

Delivery of health services and local training

- 6.1 While the resources industry is the most well-known user of FIFO workforce practices, it is also common in service delivery, most specifically health. States with a significant proportion of their population living in small, remote, communities without the population base nor infrastructure to support permanent general practitioners, allied health professionals or specialist medical providers utilise FIFO health services most widely.
- 6.2 The need for healthcare is not diminished by distance. People living and working in Australia's regional and remote communities require and deserve equitable access to healthcare, however, the provision of adequate health services to remote and regional communities has always been, and remains, a challenge. FIFO work practices offer an alternative to remote medical service delivery; however, to be most effective, they must be delivered in an appropriate manner, with supportive infrastructure in place.
- 6.3 The impact of FIFO mining workers on regional medical service and the health impact on FIFO workers are addressed in chapters three and four respectively.
- 6.4 The present chapter also discusses other services that are being offered on a FIFO basis and the concerning impact this is having on the longevity of towns, and offers a case example of a small town in regional Victoria that has been losing its professionals to FIFO employment.
- 6.5 Finally, the chapter considers training and skills needs in the resources sector, with a focus on the development of regional training initiatives.

FIFO and health professionals

- 6.6 Australia has a long history of doctors, nurses and other health professionals travelling long distances to treat people living in remote communities. Most commonly known is the Royal Flying Doctor Service (RFDS), which not only provides emergency evacuations, but also FIFO medical services and some residential services.¹
- 6.7 Since the 1960s, many rural and remote communities have invested in the development of medical infrastructure, such as clinics and hospitals, in the hope of attracting and retaining health professionals. At present, approximately 30 per cent of the Australian population live in rural and remote areas and are serviced by 22.4 per cent of the medical practitioners working in Australia.²
- 6.8 In the early 1990s, the need for health services in regional and remote communities was given greater attention and a number of state and Commonwealth government strategies and initiatives were introduced. Strategies, such as the National Rural Health Strategy, responded to the distinctive characteristics of rural and remote communities, including:
- isolation;
 - difficulty in accessing services;
 - shortages and misdistributions of health professionals; and,
 - specific health needs for certain subgroups often associated with harsh environments.³
- 6.9 Whilst travel has always been a standard medical practice in remote and regional communities, it is only recently that health professionals have begun working under regular on and off patterns similar to those utilised by the resource industry.
- 6.10 As with the resource industry, improvements in transportation have meant that some of the barriers to the delivery of remote medical services diminished. Nonetheless, there are still significant workforce shortages in remote and regional health service delivery.

1 Greg Rochford, National Chief Executive, Royal Flying Doctor Service (RFDS), *Transcript of Evidence*, Sydney, 25 May 2012, p. 21.

2 J Greenhill, 'Rural and remote health', in E Willis, L Reynold & H Kelcher, eds., *Understanding the Australian health care system*, Elsevier Australia, Chatswood, NSW, 2009, pp. 121-122.

3 Greenhill, p. 122.

Workforce shortages

- 6.11 Not only are regional and remote communities difficult to access, there is a shortage of medical staff willing to live and work in these communities. Over the last few decades, there have been debates regarding ways in which to address these shortages.
- 6.12 The Australian Rural Health Research Institute (ARHRI) was established in the late 1980s to address workforce shortages by providing specialised support and training for health professionals working in rural and remote communities⁴. However, workforce shortages continue to inhibit the provision of medical services in regional and remote communities.
- 6.13 The lack of people employed in health occupations in regional and remote communities (see Table 6.1) is concerning. The National Rural Health Alliance (RHA) submits that outside of the major cities the number of medical practitioners and other health occupations per 100 000 drops dramatically.
- 6.14 In addition, the RHA submitted that the annual shortfall in services available to regional and remote communities is in the order of 25 million services annually. This deficit is rapidly growing in areas supporting a FIFO resources workforce.⁵
- 6.15 Despite various support systems and initiatives, regional and remote communities continue to lack equity of access to health services. With decreasing numbers of health professionals willing to live and work in regional and remote communities, the medical industry has increasingly been turning to FIFO models to service demands. The RHA noted that, despite the drawbacks, FIFO is often the difference between a service running or not:

It is relatively common to be unable to provide a service because of a lack of numbers, sickness or annual leave etc. When it is necessary to maintain that service, a fly-in is commonly used. If it is a specialist service the doctors tend to be fresh graduates, who have not yet developed a permanent practice or people approaching retirement. The service is generally reasonably good, though it can be patchy. There are frequently issues of continuity of care and, because most good services rely on an ongoing relationship, there are often things that are lost.⁶

4 Greenhill, p. 124.

5 National Rural Health Alliance (RHA), *Submission 119*, p. 11.

6 RHA, *Submission 119*, p. 8.

Table 6.1 Persons employed in health occupations per 100,000 people, by Remoteness Area, 2006

Occupation	Major cities	Inner regional	Outer regional	Remote	Very remote
Medical practitioners	324	184	148	136	70
Medical imaging workers	58	40	28	15	5
Dental workers	159	119	100	60	21
Nursing workers	1 058	1 117	1 016	857	665
• Registered nurses	978	1 056	886	748	589
• Enrolled nurses	80	121	129	109	76
Pharmacists	84	57	49	33	15
Allied health workers	354	256	201	161	64
Complementary therapists	82	82	62	40	11
Indigenous health workers	1	4	10	50	190
Other health workers	624	584	524	447	320
Health service managers	32	33	28	28	18
Total health workers	2 777	2 536	2 166	1 827	1 379

Source RHA, Submission 119, p.4, from Australian Bureau of Statistics (ABS) Census of Population and Housing, 2006.

6.16 A residential medical workforce is clearly the ideal, however, without the ability to recruit appropriate personnel, it is essential that alternative models of service delivery are found. The General Practice Network Northern Territory (GPNNT) stated that:

Whilst in theory a resident workforce more easily ensures continuity of care and better health outcomes particularly when caring for patients with chronic conditions, recruitment for long term resident medical, allied health and dental workforce has proven to be an unsustainable model despite considerable and long term efforts ... Consequently the use of Fly-In Fly-Out (FIFO)/Drive-in Drive-out (DIDO) models is essential to the delivery of primary health care throughout the Northern Territory.⁷

6.17 The full range of health services, including dentistry and allied health services, are offered on a FIFO model to remote communities in the Northern Territory. Indeed, the GPNNT noted the prevalence of ear disease in remote Indigenous communities and the national shortage of audiologists meant that a FIFO locum model had proved to be the only model of service delivery available.

