



2022 – 2023
Federal Pre-Budget Submission
(October 2022 Budget)

Executive Summary

- Australia's veterinary professionals deliver an essential service, both in our rural and regional communities on commercial farms, and in our metropolitan communities caring for our domestic pets.
- Vets have become part of the fabric of our communities and play a key role in detecting and managing biosecurity threats. However, they have not been compensated for the public good they deliver.
- There has been chronic underinvestment in the labour component of the veterinary profession for decades, which is placing considerable pressure on the wellbeing of vets and on the sustainability of the profession.
- This underinvestment has resulted in significant workforce shortages, largely attributed to by high levels of attrition and severe mental health issues. If left unaddressed, it could result in the collapse of the profession, which would have catastrophic consequences on both the commercial and domestic veterinary markets.

Recommendation

- In order to assist in addressing this issue, the Australian Veterinary Association recommends that the Commonwealth Government introduce a rural placement incentives scheme for graduate veterinarians to assist in the shortage of rural veterinarians.
- **This would cost \$23.80 million over five years (\$4.76 million per annum) and would wipe the HECS debt of 80 new graduates per year, boosting the veterinary workforce in these critically important regions.**

About the AVA

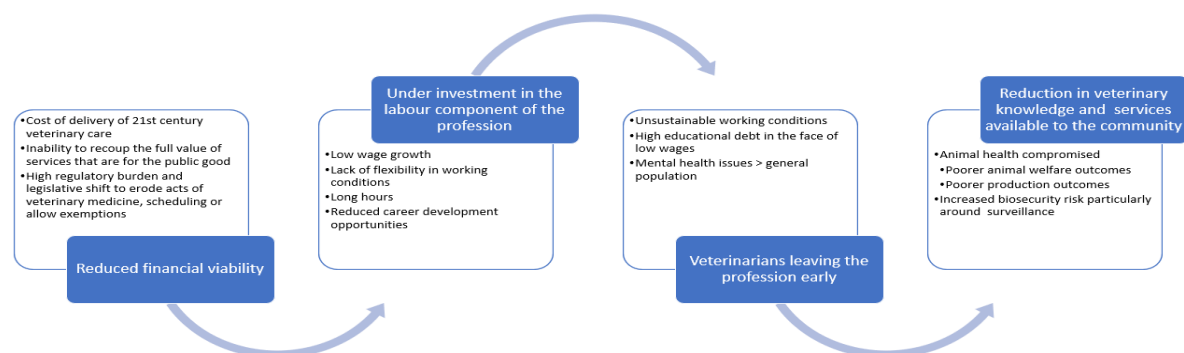
The Australian Veterinary Association (AVA) is the only national professional association representing veterinarians in Australia. Our 8500 members come from all fields within the veterinary profession. Clinical veterinary practitioners work with companion animals, horses, farm animals, such as cattle 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. The Association also has very strong membership amongst our future veterinarians who are currently training at our seven veterinary schools.

The Issue: Underinvestment in the veterinary profession

The work of veterinary professionals impacts the daily lives of Australians and their animals in a multitude of ways. The contribution veterinarians make to the community is highly valued, and significantly contributes to the social license of animal industries to operate. Similar to human health care, delivery of modern veterinary care is costly, and the veterinary profession is suffering from marked underinvestment, predominantly around labour investment, 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 veterinary service provision, which is now well evidenced¹. 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. Low rates of remuneration compared to other professions such as medicine, engineering, dentistry², 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.

FIGURE 1 – CYCLE OF UNDERINVESTMENT IN VETERINARY SERVICES



¹ <https://www.ava.com.au/wellness/>

² [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)

It has been understood for more than a century that animal health, human health and the environment are interdependent. Standards of animal health and welfare affect human health and safety through biosecurity, food safety and security. Further, with pets as family members in almost 70% of Australian homes³, the impact on human health and wellbeing is a significant public health benefit.

The veterinary profession has provided an essential service to our community for generations. Our food industries, our pets, and our community relies on veterinarians being there for them for support. For the veterinary profession to be sustainable and serve our society it needs help and investment.

The Impact: Evidence and data

Shortage of Veterinarians in Rural and Regional areas

It is clear through direct feedback from veterinarians and from data gathered by the AVA that there is a shortage of veterinarians in Australia. It is also clear that 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.

