

# Australasian Railways Association Rail Industry Workshop

## Opening Address

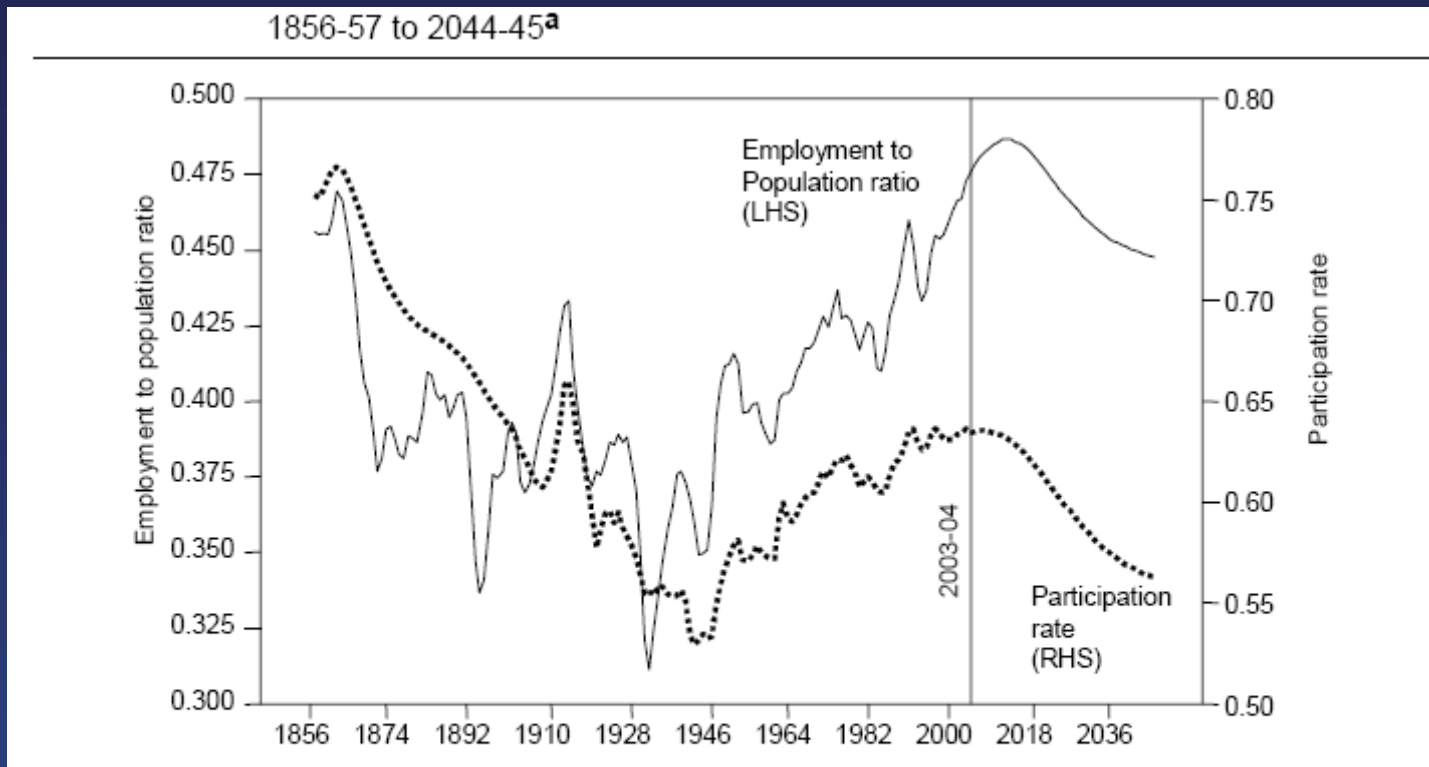
David Marchant, CEO, Australian Rail Track Corporation

Stamford Grand, Adelaide, 19 August 2005

## Key areas to be covered ...

- The future labour supply market and implications for the rail industry
- Interstate non-bulk freight volume growth
- Anticipated volume growth on North South interstate rail corridors

