Policy Document

Domestic Full-Fee Places

Position Statement

AMSA believes that:

1. Access to the Australian higher education system, including to medical degrees, should be equitable to all domestic students;
2. Domestic full-fee places are inaccessible to many prospective students from lower socioeconomic backgrounds, and therefore contribute to the inequitable access to medical programs;
3. Australian private university places should be tightly regulated and public universities should be legislatively prohibited from offering full-fee places to domestic students in both undergraduate and postgraduate medical programs;
4. Increasing the number of domestic full-fee places puts additional pressure on an already exhausted training pipeline;
5. All domestic graduates of Australian medical schools, irrespective of their fee class, should be guaranteed a quality internship position in Australia upon completion of their degree; and
6. Policies regarding domestic full-fee places, including the full costs and number of places should be made transparent by governments and higher education institutions (both public and private).

Policy

AMSA calls upon:

1. Universities and Medical Deans Australia and New Zealand to:
    a. Commit to not enrolling domestic full-fee paying students in public medical programs;
    b. Improve transparency by publishing annual financial statements regarding fees and number of positions;
    c. Assist new residents and citizens to transition to Commonwealth-supported places where possible; and
    d. If domestic full-fee places continue to exist:
        i. Limit the number of domestic postgraduate full-fee places offered;
        ii. Offer financial advisory services, especially for domestic full-fee paying students; and
        iii. Provide rural exposure in the form of placement requirements, complemented by rural origin intake.
2. Australian Government to:
    a. Prohibit an increase in domestic full-fee places in funding contracts with Australian public universities,
    b. Legislate to require that the numbers of full-fee places at private medical programs be aligned with recommendations by each State and/or Territory Department of Health, and prevent the implementation of new domestic places without direct oversight from the Department of Health;
    c. Facilitate the transition of new residents from domestic full-fee to Commonwealth-supported places where these places become available; and
    d. If domestic full-fee places continue to exist:
        i. Centrally regulate the number of domestic full-fee places offered at Australian universities, taking into account shortfalls in the training pipeline for medical graduates;

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ii. Increase the maximum loan available via FEE-HELP, to reflect the total cost of a full-fee degree; and
iii. Commit to not institute any additional fees, including a loan fee, on full-fee medical places.

3. National Federation Reform Council (NFRC) to:
   a. Determine appropriate numbers of medical graduates;
   b. Guarantee internship positions for domestic full-fee-paying students; and
   c. Include domestic full-fee paying students in the same internship class priority as Commonwealth-supported students.

Background

The Australian Medical Students' Association (AMSA) is the peak representative body for medical students in Australia. As such, AMSA advocates for issues regarding medical student places and provides representation for all students with respect to internships and prevocational training, equity of access to education, and distribution of graduate roles in the workforce.

History of domestic full fee places

In 2019, Australian medical schools had a total of 17,459 enrolled students, of whom 14,601 (83.6%) were domestic students [1]. Of these domestic students, 90.5% were enrolled in Commonwealth-Supported Places (CSPs) involving government subsidisation of the majority of students' tuition fees. These students are required to pay a remaining Student Contribution Fee of up to $11,155 per year as of 2020 [2]. Alternatively, students may choose to defer this payment via the Higher Education Contribution Scheme-Higher Education Loan Program (HECS-HELP), provided certain eligibility criteria are met [3]. The remaining 9.5% were enrolled in Domestic Full-Fee Places (DFFPs), with eligible students able to access limited financial assistance through the FEE-Higher Education Loan Program (FEE-HELP).

DFFPs were introduced for medical degrees in 2005. In 2008, an amendment to the 2003 Higher Education Support Act resulted in a legislative ban on DFFPs in undergraduate degrees at public universities [4]. In an attempt to align the number of medical students with workforce demand, the Australian Government has since proposed implementation of controls on full-fee paying enrolments [5]. However, to date, postgraduate degrees and private universities remain unregulated.

Since 2009, many universities have transitioned to offering masters degrees in medicine, which allow them to enrol DFFPs. This is in the face of vocal opposition from a number of bodies, including the Australian Medical Association (AMA), who have raised concerns regarding inequity of access and an oversupply of medical students relative to workforce demand [6]. Despite this, the proportion of DFFP students has gradually increased from 1.6% in 2005 [7] to 9.5% in 2019 [1] with recent increases illustrated in Table 1.

