



TITLE OF PRESENTATION:

RAIL SAFETY MANAGEMENT IN THE FACE OF SKILLS SHORTAGES

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Introduction

The Australian rail industry is facing a major crisis as it enters a major growth “renaissance” period. Rail, like most industries in the transport and logistics sector faces an ageing workforce with low levels of recruitment. This is placing increasingly large pressures on existing workers making it more difficult for organisations to deal with the resultant impacts on safety of operations.

An additional impact on safety management is the fact that the rail industry in recent years of disaggregation of above rail and below rail operations has tended to focus mostly on the “bottom-line” resulting in less than optimum investment in training. This has meant that skill levels have been placed under pressure.

It is evident that the public’s tolerance to very low levels of fatalities in the rail sector is much lower than its willingness to accept much higher numbers of fatalities in the road sector. Added to this, Government inquiries such as the Waterfall Special Commission are, rightly or wrongly causing the national industry to review its approach to rail safety management, even before the final report has been handed down.

The Australian rail industry is coming to terms with these major issues which have some similarities in other countries also. This paper will identify a range of systemic responses being developed to address these issues in Australia and overseas.

A snapshot of the Australian Rail industry

In recent times, the Australian rail industry has undergone significant structural change. The introduction of competition policy, privatisation and franchising of many operations, an increasing focus on improving efficiency and improving the already high safety and environmental standards has led to a more focussed and customer oriented industry.

During 2002/03:

- 586 million passengers travelled on urban rail services
- 8.9 million passengers travelled on the non-urban rail network
- 545 million tonnes of freight was carried
- the rail industry contributed \$5.3 billion in value to the Australian economy, and
- the rail industry directly employed around 40,000 people within various rail business activities viz train crews (25%); network control (4%); terminal operations (6%); maintenance (21%); customer service (14%) and other activities (30%).¹

¹ Australian Rail Industry Report – ARA 2003



The rail industry is now in a period of resurgence. This has been driven by a growing economy (one of the larger growth rates in OECD countries) and an increased national government focus on rail as a viable alternative to road freight movements. With this growth emerging, attention is being drawn to the shortages in the rail workforce as industry seeks to enlarge the rail freight and passenger “pie”.

Labour workforce crisis

Skills shortages There is growing concern within the Australian rail industry over looming staff-skills shortages. If left unchecked, this will limit rail’s ability to move the expected unprecedented levels of freight around the country and people around Australia’s cities.

The pressing issue of long-term skills shortages is fuelled by the common problem facing many Australian industries, that of an ageing workforce. The largest group of Australian males of working age are in the 25 – 44 age band (37%) followed by the 45 – 64 age band (30%). The majority of rail safety workers in Australia are male with an average age well in excess of the average age of Australian workers. For example Queensland Rail (the largest rail employer in Australia – freight and passenger) has 60% of its rail workers over 40 years of age. New South Wales’ RailCorp (passenger) has an average age 49 years and the country’s largest freight operator Pacific National has an average age of 52.²

Australians appear more likely to retire early than workers in comparable countries. For example, only 49% of people between the ages of 55 and 64 are in the workforce in Australia, compared with 59% in the US and even higher proportions in New Zealand and Scandinavia.³ This will make it more difficult to find workers from a labour pool which will shrink as a percentage of population. According to the Business Council of Australia, during the decade beginning 2020, the working age population will increase by only 140,000 rather than the current increase annually of 180,000.⁴

It can be expected that many rail workers will be voluntarily retiring within the next decade. This trend of retirements may be accelerated by increased standards of medical fitness required by changing State-based regulation causing non-retirement labour turnover.

The demand for specialised competencies (especially for train drivers) will also affect rail’s urban passenger activities. Both the Sydney and Melbourne metropolitan systems are currently facing difficulties in meeting existing demand for services due to shortages of qualified train drivers. The current expansion of the infrastructure network in Sydney will add to these pressures. Perth is also expanding its urban rail network with services to Mandurah.

The transport and logistics sector and rail in particular, is failing to attract sufficient new employees to careers in the industry. The Department of Employment and Workplace Relations (DEWR) expects that four broad-based industries are expected to account for almost six out of ten new jobs in the next six years viz Property & Business Services (28%); Retail Trade (19%); Health & Community Services (14%) and Accommodation, Cafes & Restaurants (8%).⁵ This means that rail will be competing for an ever decreasing share of the available labour market.

