



Education and Other Legislation Amendment (Abolishing Indexation and Raising the Minimum Repayment Income for Education and Training Loans) Bill 2022

Submission of the
Australian Veterinary Association Ltd

March 2023



The Australian Veterinary Association (AVA)

The Australian Veterinary Association (AVA) is the peak professional association representing veterinarians in Australia.

Our members come from all fields within the veterinary profession. Clinical practitioners work with companion animals, horses, livestock, and wildlife. Government veterinarians work with our animal health, public health, and quarantine systems while other members work in industry, research, and teaching. Veterinary students are also members of the Association.

We empower the veterinary profession to thrive by providing a national voice, education, community, and support.

Supporting early career veterinarians is crucial to address the veterinary workforce shortage

The AVA is supportive of the measures outlined in the Education and Other Legislation Amendment (*Abolishing Indexation and Raising the Minimum Repayment Income for Education and Training Loans*) Bill 2022. We acknowledge and welcome the intention to improve the fairness of various tertiary and vocational education loan schemes.

Raising the minimum repayment threshold for tertiary education loans to the median wage and removing the indexation of these loans will provide some relief to early career veterinarians. This is crucial to address the veterinary workforce shortage, which is currently entering its seventh year¹.

Financial strain for early career veterinarians is a significant challenge for the sector and reflects the low starting salaries for new veterinary graduates (Figure 2) and long-term underinvestment in the profession.

Financial pressures on recent graduate veterinarians are clear from salary data. Following five to six years of study and often incurring six figure debts, QILT data shows graduates on low salaries that have barely kept up with inflation in recent years (Figure 1 and 2). Compared with other undergraduates who have undertaken a similar level of education (doctors, dentists and engineers), veterinarians are well behind.

Financial pressures also contribute to the considerable wellness problems across a number of sectors in the veterinary profession. An independent study commissioned by the AVA identified financial strain as a key psychosocial risk factor for the veterinary profession. It also found that younger veterinarians were more at risk of mental health conditions. More than 60% of respondents between 25-29 indicated they had experienced a mental health condition in the past 12 months. These younger cohorts represent the sections of the veterinary workforce suffering from the greatest attrition.²