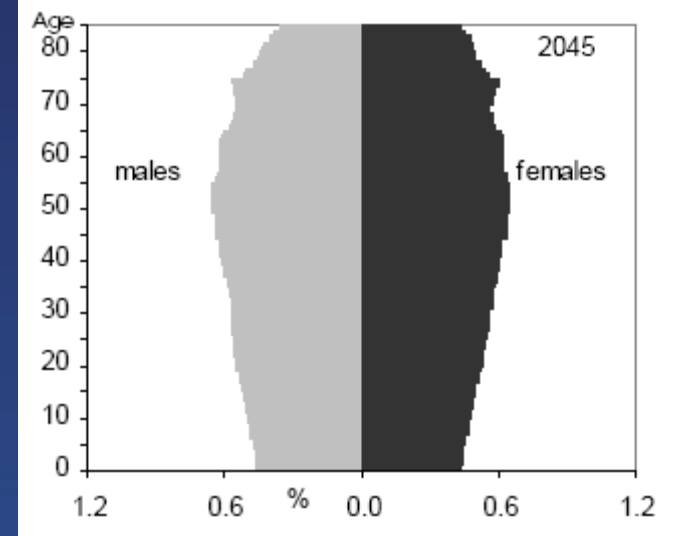
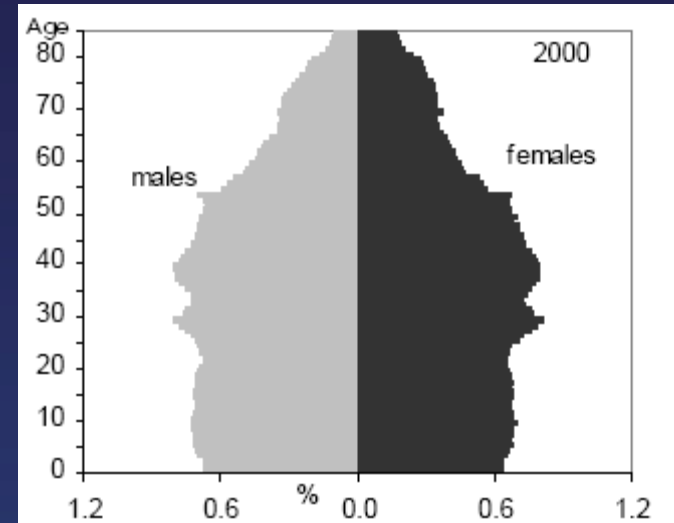
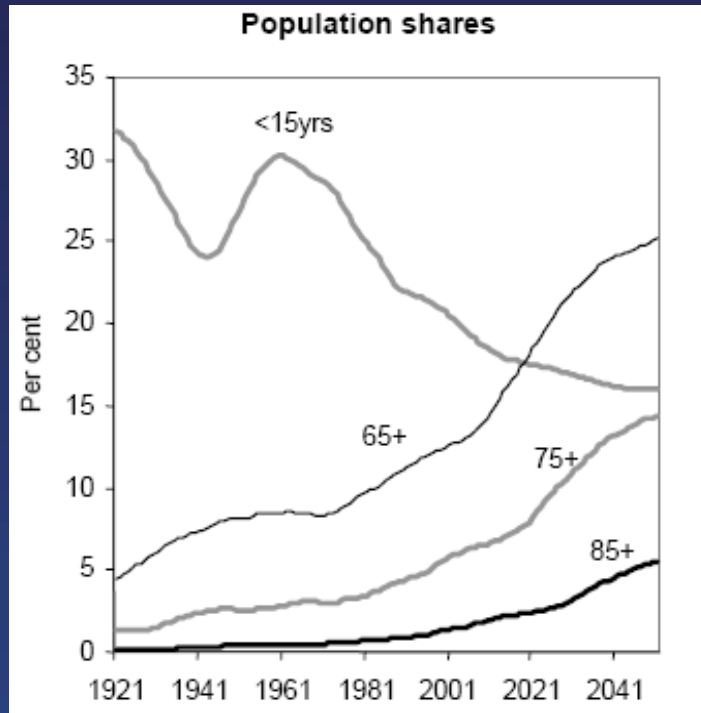
## Taking a longer view: 200 years of labour supply ...



