



Fifth Update.

The Privatisation of the PTC

The Plan for the PTC

- To Reduce the Workforce to Less than 30 by Christmas 1999, Though :-
 - Sales of the Main Businesses
 - Sales of the rest of the PTC
 - Transfer of Functions to Department of Infrastructure, or other parts of Government
 - Leading to Closure of Head Office
- Depends on the actual Sales Timings.

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Sale Time-Table V/Line freight

- *Preferred Bidder announced soon?*
- *The Preferred Tenderer is*
 - To Be advised!
- Settlement Day, early April 1999
- EBA arrangements to be agreed
- Then Job Offers made.
- VDP's already agreed will be progressed.
- No new VDP's until After Job Offers.

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Likely Scenario for the Transfer of an Employee

- Announcement of the Preferred Tenderer
- Discussions on the EBA with Unions
- New Owner Selects Workforce.
- Offers of Employment, with known Conditions
- Acceptance of Offers, and then Transfer on Settlement Day
- Management of Employees who do not Transfer to the new Employer by the PTC

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Freight Sale Impacts on PTC

- To Be Advised when Bidder announced.

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ARTC Maintenance

- EBA Conditions advised to prospective contractors by PTC.
- Lease Issues still being negotiated
- Timing will now almost certainly trail the sale of V/Line Freight, due Mid April
- There will be Interim Arrangements put in place to cover the "gap" between sales

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The Sale Process Passenger Corporations

- *Getting the Market Ready*
- *Issuing the Information Memorandum, and seeking Expressions of Interest*
- *Selecting a Short List*
- *Opening the Data Room, Monday 15/02.*
- Receiving Final Bids
- Selecting the Preferred Tenderer
- The Sale on Settlement Day

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Revised Sale Time-Table

5 Passenger Companies

- *Information Memoranda Issued in October*
 - *Presentations made to Bidders, complete*
 - *Indicative bids submitted 04/01/99*
 - *Short list decided, not made public.*
 - *Final Bids due late April 1999*
 - *Preferred bidder announced early June.*
 - *Settlement day early August 1999*
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Revised Sale Time-Table 5 Passenger Companies

- *Information Memoranda Issued in October*
- *Presentations made to Bidders, complete*
- *Indicative bids submitted 04/01/99*
- *Short list decided, not made public.*
- Final Bids due late April 1999
- Preferred bidder announced early June.
- Settlement day early August 1999

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Passenger Sales Impact on the PTC

- The Metrol and TMF project will be Assigned to Bayside
- Geelong and Bendigo could become part of V/Line Passenger
- Automatic Ticketing will transfer to the Revenue Clearing House

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PTC Sales Update of Status - Sales Completion

- *Spotswood Electrical Workshop*
 - *Sale to ABB, Completed 31st January 1999*
- Signal Construction
 - Sale to Alstom, Proceeding well.
- Communications Group
 - Sale to Visionstream nearing finalisation
- Transfer of Property is on Hold

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PTC's remaining Businesses

- *Registrations of Interest were Called in December 1998 for the sale of :-*
 - *Major Workshops at Preston, Newport, and Ballarat*
 - *Mechanised Maintenance Group*
 - *Geelong and Bendigo Locomotive Maintenance.*
- Sales to be Completed mid 1999

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PTC Remaining Businesses Sales Process and Timing

- *Tolhurst Corporate Appointed as Sales Agents*
- *Initial Registrations of Interest Submitted*
- *Detailed Information Brief due early Feb*
- Bidder list to be finalised March 1999
- Due Diligence to start March 1999
- Sales due for completion mid 1999 - in line with the major passenger sales

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PTC's Remaining Businesses

- There have been a lot of Registrations of Interest
- A Number of the Major Bidders have Declared an Interest
- As there is a Bidding Process underway the PTC does not have the names of the bidders

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Availability of VDP Packages

- As the sale of the Freight Business has been announced, there can be no additional packages in that area.
- No Packages are available at Ballarat, as the workload is guaranteed for two years
- Requests for **VDP's** at head office & other workshops will now be considered
- Requests to be submitted by 26th February 1999

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Head Office Issues

- Reorganisations will take place in head office
- Now the PTC is substantially downsized, It is Essential Head Office likewise reduces
- All parts of Head Office being reviewed
- Applications for VDP packages are being encouraged in all areas
- Head Office will Close after all the Sales are Completed

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Purpose of the PTC Executive

To Close the PTC in a way that achieves the Most Positive outcomes for the Majority of Stakeholders

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This Means to Our Staff :-

- To privatise in a way that will ensure **each employee is treated as an individual**, with their reasonable needs, aspirations and ideas taken into account and satisfied as far as is practicable.
- This will include staff returned to the PTC when other businesses are sold, if they are not required by the new owners.

