



# Veterinary Practitioners Registration Board of Victoria

Proposed changes to  
regulatory fees  
2023 - 2024

Submission of the  
Australian Veterinary Association Ltd

March 2023

## The Australian Veterinary Association (AVA)

The AVA is the peak veterinary body providing a united voice for the profession for more than 100 years and represents veterinarians from all fields of the veterinary profession. Clinical practitioners work with companion animals, horses, farm animals, such as cattle and sheep, and wildlife. Government veterinarians work with our animal health, public health and quarantine systems while other members work in industry for pharmaceutical and other commercial enterprises. We have members who work in research and teaching in a range of scientific disciplines. Veterinary students are also members of the Association.

## Summary

The Australian Veterinary Association (AVA) appreciates the opportunity to contribute to discussions on the proposed changes to the Veterinary Practitioners Registration Board of Victoria, regulatory fees 2023 – 2024. The Board undertaking a full consultation prior to the adjustment of fees in this way is a positive initiative.

Through discussions with the Veterinary Practitioners Registration Board of Victoria (VPRBV) we appreciate that the costs of providing regulatory services in line with the Ministerial Statement of Expectations have increased due to the increased number of complaints, the complexity of complaints and the increase in costs of addressing these complaints.

Likewise, veterinarians are burdened by increasingly high requirements and costs of veterinary practice. In respect to veterinary registration, the AVA understands that veterinarians provide 95% of the income revenue for regulatory services through veterinary registration fees. In 2021-22 this amounted to \$1.6 million.

Veterinary registration also imposes further costs through maintenance of standards and professional conduct obligations such as treatment obligations for pain and suffering, biosecurity requirements etc., (unlike similarly qualified health professionals, these are ordinarily unremunerated), infrastructure, and other requirements that are unsupported. These costs must be also absorbed by registered veterinarians. Any further proposals to increase the financial burden on the profession, needs to be considered within this wider context.

In this submission we consider:

- The financial pressures on veterinary practice boards and discuss mechanisms for improved efficiency and potential further cooperation at a national level through the AVBC
- The funding of veterinary regulation and who benefits, recognising that there are significant public benefits
- The impact of increased costs on a sector that is already under considerable financial strain
- The impact on the consumption of animal health services

The AVA believes that imposing further costs on registered veterinarians will exacerbate the current veterinary workforce crisis and that the VPRBV should identify and implement methods of reducing costs of providing regulatory services and broadening the responsibility of regulatory costs from veterinarians to others who benefit from the service.

If Victorian 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.



## Discussion

This submission considers the proposal for increased veterinary registration fees from several perspectives. Firstly, we look at the need for increased income into the Board and potential short and long-term strategies to reduce costs and address future cost pressures. Secondly, we look at the benefits provided by veterinary registration and consider alternative funding streams.

## Financial pressures

The AVA understands that costs of regulation of the veterinary profession are rising. The complexity of veterinary board cases mirrors the complexity of veterinary practice, where the costs are rising from increased knowledge, technology and advancement, which are expectations of registration.

The AVA acknowledges that some of the recommendations below are currently being considered and welcomes the investment in methods of efficiency by the Board.

In the below recommendations we outline several mechanisms that could be used to improve efficiency and reduce costs. We also note that some costs may be a result of the current legislative framework and recommend this be reviewed with an objective of seeking appropriate legislative reforms.

We also recognise that the Victorian Board is not alone in facing these issues. Other veterinary practice boards in Australia are grappling with similar issues. State based veterinary regulation, rather than a national approach to veterinary registration or a unified registration processes across disciplines (such as AHPRA), produces duplicated State costs and limits the ability to benefit from economies of size.

Nonetheless, significant value is already obtained by veterinary practitioner boards working together through the AVBC. Specialist registration assessment, veterinary school accreditation, and the AVE are three areas of clear benefit in pooling resources. However, serious consideration should be given to what more can be done to work together. Registration processes is one clear area for potential benefit and there may be scope for cooperation on legal services. The latter is an increasing cost for all Boards and is often highly variable from year to year. A joint approach to this may assist in reducing and smoothing these costs.

