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Higher Education Reform Options Paper Feedback
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Response to the Driving Innovation, Fairness and Excellence in Australian Higher Education options paper

The AMA welcomed the Government's decision earlier this year to abandon its plans to deregulate university fees, which would have had serious implications for the study of medicine and for the Australian community's access to medical care.

We have prepared a brief response to the latest potential overhaul of higher education as outlined in the Government's discussion paper, and are disappointed that fee deregulation remains on the table, albeit limited to partial deregulation of fees in certain "flagship courses". As with the reforms from 2014, the AMA believes this proposal would have significant implications for the medical workforce and would not be in the best interests of the community.

The discussion paper floats the option of removing or reducing funding for a limited number of high-demand flagship courses chosen by universities for a component of their full-time equivalent student load. We understand that universities would be given the flexibility to charge these students higher fees, though the amount charged would be subject to external monitoring or regulation. It is unclear what criteria universities would use to nominate their flagship courses, or what measures would be in place to prevent the initial limit on the student component being allowed to increase over time.

It is naive to think that universities would not pursue flagship status for degrees in Medicine, enabling them to charge higher fees and use the extra revenue to cover other courses that are more price sensitive.

In addition to potentially higher fees, the discussion paper also keeps as an option the proposal from 2014 to cut government contributions to course funding by 20 per cent which will require students studying a medical degree to contribute a larger share to tuition costs. If the student contribution is increased, it will leave medical students with significant debts when they have completed their study.

These would be a disappointing outcomes for medical education for the same reasons the AMA identified with the Government's reform proposals in 2014.

We know in relation to Medicine, that a high level of student debt is an important factor in career choice and drives people towards better remunerated areas of practice and away from lower paid specialties like general practice. There is also good evidence that high fee levels and the prospect of significant debt deter people from lower socio-economic backgrounds from entering university.

One of the strengths of medical education in Australia is diversity in the selection of students, including those from lower socio-economic backgrounds, and to this end entry to medical school must continue to be based on merit rather than financial capacity. If we are to deliver a medical workforce that meets community needs, it is important that we strike the right balance with who is selected for medicine to ensure that people from different backgrounds are well represented.

Medicine is the only discipline that retains a cap on student numbers. The former government retained this cap when it introduced demand-driven funding for universities in 2009. This policy decision was based on the importance of ensuring that medical school intakes were in line with future community need for medical services. This is a sensible policy, especially when supported by reliable medical workforce planning data. It does mean that, unlike other courses, the supply of medical school places is finite and competitive pressures will not act to constrain growth in course fees.

The AMA supports the continuation of the cap on medical student places because workforce planning data is showing that current student numbers are about right, if anything perhaps greater than demand, and certainly in excess of the number of training positions available. Any further expansion of places would simply waste Commonwealth resources by diverting them away from where they are really needed. With predicted bottlenecks in the medical training pipeline, any further investment in the field should focus on expanding prevocational and specialist training positions rather than creating more medical school places.

Findings of *The Higher Education Base Funding Review: Final Report* and earlier OECD data shows that Commonwealth funding for undergraduate medical education is modest when compared with New Zealand, England and Canada; it is why we note with concern the options to reduce the Commonwealth's funding contribution canvassed in the discussion paper. The AMA does not agree with any proposal to cut funding for primary medical education when it is clear from reports such as the Base Funding Review that medical education is underfunded and requires additional investment.



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