

Policy Document

Funding of Medical Programs

Position Statement

AMSA believes that:

1. Accounting for the current discrepancy between the total funding of public medical programs and the actual cost of medical education should be a priority of the Commonwealth government;
2. Funding models for medical schools should prioritise long-term financial sustainability and viability of medical programs;
3. The burden of debt taken on by students should be minimised to an extent that ensures the future financial security of junior medical practitioners;
4. Domestic medical student contributions to higher education at public universities should continue to be regulated by the government.

Policy

AMSA Calls upon:

1. The Australian Federal Government to:
 - a. Draft, propose, and pass legislation that:
 - i. Sufficiently funds domestic Commonwealth Supported Place (CSP) students at Australian Medical Schools through the Commonwealth Grant Scheme to an extent that eliminates the deficit between cost to educate the student and revenue from the student's enrolment;
 - ii. Includes yearly indexation of Commonwealth Grant Scheme funding in line with changes to costs in the tertiary education sector;
 - iii. Ensures independent financial sustainability of medical programs without reliance on international student funding;
 - iv. Accounts for potentially increased costs of educating students on regional or rural medical placements, or at rural satellite medical school campuses;
 - b. Significantly increase the Commonwealth base funding provided for each medical student place in Australia;
 - c. Undertake annual reviews of its funding of higher education to ensure it reflects the real cost of medical education, and make the findings of such reviews publicly available; and
 - d. Continue to cap domestic student contributions to higher education funding;
2. Universities to review their funding structures to:
 - a. Sustain the quality of medical education they provide;
 - b. Ensure no further increases in domestic and international full-fee student numbers occur for the purpose of increasing funding; and
 - c. Ensure that funding is used effectively and as appropriately as possible;
3. Medical Deans Australia and New Zealand (MDANZ) to:
 - a. Continue research into and publish findings regarding the cost of medical degrees and medical training; and
 - b. Innovate and research on themes including:

Head Office
42 Macquarie Street,
Barton ACT 2600

Postal Address
PO Box 6099
Kingston ACT 2604

ABN 67 079 544 513

Email info@amsa.org.au
Web www.amsa.org.au
Twitter [@yourAMSA](https://twitter.com/yourAMSA)

- i. Decreasing financial risk in medical school administrative and funding models;
- ii. Assessment of possible methods to increase efficiency of medical school expenditure;
- iii. Greater clarity around medical school revenue and expenditure.

Background

The Australian Medical Students' Association (AMSA) is the peak representative body for medical students in Australia.

For the purpose of this policy, a primary medical degree is defined as a university medical degree, typically a Doctor of Medicine (MD), Bachelor of Medicine/Bachelor of Surgery (MBBS, BMBS), Bachelor of Medicine (BMed), or Doctor of Medicine and Surgery (MChD).

Analysis by Medical Deans Australia and New Zealand (MDANZ) in the most recent 2014 review estimates the cost to be approximately at \$58,318 per year to train a medical student. [1] Currently, universities only receive a proportion of this required funding from the Federal Government. Therefore, universities must find alternative sources of funding to meet the difference.

MDANZ states that universities in 2014 were required to meet a shortfall in funding of approximately \$26,526 per year per medical student to supplement the inadequate base funding provided by the Federal Government. This figure does not take into account unpaid teaching, which comprises a very significant proportion of medical education particularly in the clinical years of each medical program. [1]

Funding Arrangements

Medical student places in Australia are funded in different ways. There are Commonwealth supported places (CSPs), which include Higher Education Contribution Scheme (HECS) only places and Bonded Medical Places (BMPs). These all have the same funding arrangements. Non-Commonwealth supported places, including international and full-fee domestic places, do not receive any Commonwealth support.

In 2018, CSPs represented 73.5% of all medical student places. The Non-Commonwealth supported places consisted of 26.5% of medical student places, with 17% international, 9.5% domestic full fee paying. [2]

Figure 1 compares the exact numbers of students commencing at Australian medical schools between 2010 and 2019, categorised by entry scheme. [2]

Figure 1: Commencing students at Australian medical schools by entry scheme

Position	2010		2019	
	Number	%	Number	%
CSP	1942	56%	2093	54%
BMP	871	25%	857	22%
International FFP	529	15%	631	16%

Domestic FFP	127	4%	311	8%
--------------	-----	----	-----	----

This arrangement is commonly referred to as a combination of public and private contributions. There are three components to the funding provided by the Commonwealth: Commonwealth Grant Scheme public base funding, Commonwealth Grant Scheme medical student loading, and student contributions.