7 General Practice Network Northern Territory (GPNNT), Submission 121, p. 1.

- 6.18 The NHRA submitted that FIFO services should not replace residential service delivery:
- Fly-in fly-out or drive-in, drive-out health services should never be seen as adequate or satisfactory replacements for personal ‘hands-on’ healthcare and related services. Face-to-face interactions provide the widest suite of tools to ensure accurate understanding and communication, as well as contributing to the human interactions that are fundamental to health and wellbeing.⁸
- 6.19 However, the GPNNT noted that, as isolation and distance are significant barriers to remote and regional recruitment, FIFO working models are being used very effectively to provide continuity of care, where an individual undertakes regular shifts:
- An Aboriginal Medical Service in Central Australia has benefited from a remote area GP who has so far completed near to 10 years at the same clinic. This has been attributed to the DIDO model of employment that allows him to live in Alice Springs with family whilst commuting to the clinic for work. This has enabled long term continuity of care and relationships between the community and the GP to be built. This is invaluable when treating chronic conditions and has also increased the effectiveness of ‘on call’ services as the GP already knows the patients and their families.⁹
- 6.20 The Committee visited a medical centre at Milikapiti on Melville Island in the Northern Territory. This Centre is staffed by permanent Aboriginal Health Workers, nursing staff and general practitioners on a FIFO basis. The general practitioners are regular so were able to build a relationship with the community.
- 6.21 When general practitioners are not available at the clinic, they undertake consultations by phone or e-mail with at-clinic nurse support. Doctors are permanently based in Darwin. The doctors at the clinic noted that the lack of suitable housing on Milikapiti, and many other remote medical practices, was a deterrent to permanent relocation to the island. In addition, having regular office-time in Darwin meant that they had collegial support and access to regular professional development.
- 6.22 Staff noted that it was a particularly well-functioning clinic, strongly driven by the Aboriginal Health Workers who were locally recruited and therefore had very good networks in the community. They advised that they were having difficulty convincing young people to take over their

8 RHA, *Submission 119*, pp. 3-4.

9 GPNNT, *Submission 121*, p. 4.

roles, primarily because of the need to commit to time in Darwin for training.

6.23 The Committee observed a great deal of commitment to the practice from the doctors and good relationships between locals and staff. All staff noted the importance of reliable high-speed broadband both for personal and social connection and, increasingly, for delivery of medical services. They also reported that the lack of housing was a serious deterrent to longer shifts or permanent relocation.

6.24 GPNNT noted:

- That suitable and plentiful accommodation is an essential component of FIFO/DIDO service sustainability. Fluctuations in requirements and growth need to be accommodated.
- That accommodation is often the 'show stopper' or the bottle neck where it is well established that the service is required but it takes years before there is accommodation available to house the service provider so no service is supplied until the accommodation is built.
- The aesthetics and functionality of the health centre itself is also important – if it is a pleasant place to work that is helpful. If the Health Centre has an 'inadequate' emergency room, the staff may feel this places them at risk as they do not feel that the infrastructure supports 'safe practice'.
- That accommodation for families in the NT for FIFO/DIDO is not a requirement. Medical professionals usually travel without their families on short term visits on a weekly basis.
- That free access to online services such as television and internet are essential for employees to be able to keep in touch with their families and their external communities. It has been suggested that commercial cleaning of departmental accommodation at a determined repeated interval will encourage return visits from the visiting medical workforce.¹⁰

6.25 Beyond delivery of general medical services, FIFO workforce practices are essential for medical specialists to service areas that do not have the population base to support a variety of residential specialists. The New South Wales Rural Doctors Network (NSWRDN) noted that the Medical Specialist Outreach Assistant Program (MSOAP), a federally funded program to provide specialist outreach services, is a good initiative to support FIFO specialists. Particularly, if the FIFO medical workforce is willing to 'provide multidisciplinary training and development' to build more capacity in the local workforce.¹¹

¹⁰ GPNNT, *Submission 121*, p. 8.

¹¹ New South Wales Rural Doctors Network (NSWRDN), *Submission 70*, p. [4].

- 6.26 MSOAPs are dependent on local facilities and clinics and are supported and complemented by local practitioners, nurses and other allied health professionals. The NSW RDN also noted that successful FIFO medical practices are reliant on supportive local management for success.¹²
- 6.27 The RHA raised concerns about the MSOAP program due to a lack of understanding from visiting specialists about how to work within host settings:
- One of the things that we are having at the moment with some locum agencies and others is that they are sometimes very new and inexperienced and have never worked with Aboriginal populations before. They do not understand how to work with community as community and they have difficulty establishing a relationship with a ... nurse who has been there for 25 years or with the district medical officer, yet that relationship is crucial. We need to engage local staff and avoid being an imposition. Some of the fly-in fly-out, as distinct from telehealth, means the clinic staff have to drop everything and look after someone who does not know their way around, does not know where the record is and cannot even make themselves a cup of coffee. The staff are overloaded doing their ordinary work and are looking after the fly-in fly-out professional for the day and they are behind, so they get some resistance.¹³
- 6.28 Similarly, Rural and Remote Medical Services Ltd (RaRMS) stated that there is a need to develop a public policy for remote and regional medical practices which acknowledges the particular needs of remote practices. RaRMS suggested that, with appropriate support and a lessening of the administrative burdens of regional practices, many of the difficulties associated with FIFO medical services could be avoided.¹⁴

Nurses and allied health professionals

- 6.29 Not only is there a shortage of general practitioners and medical specialists, but also a shortage of nurses, midwives and allied health professionals in regional and remote communities.

12 NSW RDN, *Submission 70*, p. [1].

13 Lesley Barclay, Chair, RHA, *Transcript of Evidence*, Canberra, 15 February 2012, p. 4.

14 Rural and Remote Medical Services Ltd (RaRMS), *Submission 216*, p. 6.

6.30 For example, in the Northern Territory, FIFO arrangements are utilised to provide essential allied health services to remote and regional communities including:

- dental and child oral health;
- health development services such as nutrition, women's health, child health and midwifery;
- audiologists and ear, nose and throat health; and
- mental health services.¹⁵

6.31 Nursing staff are responsible for many frontline services and residential nursing staff are seen as the ideal, however, where residential staff cannot be recruited, a regular FIFO worker can provide continuity of care:

Whilst not the ideal option, in actuality in many rural and remote areas this would probably be a better option than varying agency staff. In my (supervisor of nursing) portfolio I have given this thought for covering nursing services in (remote location). This is already being done there for ambulance and police and if there was support for such permanent and consistent arrangements it would be an easier workforce change than trying to go alone.¹⁶

6.32 A FIFO nurse, Barbara Cook, reported the same barriers to rural employment as many other non-resource industry workers did to this inquiry. She noted that the key concerns for FIFO nurses and midwives are:

- poor or inadequate accommodation provided for agency shift workers working in hot conditions;
- security concerns;
- getting poor rosters;
- having little input to rosters preparations to get a good life/work balance;
- being unable to work any longer than 10 days straight before having 4 days off as per award when many would like to work 2 weeks on one week off when they can return to 'home';
- inadequate orientation;
- difficulty in getting access to professional development & training that often necessitated travelling 3 hours to Rockhampton or flying out to other places;
- the costs of services such as dentists and physiotherapy is very high; and

15 GPNNT, *Submission 121*, p. 1.

16 RHA, *Submission 119*, p. 7.

- lack of choices and high costs for basics like fresh veggies, foods and groceries.¹⁷
- 6.33 Ms Cook also noted that despite the fact that it was her choice to work FIFO, the increasing anti-FIFO sentiment in some towns made her reluctant to identify herself as a FIFO worker and that this was impacting on her work choices.¹⁸
- 6.34 Unlike the resources industry, where there is a significant financial incentive to provide high-level accommodation and as a result, an evolving national standard of accommodation, there is no national focus on the standards and needs of FIFO medical workers. The Committee heard reports of doctors sleeping in clinic treatment rooms, nurses having to share apartments with strangers and other sub-standard accommodation arrangements.
- 6.35 Some focussed rural health programs allocate funding to FIFO health workers. For example, the Rural General Practitioner Locum Program (RGPLP) supports General Practitioners (GPs) who live and work in regional and remote communities by granting them the opportunity to take a break from their practice. The program provides financial assistance and access to locum coverage for up to 14 days in a financial year.¹⁹
- 6.36 Similarly, the Nursing and Allied Health Rural Locum Scheme (NAHRLS) provides a locum service to nurses, midwives and allied health professionals living and working in regional and remote communities. This allows them to undertake essential professional development training necessary for their work.²⁰
- 6.37 FIFO medical workers are essential for filling these locum positions, however, the full costs of filling locum positions, including transport and accommodation are not recognised as part of the cost of providing rural medical services. The RHA noted:

