

Skilled Occupation List 2015-16



Submission from the Australian Veterinary Association Ltd

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Executive summary

The Australian Veterinary Association (AVA) is the national organisation representing veterinarians in Australia. Our 8500 members come from all fields within the veterinary profession. Clinical 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. Veterinary students are also members of the Association.

Recommendations

The AVA recommends that veterinarians (ANZSCO 2347) is removed from the SOL 2015-16

Are there any occupations that you represent where there is evidence of imbalances in the demand for and supply of skills in the medium-to-long term? *

There are strong indications that there is an emerging oversupply of veterinarians (ANZSCO 2347) in the short to medium term. The demand for veterinary services is unlikely to increase to match the predicted oversupply. The recent growth in the workforce is outstripping demand for services with new graduates facing increasing difficulty in obtaining employment.

Is there evidence of imbalances in the demand for and supply of skills in the medium-to-long term in non-metropolitan areas?

There is no indication of any undersupply or oversupply in the medium-to-long term in non-metropolitan areas.

Recent increasing veterinary graduate completions and new veterinary schools that select towards those likely to enter rural practice have and will continue to increase supply available in non-metropolitan areas. However, as for other professions, rural communities continue to find it difficult to retain veterinarians due to factors such as lifestyle, partner employment, access to appropriate education for children, working hours, business sustainability and remuneration.

Are there any occupations which require formal licensing or registration arrangements in order to practice/perform in this occupation?

All veterinarians are required to register with a state or territory veterinary board in order to practise. The veterinary boards recognise degrees that have been accredited by the Australasian Veterinary Boards Council. If the degree that the intending migrant holds is not from one of these universities they are required to sit a further examination, the National Veterinary Examination.

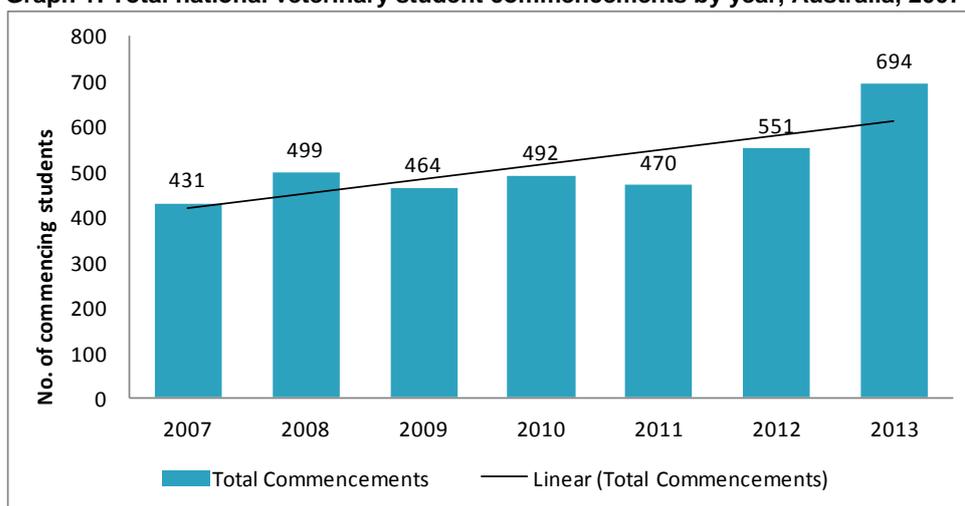
Is it expected that your employment sector will be impacted by any medium-to-long term trends which will impact upon demand and/or supply (excluding costs associated with training, labour hire, and international sponsorship)? Please provide evidence (e.g. data source, policy document) which substantiates these claims.

The body of literature relating to the veterinary workforce as well as recent qualitative data from members working in the profession show an overwhelming view that the market is in oversupply and that this trend will worsen with recent and projected increases in veterinary graduate numbers.

Workforce Supply

There has been a significant increase in the number of students entering Australian universities to undertake veterinary science degrees. Prior to 2010 graduates were supplied from four universities. Three additional universities commenced offering veterinary science from 2008 onwards. The following graph shows the trends for student commencements in veterinary science between 2007 and 2013. There has been an increase from 431 commencements to 694 commencements, an increase of 263 or 61%. There was a particularly large increase in graduate commencements between 2012 and 2013.

