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16 April 2014

The Hon Christopher Pyne MP
Minister for Education
Parliament House
CANBERRA ACT 2600

Dear Minister,

Review of the demand driven funding system

The Australian Veterinary Association (AVA) is the only national organisation representing the veterinary profession in Australia with a membership of over 8000 veterinarians and veterinary students.

We are extremely concerned about some of the findings and recommendations contained within the Review of the Demand Driven Funding System and how these may impact our members and the whole veterinary profession. The AVA's submission to the review strongly argued the need to a return to limiting the number of Commonwealth-funded domestic student places for veterinary science degrees and demonstrated the associated governmental savings. A copy of the submission is attached.

Course costs

Veterinary science is one of the most expensive university courses to deliver, requiring the highest level of government subsidies per student (CSP Funding Cluster 8 includes dentistry and medicine - \$21,707 per student). The high costs of veterinary education are already felt by students. Veterinary science students pay the maximum level of contribution for tuition of any degree for a qualification that returns only modest remuneration.

The veterinary deans' submission to the Higher Education Base Funding Review in 2012 stated:

"While the average cost to students in a Commonwealth Supported Place is \$9080 per year, the total cost for an Australian fee paying student in a veterinary science graduate program is \$170,750 over the length of the course. In addition to the costs of tuition, each veterinary science student pays approximately \$19,000 in personal costs related to notes, equipment, accommodation, and travel during each year of the course"

The large educational commitment of veterinarians is not matched by commensurate professional entry salaries or high life time earnings potential. In the 2010-11 financial year, the average total income for Australian veterinarians was \$74,000 (Source: Australian Taxation Office).

The review acknowledges that veterinary degrees are underfunded. However the recommended potential for universities to increase student contributions and the recommended imposition of a 10% loan fee will make a veterinary degree unaffordable for

future veterinarians. It makes more sense for the government to exclude veterinary science from the demand-driven system and limit the numbers of places to those needed to fill workforce needs as for medical degrees and allocate adequate funding to these places.

The review acknowledges that there are significantly increasing difficulties in the provision of enough quality clinical placements, an essential component in training veterinarians. This has been caused by the large increases in student numbers in recent years beyond the capacity of the profession to provide clinical placements. Increasing student fees and paying practices to provide this service (presently provided pro bono) will not address the shortfall in the profession's capacity to train large numbers of students.

Industry perspective

Australia is facing an oversupply in the veterinary workforce. Even before caps were lifted in 2012, there had been a rapid and significant increase in the training of veterinarians with three new universities opening, and significant increases in intake of the original four universities.

The recent introduction of these new veterinary schools has created a new business dynamic within the veterinary schools market such that intake numbers are more likely based on the need to establish market share or maintain an existing school rather than on economic sustainability of the programs.

In regard to industry demand, recent research has indicated that only 400 replacement veterinarians will be required per annum while projections for the number graduating annually from the universities from 2013 were predicted to be around 670 (Source: Pratley J (2012) Education for the veterinary profession. *Agricultural Science*, 24(1):30-33).

The AVA is presently seeking funding from the National Workforce Development Fund to allow a more detailed supply and demand study of the veterinary workforce to be undertaken. Until that study is complete, we advocate a moratorium on any further increase in veterinary student numbers, either through the creation of new veterinary schools, or an increase in overall student numbers in existing schools.

While industry needs are limited, as with other popular professions such as medicine and dentistry, potential student demand for studying veterinary science is nearly unlimited. As noted in the review report, the percentage of successful first-preference offers is presently only just over 20%.

Veterinary science is not a generic degree. Graduates with a veterinary degree are highly trained in clinical skills and most expect to become part of the veterinary clinical workforce. There are strong indications that allowing the current growth in veterinary science enrolments to continue would not only be costly for taxpayers and universities but could be deemed unethical as graduates are increasingly unlikely to be able to find work in their chosen profession.


Recommendation

While the government may consider maintaining the demand-driven system on other university degrees, veterinary degrees should be excluded.

The same arguments put forward in the Bradley report for capping medical places holds true for veterinary science degrees - there is a significant shortage of clinical training places for students and veterinary training is very expensive with Commonwealth contributions alone for a six year veterinary degrees exceeding \$120,000. The AVA requests the Minister uses his power under the higher education funding legislation to exclude veterinary science and place a cap back on the number of veterinary science student places.

I would like to meet with you or your higher education advisor as soon as possible to discuss the veterinary industry's workforce and education needs in more detail. The AVA's National Public Affairs Manager, Marcia Balzer, will be able to arrange a meeting and she can be contacted on marcia.balzer@ava.com.au, 02 9431 5060 or 0430 175 310.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ben Gardiner', with a stylized, cursive script.

Ben Gardiner
President