The inflated costs of housing in mining towns mean that fly-in fly-out health professionals such as locums or sessional workers may be unable to find affordable accommodation. It is not uncommon for the employer to have to build, rent or subsidise accommodation for travelling health professionals. Aged care providers report that the cost of accommodation for fly-in agency

17 Barbara Cook, *Submission 152*, p. 1.

18 Barbara Cook, *Submission 152*, p. 2.

19 RHA, *Submission 119*, p. 6.

20 RHA, *Submission 119*, p. 6.

staff to cover staff absences is so great as to prejudice the viability of the whole service.²¹

- 6.38 FIFO medical services offer a model of health care delivery, particularly specialist and locum services, to remote communities but there is a need to support and adequately fund this alongside measures to build capacity in local medical practices. The RFDS stated:

These organised systems are really the fundamentals. All the evidence tells us that these organisations are as important as the doctor who delivers the care. Without that organisation there will be no doctors when they are required. A solo doctor living in a community can do these things, and many do. Many also find it very hard to keep up with the organisational and management approach that is necessary to connect with so many health providers.²²

- 6.39 It was also suggested that an extension of the medical benefits scheme items for videoconferencing to reimburse for specialist fees would increase the effectiveness of the use of technology to deliver services and collegial support. This would increase the effectiveness of the use of technology to deliver services and collegial support, while keeping the patient in a familiar environment with appropriate support:

The MBS items will mean that when the local doctor, nurse practitioner, practice nurse or Aboriginal Health Worker provides patient support while hosting a videoconference consultation between a specialist in another place and the patient, the patient will be reimbursed for the cost of the appointment, with reimbursement for the specialist consultation fees as well.²³

- 6.40 As with the resource industry, FIFO is an appropriate response to workforce requirements in particular circumstances, for instance, at a particular stage of a development that calls for temporary labour, or to provide services to remote locations, or to meet specific skills requirements that are not available locally.
- 6.41 Thus, in the case of delivery of health services to regional and remote communities where limited populations could not support the required infrastructure, FIFO provides a positive amenity and benefit to these communities. In these cases FIFO enables access to services that would

21 Gordon Gregory, Executive Director, RHA, *Transcript of Evidence*, Canberra, 15 February 2012, p. 2.

22 Greg Rochford, National Chief Executive, RFDS, *Transcript of Evidence*, Sydney, 25 May 2012, p. 22.

23 RHA, *Submission 119*, p. 14

otherwise not be available. However, where a community is large enough to support residential based health, community or police services, but the service is delivered by FIFO workers, this practice can have a deleterious effect on the community. Both communities and the level of service delivery are eroded by FIFO.

- 6.42 The use of FIFO for non-remote, on-going resource operations may have the effect of blocking the development of other services delivered by residential providers by limiting the permanent population of affected towns.
- 6.43 One of the root causes obstructing the development of residential workforces in regional communities is the lack of available affordable accommodation. The increasing spread and intensity of FIFO work practices was commonly cited as a response to a lack of accommodation.
- 6.44 The Commonwealth has very limited power to influence provision of accommodation. However, recommendations throughout this report have supported rebalancing Commonwealth arrangements that are currently weighted in favour of FIFO so as to encourage (or at least not discourage) resource industry participants to consider residing in the communities in which they work. The report has also identified a number of areas which, if considered by industry and state governments, would improve the amenity and so attractiveness of regional life.

Building a residential medical workforce

- 6.45 One of the biggest concerns for people in regional areas is that a FIFO health workforce will undermine a residential health workforce and lead to the closure of existing facilities.²⁴ Certainly in areas that have the population base to support a residential practice, there should be little justification for a FIFO medical workforce.
- 6.46 Lack of appropriate infrastructure was consistently reported throughout the inquiry as an impediment to service delivery. For residential medical practitioners, the burden of running their businesses and managing the provision of infrastructure (including staff accommodation) was contributing to their choice to close practices.

24 RHA, *Submission 119*, p. 10.

- 6.47 RaRMS stated that there is a need to look innovatively at establishing regional medical practices to lessen the administrative burden on practitioners:

The *Easy Entry, Gracious Exit* model or walk-in-walk-out approach, aims to make general practice in difficult areas more attractive by enabling GPs to work as clinicians without having to be small business owners and managers. It seeks to support both the desire of GPs for more predictable and less onerous work commitments and to reduce the need for any significant up front financial investment on their part. The reduced financial commitment allows more freedom to come and go as a doctor's circumstances dictate. Domestic and surgery accommodation, and full infrastructure for the general practice, is provided by a third party, as well as the option for VMO [visiting medical officer] rights and contracts being negotiated on behalf of the doctor.²⁵

- 6.48 AHREN advised that rural clinical schools had proved effective at giving students good work experience in rural/regional centres and had a flow-on result of these students pursuing a career in rural/regional areas. However, a lack of student accommodation, particularly in resource areas is preventing student placements occurring.²⁶
- 6.49 The RHA and AHREN concurred that there is a need for long-term planning that addresses the infrastructure needs of medical personnel. As discussed throughout this report, there is already significant awareness of this need; nonetheless, more comprehensive national focus on planning for a health workforce is necessary.
- 6.50 Better planning is required to ensure that these programs are delivered in an integrated matter that recognises the appropriate management of residential and FIFO clinical services in regional Australia.

Committee comment

- 6.51 As reiterated throughout this report, residential workforces are always the most desirable. However, for the delivery of complex medical services; many communities do not have the population base to support the range of specialist care necessary.

25 RaRMS, *Submission 216*, p. 4.

26 David Lyle, Director and Chair, Australian Rural Health Education Network (ARHEN) *Transcript of Evidence*, Melbourne, 14 June 2012, p. 21.

- 6.52 Working in regional Australia poses challenges for general practitioners, especially those working in professional isolation. FIFO practices offer a model by which general practitioners can offer continuity of care in partnership arrangements while not assuming the full administrative and professional burdens of isolated practices.
- 6.53 All of the professional health organisations that provided evidence to this inquiry agreed that while residential service provision is optimum, continuity of service provider is paramount. The Committee observed effective FIFO health delivery and feels that, with sufficient planning and support, this can be an appropriate service delivery model for many rural and remote communities, balancing patient and practitioner needs.
- 6.54 There is significant opportunity for FIFO medical services to deliver greater health outcomes to rural and remote Australians. However, the delivery of FIFO medical services is piecemeal, and deserves greater national focus.
- 6.55 It is clear that there are key features that help to ensure effective FIFO medical services, being:
- supportive local service providers with effective administrative systems;
 - continuity in FIFO personnel;
 - a good standard of accommodation; and
 - access to broadband for both clinical and personal use.
- 6.56 There is a need for a comprehensive public health policy for the delivery of FIFO medical services which acknowledges:
- the infrastructure needs of FIFO medical professionals, including accommodation and clinical needs;
 - the need to have capacity in residential staff with appropriate systems in place to allow streamlined processes for FIFO medical professionals;
 - the administrative burdens on residential staff created by FIFO medical professionals;
 - the role technology can play in supporting remote medical practices – including appropriate medical benefits scheme reimbursement for all practitioners involved in telehealth and videoconferencing consultations; and
 - the need for funding models to reflect the true cost of service provision through FIFO delivery.
- 6.57 The Committee supports the recommendation put to it by the RHA that a National Regional Health Plan (the Plan) be developed that sets strategies and targets for achieving fair access to services for people living in

regional and remote areas.²⁷ The Plan should recognise the use of FIFO health services, including telehealth and videoconferencing consultations, and ensure that they are appropriately supported through adequate funding and infrastructure provision.