Australia is not alone in facing these labour shortages. For example, the Canadian rail industry is facing similar problems to Australia as is evidenced by the following quotation - ‘The rail industry has a long history of hiring people with the right aptitudes and developing them into skilled employees. While this approach has served railways well in the past, the changing nature of employment

² NRTC Proposed National Health Assessment Standard for Rail Safety Workers, Preliminary Impact Statement December 2003

³ Management Today August 2004

⁴ Management Today August 2004

⁵ DEWR submission on Current and Future Skill Needs to the Senate Employment, Workplace Relations and Education Reference Committee May 2003



relationships has led to many other industries to greater pre-employment training through colleges.’⁶ In addition, the UK has recently established the Rail Skills Centre to address similar issues there.

Shortfall in training effort The industry has generally been in a downsizing mode for the past two decades. These pressures have unfortunately led to a focus on cost-cutting at the expense of the less tangible benefits such as training. This has led to a reduced focus on training and qualifying staff which has left the rail industry somewhat behind other sectors. This has contributed to the notion that rail is an industry in which staff are not well qualified and in today’s employment environment, especially for younger workers, the industry is less attractive than it could be.

How does this affect rail safety management?

Clearly the looming shortfall in the rail labour workforce will place pressure on the capacity of the Australian rail industry. This has genuine implications on rail safety. For example, fewer workers will lead to reduced services and productivity where technology has not been seen as a viable alternative. This is true of the situation of train drivers and guards given that driverless trains in virtually all operating environments are unlikely for the foreseeable future in Australia. With reduced capacity in numbers of safety workers comes increased pressure on existing safety workers. This then leads to increased likelihood of pressure and fatigue-related accidents and incidents, notwithstanding current excellent initiatives to improve fatigue management in the industry.

Furthermore, the pressures on productivity from inadequate staffing levels impact on the ability of the industry to undertake all but the basic needs of training. The industry is currently focussing on the important area of “human factors” training as a way of improving work safety. This kind of new and important safety training is likely to suffer when workforce levels are insufficient. Interestingly, the shortages in staff will in turn lead to a worsening perception of the industry and this may adversely affect recruitment. Finally, the inadequacy of training deriving from shortages in staff can serve to undermine the very safety culture of organisations as staff perceive that safety training for all but the very essential areas is given low priority.

The Australian Rail Skills and Career Council

As with most challenges, the looming staff shortfall provides a unique opportunity for the rail industry to embrace some exciting initiatives. The Australasian Railway Association (ARA) has begun a significant program to address these issues. The ARA has learnt from the experience of the rail industry in other countries (such as UK, Canada and the USA) in developing its own Australian skills and recruitment enhancement program.

The ARA recently formed the Rail Skills and Career Council (RSCC). For the first time rail operators Australia-wide have come together to establish common training standards and approaches to recruitment. There will be an unprecedented sharing of information amongst the major operators, which can only lead to an improved ability to confront the problems facing the rail industry.

The RSCC has a strategic goal to improve the quality of training of all safety critical workers that includes drivers, maintenance personnel, engineers and track infrastructure workers. Three Working Groups involving the stakeholders were formed in June 2004 to identify, define and prioritise the issues and problems and to develop strategies to them. From these Working Groups a number of specific projects have been developed. A brief overview of these activities will allow an understanding of the issues and the directions being taken by our industry.

⁶ Canadian Railway Industry Human Resources Study 2002



Training and Education

In Australia training packages are a key feature of vocational education and training. They are part of the Australian Qualification Framework that aims to make training and regulatory arrangements simple, flexible and relevant to the needs of industry. Unlike a number of overseas national training models, Australia is well placed having the Australian National Training Authority (ANTA) which funds national industry training and skills councils and recognised bodies to develop Training Packages. Extensive consultation occurs during development to ensure that the Training Package is relevant and useable. Before the completed Training Package is endorsed for use, it must be validated and shown that it has broad industry support. These qualifications are recognised nationally and allow for portability.

