, both from within and from outside the transport industry. In such scenarios, QR bears the dual liability of costly training followed by the need to recruit and train replacement staff.

QR maintains good relationships with TAFE colleges, but has experienced difficulties accessing training consultants from TAFE Institutes, particularly in regional areas. In some cases, the frequency of visits and the skills and knowledge of the consultants fall below QR’s expectations. Visits to the workplace to review Training Plans and Training Records are infrequent across Queensland, and in some cases in regional Queensland visiting officers have no technical experience. An increase in the number



of skilled training consultants working out of TAFE Institutes would greatly assist QR in its training/skilling initiatives.

Challenges for transport = challenges for the Australian economy

Transport, and rail in particular, is a key link in the supply chain for mining, agriculture, manufacturing, retail, tourism and construction.

QR carries more than 150 million tonnes of coal (60% of national exports) annually to our ports, 39% of the national grain haulage and 45% of the nation's mineral exports.

There are also significant economic issues at stake in our ability to respond to demand for passenger rail services.

Under the South East Queensland Infrastructure Program (SEQIP), QR is working with the Queensland government to deliver a \$6 billion rail infrastructure program over the next 20 years to accommodate a population of four million by 2026.

As people gravitate to the Eastern and Western seaboard in support of industry and commerce, economic development will depend on safe, reliable and efficient transport.

Therefore, the workforce challenges confronting QR while significant are not challenges for QR alone. Nor are they challenges only for the rail sector or the transport industry. These are challenges for the national economy.

Recommendations

QR urges the Committee to:

1. Consider the merits of previous training guarantee legislation and whether it is time for Australian business to be obliged to invest more heavily in learning and development in their workforce.
2. Recommend an immediate review of funding for TAFE capacity that supports industry in tackling workforce challenges, and particularly TAFE institutions in regional areas.
3. Recommend to the Federal Government a review of the recognised traineeships that qualify for financial benefit alongside apprenticeships and the current trainee scheme.
4. Recommend further improvement in literacy skills among students preparing for the workforce, and among the adult workforce, to ensure their ability to take up further education in trades, technical and special skill areas.



ATTACHMENT A

Rail-Specific Training

Train Drivers: QR conducts its own training of drivers to national standards (TDT competencies). During 2006, a total of 190 trainee drivers commenced their training, and in 2007 a further 152 are due to start training. QR will be due to complete training for 242 drivers between 2006 and 2008.

Train Control Training: Train controllers are critical to QR's business, and QR conducts its training to national standards. In 2006 there were 35 new controllers trained and in 2007, QR expects to complete training for a further 30 train controllers.

Trade Technical: There are currently a number of training programs, delivered in depots, designed for current trade staff – electricians and fitters – on Locomotives eg Diesel and electric both for electricians and fitters. These programs have been developed to train employees in new locomotive technology. Courses are being conducted in depots to meet their needs.

Signalling and Points System Training: QR's Trackside Systems area are currently running programs for Signal Maintainers and Electricians in the maintenance and repair of the signalling and points systems. This training is to national standards and is for new starts and current employees.

Trade/Technical

Apprenticeship Intakes: From 2003 to 2005, QR has increased its apprentice numbers by 40% across Queensland. This included a combined increase of 40% in the regions of Central and North Queensland. It also included a 37% increase in the critical skills shortage areas within the electrical trades.

TAFE issues: QR has experienced difficulties access to Training Consultants from TAFE Institutes (as QR's SRTOs). This is in terms of the frequency of visits and the skills and knowledge of the consultants. Visits to the workplace to review Training Plans and Training Records are infrequent across the State and in some cases in regional Queensland the visiting officer had no technical experience. An increase in the number of skilled Training Consultants working out of Institutes would greatly assist QR in its training and skilling initiatives.

Civil Infrastructure Development Program (CIDP): The CIDP was established to ensure the up-skilling of QR Infrastructure workers through the provision of structured training and assessment and the awarding of qualifications under the Transport and Distribution Training (TDT) Package. The rollout of the CIDP across the State is due to be completed by November 2007.



Management Development

Management Performance Program (MPP): The MPP is a customised version of the Frontline management Program offered by AIM. It is aimed at supervisory level and introduces new managers to various management concepts and skills, for example: Business Success; Time Management; Project Management; Negotiation skills ; and Effective Customer Service Networking.

Leadership Essentials: These workshops build leadership confidence by providing a thorough understanding of QR-specific leadership expectations and behaviours. Leadership Essentials include the following modules:

- Leading in QR
- Valuing People
- People Wisdom for People Performance
- People Wisdom
- People Performance

Railway Civil Engineering Course: QR provides an invaluable opportunity for Civil Engineers to rapidly advance their learning and understanding of rail specific applications. The Railway Civil Engineering Course draws on expert Australian specialists from within QR and the manufacturing and service industries who will present their in-depth knowledge in key areas. Informative field trips ensure participants also gain the relevant practical understanding of Railway Civil Engineering.

Commercial Imperatives Financial: QR Leaders examine how their decisions affect "value add" and which financial levers need to be pulled in order to maximise their impact. This workshop provides delegates with the opportunity to reinforce and extend their financial know-how.

Commercial Imperatives Performance Alignment: The aim of the program is to help participants build commercial literacy in the following areas to better understand the QR way of doing business and to positively impact business decision making activities:

- Understand commercial objectives
- Identify opportunities to maximise returns
- Consider external factors
- Focus on commercial outcomes
- Evaluate opportunities
- Implement commercially viable plans.



Tertiary Certificate/Diploma Qualifications

Where a business need applies, QR provides full or part funding for employees to undertake certificate/diploma-level study. This includes, but is not necessarily restricted to the following courses:

- Graduate Certificate in Bulk Freight Systems Management
- Graduate Certificate in Integrated Freight Systems Management
- Diploma of Integrated Freight Systems Management
- Graduate Certificate in Legal Studies

Other

QR provides a range of face-to-face and online training across a wide range of topics. Examples include front-line management training, literacy training, equity and diversity training and awareness and/or skills training in a variety of QR business and safety processes.