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How will We know We have been Successful :-

- In 12 months time the stakeholders including our staff will still respect the PTC and us.
- The PTC will be remembered for having greatly assisted the privatisation process
- Where appropriate, the PTC will have assisted in establishing a viable rail system into the future

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What this Means to You :-

- The people who have left the PTC through privatisation, in twelve months time will be
 - Gainfully employed in a new organisation in the rail industry
 - have retired and are enjoying life
 - are working in new careers in a new industry
- *and they positively remember their time working at the PTC.*

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What this means to the PTC itself :-

***To Reduce the present Workforce
of about 1400 people
to Less than 30 by
Christmas 1999***

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Principles of EBA

- "Maximum number of employees enjoy continuity of employment"
- Upon announcement of preferred bidder framework has been established within the EBA for sales process
- Target day settlement of the sale of business is 8 weeks after announcement of bidder

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Principles of EBA

- After announcement - preferred bidder will be encouraged to communicate with employees this may include discussions about job opportunities
- Bidder and Union officials/ employees and unions will meet directly
- Offers of continuing employment will be made by the end of week 5

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Principles of EBA

- Notice of offers intended to be made will be given at least one week earlier to allow consultation with unions on the intended job offers
- Staff will have two weeks in which to respond to the job offer made by the bidder

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What happens if I do not get a job offer?

- Employees who do not receive a job offer will have the choice of seeking redeployment or a separation packaging.
- Redeployment opportunities will be very limited
- Career management/support programs will be available to all staff

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What happens if I do not get a job offer?

- Staff surplus from the sales process will be transferred back to the PTC to be managed
- Career Change Centre will coordinate career management activities
- All staff returned to the PTC after the sales date will have access to a four week career transition program.

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What is a career management/ support program?

- A career management/support program provides assistance to staff in dealing with change, uncertainty and enables them to explore future career and lifestyle options
- The PTC will establish partnerships with external organisations to provide this support

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What is a career management/ support program?

- It is likely that a number of career management centres will be located across the State
- Employees in country areas will have access to the same types of services as metropolitan employees
- In some circumstances specific or individual programs may have to be tailored made to suit situation

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Types of Career Management Programs

- Individual programs - for staff with specific requirements and needs
- Group programs - includes group sessions as well as one-to-one career/job search counselling

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Example of Program

- | | |
|--|-----------------------------|
| ■ Change Management - coping strategies - eg dealing with family | ■ Job Search Skills |
| ■ Identifying transferable skills | ■ Preparing a Resume |
| ■ Evaluating Career Options/Choices | ■ Job Applications |
| ■ Identifying and understanding job | ■ Interviewing Skills |
| | ■ Setting up Small Business |
| | ■ Retirement |
| | ■ Centrelink |
| | ■ Social Security |

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What Happens if I get a job offer?

- At the end of Week 5 letters of offer are likely to be distributed
- Job conditions will be known to employees
- Employees will have two weeks in which to respond to the job offer by the bidder
- Employment will transfer at date of sale

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What happens if I can't accept the job offer due to extenuating circumstances?

- It is recognised that for a small number of employees there may be personal extenuating circumstances which genuinely preclude them from accepting a job offer
- For example, having to move house from Mildura to Geelong

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***What happens if I have personal
extenuating circumstances that
prevent me from accepting the job
offer?***

- Individual circumstances will be considered and if not resolved the circumstances will be referred to an independent mediator for a decision

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What support has the PTC provided ?

- Superannuation Seminars
- Financial Advice
- Resume writing
- Interview Skills
- Employee Assistance Program
- Redeployment

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**What else can the PTC do to assist me
in managing and leading ?**

- All ideas and suggestions are welcome

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