¹ Source: 2007 – 2019 data from DESSFB; 2021 – 2022 data from NSC

² Australian Veterinary Association Veterinary Wellness Strategy



Figure 1 - Veterinarian graduate starting salaries³

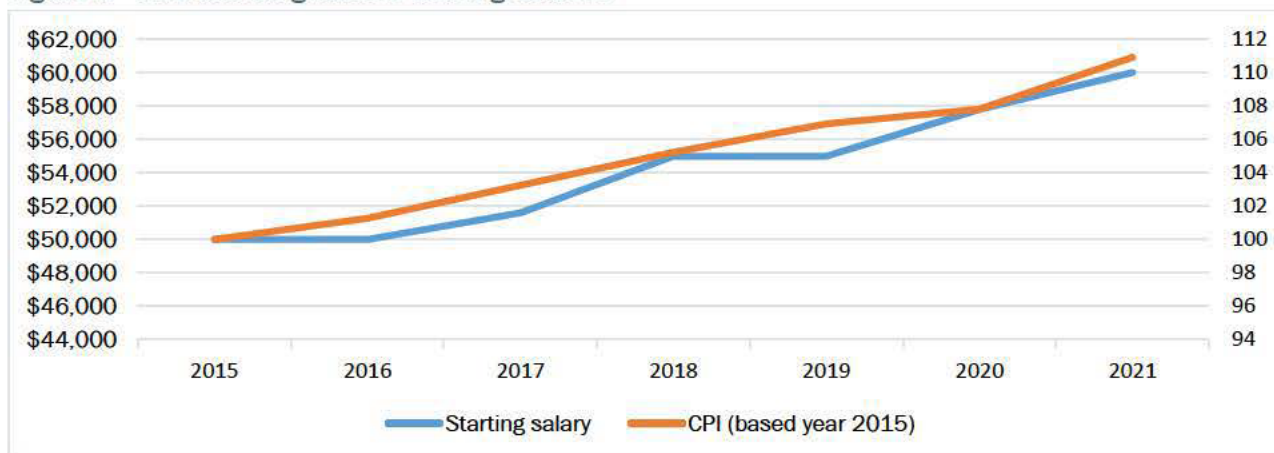
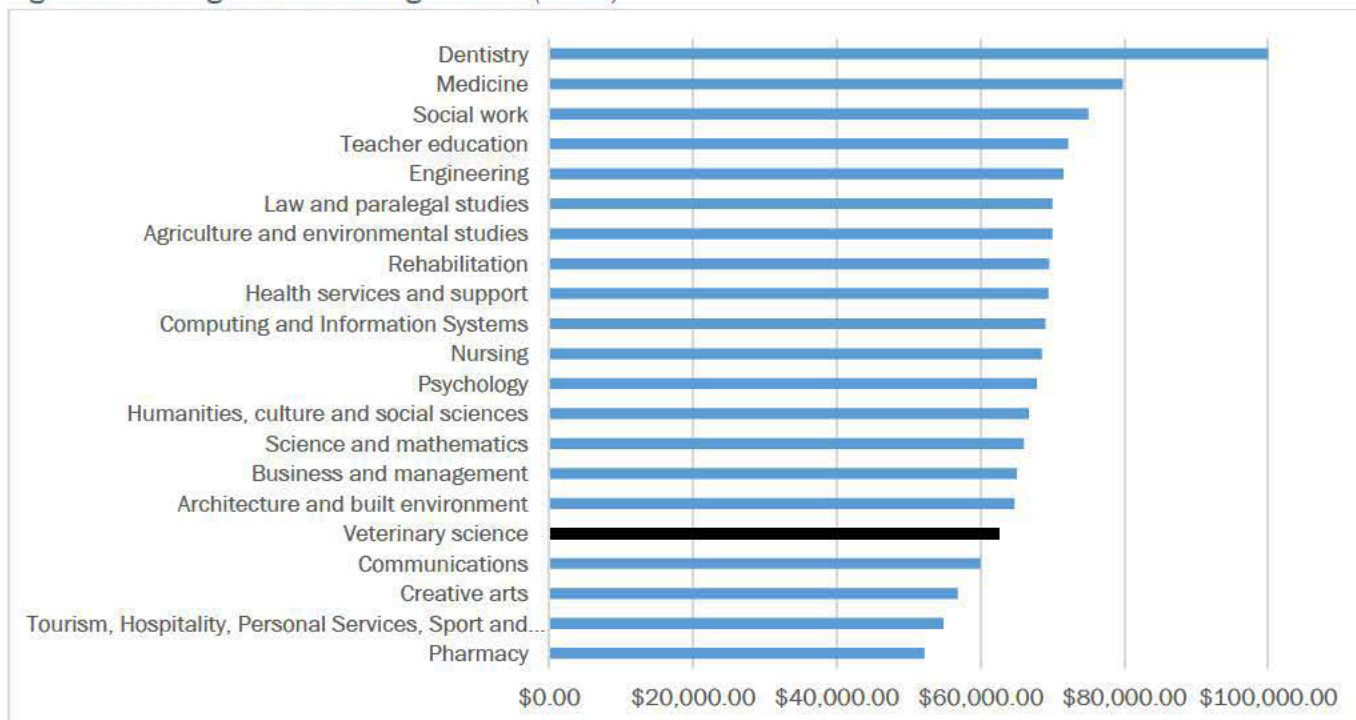


Figure 2 - Undergraduate starting salaries (2022)



Underinvestment in the veterinary profession is at odds with community needs

The contribution veterinarians make to the community is highly valued, and significantly contributes to the social license of animal industries to operate.

³ [https://www.qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](https://www.qilt.edu.au/surveys/graduate-outcomes-survey-(gos))



Similar to human health care, delivery of modern veterinary care is costly, and the veterinary profession is suffering from marked underinvestment, predominantly around labour, as much of the work the profession performs is simply not paid for.

This is placing considerable pressure on the wellbeing of veterinarians and on the sustainability of the profession, which is now well evidenced⁴. If Australian society is to continue to rely upon modern standards of animal health and welfare, made feasible by modern standards of veterinary practice, investment in the veterinary profession is needed to ensure that these services can be sustainably provided.

The underinvestment in the profession has resulted in the current veterinary workforce shortage through high levels of attrition and severe mental health issues and risks the continuance and quality of Australian animal health.