### **Recommendations:**

- **Improvements to the veterinary board processes:**
  - **More efficient, cost-effective measures of dealing with complaints.**
    - **Employing more effective triage to complaints may reduce the costs and angst of complaints unsuitable for the veterinary board process. This will also decrease needless stress for veterinarians.**
    - **The veterinary board to also reduce the number of complaints that are required to escalate through unnecessary, expensive and long processes and may result in a similar outcome.**
  - **Proactive assistance**
    - **The veterinary board assists in better education and assistance for veterinary practices to help them deal with 'in-clinic' complaints to reduce complaint escalation to the veterinary board.**
    - **The veterinary board assists in better education and assistance for animal owners to understand what is appropriate for a complaint process.**
    - **The Veterinary board assists in communicating the common reasons for inappropriate complaints, such as grief from the loss of a pet, and collaboratively assists the profession in advocating for these necessary areas of human social work.**



- **To consider national registration of veterinary practitioners and other cost savings through national coordination.**

## Funding for veterinary regulation

Funding for veterinary regulation varies across the country with some jurisdictions operating on a model that focuses on recouping expenditure from veterinarians and veterinary service providers, while others recognise that the value provided extends beyond the ability of veterinarians, in that jurisdiction, to pay. In the latter cases, operating costs of the Boards are subsidised by general state government revenue.

The AVA discusses this based on a series of principles that relate to and speak to the State Government's, *The Pricing for value, A guide for government services, Pricing Principles*.

- The proportion of the public who benefit from veterinary regulation is much broader than the proportion who are regular paying consumers of veterinary services.
- Increases in costs on veterinary service providers are either:
  - Absorbed by the veterinarian or veterinary service provider and hence further reducing the viability of veterinary services.
  - Passed onto the consumer and hence acting as a disincentive to consumers providing appropriate health care for the animals under their care and control.

For these two reasons, it is important that any increase in the costs to veterinary services are carefully considered and alternative funding mechanisms identified.

## Who benefits from the services and how do different users benefit from the service?

Pricing Principle 2 in the Victorian State Government document states,

*The cost-of-service provision should be borne by those who benefit from the service.<sup>i</sup>*

The consultation document, "Vetboard Victoria's regulatory fee structure for 2023-24", discusses this by stating,

*The Vetboard's role is to ensure acceptable standards of veterinary practice are met in Victoria, i.e., by registering qualified and suitable people and taking regulatory action when this standard is not met. This promotes community trust in the veterinary profession. Veterinary practitioners directly derive benefit from these services, and it is appropriate that they bear the cost of the services.*

The AVA agrees that veterinary practitioners derive value from protecting the standards of veterinary practice, however there is shared benefit from the services of the veterinary board which has not been acknowledged.

A well-regulated veterinary profession underpins the minimum standards of animal health and welfare care in our community. Beyond veterinarians themselves, there are a broad range of other stakeholders who benefit from a well-regulated veterinary profession:

- Animal owners seeking veterinary care for the animals in their care and control
- Veterinary care for stray animals and domestic unowned animals
- Access to emergency veterinary services
- Animal disease Surveillance that contributes to early detection of emergency disease incursions and provides confidence in our disease status necessary to underpin international market access.



- Veterinary care for wildlife (which technically under the care and control of the government, is rarely adequately funded)
- Confidence of domestic and international consumers in the animal health and welfare standards, which underpins the social licence to operate for users of production, entertainment, and working animals.
- Confidence of domestic and international consumers in the animal health and welfare standards, which underpins the social licence to operate for pet owners.

While it could be considered that some of these are contributing to the costs of regulation via the regulatory costs that veterinarians pass onto consumers in veterinary services fees, it is not the case for all. For these reasons, the AVA believes that costs of veterinary practice boards need to be offset to a degree by government support.