Recommendation 19

The Committee recommends that the Commonwealth Government develop strategies and targets for achieving fair access to health services for people living in regional and remote areas recognising the use of fly-in, fly-out/drive-in, drive-out health services, providing for appropriate funding and infrastructure support.

- 6.58 The Committee also recognises that a national plan will only be effective if supported by planning at the local level. The Committee is therefore recommending that Regional Development Australia (RDA) committees, in consultation with regional health groups such as Medicare Locals, be required to have a health focus in their strategic plan which specifically focusses on long-term workforce and infrastructure planning and the role that FIFO medical practitioners will play in future service delivery, with the primary aim of increasing residential service delivery.

Recommendation 20

The Committee recommends that the Commonwealth Government require each Regional Development Australia committee, in consultation with regional health groups such as Medicare Locals, to have a health focus in its strategic plan, specifically focussing on long-term workforce and infrastructure planning and the role that fly-in, fly-out/drive-in, drive-out medical practitioners will play in future service delivery, with a primary aim to increase residential service delivery.

27 RHA, *Submission 119*, p. 18.

Other services

- 6.59 Concerns were raised throughout the inquiry that FIFO could start to be considered the norm with more than just resources workers being hired by FIFO arrangements. In Moranbah, the Committee heard that the McDonalds restaurant is seeking to establish a FIFO workforce and similar concerns were raised in Karratha and Mount Isa.²⁸
- 6.60 While there may be a role for FIFO specialist medical services, evidence suggested that roles which require daily continuity of service are being filled by FIFO workers, for example youth workers and policing services. The move to FIFO work arrangements for services that require continuity of inter-personal relationships to be effective signals further threat to the amenity available to regional communities.

Youth services

- 6.61 The Australian Youth Affairs Coalition (AYAC) raised concerns that FIFO youth workers were being used to deliver services, in direct contradiction to the well-established best practice in youth services, FIFO workers:
- do not and cannot employ techniques that are known to be essential when working with young people on issues [affecting] their health and wellbeing, such as the establishment of trust and relationships through services that are sustainable, and on-going.²⁹
- 6.62 The Youth Affairs Council of Western Australia (YACWA) echoed these concerns.³⁰
- 6.63 However, again, the high cost of accommodation in many centres means that youth services have little choice but to recruit FIFO workers. Part of the solution, according to AYAC, is to provide training to build a local workforce capable of meeting the needs of young people. FIFO service delivery is often at the expense of 'training and community capacity building.'³¹
- 6.64 Given the high rates of suicide and mental health issues in regional and remote areas in the 15-24 age group, appropriate, residential, youth services are essential.

28 Mark Crawley, Chief Executive Officer, Isaac Regional Council, *Transcript of Evidence*, Moranbah, 22 February 2012, p. 7; Ian Perdrisat, *Submission 200*; Tony McGrady AM, Mayor, Mount Isa City Council, *Transcript of Evidence*, Canberra, 12 September 2012, p. 2.

29 Australian Youth Affairs Coalition (AYAC), *Submission 193*, p. 5.

30 Youth Affairs Council of Western Australia (YACWA), *Submission 132*, p. [4].

31 AYAC, *Submission 193*, p. 3, 4.

- 6.65 Michelle Scott, Commissioner for Children and Young People, WA, stated that the use of FIFO specialists was hindering medical diagnosis, meaning that some conditions were not being diagnosed and therefore support services delayed:

To give you an example, in Fitzroy, where ... they are trying to identify kids who have foetal alcohol spectrum disorder, the paediatrician might come so many times a year. If you miss that appointment, you do not have access to those services. For a long time, there has not been one child psychologist in mental health employed in the whole of the Kimberley. That means people are flying in or reliant on a technological solution.³²

- 6.66 Ms Scott also noted that there is a need to train local people in the community sector so that regional communities are not dependent on FIFO workers for service delivery.

Policing

- 6.67 Some discussions were had in the course of the inquiry about the use of FIFO policing. Broome residents reported that FIFO police had been used during 2011 as a response to community protests and reported that the lack of understanding of the Broome community meant that the FIFO officers responded inappropriately to the community.³³
- 6.68 The Police Federation of Australia advised that policing strategies are based on 'community policing' – that is, the police officer being a part of the community and rather than take a law enforcement approach use their community relationships to focus on crime prevention.³⁴

32 Michelle Scott, Commissioner, Commissioner for Children and Young People Western Australia, *Transcript of Evidence*, Perth, 18 April 2012, p. 1.

33 Miriam Fessler, *Submission 180*, p. 2.

34 Police Federation of Australia, *Submission 124*.

- 6.69 However, like other service industry workers, police in resource towns are finding it difficult to find accommodation:

Another issue is the difficulty police and their families have in finding reasonable, affordable accommodation, which I am sure is the norm for others. Obviously, there is very little infrastructure in many of these communities and many police officers' families do not want to relocate there. The cost of rental is extremely prohibitive and whilst accommodation is by and large provided by the employer, the rental costs and accommodation pose serious budgetary problems for those employers.³⁵

- 6.70 The gradual extension of FIFO services beyond the resources industry is concerning for local communities who worry that their communities will become entirely focussed on supporting the resources industry and little else:

This is our concern: it is becoming the norm. Brett was born in Mount Isa, and I have been here for 50 years. I came when I was two. You build up a community. When you look at the big picture. Forget Mount Isa; look at the big picture where politicians – I have said it before – pay lip service to the ideals of decentralisation, and yet you see fly-in fly-out has started. Now people who have lived here for years see their kids moving across living on the coast and flying in. Within 10 years it will be the norm. It will be difficult for local councils to get the money to build the infrastructure. Secondly, why should you when your population is dwindling? Small businesses will not open up, because the population base is dwindling. What is going to happen in five or 10 years time? I mentioned before: governments will stop spending the money, so the community disappears and it is all back on the coast.³⁶

- 6.71 It is clear that unless the spiralling cost of accommodation is addressed, service industries will continue to struggle with attracting and retaining workers.

35 Mark Burgess, Chief Executive Officer, Police Federation of Australia, *Transcript of Evidence*, Canberra, 2 November 2011, p. 1.