<sup>a</sup> These data were constructed from many historical data series — with interpolation based on econometric estimates and cubic splines for some earlier data.

*Data source:* Commission estimates based on ABS Labour Force data, Vamplew (1987), Withers et al. (1985), and Foster and Stewart (1991).

# The proportion of younger people will decline over the next 40 years ...



Productivity Commission, Economic Implications of an Ageing Australia, March 2005

## Growth in worker numbers is set to decline ...

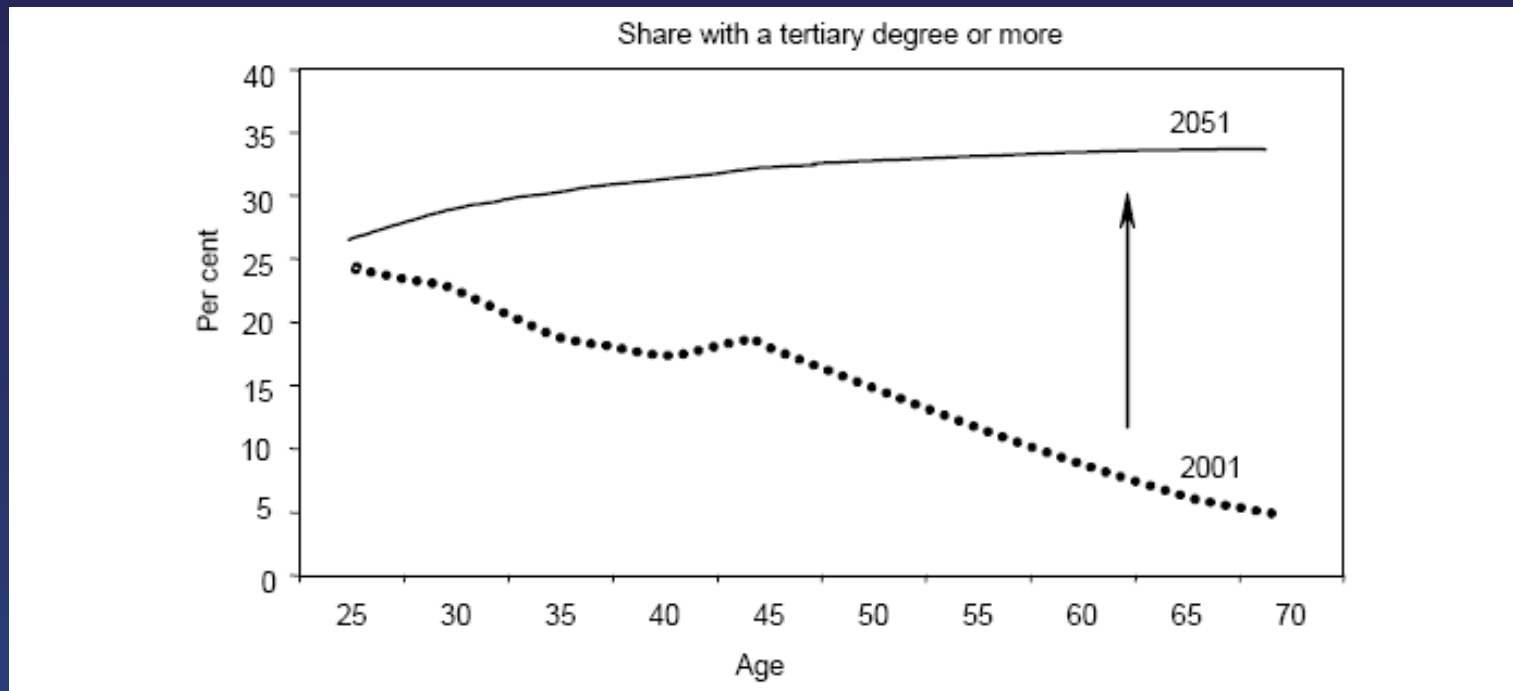
Yearly percentage change in the number of people aged 15-64, 1944-45 to 2044-45



Data sources: PC-M population projections and ABS historical population data for earlier years.

