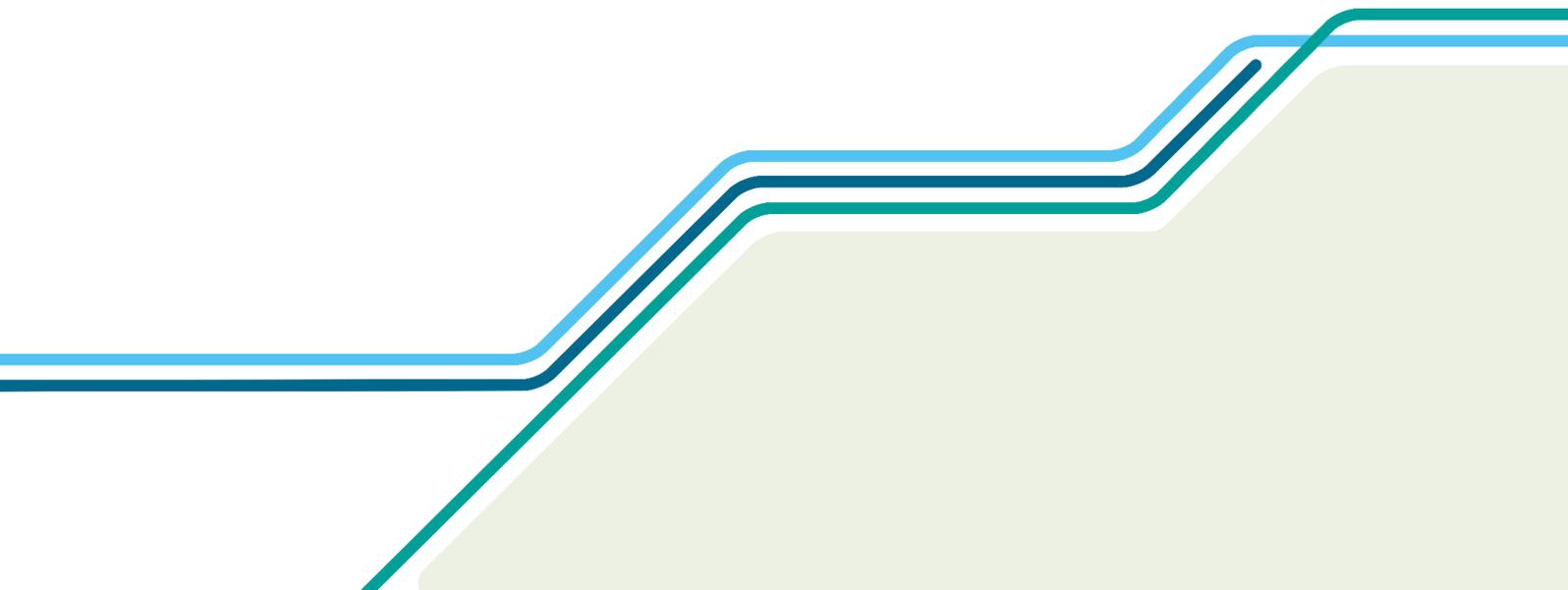




Association Number A03958 | ABN 64 217 302 489

Report on Transport Ministers Meeting August 2019

2 August 2019



Transport Ministers Move to Address Skills Shortages and Endorse Freight Strategy

The Australasian Railway Association (ARA) has welcomed key decisions by the nation's transport Ministers to refer the issue of rail skilled labour shortages to the National Transport Commission (NTC) and to endorse a new National Freight and Supply Chain Strategy at its meeting on 2 August 2019 in Adelaide.

Rail is undergoing a continuum of significant public investment as State, Territory and the Commonwealth Government are funding over \$150 Billion in new rail infrastructure projects over the next 15 years, with new and expanded heavy and light rail, metro and freight rail projects planned or underway in most Australian states and capital cities.

The ARA has previously warned this plethora of projects would be delayed and delivered over-budget if issues causing skilled labour shortages are not addressed in a collaborative approach between government and industry.