36 Tony McGrady AM, Mayor, Mount Isa City Council, *Transcript of Evidence*, Canberra, 12 September 2012, p. 4.

Non-residential workforces and local communities: a case study

- 6.72 Part of the concern for resource communities hosting significant FIFO populations is the movement of other professionals out of the town, sometimes to return on a FIFO roster.
- 6.73 The inquiry took evidence in Maryborough, Victoria, a small town between Ballarat and Bendigo. Maryborough is experiencing the major concern of many regional towns; that of declining population after a manufacturing decline. This decline is compounded by the fact that many of the service industry workers are choosing to live in Ballarat and Bendigo and commute daily into Maryborough.
- 6.74 Although different to the long-distance commuting that is the main focus of this inquiry, Maryborough offered a discreet case example of what happens to a small town when the families of service industry professionals choose to live elsewhere:
- Maryborough is ranked 79 of 79 municipalities in Victoria in overall SEIFA³⁷ score, despite having a high number of professional jobs in the town – the average shire income is \$40 000 per annum and yet the non-resident population are on average incomes of \$100 000;³⁸
 - generational unemployment is common and the youth do not have aspirational role models;³⁹
 - the local bakery reported having to employ an apprentice from China on a 457 visa after trialling seven local young people and not finding one suitable;⁴⁰
 - sports teams find it difficult to run due to a lack of volunteers, non-resident teachers and police do not have a presence on sporting teams;⁴¹ and
 - fifty per cent of teachers do not live in the Shire, and, while completely committed to the job, have lost the accountability that comes with living

37 Australian Bureau of Statistics (ABS) SEIFA; socio-economic indexes for areas.

38 Mark Johnston, Chief Executive Officer, Central Goldfields Shire, *Transcript of Evidence*, Maryborough, 13 June 2012, p. 1.

39 Sharon Fraser, General Manager, Go Goldfields, Central Goldfields Shire, *Transcript of Evidence*, Maryborough, 13 June 2012, p. 4; Garry Higgins, Manager, Parkview Bakery, *Transcript of Evidence*, Maryborough, 13 June 2012 p. 8.

40 Garry Higgins, Manager, Parkview Bakery, *Transcript of Evidence*, Maryborough, 13 June 2012 p. 9.

41 Kelvin Noonan, President Maryborough Sports Association, *Transcript of Evidence*, Maryborough, 13 June 2012, p. 14.

in a community and being actively involved in community organisations.⁴²

- 6.75 The Central Goldfields Shire Council stated it has a long-term strategy to improve Maryborough and reported that investment in the town had started to improve. However, it continues to be concerned about the lack of professional people living in the town and therefore the gradual undermining of the sporting and cultural life of the community. The Shire Chief Executive noted:

As an example, two years ago Maryborough played a final in the Bendigo footy league and, to their credit, the 21 guys in the team were all educated in Maryborough. It was a wonderful thing, but wouldn't you think that a town of 8 000 people would have a teacher and a policeman et cetera all on the way through who would be living here and participating? When those people come and participate, they bring with them different learnings and cultures from a different community – an aspirational culture or a winning culture; all those sorts of things that we do not always get left with.⁴³

- 6.76 Both the Central Goldfields Shire Council and the Maryborough Education Centre are to be commended for the improvements they have made in recent years, particularly, the improvements in educational attainment (the Maryborough Education Centre is now the fastest improving 7 to 12 centre in the region). However, Maryborough makes the point that when a town loses its professionals, it loses more than the value of each individual.

Committee comment

- 6.77 There can be little doubt that the disposition of resource industry participants, both employers and workers to use FIFO arrangements has contributed to the spread of this work practice to other sectors. The threat posed to quality of life in regional communities by non-residential workforces employed on a permanent or on-going basis is broader than the FIFO arrangements that have accompanied the resources industry development.

42 David Sutton, Assistant Principal, Maryborough Education Centre, *Transcript of Evidence*, Maryborough, 13 June 2012, p. 15.

43 Mark Johnston, Chief Executive Officer, Central Goldfields Shire, *Transcript of Evidence*, Maryborough, 13 June 2012, p. 5.

- 6.78 As with the resource industry, FIFO is an appropriate response to workforce requirements in particular circumstances, for instance, at a particular stage of a development that calls for temporary labour, or to provide services to remote locations, or to meet specific skills requirements that are not available locally. However, it is not an appropriate response for ongoing workforce supply.

Training and skills development

- 6.79 The lack of suitably skilled or experienced workers in local communities is a widespread explanation for the use of FIFO arrangements, especially for mine sites located near established towns.⁴⁴
- 6.80 However, regional communities have called for more effort to be expended by resource companies and government to provide training and development opportunities in local communities to address skill shortages.⁴⁵

Skills shortages

- 6.81 There is an increasingly high demand for skilled labour at all levels and in all areas of the resource industry. In the current tight labour market, FIFO is increasingly being seen as an essential work practice:
- FIFO has become a critical element of maintaining a viable resources sector as the industry is challenged by significant tightening of the labour market.⁴⁶
- 6.82 As job creation rates increase in the resources sector, skilled vacancy rates have skyrocketed, highlighting the disparity between available labour and demand. Vacancy rates in the resource industry had returned to pre-global financial crisis levels by August 2010 and had far exceeded them by August 2011.⁴⁷

44 For examples see: Chamber of Minerals and Energy Western Australia (CMEWA), *Submission 99*, p. 13; Rio Tinto, *Submission 149*, p. 7; Robin Shreeve, Chief Executive Officer, Skills Australia, *Transcript of Evidence*, Canberra, 15 February 2012, p. 7; Minerals Council of Australia (MCA), *Submission 118*, p. 7; Australasian Institute of Mining and Metallurgy (AusIMM), *Submission 58*, p. 2.

45 Regional Development Australia Pilbara (RDA Pilbara), *Submission 98*, p. 5; Minister for Tertiary Education, Skills, Jobs and Workplace Relations, *Submission 151*, p. 3; AusIMM, *Submission 58*, p. 2.

46 Rio Tinto, *Submission 149*, p. 7.

47 Australian Mines and Metals Association (AMMA), *Submission 77*, p. 7.

- 6.83 Resource sector employers recruiting in 2010, filled, on average, 61 per cent of their skilled vacancies. In Western Australia and the Northern Territory, the labour market is even tighter, with employers filling only 53 per cent and 55 per cent respectively. In Queensland, recruitment was slightly easier, with employers filling 63 per cent of vacancies.⁴⁸
- 6.84 The resource industry's top twenty occupations are listed in Table 6.2. Some of these key occupations are considered to have lower skill levels, such as drillers, truck drivers and plant operators, and, as such, are not assessed through the Department of Education, Employment and Workplace Relations (DEEWR) or Skills Australia skill shortage research programs. However, it is important to recognise that these occupations require skill and experience which takes time to acquire, either through formal or on-the-job training; especially as the resource industry is experiencing not only a shortage of skilled workers but also a shortage of workers with resource industry experience.⁴⁹
- 6.85 Skills Australia has identified skills shortages in key resources sector occupations (See Table 6.3) and concerns regarding skills shortages in the resources sector were raised by a range of stakeholders throughout the inquiry.⁵⁰ The Chamber of Minerals and Energy Western Australia (CMEWA) stated that:
- The WA resources sector has grown significantly in recent years with strong growth expected to be sustained well into the future, with a project development pipeline approaching \$300 billion capital expenditure...with this growth we've seen the shortage of labour in WA present ongoing challenges in industry.⁵¹
- 6.86 Resource industry employment has grown markedly over the last few years and sustained, substantial growth is expected, based on mining operations scheduled for the next three to five years. The substantial growth in the value of advanced mining projects in the last couple of years

48 Skills Australia, *2011 interim report on resource sector skill needs*, May 2011, p. 22.

49 Robin Shreeve, Chief Executive Officer, Skills Australia, Transcript of Evidence, Canberra 15 February 2012, p. 7; AMMA, *Submission 77*, p. 8; Skills Australia, *2011 interim report on resource sector skill needs*, May 2011, p. 23.