Productivity Commission, Economic Implications of an Ageing Australia, March 2005

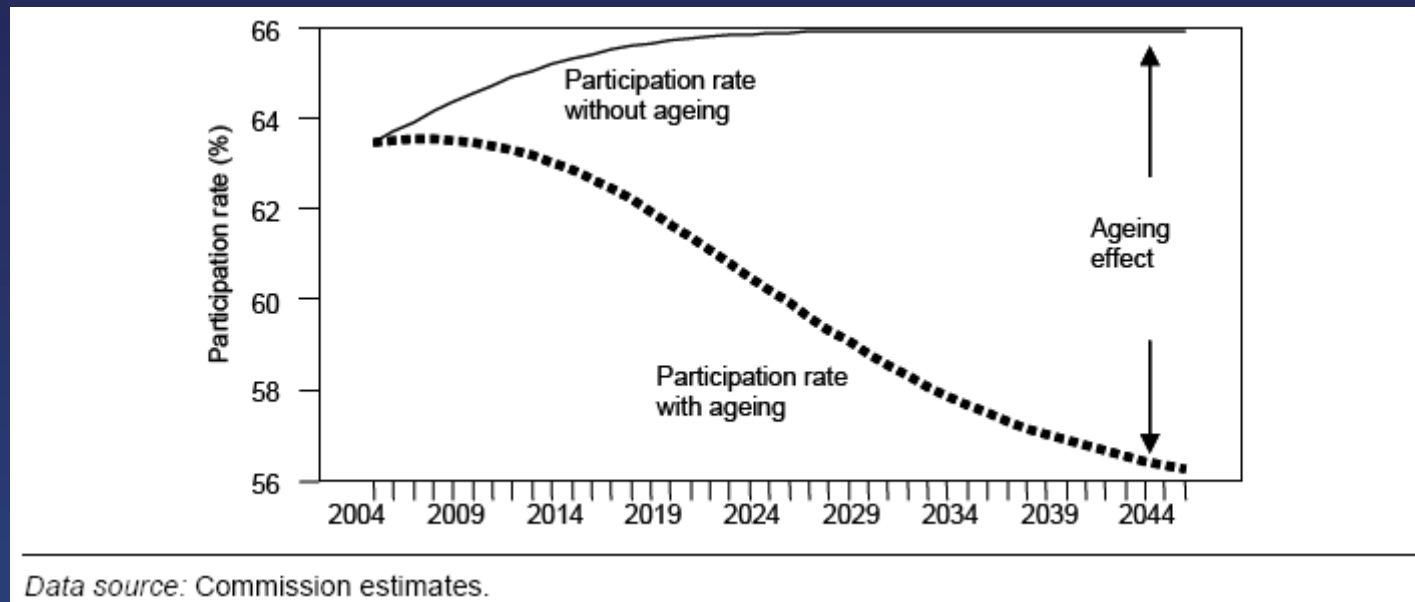
## The old of the future will be more highly educated than the young ...



Productivity Commission, Economic Implications of an Ageing Australia, March 2005

- Today's more highly educated young will get older
- New health technologies and movement away from hazardous occupations will level the profile
- This will impact on participation rates for the young