Table 1: Proportion of DFFP Students (2015-2019)

Year	2015	2016	2017	2018	2019
Proportion of DFFPs (%)	7.2	7.4	7.6	9.5	9.5

Sources: [1], [8]

Public medical programs

Under the 2008 amendment, public universities receiving Commonwealth grants are forbidden from offering undergraduate DFFPs [4],[9]. There is no such provision which stops universities from offering full-fee places to postgraduate students (s36-55). There is, however, a provision (s36-30) that allows students who gain permanent residency or Australian citizenship during the course of their degree to transition into a DFFP. Following this, these students may then be awarded a CSP at the discretion of the university. However, it is often not in the universities best interest to offer subsidised fees, so these students often remain in DFFPs.

The cost of a DFFP for these students varies greatly between universities, with Western Sydney University charging $50,880 [10] per year as of 2020 compared with the University of New South Wales fee of $76,080 [11]. Universities that offer postgraduate degrees ostensibly composed solely of CSP and international students also benefit, with the University of Western Australia listing the cost of a DFFP as $79,700 per year as of 2020 [12].

Since 2011, the University of Melbourne has offered postgraduate DFFPs [13]. Their transition to a postgraduate model has been perceived as a circumvention of Commonwealth funding agreements [14]. It is the only public medical program that also offers postgraduate DFFPs on admission. Typical costs for DFFP students in Australian postgraduate medicine programs far exceed the $152,700 borrowing cap applied to medical students under the FEE-HELP program [15].

Information regarding the number of full-fee medical places in publicly funded tertiary institutions is limited, with existing resources proving opaque and relevant government legislation providing minimal guidance as to what is permissible.

Private Medical Programs

There are two universities in Australia that exclusively offer full-fee places within their medical programs, Bond University and Macquarie University. Bond University is a private university, offering DFFPs in its undergraduate program, while Macquarie University is a public university, and in 2018, in face of explicit objection, opened a new postgraduate medical program consisting of only DFFPs [16]. In this regard, Macquarie University is perceived to be operating an “ill-conceived” private medical program under the guise of a public institution [17] that would contribute an increasing number of graduates to an already overburdened training pipeline [18].

The independence of DFFPs from government funding means that both Bond and Macquarie’s private medical programs fall outside the scope of any current government regulation. This means the Department of Health is unable to regulate numbers of medical student places in keeping with workforce requirements. Under current provisions, private medical programs are also able to set any tuition fee, with medical education costing upwards of $419,440 at Bond University and $67, 980 annually at Macquarie University, amounting to approximately $271, 920 over the whole degree [19] [20]. These fees therefore greatly exceed the FEE-HELP loan amount available for DFFP medical places.

Broader implications

Internships and Prevocational Training

The current Commonwealth legislation concerning the regulation of CSPs means that some Australian public universities need to supplement the income they receive from the Commonwealth by extracting higher fees from domestic full fee and international students (see AMSA Funding of Medical Programs Policy). As private universities are exempt from this legislation they can offer as many DFFPs as they choose, hence placing further strain on internship positions which already fall short of the annual graduate numbers (when DFFPs and international students are included) [18][21].

This is supported by the 2017 Report on the National Audit of Applications and Acceptances, which found a net excess of 393 graduates from all fee-classes compared to the number of internships available [21]. With ongoing financial strains on public universities potentially encouraging them to increase DFFPs, the overall shortage in positions available for Australian graduates may worsen [22].

In addition to this, the Department of Education, Skills and Employment currently is planning to address the lack of medical graduate supply to rural and regional Australia by establishing a pool of CSPs drawn from existing university allocations to be redistributed amongst universities every three years [23]. The medical programs that will be allocated these redistributed CSPs serve the needs of rural and regional communities; however, the schools losing these positions are required to internally address their loss of revenue [23]. It is postulated that this could be compensated by increasing the number of DFFPs and international places. Should any increase in international tuition fees deter students from study in Australia, universities might be obliged to increase the number of DFFPs, increasing the number of local graduates and putting further strain on the availability of quality internships. The AMA has already acknowledged the pressures of feeding more graduates into a seemingly overwhelmed medical training pipeline [17]. Therefore, the proposed redistribution of 60 CSPs per year from 2021 has potential ramifications for ongoing graduate internship availability while further increasing the difficulties in access to medical education.