50 For examples see: Lisa Matthews, Senior Workplace Advisor, AMMA, *Transcript of Evidence*, Melbourne, 14 June 2012, p. 1; Steven McDonald, Chief Executive Officer, SkillsDMC, *Transcript of Evidence*, Cairns, 21 February 2012, p. 2; Educational Testing Service, *Submission 212*, p. 2; Rio Tinto, *Submission 149*, p. 7; AusIMM, *Submission 58*, p. 2; Robin Shreeve, Chief Executive Officer, Skills Australia, *Transcript of Evidence*, Canberra, 15 February 2012, p. 7; MCA, *Submission 118*, p. 4.

51 CMEWA, *Submission 99*, p. 3.

has added to the increased demand for labour, both highly skilled and less skilled.⁵²

Table 6.2 Occupational employment in Mining, top 20 occupations, 2010

ANZSCO code and Occupation	Number Employed in Mining in 2010
7122 Drillers, Miners and Shot Firers	34 900
3232 Metal Fitters and Machinists	15 500
3129 Other Building and Engineering Technicians	10 700
7331 Truck Drivers	10 100
3411 Electricians	8 000
2336 Mining Engineers	7 400
1335 Production Managers	5 400
7212 Earthmoving Plant Operators	5 000
3223 Structural Steel and Welding Trades Workers	4 000
2344 Geologists and Geophysicists	3 900
8219 Other Construction and Mining Labourers	3 700
2211 Accountants	3 400
5111 Contract, Program and Project Administrators	2 700
7129 Other Stationary Plant Operators	2 600
2335 Industrial, Mechanical and Production Engineers	2 200
3992 Chemical, Gas, Petroleum and Power Generation Plant Operators	2 100
5911 Purchasing and Supply Logistics Clerks	1 900
2513 Occupational and Environmental Health Professionals	1 800
1323 Human Resource Managers	1 800
7123 Engineering Production Systems Workers	1 800

Source Skills Australia, 2011 interim report on resource sector skill needs, May 2011, p. 23.

- 6.87 The resource sector expressed concerns to Skills Australia regarding the speed with which the newly skilled labour is entering into the workforce. Industry stakeholders commented that the lead times involved in providing apprenticeship training meant that a growth in apprentice numbers would not add to skills supply early enough to address immediate resources skills needs, especially in regards to major resource project construction. The sector also expressed similar concerns regarding emerging skills supply from higher education such as universities.⁵³
- 6.88 The Australian Manufacturing Workers' Union (AMWU) proposed that a 'National Engineering Employment Trust' be developed to provide a long-term structural solution to the 'training deficit which plagues the

52 Skills Australia, 2011 interim report on resource sector skill needs, May 2011, p. 65.

53 Skills Australia, 2011 interim report on resource sector skill needs, May 2011, p. 65.

resources sector'.⁵⁴ The AMWU makes an important point about the need for a long-term focus on the industry's needs.

Table 6.3 Skill shortages in occupations key to the resources sector, 2008 to 2010

	2008	2009	2010
Managers			
Production Manager (Mining)	Shortage		Shortage
Professions			
Accountant	Shortage		
Surveyor	Shortage	Shortage	Shortage
Chemical Engineer	Shortage	Shortage	
Civil Engineer	Shortage	Shortage	Shortage
Electrical Engineer	Shortage	Shortage	Shortage
Mechanical Engineer	Shortage		Shortage
Mining Engineer	Shortage	Shortage	Shortage
Petroleum Engineer	n/a	Shortage	Shortage
Geologist	Shortage		Shortage
Trades			
Metal Fabricator	Shortage		
Welder (First Class)	Shortage		Regional Shortage
Fitter	Shortage		Shortage
Metal Machinist	Shortage		Shortage
Carpenter	Shortage		
Plumber (General)	Shortage		Shortage
Electrician	Shortage		Regional Shortage
Air-conditioning and Refrigeration Mechanic	Shortage	Shortage	Shortage
Motor Mechanic (includes Diesel Mechanic)	Shortage		Shortage
Automotive Electrician	Shortage	Shortage	Shortage

Source Skills Australia, 2011 interim report on resource sector skill needs, May 2011, p. 24.

- 6.89 The approach to training and recruitment in the resources industry as evidenced by the increasing use of a FIFO workforce indicates an attitude that the sector is typified by short-term booms. While the industry does have a cyclical nature, in the long-term, it has proved to be a robust and stable industry.
- 6.90 A change of mindset needs to occur to recognise that this is not a boom-only industry. Recruitment and training practices by both industry and government need to reflect a longer-term attitude to the sustainability of the industry.

54 Australian Manufacturing Workers' Union (AMWU), *Submission 32*, p. 12.

Portability of skills

- 6.91 The high demand for skilled labour and the high value of mining projects has created a very highly paid skilled workforce in the resources sector. Skilled workers, many of whom obtained their qualifications or trades in non-resource industries, are being offered increasingly high wages to work for resource companies. This 'poaching' of skilled workers is impacting negatively upon non-resource industries as well as the viability of small businesses and trade service provision in regional communities.
- 6.92 The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union accused the resource industry of taking advantage of the skill and training investments made by other industries:
- The resources sector uses skilled personnel who were trained in other industries. It does not train enough of its own workforce... There has to be a mutual obligation and benefits.⁵⁵
- 6.93 Non-resource industries and local businesses are caught in a cycle in which they invest in the training of workers only for them to leave as soon as they attain their qualifications - a costly investment which bring no returns:
- It does not matter how many we put on right now: the reality is that if at a point in time they decide to go they will go and communities will be left without tradespeople.⁵⁶
- 6.94 Poaching of staff is not only affecting local businesses and services, local councils are also seeing their staff leave in favour of the high wages offered by the resource industry:
- Traditionally, there has been a problem with poaching and local government, as an industry, is well aware of that. Our engineers are much better paid working for the mines than we can offer.⁵⁷
- 6.95 Poaching of staff, from other industries and from rival resource companies, is a short-sighted practice. The demand for skilled labour is predicted to increase and without significant investment in training and education the skills deficit will increase exponentially.
- 6.96 Throughout the inquiry witnesses called for collaboration with the resources sector, government and educational organisations to engender

55 Glen Thompson, Assisting National Secretary and Acting National President of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Australian Metal Workers Union, *Transcript of Evidence*, Canberra, 30 May 2012, p. 7.

56 Barb Cowey, Senior Policy Advisor, Business SA, *Transcript of Evidence*, Adelaide, 8 December 2012, p. 13.

57 Lyn Russell, Chief Executive Officer, Cairns Regional Council, *Transcript of Evidence*, Cairns, 21 February 2012, p. 30.

shared responsibility for the training of skilled workers.⁵⁸ Business SA noted 'there has to be a commitment from everybody to work together in supporting the adoption of apprentices.'⁵⁹

Case Study – Regional education and training

The Geraldton Universities Centre (GUC) is a not-for-profit, incorporated body, which supports university courses in Geraldton on behalf of a range of universities including: Central Queensland University (CQU), Charles Sturt University (CSU) and Curtin University (CU). In 2000, the Geraldton University Access Group (GUAG) was formed and approached Western Australian universities, asking them to offer courses in Geraldton, however, none of the universities were willing to commit without the allocation of Commonwealth fully-funded places. In June 2001, the GUAG travelled to Canberra to lobby the federal government and were successful in attaining university places specifically allocated for Geraldton.⁶⁰

At present, more than 187 students have graduated in Geraldton, with the majority of graduates (nursing and teaching) choosing to work in regional communities.

