



SUBMISSION ON REFORM TO DEDUCTIONS FOR EDUCATION EXPENSES – JULY 2013

The Australian Geoscience Council (AGC) is the peak body for the eight major geoscience associations, institutes, and societies in Australia, and represents collectively more than 6000 geoscientists. A large proportion of these geoscientists work either directly or indirectly in the mining and fossil fuel industries, and a growing proportion work in environmental management. In these various roles the geoscientists represented by the AGC contribute much to the economic and environmental welfare of Australia.

Professional development is important

The geosciences are not exact sciences, but rather are evolving disciplines, and even experienced geoscientists need to keep abreast of developments in their discipline on an on-going basis. The professional development that our members undertake include conferences, short courses, workshops, field-based training courses, and additional degrees. Without such professional development their ability to contribute to Australia's long-term economic development, productivity and environmental well-being will deteriorate.

Who pays for professional development

The AGC does not have quantitative information on the extent to which professional development of geoscientists is paid for by employers or the individuals themselves. However members advise that with the restructuring of the resources industry that has been occurring over the last decade or so and the current decline in employment of geoscientists (as determined in quarterly surveys by the Australian Institute of Geoscientists), an increasing number of geoscientists are unemployed or underemployed. Those in this situation consider it important to continue their professional development activities to be in a position to seek new employment opportunities in an industry that is cyclical in nature. Further, these particular professional development activities are invariably self funded. An example would be exploration geologists undertaking a post graduate degree to qualify them to work for example as hydrogeologists.

In addition, professional registration such as the Registered Professional (RPGeo) accreditation of the Australian Institute of Geoscientists and Chartered Professional (CP) accreditation of the Australasian Institute of Mining and Metallurgy has mandatory Continuing Professional Development requirements that must be maintained to retain registration. Most consultants and contractors would have to fund their own CPD. The available evidence related to this combination of factors

therefore indicates that there is an increasing trend for professional development in the geosciences to be self funded.

Geoscience professional development is expensive

Because many of the geosciences are field-based disciplines, an essential element of the on-going professional development of our members (many of whom work in remote areas) is field-based courses where critical rock outcrop relationships can be studied, and where training in the use of new field-based technologies can be undertaken. Field-based training may be undertaken in Australia, but often travel to other countries is necessary because there are no examples of particular geological features known in Australia, or if they are, they are either poorly exposed or are located in extremely remote and inaccessible areas.

A fundamental tenet of geology is *the present is the key to the past* and the best place to learn about particular geological processes is where they are presently occurring. For example, many important mineral deposits in Australia occur in ancient volcanic rocks, but because there are no active volcanoes in Australia at present, field courses in well-studied modern and mineralized active volcanic terrains requires travel to places like New Zealand, the USA and Chile.

Some examples of the costs of recent professional development opportunities in Australia for geoscientists include:

- For the 34th International Geological Congress held under the auspices of the AGC in Brisbane in August 2012, the biggest geoscience conference ever held in Australia, the registration fee schedule was:

Delegate Registration	
Group Registration – Super Early Bird	\$850
Delegate Registration - Super Early Bird	\$895
Full Registration Member – Early Bird	\$995
Full Registration Member – Standard	\$1150
Full Registration Member – Late	\$1450
Full Registration Member - Onsite	\$1800
Full Registration Non Member – Early Bird	\$1195
Full Registration Non Member – Standard	\$1350
Full Registration Non Member – Late	\$1750
Full Registration Non Member - Onsite	\$2000

One has to add to these fees the cost of travel to Brisbane as well as meals and accommodation.

Pre- and Post-Congress field trips are a major educational aspect of all International Geological Congresses and many national conferences. In the case of the 34th International Congress costs for these ranged from \$130 to \$3290 (plus airfares).

- For the 23rd International Conference of the Australian Society of Exploration Geophysicists (a member of the AGC) to be held in Melbourne in August 2013, member registration is \$1150. Workshops attached to the conference range in cost from \$200 to \$800. To these fees travel to Melbourne, meals and accommodation must be added.
- For the New Generation Gold Conference to be held in Perth in November 2013, delegate registration is \$1425. To these fees travel to Perth, meals and accommodation must be added.
- For the Ore Deposit Models and Exploration Strategies program run by the University of Tasmania in Hobart in 2012, which consisted of a four-day symposium followed by 7 days of single day workshops on different deposit styles, the cost of the Symposium was \$2640, the cost of the full 11-day program was \$3960, while the cost of individual day workshops was \$660. To these fees travel to Hobart, meals and accommodation must be added.

For comparable self-education opportunities overseas, which Australian geoscientists might decide to take up for the reasons outlined above, fees are generally similar to those in Australia, but travel costs are far higher.

For geoscientists working in the Australian petroleum industry, self education opportunities are limited because Australia is not a leader in the field of petroleum geoscience. The most easily accessible opportunities are in the USA. The main petroleum geoscience conference in the USA is American Institute of Petroleum Geologists Annual Convention that cost between \$5000 and \$8000 to attend, depending on where it is held and the Australian-USA \$ exchange rate. The range covers economy class airfares to the USA, plus 4 star accommodation, out-of-pocket costs and registration fees. If a petroleum geoscientist attends a one month course at a decent oil and gas university in the USA, total expenses are typically in the range of \$20,000 to \$30,000.

From these figures it can be seen that the Government's proposal to introduce a \$2,000 cap on tax deductions for work-related self-education is quite inappropriate as the proposed cap takes no account of the real costs of self education.

A related impact is that many university departments earn income from the provision of short courses and postgraduate courses to industry geologists. As employment opportunities shrink it is likely that there will be a decrease in undergraduate enrolments, which makes the provision of postgraduate and industry-related training even more significant to universities. The proposed cap will act as a deterrent to individuals undertaking such university training and thus have knock-on effects.

Conclusions

The Australian Geoscience Council is very concerned by the Government's proposal to introduce a \$2,000 cap on tax deductions for work-related self education. We regard the proposal as short-sighted, one that will have an increasingly adverse impact on productivity in an important part of the Australian economy, and one which will stifle innovative initiatives so necessary for economic growth. If the Government wishes to persevere with this detrimental policy, we urge that the cap be increased significantly to reflect the real costs of self education in this day and age.

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