The AVA conducts regular surveys of the veterinary workforce. **The AVA 2021 Workforce Survey Report notes that 30.64% of veterinary job vacancies took more than 12 months to fill or were still not filled at the time of the survey. Looking more broadly at vacancies taking over 6 months to fill, this accounted for 43.12% of vacancies.** This is up from 34% vacancies in the 2018 survey.^{4,5}

Investigating the 2021 data further shows that the situation is more acute in mixed practices. Mixed practices are those which service both small animals and production animals. They are generally located in rural and regional areas.

TABLE 1 - PERCENTAGE OF VACANCIES REMAINING UNFILLED BY PRACTICE TYPE

	Small animal	Equine only	Mixed practice	Other
less than 3 months	20.96%	37.50%	19.14%	18.36%
3-6 months	18.84%	22.50%	21.72%	14.84%
6-9 months	8.65%	3.75%	6.45%	6.64%
9-12 months	4.65%	1.25%	5.59%	5.08%
More than 12 months or still not filled	29.77%	25.00%	34.41%	29.69%
I'm not sure	17.13%	10.00%	12.69%	25.39%
Total	100.00%	100.00%	100.00%	100.00%
Total sample size	1226	80	465	256

³ 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/>)

⁴ AVA (2021) Veterinary Workforce Survey 2021 - Analysis Report (<https://www.ava.com.au/news/workforce-survey-2021/>)

⁵ AVA (2019) Australian Veterinary Workforce Survey 2018 (<https://www.vetvoice.com.au/SysSiteAssets/veterinary-careers/ava-workforce-survey-2018.pdf>)

When the data is looked at on a geographic basis the difference is even stronger with percentage of vacancies open for 12 months or longer in the city at 23.89% and 35.19% in regional areas.

TABLE 2 - PERCENTAGE OF VACANCIES REMAINING UNFILLED BY LOCATION

	City	Regional
less than 3 months	23.13%	20.29%
3-6 months	21.09%	18.04%
6-9 months	8.64%	7.18%
9-12 months	3.68%	5.66%
More than 12 months or still not filled	23.89%	35.19%
I'm not sure	19.57%	13.64%
Total	100.00%	100.00%
Total sample size	787	1114

NB: City category has been defined as postcodes 20xx, 21xx, 30xx, 31xx, 40xx, 41xx, 50xx, 51xx, 60xx, 61xx, 70xx, and 71xx, with the remainder being classified regional.

Veterinarians exiting the veterinary workforce

One of the key drains on the size of the veterinary workforce is veterinarians leaving veterinary practice prior to retirement. The 2021 AVA Workforce Survey noted that 4% of respondents indicated that they would leave the profession within the next year and a further 9% indicating that they are also considering leaving.

Reasons indicated for these decisions range from poor health (mental and or physical), through to disillusionment with the profession, and, importantly, financial viability. A similar survey focusing on equine veterinary practices found the predominant reasons for leaving early are due to insufficient extrinsic rewards and workload pressure⁶.

A recent study into the mental health of the veterinary profession commissioned by the AVA found 66.6% of veterinary respondents have or are experiencing a mental health condition (compared to 61.8% nationally). 54% of factors contributing to mental health issues were work related (include work related trauma, client interactions, workload, afterhours).⁷

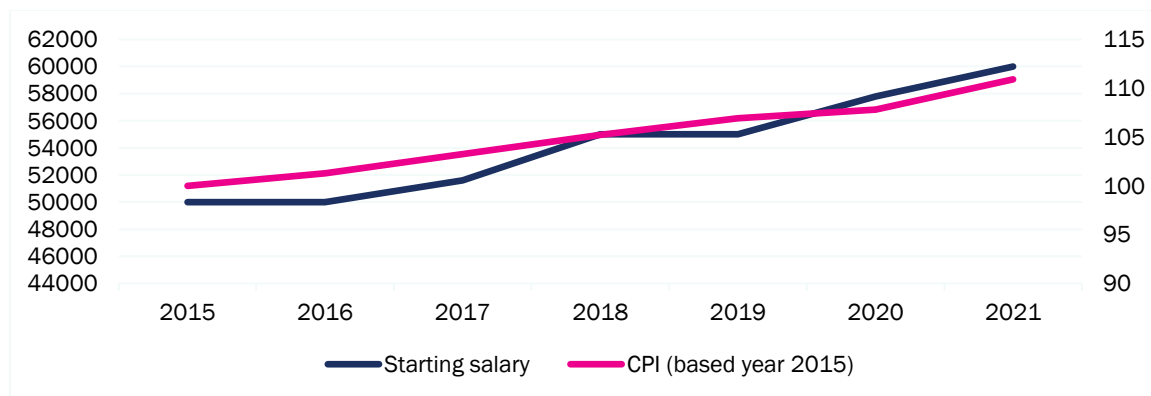
Recent graduate salaries

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.