## Aggregate participation rates fall with ageing ...



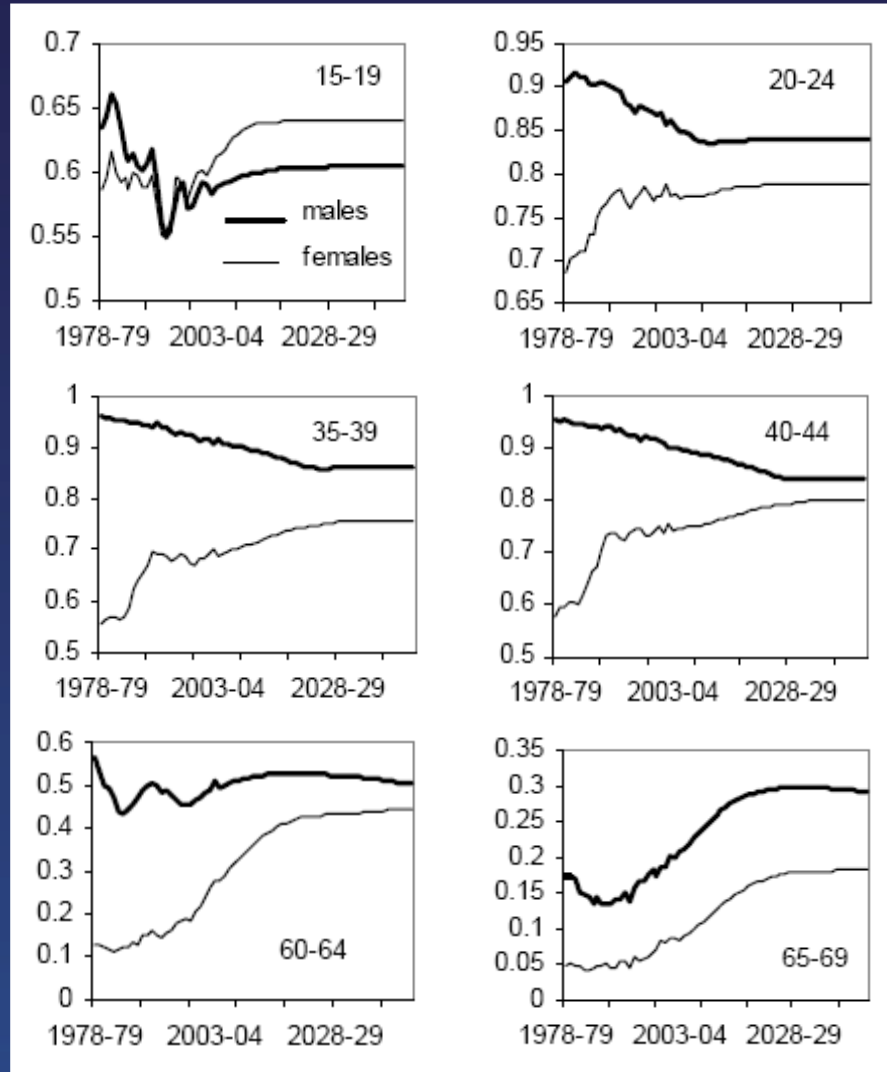
Productivity Commission, Economic Implications of an Ageing Australia, March 2005

