

INSTITUTE OF TRANSPORTATION ENGINEERS

AUSTRALIAN SECTION

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## SECTION ADMINISTRATION

### 1. Liaison with New Zealand

Letters have been sent to all listed New Zealand members seeking an expression of their opinion on the formation of an Australasian Section. So far no consolidated reply has been forwarded.

### 2. Subscriptions (Local)

Those for 1980 are now due. These are for the running of the Australian Section, and have been set at \$2.00. Your prompt payment (if applicable) would be appreciated; see attached sheet.

### 3. Membership

A welcome is extended to the following relatively recent additions:-

- a. J. N. Hardwick, TAS (A);
- b. R. Akcelik, ACT (M);
- c. C.B. Uber, NSW (A); and
- d. D.J. Bray, SA (A).

Occasional requests are still being received for membership forms, so the trend is encouraging.

### 4. Election of Office Bearers

At the AGM to be held in Sydney in August 1980, results of elections will be announced. Nominations are looked after by a Nominating Committee (Section 4.6 of By-Laws); however, if individuals wish to make separate nominations, they (with written consent of nominee) should be in Secretary's hands by end of May 1980. The positions available are:

- a. State Directors (from which President & Vice-President are drawn); and
- b. Sec/Treasurer.

Any necessary mail balloting will be conducted in June/July 1980.

## MEETINGS, CONFERENCES

### 1. I.E. Australia, Transport Conference, Adelaide November 1979

The Australian Section sponsored a late afternoon session at which Ken Dobinson (DMR NSW) gave an excellent address on aspects of relatively recent trip to North America. It was well attended and was considered to have made a useful contribution to the conference overall.

### 2. Annual Meeting of Australian Section, Sydney, August 1980.

The Annual Meeting, including election of new office bearers for the next two years, will be held at the ARRB Conference in Sydney in August 1980. The form will be a short meeting, followed by an address by Prof. R. Blunden.

Please note that it is to be held on Thursday 28 August 1980. If you are going to the Conference ensure that you are there at least for Thursday so that the meeting can be well attended by ITE Members.

## INTEREST

1. An article of interest has been submitted by Murray Young (M), SA. It is considered to be of general interest, and it is hoped that it will stir up some further copy. Ed.

### "FUTURE EMPLOYMENT TRENDS IN TRANSPORTATION IN AUSTRALIA

In 1979 there have been major changes in senior professional employment in Australian Transportation consulting firms. Therefore, I feel that it is an appropriate time to consider how existing and future transportation engineers will be employed in the 1980's.

Many of the larger transportation firms have experienced the loss of their senior professionals, many deciding to go it alone, join a small firm, or seek employment in Government. I suggest that there are several reasons for these changes, namely; economic security, dissatisfaction with larger and therefore often less personal firms; the desire to "do your own thing" and create personal job opportunities; and for anticipated financial reward. I have made no attempt to categorize any of the professionals to whom I am referring in any one (or more) category. However, each of the four categories have been reviewed below:

. Economic Security: It is apparent to the majority of Australians (the exception being the Federal Government), that the economy is stagnating and there is a general lack of confidence in the future. For the past year (at least), consulting in Australia has been difficult and in some cases unprofitable. The day to day struggle to win briefs has been reflected in many transportation firms reducing staff and, in recent times having to turn their attention to obtaining studies overseas.

The insecurity of consulting has encouraged staff to look for a more secure job in Government, which in turn often results in less work being available for the consultant.

I would suggest that should the Planning and Research funds stop in any year, transportation firms would be very embarrassed; and many experienced personnel would have to leave the consulting field. There is no assurance that Government positions would be available to absorb these people.

. Larger Firms: Transportation firms do not require the big back up staffing as do civil/structural engineering firms and the transportation section in large firms is often a service organisation. From the firm's point of view, a small transportation section is not as profitable as is say a highway or civil design section, where unproductive time is less and one professional can supervise many lower paid sub-professionals.

A small group in a larger firm can lead to an identity problem, which creates problems in-house and also with potential clients. Firms are often "labelled" or "categorized" with the label possibly not reflecting a current professional strength, but rather one of 5 to 10 years ago.