⁶ Bell, M. et al (2021) 'Workforce sustainability in equine veterinarians - perceptions of stayers and leavers'

⁷ Superfriend (2021) 'Australian Veterinary Association Veterinary Wellness Strategy – Final Report'

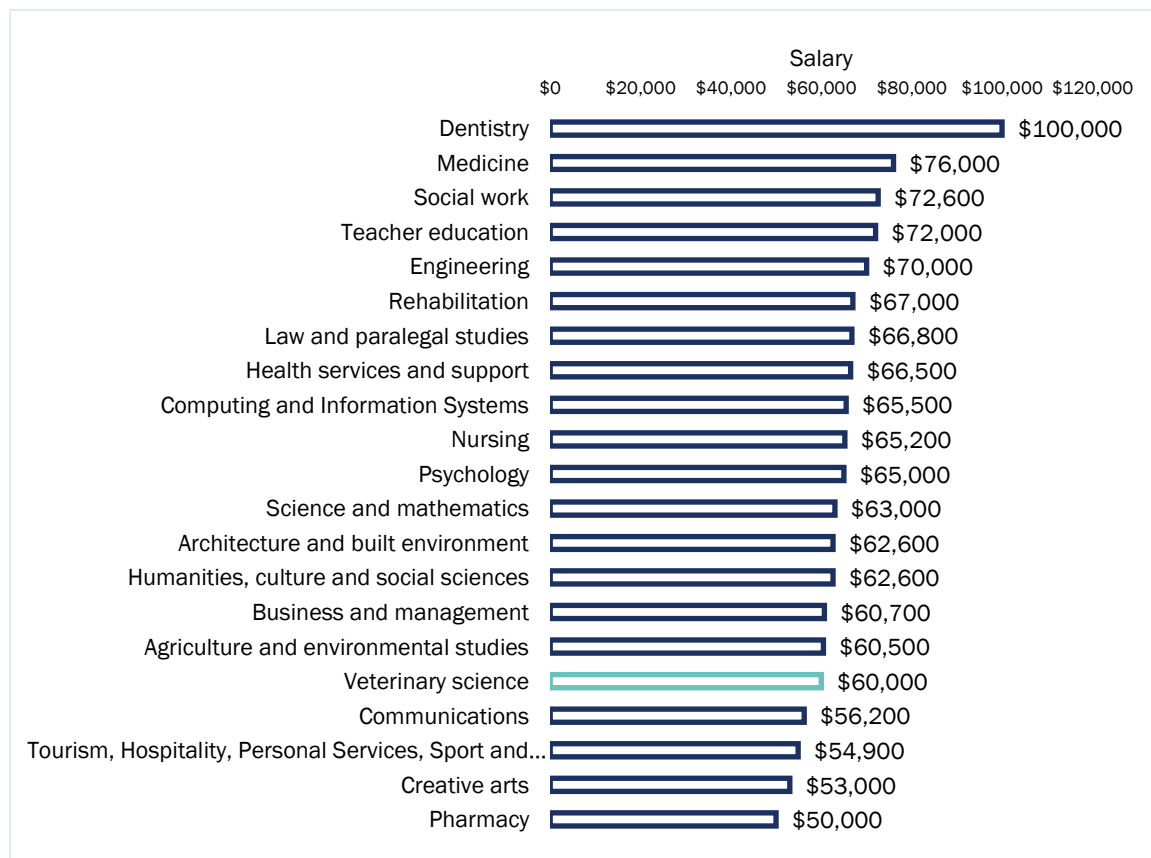
FIGURE 2 - VETERINARIAN GRADUATE STARTING SALARIES



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

Compared with other undergraduates who have undertaken a similar level of education, veterinarians are well behind.

FIGURE 3 - UNDERGRADUATE STARTING SALARIES



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

Working conditions

Veterinarians undertake this work in the face of significant difficulties and demanding working conditions.