Base Funding

The Commonwealth Grant Scheme (CGS) subsidises tertiary tuition costs via public contributions, with the extent of funding dependent upon the 'funding cluster' as determined by the Australian government. [3] Medicine is considered to be a 'cluster eight' course, thus translating into Commonwealth base funding of \$24,014 per medical student per year in 2020. [4] This contribution is indexed annually according to the Higher Education Indexation Factor (HEIF). [5]

Medical Student Loading

In addition to the public base funding contribution under the CGS, universities receive a further payment known as 'medical student loading'. [6] This payment '*provides funding for teaching hospital costs for a Commonwealth supported place*'. In 2017, this amount was \$1,394 per Commonwealth supported medical student compared with \$1,111 in 2007. [7] This amount is also indexed annually according to the HEIF and Part 5-6 of the Higher Education Support Act 2003. [7,9]

Student Contributions

The maximum private (i.e. student) contribution for a course is defined by the Higher Education Support Act 2003, indexed annually according to the HEIF. In 2020, the maximum student contribution for a 'cluster eight' course is \$11,155 which comprises 32% of the \$35,169 which the university receives per medical student in total funding. [5]

Legislation Affecting Medicine Course Fees

The Higher Education Support Act, established in 2003, provided a framework for the allocation of CSPs and medical student loading for medicine courses. The Higher Education Support Legislation Amendment Bill was drafted in 2017 with the purpose of restructuring funding for medical school CSPs. [7] this bill outlined a proposed increase in student contributions of 7.5% over a four year period (2018-2021). From this, a report by the Senate Committee for Education and Employment estimated that fees for a six year medical degree would increase by approximately \$3,900 from \$68,000 to \$71,900. Additionally, an "efficiency dividend of 2.5%" was set to be applied for Commonwealth funding provided to universities for 2018 and 2019 meaning funding would be reduced from the Commonwealth Grant Scheme by 2.5% per annum with the expectation of universities finding areas to improve efficiency in the operational costs of medical education). [10,11] This bill lapsed in Parliament in July 2019 and as such these changes have not occurred. No legislation at the date of this policy's publication (July 2020) has been drafted that would directly influence the funding of medical programs.

OS-HELP Loans

OS-HELP Loans are available to any CSP medical student who undertakes one or two medical elective placements or subjects affiliated with an overseas university. In 2020, the maximum a student can borrow for a six-month study period is: \$6,913, or \$8,295 if the student studies in Asia. An additional \$1,104 is available for undertaking Asian language study in preparation for study in Asia. [8] This can greatly reduce the upfront costs of a student undertaking an overseas medical elective program.

However, there is currently no similar federal system for students undertaking elective placements in rural or regional Australia. Despite this, domestic rural placements often pose a similar significant upfront cost to overseas placements, associated with travel, accommodation, and often paying for the elective placement at the health service. As such, the limitations of the OS-HELP loan can often make international medical electives more financially accessible than rural domestic medical electives. There are limited scholarships potentially available to students through the National Rural Health Student Network (NRHSN) (an organisation funded by the Australian Government Department of Health) for rural domestic medical electives, however these are subject to availability and often come with various conditions.

Domestic Full Fee Paying Places

Universities classified as 'Table A Providers' under the Commonwealth Grant Scheme are not permitted to offer full-fee places to domestic students beginning an undergraduate course. [9] However post-graduate courses are exempt from this legislation. This permits masters-level courses (such as 'Doctor of Medicine' [MD] programs) to circumvent the ban on domestic undergraduate full-fee places. Private universities such as Bond University, which hosts the only undergraduate full-fee medical school in Australia, are also exempt from this ban. AMSA addresses these issues in its Domestic Full Fee Places Policy.

International Students

Universities may supplement their external income by accepting full-fee paying international students. In 2019 international students comprised 16.1% of medical students at Australian universities. [2,14] There is no cap on the number of international medical students enforced by the government at a university. Conflicts of interest may arise from enrolment of international students to alleviate university funding pressures. These can contribute to exploitation of international medical students, who are not guaranteed an internship in Australia upon graduation.