The Training Packages for Rail Operations and Rail Infrastructure were introduced in May 2002 and are due for review in 2005. They are part of a suite of Training Packages for the Australian transport & distribution sector. However, it has become clear that within the largely privatised rail industry there is a lack of consistency and completeness of agreed national profiles for varying rail safety worker occupations. This affects the practical recognition of an individual employee's qualifications and can lead to additional training costs.

A review has commenced of the "core" competencies (that is common to all rail operators) for train drivers and track infrastructure workers that will:

- identify the existing core competencies being used by major national operators and infrastructure providers
- identify gaps in these core competencies
- contribute to the major national review by the ANTA
- ensure sufficient competencies exist for business needs
- clarify perceived issues surrounding the portability of competencies and their impact on the rail industry

The benefits to be derived from the adoption of national core competencies are:

- support national portability of quality assured skills attained by individual employees under AQF training packages
- provides employers with confidence in recognising these quality skills attained by individual employees
- financial savings to employers through a reduced need to train new staff; employers need only to train to cover identified gaps to satisfy individual organisation requirements
- provides an opportunity for any new national competencies to be included in a new rail industry code of practice; this would assist new employees to easily identify minimum competencies required and the competencies that must be adhered to by RTOs providing services to the rail industry
- assist with the development of career paths for employees within individual organisations
- raises the profile of the rail industry as a provider of nationally recognised qualifications to its employees; this should improve the attractiveness of rail as a career to potential employees

These outcomes will link into the 2005 review of Rail Operations and Rail Infrastructure Training Packages. Proposals are also being developed for a resource for new managers entering the rail industry. In addition to these actions, the ARA will be commissioning a brief study of existing training and education programs, syllabuses and key issues to establish clearly the current "landscape" of training and education for rail in Australia. This will also address tertiary or university level education issues that also need addressing.



Recruitment and Careers

A research program will be undertaken to allow fact-based strategies to be developed for the attraction, recruitment and retention of employees in the rail industry. This will draw on information held within the rail industry and meet three objectives:

- test the perception that there is a present and future problem in attracting, recruiting and retaining people into the rail industry as a career
- if the perception is found to be real, it will map the underlying issues that create the problem
- identify possible ways of addressing the issues in the near and medium future, to overcome the perceived problem

Key elements of the research program are:

- an assessment of future rail industry skill requirements on a national basis, taking into account changing technology and the implementation of improved workforce planning processes
- the national application of best practice attraction, recruitment and retention processes. This is expected to assist individual organisations to review their current recruitment procedures and adopt proven best practice procedures
- an understanding of the perceptions held by potential and current employees about the Australian rail industry by segment and the influences that these have in their choice of employment
- identification of the key influencers in determining potential career paths for school-age children
- identification of changes required to achieve the mutual recognition of skills for both management and operational staff for the future sustainability of the rail industry

Engagement of Whole Industry

The ARA has successfully brought together the diverse Australian rail industry to work towards common goals. This unity has been achieved and is producing excellent results. The industry is moving away from terms that provoke old ideas and responses towards the adoption of new ideas and strategies to address the future requirements of a vibrant industry.

The industry has an opportunity to positively address looming manpower and human resource issues by:

- establishing a formal industry-wide work force planning capacity
- developing positive strategies for the attraction, recruitment and retention of employees particularly those leaving schools and universities

There is much work to be done collectively by our industry. The recent creation of the national Rail Skills and Career Council has commenced the journey that requires the adoption of further changes to the traditional way that we look at things. Clearly the old way is no longer acceptable.

It is encouraging that in a short space of time, organizations who are competitors with seemingly different business objectives and philosophies are prepared to share information and develop national strategies for the attraction, recruitment and retention of future employees for the common benefit of the industry. Out of adversity there is great potential opportunity. How successful we become will be measured by our continued acceptance of change.



Where to from here?

The Australian rail industry is at a cross-road in terms of its capacity to establish a workforce that will provide sufficient capacity to meet labour demands in the foreseeable future. Furthermore, there is a critical need to review the level and quality of training for safety related workers to ensure there is a suitable operating environment for the delivery of safe operations.

The ARA will continue to identify good practice in recruiting, careers development and training / education to help formulate a sound basis for the development of a sustainable rail industry that can not only meet business needs, but do so in a safe manner. The measures outlined above will go a long way towards meeting these crucial industry needs.