The AVA Workforce survey found 38% of respondents participated in “on call” work, with approximately 40% undertaking greater than 30 hours of on call per week and the majority of participants spending 1-10 hours seeing after-hours cases per week.

The Solution: Rural Bonding Scheme (\$23.80m over 5 years)

Shortages of veterinarians in rural and regional areas has been an issue for the community over decades. The impacts of COVID-19 and the disruption this has caused to the movement of veterinarians around the country and internationally has exacerbated this problem.

The AVA proposes that the Australian Government introduce a rural placement incentives scheme for graduate veterinarians to assist in the shortage of rural veterinarians. One of the many benefits that this will provide is improvement to private surveillance performed by private veterinarians to sustain adequate biosecurity levels. Veterinarians play a key role in detecting and managing biosecurity threats. Without veterinarians in rural and remote areas - including Australia's borders - the risk of serious and deadly diseases infecting large number of animals and from there infecting the human population, is dramatically increased.

The AVA makes the following recommendations for an Australian Government Rural Placement Incentives Scheme:

- Participants must be an Australian citizen or permanent resident, registered to practice in Australia
- Employment must be with a practice that has a majority focus on production animals
- 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 HECs debt exists, payment to be paid directly to HECs debt
- 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	\$12,000
Completion of second year	\$10,400	\$13,000
Completion of third year	\$11,200	\$14,000
Completion of fourth year	\$12,000	\$15,000
Completion of fifth year	\$12,800	\$16,000
Total	\$56,000	\$70,000

TABLE 4 - IMPACT ON BUDGET AND FORWARD ESTIMATES

Item	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Rural placements	\$3.36m	\$3.36m	\$3.36m	\$3.36m	\$3.36m	\$16.80m
Remote placement	\$1.40m	\$1.40m	\$1.40m	\$1.40m	\$1.40m	\$7.00m
Total	\$4.76m	\$4.76m	\$4.76m	\$4.76m	\$4.76m	\$23.80m

Recommendation

- *The AVA recommends that the Commonwealth Government introduce a rural placement incentives scheme for graduate veterinarians to assist in the shortage or rural veterinarians.*

Case study 1: New Zealand

There is proof that this scheme works in other jurisdictions, with New Zealand successfully rolling out a Voluntary Bonding Scheme for Veterinarians a decade ago, which yielded positive results for the profession.

The Scheme was introduced to help ease the shortage of rural veterinarians working with production animals. Graduates participating in the Scheme are eligible for \$55,000 before tax (\$11,000 each year) over the five years of the Scheme. The first installment of \$33,000 is paid after completing the third year, and \$11,000 is paid on the fourth and fifth year.

The New Zealand Veterinary Association CEO, Kevin Bryant, said the Scheme has been highly successful, making the following remarks:

"It's really intended to support these people and their lives in the community, whether it's paying debt, putting a deposit on a house, buying a car – whatever it may be, there's no restrictions.

"People were staying in the profession, staying in the rural practices so it was good for the individuals.

"They had stability, they were becoming part of their community, the practices didn't have to worry about constantly recruiting ... so there's been a lot of benefits of it."

Case study 2: Daisy*

Daisy graduates from Murdoch University in 2023, she has a commonwealth funded position and graduates with a total educational debt of \$63,081. This debt will be indexed on average 2% per year.

She will likely move to Narrogin in rural Western Australia and be employed by the local veterinary hospital. Her commencing salary will be \$55,000 and she meets the threshold for HECS repayments. If this program was in place and Daisy worked rurally for five years, she would reduce her debt by \$56,000, leaving her with a balance of \$7,081.

"As a veterinary student the financial pressures continue to mount as the time commitment of on campus learning as well as practical placements is one of the highest in tertiary learning.

"This leaves minimal time for students to find paid work to afford living arrangements let alone university fees. For students wanting to work in a rural setting this is compounded by the fact that majority of our practical placements involve travelling large distances and sourcing temporary accommodation.

"Having my HECS debt paid off would be life changing for me. I wouldn't have to worry as much about paying back that huge burden for the next decade."

*Daisy is anonymised.

Conclusion

The AVA is the only body representing the entire veterinary profession. By addressing the issues that confront the profession such as mental health, recognition of the inextricable relationship between animal and human health and addressing labour market shortages (in rural areas initially) significant economic and social benefits can be enjoyed by all Australians. AVA would welcome further discussion on the initiatives outlined in this submission.

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