GUC also expects to introduce an Associate Degree in Engineering in 2013 and is considering offering an Associate Degree in Construction.⁶¹

6.97 The training of skilled workers is essential in addressing Australia's current skills shortages; it is not the responsibility of any one industry to train skilled workers, but rather, a collaborative effort from business, government, industry and educational institutions is needed to address skills shortages, now and in the future.

Recruitment and skills sourcing

6.98 The skills shortages in key occupations in the resources sector and the immediacy of need for skilled labour to operate and construct highly lucrative mining projects means that many resource companies are sourcing their labour from other industries. The Construction Forestry Mining and Energy Union (CFMEU), Mining and Energy Division, stated that:

58 For examples see: City of Greater Geraldton, *Submission 111*, p. 5; Kinetic Group, *Submission 213*, pp. 8-9; Martin Rush, Mayor, Muswellbrook Shire Council, *Transcript of Evidence*, Narrabri, 16 May 2012, p. 31; Murray d'Almeida, Chairman, Connecting Southern Gold Coast Ltd, *Transcript of Evidence*, Canberra, 30 May 2012, p. 2; Tony Brun, Chief Executive Officer, City of Greater Geraldton; Member, Western Australian Regional Cities Alliance, *Transcript of Evidence*, Perth, 18 April 2012, p. 37.

59 Barb Cowey, Senior Policy Advisor, Business SA, *Transcript of Evidence*, Adelaide, 8 December 2012, p. 13.

60 Geraldton Universities Centre (GUC), <guc.edu.au/background.aspx>, viewed 27 November 2012.

61 GUC, <guc.edu.au/courses_undergraduate_development.aspx>, viewed 27 November 2012.

Where there are skill shortages, it is because industry recruitment strategy has focussed on sourcing labour rather than generating skills through investment.⁶²

- 6.99 The inquiry received anecdotal evidence that apprentices and other skilled workers, who are trained in other industries, are being 'poached' by the resource industry. Poaching is also occurring between resource companies:

Many FIFO operations in NSW and other minor resource States [are] now choosing to bypass major mining centres such as Perth for fear of their staff being poached by rival companies at the airport terminal.⁶³

- 6.100 This focus on sourcing labour instead of investing in the skilling is concerning. Together with the justifications for the use of FIFO to address skills shortages, this demonstrates a very short-term focus on skills development.

- 6.101 It was submitted that the annual industry turnover is 24.4 per cent, of which 18.8 per cent left in the first 12 months of employment. The FIFO workforce turnover rate is more than double that of the wider workforce.⁶⁴

- 6.102 This points to a number of factors, including the recruitment practices for FIFO workers. The Kinetic Group, advised that:

regardless of the mode of work (non-resident or resident), anecdotally, the selection and screening process for potential employees cross industry is the same. This means there is no variance in the selection criteria to specifically address candidate suitability for a FIFO/DIDO work practice.⁶⁵

- 6.103 Until the industry addresses the issue of balancing a FIFO lifestyle and recruits appropriately into these positions, FIFO employee turnover will continue to be high. As discussed in the previous chapter, there is a range of specific issues confronting FIFO workers that need focussed management strategies.

- 6.104 There is also a need to put greater focus on local training initiatives. A key reason for the need for FIFO workforce practices is the shortage of appropriately skilled workforce.

62 Construction Forestry Mining and Energy Union (CFMEU), *Submission 133*, p. 44.

63 AusIMM, *Submission 58*, p. 12.

64 Kinetic Group, *Submission 213*, p. 5.

65 Kinetic Group, *Submission 213*, p. 6.

Local training

- 6.105 Many companies stated that they prefer to employ local labour, both skilled and unskilled, over FIFO workers, and that they only resort to FIFO workforce practices where a sufficient local workforce is not available.⁶⁶ Many companies also conduct extensive pre-employment training to equip local workers for entry level jobs in the minerals industry.⁶⁷ However, local training was also identified as being overlooked by some mining companies:

I am aware of local training organisations that are increasingly being squeezed out by the mining industry. One local organisation has reported to me that mines are now engaging with training organisations (in some cases where there are subsidiaries of the mining companies) that are located in southern centres. This is in preference to local training companies. This encourages FIFO.⁶⁸

- 6.106 It is essential that local workers are not relegated to unskilled positions, but have the opportunity to train and develop their skills without being forced to leave their home town. The New South Wales Government highlighted the importance of investing in the training of local workers:

There are potential job generation benefits flowing from mining in regional and remote communities. However, to adequately meet the demand for workers ongoing training and workforce strategies are needed that target local communities, which the industry has the capacity to provide or contribute towards.⁶⁹

Area for corporate action – local training initiatives

- 6.107 The recruitment of local people needs to be more than just a convenient source of local unskilled labour. Resource companies need to see resource communities as education hubs in which local and non-local residents can be educated, trained and granted on-site experience.**

66 For example see: Chandler Macleod, *Submission 68*, p. 5; MCA, *Submission 118*, p. 3; Michael Wright, Executive General Manager, Australian Mining, Thiess Pty Ltd, *Transcript of Evidence*, Brisbane, 24 February 2012, p. 36; Christopher Fraser, Director, Education and Training, MCA, *Transcript of Evidence*, Canberra, 23 May 2012, p. 1; AMMA, *Submission 77*, p. 17; Rio Tinto, *Submission 149*, p. 2; Chevron Australia, *Submission 80*, p. 2; Fortescue Metals, *Submission 86*, p. 5; Vale, *Submission 87*, p. 2.

67 MCA, *Submission 118*, p. 11.

68 George Christensen MP, Federal Member for Dawson, *Submission 171*, p. 4.

69 New South Wales Government, *Submission 145*, p. 3.

- 6.108 The National Apprenticeships Program (NAP), an initiative of the National Resources Workforce Strategy (NRWS), is an adult apprenticeship project which enables experienced workers to have their existing skills recognised and, once they have completed all the necessary competencies, obtain a full trade qualification.⁷⁰ The program is intended to provide industry with skilled workers who are both qualified and who have experience in the industry.⁷¹

Case Study – Moranbah High School Vocational Training – The Big Blue Shed

In the resource community of Moranbah, in Queensland's Bowen Basin, Moranbah State High School offers mining-focused vocational training on site in a facility nicknamed The Big Blue Shed. The vocational facility, formally known as the Coalfields Training Excellence Centre (CTEC), was initiated by the school in 2004, arising from conversations at industry networking evenings that the school had hosted for the last 10 years. The facility was completed in 2008 and offers a range of programs that allow students to combine work at CTEC with work at the high school and industry placements to gain various qualifications and graduate from school work-ready.⁷²

Scott Whybird, the Principal of Moranbah State High School stated:

That link with industry is very strong at our school. The reality is that the school is here because of the industry that is there. We have got the people who can be the workers in town. In some ways it helps stop the need to have fly-in fly-out. If you can get the people directly on-site, that is the stuff we push. We try and form a lot of partnerships with the industry as well to make sure the students know what the possibilities are, in terms of the training available.⁷³

Since the implementation of this program have been significant increases in the percentages of students gaining Vocational Education and Training (VET) qualifications, entering further training and engaging in school-based apprenticeships and traineeships. There has also been greater stability in student retention rates from years 10 to 12.⁷⁴

- 6.109 The recognition of experience is essential in addressing the current skills shortage; however, it is still only a stop-gap measure. In order to ensure that the resource sector is able to adequately access skilled labour, in the near and distant future, investment in local training and educational facilities is essential.