Graph 1: Total national veterinary student commencements by year, Australia, 2007- 2013



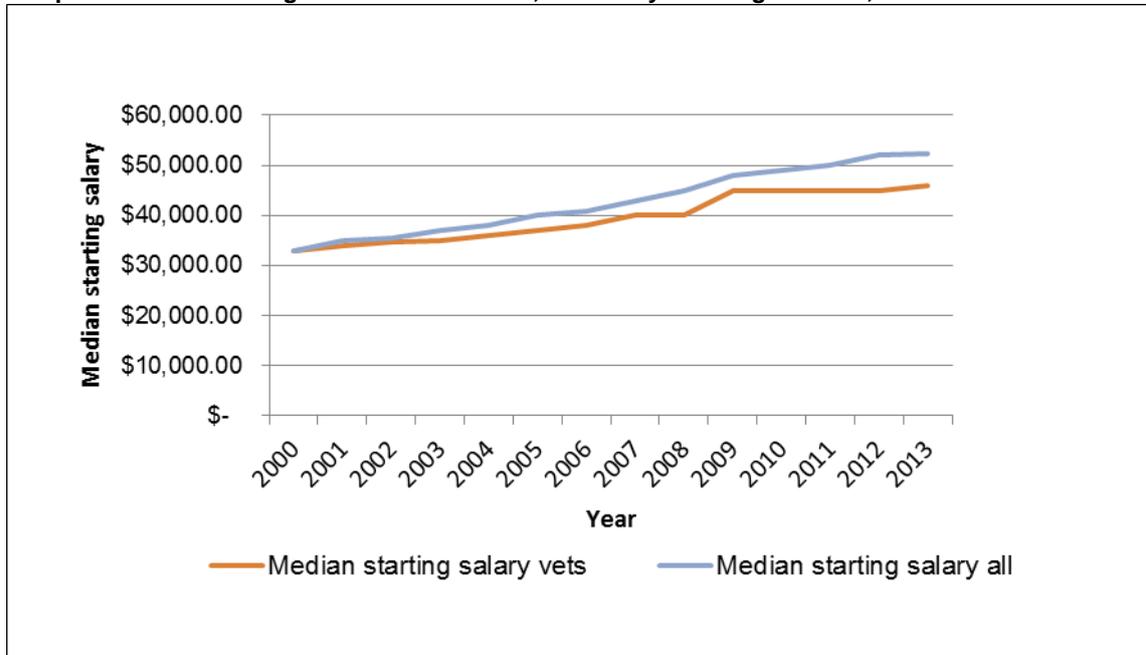
Source: <http://highereducationstatistics.education.gov.au/>

Studies by Charles Sturt University academics Pratley and Abbott (2012) give estimates of the number of registered veterinarians from a range of sources which indicate that numbers have risen from just under 3200 in 1981 to just over 9,700 in 2010. This translates to more than doubling of the workforce in that period. The ratio of veterinarians to human population has more than doubled in that time from 213 veterinarians per

million people in 1981 to 442 per million in 2010. There is very little evidence of a parallel increase in demand for veterinary services and this ratio is higher than other western countries such as the USA and UK.

Supporting evidence of an emerging oversupply comes from data from Graduate Careers Australia. This indicates that the starting salary for veterinary graduates has not kept pace with other graduate salaries between 2000 and 2013, and has plateaued from 2009 onwards.