# Participation rates for younger people will not keep pace with other age groups ...

Younger people

Middle aged people

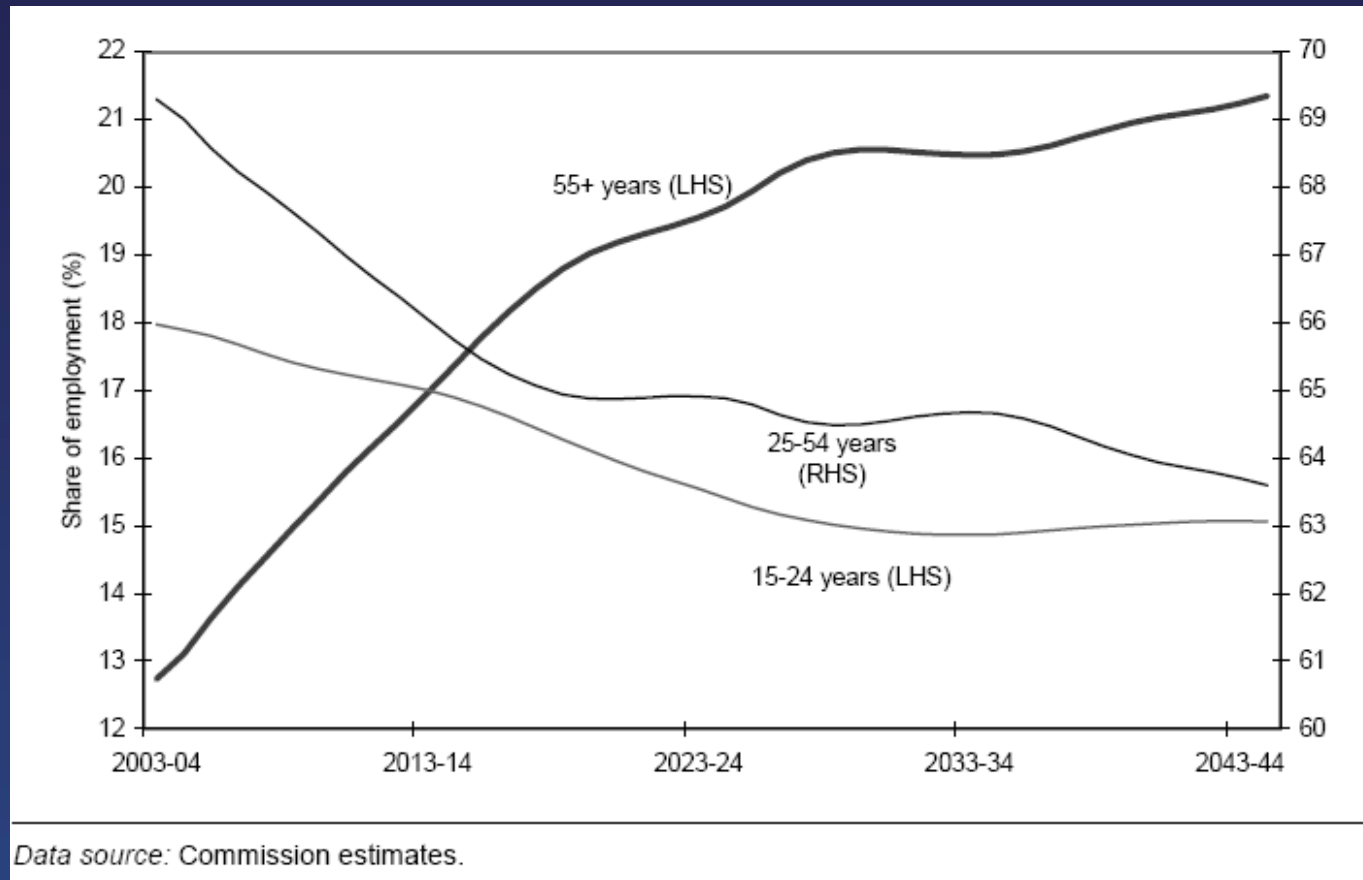
Older people



Productivity Commission, Economic Implications of an Ageing Australia, March 2005



## The age distribution of employment ...



Productivity Commission, Economic Implications of an Ageing Australia, March 2005

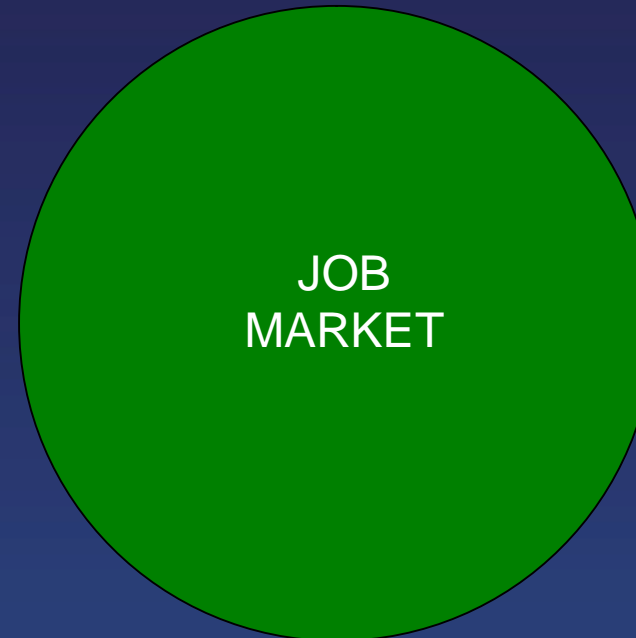
Less younger people will be employed compared to older people

In the future, there will be a relatively smaller supply of your workers available to meet a growing job market ...