Australia's veterinary workforce is currently characterised by:

- Low rates of remuneration compared to other professions such as medicine, engineering, dentistry.⁵
- **Significant educational debt** as well as continued costs to remain registered and competent.
- Difficult working conditions combined with the above, makes the industry an unattractive one financially to remain in long-term.
- High rates of burnout, stress, and negative mental health outcomes.

Left unchecked, this has the potential to lead to the collapse of the sector, which poses significant risks to the community at large.

Further, with pets as family members in almost 70% of Australian homes⁶, the impact on human health and wellbeing is a significant public health benefit.

Regional business and communities are at risk of losing access to veterinary services

The veterinary workforce shortage is significantly more acute in rural and regional areas. Regional practices have in recent years been closing clinics because of a lack of veterinary staff.

The AVA conducts regular surveys of the veterinary workforce.

- The AVA 2021 Workforce Survey Report notes that in mixed animal and production practices (these practices are located in rural and regional areas) 34.41% of veterinary job vacancies took more than 12 months to fill or were still not filled at the time of the survey

⁴ <https://www.ava.com.au/wellness/>

⁵ [https://www.qilt.edu.au/surveys/graduate-outcomes-survey--longitudinal-\(gos-l\)#anchor-2](https://www.qilt.edu.au/surveys/graduate-outcomes-survey--longitudinal-(gos-l)#anchor-2)

⁶ AMA (2021) Pets and the Pandemic: as social research snapshot of pets and people in the COVID-19 era (<https://animalmedicinesaustralia.org.au/report/pets-and-the-pandemic-a-social-research-snapshot-of-pets-and-people-in-the-covid-19-era-2/>)



- Looking more broadly at vacancies taking over 6 months to fill, this accounted for 46.45% of vacancies. This is up from 34% vacancies in the 2018 survey.

A Rural Bonding Scheming (HELP forgiveness)

To further alleviate financial pressures on early career veterinarians and address the regional workforce shortage, the AVA proposes that in addition to removing indexation and raising the minimum repayment threshold for tertiary education loans to the median wage the Commonwealth Government introduce a Rural Bonding Scheme (HELP Forgiveness Scheme) for graduate veterinarians.

This will cost \$19.23 million over four years (\$4.80 million per annum) and would wipe the HELP debt of 80 new graduates per year, boosting the veterinary workforce in these critically important regions.

This is a relatively modest investment that will significantly relieve the current workforce shortages facing the profession.

The AVA makes the following recommendations around the criteria of the Scheme:

- Participants must be an Australian citizen or permanent resident, registered to practice in Australia;
- Employment must be in a Rural or a Remote area (using the [Australian Government's Rural, Remote and Metropolitan Areas Classification](#) (RRMA));
- Available to all graduates (up to 5 years after graduation);
- Up to 80 placements per year offered: 60 rural and 20 remote;
- Remote participants eligible for a maximum of \$70,000 over a 5-year period;
- Where a HELP debt exists, payment to be paid directly to HELP debt; and
- Each year completed attracts the following payment (can be consecutive or non-consecutive):

Table 3 - Suggested payment eligibility for veterinarians in the first five years post-graduation depending on locality

Stage	Rural	Remote
Completion of first year		\$9,600
Completion of second year		\$10,400
Completion of third year		\$11,200
Completion of fourth year		\$12,000
Completion of fifth year		\$12,800
Total		\$56,000

Table 4 - Impact on budget and forward estimates

Item	2022-23	2023-24	2024-25	2025-26	Total
Rural placements	\$3.36m	\$3.36m	\$3.36m	\$3.36m	\$13.44m
Remote placement	\$1.40m	\$1.40m	\$1.40m	\$1.40m	\$5.60m
Administration (0.01%)	\$47.6k	\$47.6k	\$47.6k	\$47.6k	\$0.19m
Total	\$4.80m	\$4.80m	\$4.80m	\$4.80m	\$19.23m



The targeted demographic is very supportive of this initiative. One hundred percent of respondents of a survey targeting veterinary students was supportive of this proposal.

"I think this is a highly anticipated long-awaited proposal that would truly benefit vet graduates. The financial burden of the 6 year HECS fees play a massive role in post graduate employment and life."
Veterinary student 2023

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