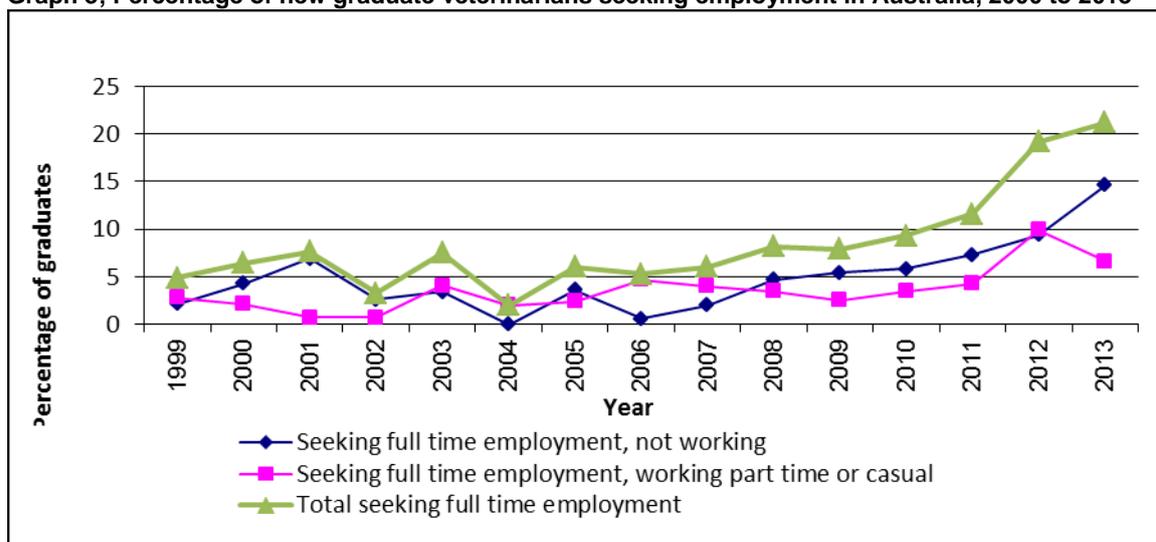
Graph 2: Median starting salaries in Australia, veterinary and all graduates, 2000 to 2013



Source: Graduate Careers Australia

The following graph includes data on the graduates seeking employment four months after graduation and in total the percentage of graduates has continued to increase since 2004, from less than five percent to 20% of graduates. These data indicate a tightening of the labour market and increasing unemployment for new graduates.

Graph 3; Percentage of new graduate veterinarians seeking employment in Australia, 2000 to 2013



Source: Graduate Careers Australia

Summary of Supply data

The key data on the supply indicators show:

- There has been a significant recent increase in both the number of university courses, and student commencements. The student completions will increase further as increased commencements flow through to completions. On average it takes 5-7 years to complete a veterinary science course.
- There is an emerging oversupply with an increasing proportion of graduates seeking work at four months after graduation from 2004 onwards, together with a reduction in parity with overall graduate wages, particularly since 2009.

Workforce Demand

Recent research (Pratley and Abbott 2012) indicated that only 400 replacement veterinarians will be required per annum. The number that graduated in 2013 was 560, and with significant ongoing increases in student commencements (Graph 1), our prediction is that supply will continue to outstrip demand.

A study conducted by Baguley (2011) is the most definitive study regarding projected demand for companion animal veterinary services in Australia. Baguley concluded that the market for companion animal veterinary services is a mature market and that growth in demand is expected to remain low over the forecast period from 1996 to 2026. His conclusion is that the companion animal industry in Australia is likely to grow in real terms by around 1.2% over the next 10-15 years. However he also highlights demand factors which could limit the translation of this demand growth into similar growth in demand for veterinarians, which includes factors such as a change in the skills mix of the workforce to a greater proportion of paraprofessional staff, as well as consolidation of practices resulting in more economies of scale.

The drivers for demand for other sectors of the veterinary workforce are complex. There are significant challenges for growth in the rural sector with increasing reliance on companion animal services to support rural veterinary practice viability. The level of government services provided by veterinarians to the agriculture sector has fallen substantially across all states and territories, but there is no evidence of enhanced roles for private veterinary practitioners to contract these services.

There is no indication that there is or will be a significant increase in the number of animals involved in agriculture or recreation that will increase the demand for veterinary services in these sectors.

References

Baguley, J. (2011). An analysis of the demand for and revenue from companion veterinary services in Australia between 1996 and 2026 using industry revenue data and household census and pet ownership data and forecasts. *Australian Veterinary Journal*, Vol 89, No 9, September. <http://onlinelibrary.wiley.com/doi/10.1111/j.1751-0813.2011.00805.x/abstract>

Pratley, JE and Abbot, K. (2012) Education for the veterinary profession. *Agricultural Science*, Vol. 24, No. 1, Apr 2012: 30-33. <http://search.informit.com.au/documentSummary;dn=404921340616954;res=IELHSS>

CONCLUSION

The AVA would be happy to contribute to any stakeholder consultation that the Department of Industry undertakes in determining if the veterinary profession should be removed from the SOL. We believe that veterinarians should be removed from the SOL both not to mislead intending migrants about the likelihood of finding work as a veterinarian, and to preserve available employment opportunities for Australian graduates.