**Recommendation:**

- ***The broader public value of veterinary regulation should be acknowledged, and government funding used to offset a proportion of veterinary practice board costs.***

**How will the price of the service impact behaviour?**

Any increase in the veterinary registration fees will be borne by two groups. Either the veterinarians will pass it on directly to the consumer or it will be absorbed by the veterinarian or the veterinary business. Both these outcomes are problematic.

**Impact on veterinarians and veterinary supply**

Firstly, while veterinary registration fees for staff are directly covered by a veterinary business in a number of situations, this is not universal. Veterinarians who are not in this situation have limited ability to pass on this cost to consumers and will need to wait for salary and wage review opportunities – even then, success is far from guaranteed.

Related to this, where veterinarians who are working limited hours are funding this themselves, it may lead to decisions on whether to renew or not. The current veterinary workforce crisis is seeing 30.6% of veterinary job vacancies taking more than 12 months or more to fill and AVA is frequently hearing of practices closing their books and their doors, unable to staff or sell veterinary businesses and service the community.<sup>ii</sup>

The cost of maintaining registration need to be considered alongside the low income received by veterinary practitioners as 78% of registered veterinarians earn under \$100K.<sup>iii</sup> This is 25% less than other professionals with similar educational debt and where veterinary remuneration, infrastructure and the substantial requirements of ongoing CPD are not ordinarily supported as they are in human health.<sup>iv v</sup> This seems a disproportionate financial burden on registered veterinarians and needs to be considered in respect to the financial stresses and mental ill-health discussed above.

Increasing the cost of veterinary registration puts at risk retaining veterinary registration as well as affording other necessities of maintaining veterinary registration such as other licences, infrastructure, continuing CPD and education and professional and personal supports such as attending events and conferences and other supports for maintaining community, collaboration and sharing opinion and mental wellness. Contributing in turn to the costs of the veterinary board through complaints.

Retention of registered veterinarians is crucial to maintain veterinary workforce, particularly with minimum 5 years of university education for supply. Increases in fees and changes to fee structure which threaten veterinary retention is short-sighted and has misplaced fiscal efficiency, devaluing the commitment that registered veterinarians make to animal health, welfare and the public.



Ninety seven percent of veterinarians retain veterinary registration despite 76.43% working in a clinical or non-clinical veterinary role.<sup>vi</sup> Meaning that despite income not being directly derived from a veterinary role, registration and connection to the veterinary profession is retained, allowing for the possibility of return.

Honorary general registration for registrants of 50 years of more, who have contributed to the veterinary profession and society's ability to own animals through their long-term service and professional conduct should be retained as valuable and respected members of the registered veterinary profession, particularly in line with the recent discussions on potentially requesting the services of retired veterinarians to fill gaps in veterinary workforce in the case of an emerging animal disease threat such as foot and mouth disease incursion.

### Impact on viability of veterinary sector

Secondly, where a veterinary business absorbs this cost, it further erodes the financial viability of the sector.

Additional costs imposed on the veterinary profession need to be reasonable and considered in entirety as there is ample evidence that financial factors are challenging the viability of the veterinary profession.

There are significant ongoing financial costs to maintain annual veterinary registration which include the cost of registration itself, the requirements to maintain veterinary registration and the regulatory obligations of veterinary registration for public good vii.

The underinvestment of the labour component of the profession has contributed to 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. This underinvestment is evidenced by low rates of remuneration compared to other professions such as medicine, engineering and dentistry. This combined with significant educational debt, continued costs to remain registered and competent, and difficult working conditions, combine to make the industry an unattractive one financially to remain in long-term. There are 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.

High rates of mental ill-health and job vacancy suggest a concerning trend. Independent mental health research across the Australian veterinary profession determined that financial stresses are a root cause and impact remuneration, working conditions such as workload, staff shortage, long hours, after hours, on call, veterinary hospital culture and client interaction.<sup>viii</sup>

There is a shortage of veterinarians in Australia. This 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.