70 Department of Industry, Innovation, Science, Research and Tertiary Education (DIISR), *National Resources Sector Workforce Strategy: National Apprenticeships Program (NAP) – An advanced entry adult apprenticeship program*, January 2012, p. 1.

71 DIISR, *National Resources Sector Workforce Strategy: National Apprenticeships Program (NAP) – An advanced entry adult apprenticeship program*, January 2012, p. 1.

72 Schools First, *Moranbah State High School (QLD) Coalfields Training Excellence Centre (CTEC)*, <schoolsfirst.edu.au/sf-schools/moranbah-state-high-school.php> viewed 22 November 2012.

73 Scott Whybird, Principal, Moranbah State High School, *Transcript of Evidence*, Moranbah, 22 February 2012, p. 28.

74 Schools First, *Moranbah State High School (QLD) Coalfields Training Excellence Centre (CTEC)*, <schoolsfirst.edu.au/sf-schools/moranbah-state-high-school.php> viewed 22 November 2012.

Commonwealth initiatives

- 6.110 The Commonwealth Government is aware of the need to address the skills and labour needs of the resources sectors, as evidenced by the NRWS. The strategy aims to assist the resources sector in meeting the increasing demand for skilled labour, as well as addressing nation-wide skills shortages.⁷⁵
- 6.111 The NRWS was developed by the National Resources Sector Employment Taskforce (NRSET), which was established in 2009. The taskforce recommended action in seven key areas of workforce development:
- promote workforce planning and sharing of information;
 - increase the number of trade professionals;
 - graduate more engineers and geoscientists;
 - meet temporary skills shortages with temporary migration;
 - strengthen workforce participation;
 - forge stronger ties between industry and education; and
 - address the need for affordable housing and community infrastructure.⁷⁶
- 6.112 In addition to work being conducted through the implementation of the NRWS, the Commonwealth Government committed \$19.1 million over three years for the Regional Education, Skills and Jobs Plan initiative. The initiative supports the engagement of 34 Regional Education, Skills and Jobs Coordinators in regional communities. The Coordinators are responsible for the development and implementation of Regional Education, Skills and Job Plans in each region.⁷⁷
- 6.113 The Committee is supportive of any initiatives that aim to improve access to education in regional communities. The establishment of education and training facilities in resource communities is essential to addressing skills shortages in the resource industry.

Challenges in regional education

- 6.114 There is a fundamental lack of equity in education and educational opportunities in regional communities. This discrepancy was reported in

75 DIISR, *National Resources Sector Workforce Strategy*, <innovation.gov.au/Skills/SkillsTrainingAndWorkforceDevelopment/NationalResourcesSectorWorkforceStrategy/Pages/default.aspx> viewed 26 November 2012.

76 DIISR, *National Resources Sector Workforce Strategy*, <innovation.gov.au/Skills/SkillsTrainingAndWorkforceDevelopment/NationalResourcesSectorWorkforceStrategy/Pages/default.aspx> viewed 26 November 2012.

77 Department of Education, Employment and Workplace Relations (DEEWR), *Regional Education, Skills and Jobs*, <deewr.gov.au/Employment/Programs/RESJ/Pages/default.aspx>, viewed 28 November 2012.

the Commonwealth Government's *Review of Funding for Schooling Report*, commonly known as the Gonski Report. The report found that:

Non-metropolitan students also have lower rates of Year 12 attainment, as well as lower rates of transition to university. In 2010, 81 per cent of young adults aged 20 to 24 years from major cities attained Year 12, compared to 67 per cent of students from inner or outer regional areas and 64 per cent of students from remote or very remote areas.⁷⁸

- 6.115 Students living in resource communities are not only suffering from the same disadvantages faced by all regional students, but are also being discouraged from seeking higher education. The Isaac Regional Council suggested that highly paid unskilled positions offered by the resource industry devalue education in resource communities:

The increasing need for unskilled workers to fill high paying jobs in the mining industry is devaluing the education system. High school leavers can get highly paid unskilled work without any formal qualifications. This workforce is not multi skilled and very little knowledge or training is not transferrable outside the mining industry.⁷⁹

- 6.116 There are few opportunities for the pursuit of tertiary education in resource communities and even fewer opportunities to study in the resource industry's high demand fields of engineering or science.

- 6.117 Not only do regional students and apprentices have difficulty accessing tertiary education, but the lack of affordable housing also discourages any attempt to study in their home town. Students and apprentices must choose between living with their parents and moving to a more affordable town or city. Samuel Vella, a student from Moranbah State High School, told the Committee:

I was kind of looking at doing an engineering degree down in Brisbane or Townsville – probably Brisbane, as they seem to have the better universities. So I was looking at engineering and possibly even mining engineering because there seems to be a lot of mining. But as for returning to Moranbah, that might be difficult, as you can imagine, for a non-experienced engineer – even if I could get a job here. If I was paying for myself and not

78 Australian Government, *Review of Funding for Schooling*, final report, December, 2011, p. 122.

79 Isaac Regional Council, *Submission 81*, p. 11.

staying with my family and if the town keeps progressing as it is now it would be way too expensive for me to do that.⁸⁰

- 6.118 Apprentices living in resource communities must not only struggle to afford the high cost of accommodation on low apprentice wages, but must choose to work and study for considerably less pay than they would receive working in unskilled mining positions. The National Centre for Vocational Education Research (NCVER) conducted a case study comparing locally-based and FIFO apprenticeship completion rates, which found that:

apprenticeship completion rates between 2004 and 2008 are trending upwards for the FIFO/DIDO group, going against an underlying downward trend for the Local group over this period.⁸¹

- 6.119 The Minerals Council of Australia (MCA) stated that resource companies have an almost universal policy of offering apprenticeships to local youth before recruiting further afield,⁸² however, when it is cheaper to move to Perth and become a FIFO apprentice, there is little incentive for local apprentices to stay in their home towns.

Committee comment

- 6.120 All regional Australians should have equitable access to education and training. It is unrealistic to expect universities and TAFE colleges to offer all courses in all locations; however, it is reasonable to expect industry-specific tertiary education to be offered in resource communities.
- 6.121 There should be greater collaboration between industry and educational institutions to establish educational hubs, similar to the model established in Geraldton and the Big Blue Shed project in Moranbah, to provide local communities with the opportunity to attain qualifications specific to the resource industry without having to leave their home town.

80 Samuel Vella, Student, Moranbah State High School, *Transcript of Evidence*, Moranbah, 22 February 2012, p. 29.

81 National Centre for Vocational Education Research (NCVER), *Submission 224*, p. 1.

82 MCA, *Submission 118*, p. 11.

- 6.122 These educational hubs could be used to educate existing workers on-site, educate local residents and encourage people wishing to enter the resource industry to attain their qualifications with on-site experience.

Recommendation 21

The Committee recommends that the Commonwealth Government develop initiatives to encourage the provision of tertiary education providers to resource communities.

Tony Windsor MP
Chair
6 February 2013