All Australian States and Territories have guaranteed internships for graduating domestic CSP students [24]. While policy surrounding the guarantee of DFFP graduates being awarded an internship is unavailable publically, variation in priority brackets exists between state internship policy [25]. Without Federal government oversight, individual State and Territory health systems control the number of internships and may also prioritise graduates by fee class. Additionally, Federal government pressure may exist to prioritise internships for CSP graduates in order to repay HECS-HELP loans in the shortest time frame (to alleviate the $62 billion HELP debt crisis) [26]. Despite this, South Australia is the only state or territory that prioritises CSP graduates (priority 1.2) over DFFPs (priority 1.3) [27] for graduates from a South Australian university. A prioritisation of CSP over DFFP graduates for internships is inequitable and not supported.

Equity of access

FEE-HELP, the government financial support for students enrolled in domestic full-fee places, is currently inadequate.With the exception of the University of Notre Dame, the costs of a four-year medical degree are far in excess of the $152,700 borrowing cap applied to medical students under the program [17], leaving a significant balance for the student after FEE-HELP expires. This leaves applicants, particularly those of lower socioeconomic background, facing large upfront costs that are likely to continue to increase. This increase is exacerbated as annual fee increases are approximated to be around 5% per annum [28], and will continue to outstrip the FEE-HELP cap indexation which reflects the cost of living, historically between 1.5% and 3% per annum [29].

Socioeconomic background is a major influence on educational access. In 2008, the Bradley Review concluded that participation in higher education is limited among students from lower SES backgrounds [30]. While this has improved in recent years [31], the proportion of medical students from lower SES backgrounds has remained static [32], with medical school recruits largely from wealthy, urban areas, rather than reflecting community needs [33].

Issues regarding economic barriers and equity in access are likely to be worsened by the further introduction of DFFPs, with subsequent flow-on effects for medical work-

force diversity, career choice, and community health outcomes [34]. This disparity will likely worsen with increases in medical education costs.

Workforce Distribution

Not only does the financial burden of DFFPs influence the demographics of students entering medical schools, it has implications for the vocational direction of the graduates that schools produce. DFFP students are 3.36 times more likely to preference urban practice than their CSP counterparts ($p<0.001$), indicating that increasing the number of DFFPs is unlikely to be successful in addressing workforce maldistribution [35]. The resultant maldistribution is also reflected in the number of international students practicing rurally, with these graduates half as likely to be practicing rurally 15 years after medical school despite Distribution Priority initiatives [36]. While CSP contracts regulate the number of rural rotations completed and rural-origin intake, these initiatives do not exist in DFFP programs [37].To mitigate this, rural education and placement initiatives may be effective when extended across public and private medical school places to ensure exposure.

This impact extends less so to specialty preferences, with DFFP students both more likely to choose a top five income specialty as their first preference, and less likely to choose an in-need specialty by greater magnitudes than their international FFP counterparts. Notably, however, when comparisons of top three preferences are made, discrepancies between DFFP and CSP students with respect to in-need specialties are insignificant [35]. Further, another study saw little difference between higher-paid and short-supply specialty preferences in Bond University graduates when compared with all other Australian medical students [38].

As such, the inclusion of DFFPs into the medical education framework may have implications more broadly on workforce distribution, with graduates more likely to choose higher-paying specialties in metropolitan areas. Due to the minimal proportion of DFFPs currently, the net effect is unlikely to be significant; however may become an issue if this proportion continues to increase.

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Policy Details

Name: Domestic Full-Fee Places

Category: A – Medical School Programs

History:
Reviewed, Council 2, 2020
Hannah Rubinstein, Alexandra Wilson, Jasmine Elliott, Tanmay Gupta, Sophie He, Christian Mich, David Motorniak, Travis Lines (National Policy Officer)
Reviewed and renamed from *Domestic-Full Fee Places in Public Universities*, Council 2, 2017
D. Azzollinni, H. Dodds, K. Jinendradasa, C. Sheehy, Phoebe Macintosh-Evans (Policy Officer)
Reviewed, Council 3, 2013
Reviewed, 2012
Adopted, 2007