An additional problem working in a larger firm, is that the firm often has offices in many Australian States and overseas. This can lead to family disruptions or dislocations, for a relatively powerless employee. This powerlessness to influence dislocation decisions is usually not suffered in smaller firms with one office.

. Own Thing: This aspect is probably the strongest motive for most people leaving a large firm to start up their own practice or to join a small group.

Transportation engineers are fortunate in that they do not have to heavily rely on the skills of others and in small firms they can compete at lower charge rates than larger firms. On larger projects, small independent consulting firms can call on the resources of similar groups throughout Australia and mount equivalent or better teams than can be put together in house by larger firms.

The transportation specialist also has the advantage of being included in interdisciplinary teams of larger consultants. The inclusion of staff from a competing larger firm into a team put together by another larger firm is not usual, except for major projects which today are very infrequent. An example of such a larger team was the Pak-Poy/GHD-Parsons Brinkerhoff team to undertake the preliminary design of the NEAPTR light rail project in Adelaide.

While many directors of larger firms ensure they have the tax advantages and Trusts to pay minimum tax, these are often not available to the employee, even at the senior level. In a small company, such arrangements are generally available.

The desire to make one's own decisions is strong in some people and the inability to change or modify policies in large firms often results in such people leaving the organisation to set up their own consulting group. In this way there can be no doubt where the blame stops. On the more positive side, the independent consultant can learn by management mistakes he has seen while working for a larger firm and can strive to create a management organization with its own particular identity.

. Financial Remuneration: In today's consulting climate, it is unrealistic for the small consulting firms to expect a large financial remuneration. The tight market situation of our business results in charge rates which must be competitive and after paying overheads (which are surprisingly high even in a small office), the end of year return is often less than most senior Government employees of equivalent experience.

I would suggest that this aspect has a relatively low priority in the minds of the majority of these senior professionals who have left large consulting organisations to start their own firms or join a small group in the past 12 months.

In the next 10 years, I believe that the opportunities for major transportation studies in Australia are limited. We have seen the Australian capital cities studies in depth, with the resulting transportation planning output being both costly and not as valuable to the decision makers as had been hoped. I believe the large transportation plans will be a thing of the past, with the 1980's seeing modest updates of previous studies. The sophisticated transportation models appear not to have produced results that are significantly more accurate than results obtained by more basic models of the late 1960's. Only the cost has changed.

While future petrol prices will increase and possibly marginally reduce some person trips, the congestion on our roads will continue to increase for the foreseeable future. Solutions will be sought through low cost traffic engineering and management procedures, rather than by means of costly transportation planning studies. This trend has already commenced and will increase in the 1980's, especially in the suburban council areas. Opportunities will be created for consulting work with councils and employment of traffic/transportation engineers by councils to work on staff will also increase. As more and more councils employ their own traffic specialists, less work will be available for consultants.

One of the most difficult situations facing transportation consultants in Australia today, is the growing trend in both Government and the private sector to request the services of a particular senior person, rather than engage the firm as an entity. This results in a heavy work load for that person, but does not create opportunities for less experienced staff. Similarly, only experienced persons are acceptable overseas and the general move to obtain overseas work has resulted in firms sending senior people, thus no longer providing a service on the local scene. Larger firms have little choice but to seek major projects overseas (since large studies are not available in Australia) and this will permit the small firms to provide the service and thus become established.

In summary, I believe that the changes in personnel of transportation firms in Australia will continue and small specialist groups will evolve. These new groups will provide a service equal to the large firms, but at a lower cost to the client. Clients will know with whom they are engaging when approaching smaller firms and will have some confidence that their contract will not be sent overseas during the project. More consultants will also join Government for security, higher salary and relief from the often pressured pace that a consultant must work under.

The best thing all transportation consultants in the private sector can look forward to in Australia is an increase in public confidence in the economy, which in turn would stimulate development and related consulting opportunities. It is unlikely that increased Government spending will occur in the foreseeable future to initiate new transport planning projects, but opportunities should evolve at the local council level in traffic management schemes. Improved public transport facilities and operations will be given increased priority and this should become an area where transportation consultants can assist Government in its planning and policy development. "