Victoria's veterinary professionals deliver an essential service in our rural and regional communities on commercial farms, in our metropolitan communities caring for our domestic pets, and in areas of community need such as wildlife, stray and feral animals.

There is intense awareness of the concerns for sustainability with the AVBC and the state veterinary boards and the AVA respectfully suggests that this is front of mind when adding additional burden onto registered veterinarians and also without the support of current obligations.

The sustainability of veterinary service provision is under threat from decades of underinvestment.

Investment in veterinary services has direct flow on benefits to biosecurity, animal health and welfare, which, in turn, benefits human health in a range of ways - from the indirect benefits of protection from



zoonotic disease, zoonotic disease management and food safety, to the health and wellness benefits from owning a pet.

Improved data collection, analysis and workforce planning is needed to ensure that future veterinary demand is matched by supply and retention in a way that provides sufficient veterinarians, whilst realising the return on investment from veterinary training and acknowledging the benefits of veterinary service.

### Impact on animal health and welfare

Finally, where additional costs are passed onto the consumer, this impacts on decision making around the consumption of veterinary services. With any increase to prices, there is a risk of reduction in the quantity of services demanded. While this may not be a problem in many markets, in veterinary health care this translates to animals receiving less health care, reduced treatment options, less preventative health care treatment, and may see consumers avoid bringing their animals in to a veterinary clinic at all.

This is at odds with community expectations about the need for animal health and welfare care – much of which is written into legislation.

Unlike human health care, veterinary care is a private market. The reality of this is that it is largely a user pays system and the users' ability to pay is a factor in the health outcomes for animals in their care and control. While this is unlikely to change in the short-term, care should be taken to ensure that regulatory costs do not provide financial disincentives to the consumption of animal health care.

To address this, it is recommended that the costs of regulation be separated from the decision making around veterinary services. As such, rather than extracting all regulatory costs via veterinarians and veterinary businesses, this be done either through general government expenditure or targeting animal owners at other points in the animal economy (for example, pet registrations).

### Recommendation:

- ***Any increase should consider the viability of the veterinary profession and not only the costs of the veterinary board.***
- ***Where increases above CPI occur, they should be stepped over a number of registration periods.***
- ***Retention of veterinary registration is crucial to ensure adequate veterinary workforce and respect the commitment of registered veterinarians.***
- ***That the costs of regulation be separated from the decision making around veterinary services. As such, rather than extracting all regulatory costs via veterinarians and veterinary businesses, this be done either through general government expenditure or targeting animal owners at other points in the animal economy (for example, pet registrations).***

### Contact:

Dr Kristen Steele  
Senior Advocacy Officer  
Australian Veterinary Association  
E: [kristen.steele@ava.com.au](mailto:kristen.steele@ava.com.au) T: 02 9431 5089

<sup>i</sup> <https://www.dtf.vic.gov.au/sites/default/files/document/Pricing%20for%20Value%20Guide%20-%20Pricing%20Principles.pdf>

<sup>ii</sup> [Australian Veterinary Association Veterinary Workforce Survey 2021 Analysis Report December 2021](#) Pg 29

<sup>iii</sup> [Australian Veterinary Association Workforce Survey Salary Integration 2021](#)

<sup>iv</sup> [QILT Graduate Outcomes Survey 2022](#)

<sup>v</sup> <https://www.aihw.gov.au/reports/primary-health-care/medicare-subsidised-gp-allied-health-and-specialis/contents/technical-information>

<sup>vi</sup> [Australian Veterinary Association Veterinary Workforce Survey Analysis Report December 2021](#) Pg 18

<sup>vii</sup> [Veterinary Practitioners Registration Board of Victoria, Guideline 3 Treatment Obligations.](#)

<sup>viii</sup> [Australian Veterinary Association, Veterinary wellness strategy, Summary of Research findings. 2021](#)