Industry executives from John Holland Group, CPB Contractors, Lend Lease, Sydney Metro, ARTC, Acciona Infrastructure, Sydney Trains, and Laing O'Rourke as well as the author of the ARA BIS Oxford Economics Report, [*Rail Skills Crisis- a Call to Action*](#) gave Ministers first-hand accounts of the current challenges due to skills and resources shortages at the meeting. The CEO of Pacific National also spoke about specific regulatory and fiscal impediments hampering rail freight competitiveness.

They addressed the following specific issues:

1. The need for a dynamic, up to date and publicly available forward pipeline of rail projects over a 10-15 year horizon, that includes skills profile for each project so that proper planning, resourcing and sequencing can be undertaken;
2. That rail skills training receives a fair share of government skills investment;

3. The need for quality rail training facilities to be elevated to national centres of excellence so that rail employees and companies across the country can access quality training facilities;
4. The need to address unnecessary accreditation and training barriers that inhibit seamless transfer of skilled labour between state rail jurisdictions;
5. Cost pressures built into current tendering and procurement processes mitigate against training of skilled workers. Innovative solutions are needed to facilitate industry-wide training, such as industry-level training levy to fund training, and dedicated programs to identify target groups;
6. The imposition of project quotas in contracts for major construction jobs is not necessarily the most effective way of addressing skill shortages. Project timeframes are often shorter than apprenticeships themselves, and target groups are often not aligned to skills shortage areas. There is a need for better and consistent approaches across the country.

These are national issues requiring a national approach, which reinforces the need for jurisdictions to work together to ensure consistency and alignment.

Governments can't leave it to the so-called training 'market' to resolve, because it's just not working.

After the industry presentation, Ministers noted the need for Commonwealth and State and Territory governments to work collaboratively to address challenges associated with skills, labour supply and harmonisation of rail industry (including rolling stock) standards.

They tasked the National Transport Commission (NTC) to develop and circulate an action plan ahead of the next Ministerial meeting, scheduled for November 2019 to focus on these priority areas and identify measure to be taken immediately, and to map out a forward work program.

The state Victoria will lead this work in partnership with the Commonwealth and will actively consult other jurisdictions.

The ARA looks forward to working collaboratively with Government, through the NTC to put in place practical measures to ensure we maximise governments' investments in Australia's passenger and freight networks.

National Freight and Supply Chain Strategy

At the same meeting Ministers endorsed the National Freight and Supply Chain Strategy and National Action Plan.

The [Strategy](#) and [National Action Plan](#) focuses on four critical areas: smarter and targeted infrastructure investment; enabling improved supply chain efficiency; better planning, coordination and regulation; and better freight location and performance data.

The National Action Plan details a range of actions that will be progressed between now and 2024 to achieve a set of agreed outcomes. At a high level, these actions include:

- Increased rail standardisation and interoperability across Australia's rail networks;
- Development of National Planning Principles;
- Reviewing and updating state and territory planning policies relating to freight;
- Investigation into scheduling and operating procedures to improve rail freight access and flows;
- Inland Rail intermodal terminals planning;
- Establishment of a National urban freight planning forum;
- Finalising arrangements for the National Freight Data Hub;
- Establishment of a freight data exchange pilot to allow industry to access freight data in real time;
- More reliable rail freight movement on mixed use networks, particularly in metropolitan areas;
- Preparation of advice on options to progress Heavy Vehicle Road Reform, including advice on introducing independent price regulation and developing models to estimate costs based on future road network needs;
- Development of a Transport Sector Skills Strategy;
- Integration of community engagement as part of freight-related projects.

Following TIC's endorsement of the Strategy, Ministers will report back to TIC at the November meeting outlining arrangements for implementing the Action Plan, measuring progress and engaging with industry. This next step is of critical importance, as it will ultimately detail how jurisdictions will deliver on the National Action Plan.

ARA will be continuing to advocate for the development of robust, detailed and measurable action plans to ensure the strategy delivers real change to improve our supply chains.

For further information, please refer to the newly create [website](#) *Freight Australia*.

(see the full [TIC Communique](#)).