### Labour Supply



### Labour Demand



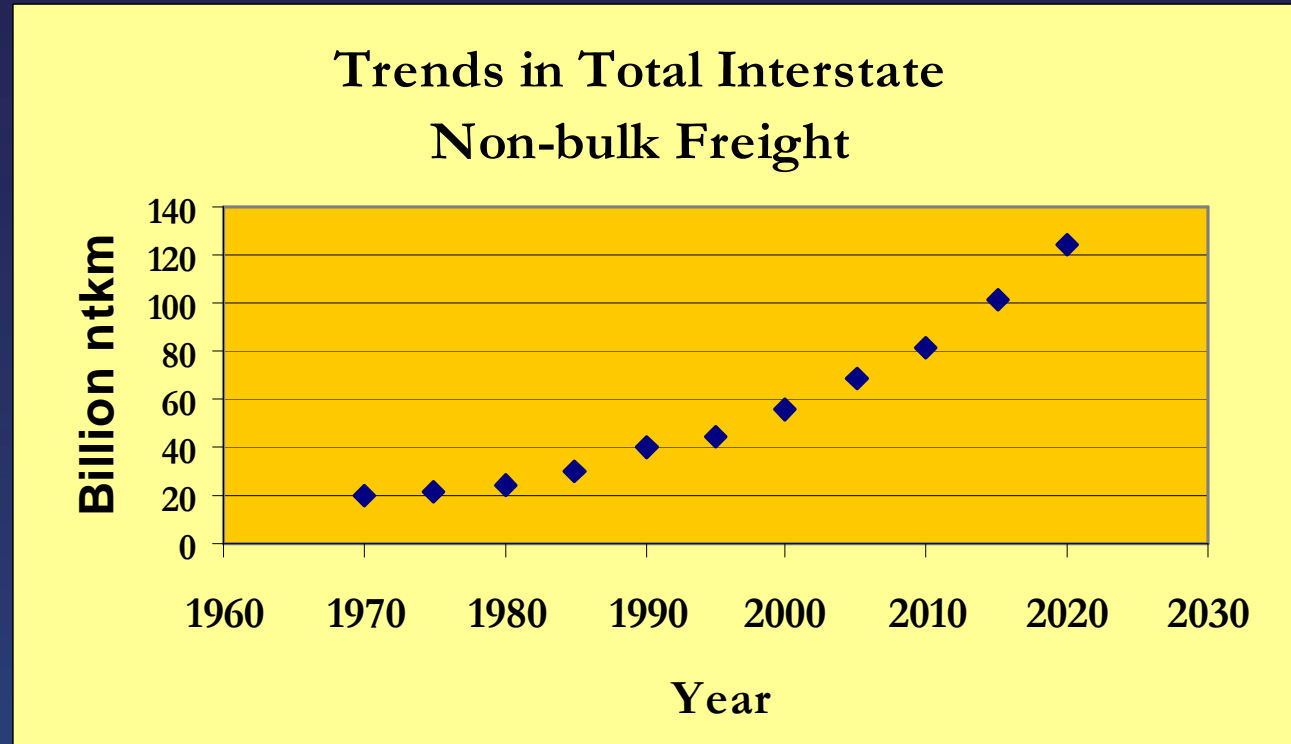
Slower growth in labour supply  
Reduced proportion of younger participants  
Increased competition for younger workers  
Greater choice for younger workers

Faster growth in labour demand

## Some conclusions ...

- It will be vital that productivity continues to improve through technology and other means – younger people are traditionally less productive than older people
- Education of younger people needs to be strengthened
- Industries will face greater competition for labour supply and particularly in the younger segment of the labour market
- Industries will need to make employment in that industry more attractive for younger employees
  - Technology
  - Flexibility
  - Conditions
  - Marketing