The significant discrepancy between base funding and the real cost of basic medical education is placing major strains on the training of future doctors in Australia. Inadequate funding is negatively impacting on infrastructure, teaching resources and clinical training capacity. Inadequate Commonwealth funding threatens the quality of medical education and public safety. [1,15]

References

1. Medical Deans of Australia and New Zealand. Submission to the Australian Government's Base Funding Review of Higher Education.31 March 2011.
2. Students Statistics Report 2018-2019 [Internet]. MDANZ; 2019 [cited 22 May 2020]. Available from: <https://medicaldeans.org.au/md/2020/01/2019-Student-Statistics-Report.pdf>
3. Commonwealth Grant Scheme (CGS) | Department of Education, Skills and Employment [Internet]. Education.gov.au. 2018 [cited 19 May 2020]. Available from: <https://www.education.gov.au/commonwealth-grant-scheme-cgs>
4. Allocation of units of study to funding clusters and student contribution bands according to field of education codes 2020 [Internet]. Australian Government Department of Education; 2020 [cited 20 May 2020]. Available from: https://docs.education.gov.au/system/files/doc/other/2020_allocation_of_units_of_study.pdf
5. Total resourcing for a Commonwealth supported place by discipline - 2020 [Internet]. Australian Government Department of Education and Training; 2020 [cited 20 May 2020]. Available from: <https://docs.education.gov.au/system/files/doc/other/2020-indexed-rates.pdf>

6. Commonwealth Grant Scheme Guidelines 2012 [Internet]. Legislation.gov.au. 2012 [cited 20 May 2020]. Available from: https://www.legislation.gov.au/Details/F2014C00829/Html/Text#_Toc340826647
7. Ey C. Higher Education Support Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System) Bill 2017 [Internet]. Parliament of Australia Department of Parliamentary Services; 2017 [cited 20 May 2020]. Available from: https://parliinfo.aph.gov.au/parliInfo/download/legislation/billsdgs/5366891/upload_binary/5366891.pdf
8. OS-HELP and overseas study | StudyAssist [Internet]. Studyassist.gov.au. 2020 [cited 23 June 2020]. Available from: <https://www.studyassist.gov.au/help-loans/os-help-and-overseas-study>
9. Higher Education Support Act 2003 – Table of Provisions (Cth) Part 5-6. Available at: http://www.austlii.edu.au/au/legis/cth/consol_act/hesa2003271/
10. Efficiency dividend | Department of Finance [Internet]. Finance.gov.au. 2019 [cited 22 May 2020]. Available from: <https://www.finance.gov.au/about-us/glossary/pgpa/term-efficiency-dividend>
11. Oates R, Goulston K. The hidden cost of medical student education: an exploratory study. *Australian Health Review*. 2013;37(2):185.
12. Vinson D, Paden C. The effect of teaching medical students on private practitioners' workloads. *Academic Medicine*. 1994;69(3):237-8.
13. Hogan A, Franzini L, Boex J. Estimating the cost of primary care training in ambulatory settings. *Health Economics*. 2000;9(8):715-726.
14. MTRP (Medical Training Review Panel). Medical Training Review Panel 19th Report. Canberra; 2016. Available from: [http://www.health.gov.au/internet/main/publishing.nsf/Content/8795A75044FB48CCA257F630070C2EE/\\$File/Medical%20Training%20Review%20Panel%20nineteenth%20report.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/8795A75044FB48CCA257F630070C2EE/$File/Medical%20Training%20Review%20Panel%20nineteenth%20report.pdf)
15. Oats K, Goulston K. Tomorrow's Doctors trained on a shoestring...and altruism. University of Sydney, Medical School News, 2013, Available from: <http://sydney.edu.au/medicine/news/news/2013/Jun/doctors-trained-on-shoestring.php>

Policy Details

Name:	Funding of Medical Programs
Category:	A – Medical school programs
History:	<p>Reviewed, Council 2, 2020 <i>Anant Butala, Ming-Yee Sun, Alice Comsa, Patrick Hartsuyker, Sidney Flego, Kira Muller, Whitney Zhao, Travis Lines (National Policy Officer)</i></p> <p>Reviewed, Council 3, 2017 <i>K. Jinendrasa, C. Mich, A. Srinivas, Phoebe Macintosh-Evans (Policy Officer)</i></p> <p>Reviewed, Council 3, 2015</p> <p>Reviewed, Council 3, 2012</p> <p>Adopted, Council 3, 2011</p>