## Significant increase in the interstate non-bulk freight task ...

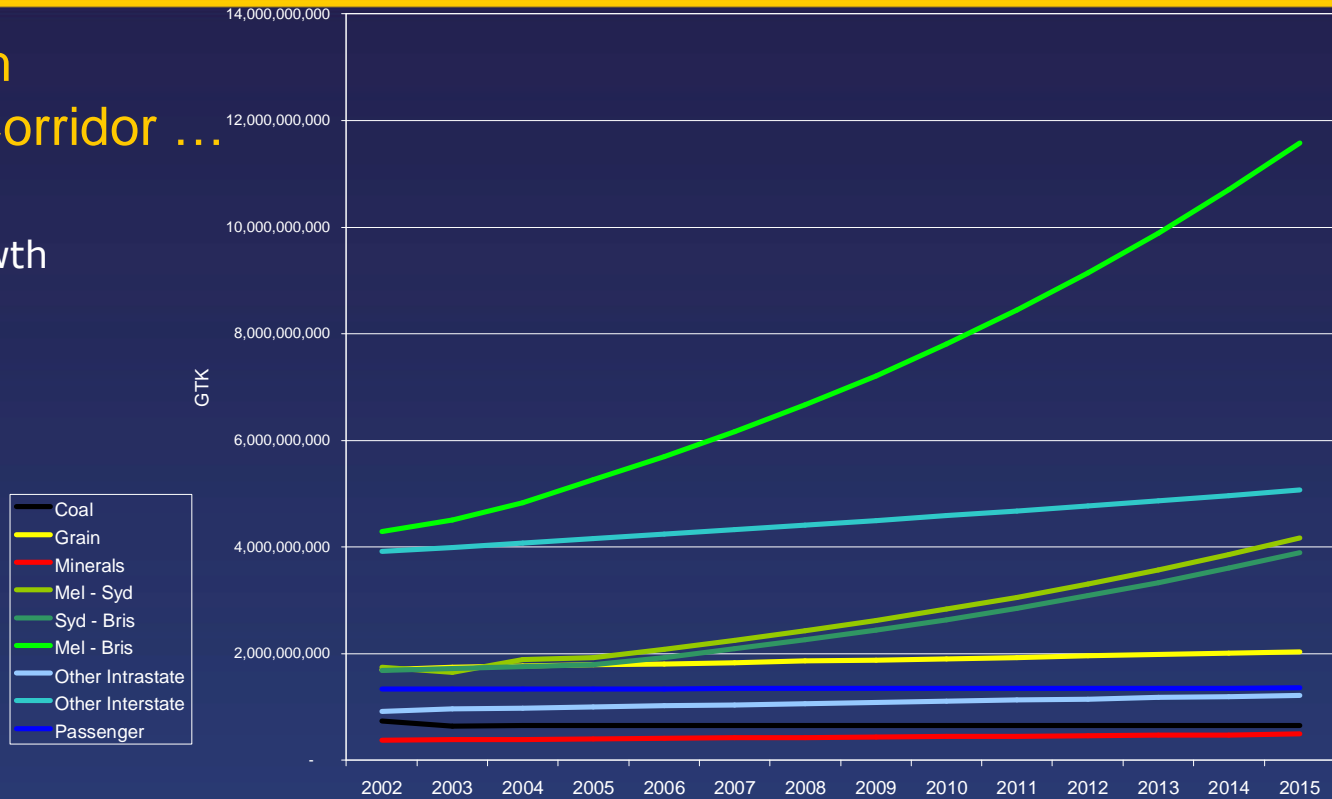


'The total freight task is forecast to almost double in the next 20 years'

AusLink White Paper, BTRE

# North South Interstate Corridor ...

## Volume Growth



	2005	2010	% Increase 2005 - 2010	2015	% Increase 2005 - 2015
Mel - Syd	1.93	2.83	47%	4.16	116%
Syd - Bris	1.79	2.64	48%	3.89	118%
Mel - Bris	5.26	7.80	48%	11.57	120%
<b>Sub-Total</b>	<b>8.98</b>	<b>13.28</b>	<b>48%</b>	<b>19.63</b>	<b>119%</b>
Other Intrastate	1.00	1.10	10%	1.22	22%
Other Interstate	4.15	4.59	10%	5.06	22%
Coal	0.66	0.66	0%	0.66	0%
Grain	1.79	1.91	7%	2.04	14%
Minerals	0.40	0.44	10%	0.49	22%
Passenger	1.34	1.35	1%	1.35	1%
<b>Sub-Total</b>	<b>9.34</b>	<b>10.04</b>	<b>8%</b>	<b>10.82</b>	<b>16%</b>
<b>Total</b>	<b>18.31</b>	<b>23.32</b>	<b>27%</b>	<b>30.45</b>	<b>66%</b>