

The Australian Workforce and Productivity Agency (AWPA) is currently updating its advice on the Australian Government's **Skilled Occupation List (SOL)** for 2014.

We are seeking your input on the occupations/industry sectors your organisation represents or that you belong to as an individual. In particular, we are seeking evidence of:

- demand and supply imbalance,* both nationally and regionally
- medium-to-long term demand and supply trends which may impact upon Australia's employment outlook
- formal licensing or registration requirements.

Please email this completed form to SOL@awpa.gov.au by COB Friday 22 November, 2013.

Note: The SOL is concerned **only** with medium-to-long-term skills needs rather than immediate skills shortages. As such, AWPA is only seeking to obtain information on longer term trends, rather than immediate shortages and costs. For the purposes of this exercise, 'medium-to-long term' is defined as a period of around two to ten years.

* **Skill demand and supply (im)balance** occurs when the quantity of a given skill supplied by the work force and the quantity demanded by employers diverge at the existing market conditions. Labour market supplies and demands for occupational skills are continuously fluctuating. At a certain point in time, there will be labour market imbalances and accompanying skill imbalances because of the disequilibrium between the demand for and supply of skills.

1. Name:

Organisation: Australian Veterinary Association Ltd

2. What are the industry/industries and ANZSCO occupation/s that you or your organisation represents for the purposes of this submission?

Industry/industries:	ANZSCO code (four-to-six digit)	Occupation/s
Veterinary Industry	234711	Veterinarian

Note: Use the ANZSCO link to check ANSCO occupation numbers.
Add extra rows to this table if you represent more occupations.

3. 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?

If possible, provide a quantified estimate of the demand and supply for your nominated occupation(s) out to 2020.

There are strong indications that there will be an oversupply of veterinarians in the medium-to-long term.

At June 30th, 2013 there were 10,436 vets registered to practise in Australia. Three new veterinary schools have opened in the last seven years and there are currently around 3,000 veterinary students in Australian universities.

Recent research has indicated that only 400 replacement veterinarians will be required per annum (Pratley, JE 2012. 'Education for the veterinary profession', Agricultural Science, 24;1:30-33. <http://search.informit.com.au/documentSummary:dn=404921340616954:res=IELHSS>) while projections for the number graduating annually from the universities from 2013 were predicted to be around 670.

More detail about supply and demand trend in the veterinary profession is provided below at Question 6.

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

If so, can you indicate in what part of Australia and the number in the occupation in over- or under-supply.

In common with other professions, there are difficulties in the placement and retention of veterinary practitioners in some rural areas. Many factors contribute to this including business sustainability, lifestyle, partner employment, education access for children, working hours and remuneration.

The new veterinary schools are attempting to address this through selection processes by selecting candidates from, and with an interest in rural veterinary services, biosecurity, food safety and food security, aquaculture, equine medicine and wildlife.

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

For example:

- *Midwives are required to register with the nurses board in their state or territory*
- *Panelbeaters are required to be registered or certified with the state Motor Vehicle Repair Industry Authority*

All veterinarians are required to register with a state or territory veterinary board in order to practise.

Registration without additional examination is limited to graduates of Australia, New Zealand, and selected school in the UK, Canada, and South Africa. Graduates of institutions in other countries are required to sit the National Veterinary Examination which is a rigorous and costly process with a high failure rate (<http://www.avbc.asn.au/exam.htm>).

6. 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.

For example:

- *New benchmarks for childcare centres will be introduced by the Australian Government on 1 January 2014, which will mandate increased staff-to-child ratios and higher qualification standards for childcare workers.*

Supply of veterinarians

At June 30th, 2013 there were 10,436 vets registered to practise in Australia. Three new veterinary schools have opened in the last seven years and there are currently around 3,000 veterinary students in Australian universities.

In 1995 there were only four veterinary science programs graduating veterinarians in Australia, located at the University of Sydney, the University of Melbourne, the University of Queensland, and Murdoch University in WA. Additional programs have started since then at:

- Charles Sturt University – first graduates completed in 2010
- James Cook University – first graduates completed in 2010
- University of Adelaide – first graduates will graduate in 2013

In 2012, the Australian Veterinary Association completed a survey of all the universities providing courses leading to registration as a veterinarian asking them to report on the number of students who had been graduating since 1995 and projecting forward based on the numbers that they presently have studying. All universities supplied data.

Based on this data, the number graduating who are qualified to register for practice increased from an average of 229 per year in the period from 1995 to 1999, to 463 in 2008-2011. Further increases are expected up to 2015 by those universities that provided forecasts, with the numbers likely to be in the range from 500-550. At the same time as three new veterinary schools have been established in the last 10 years, the student population at the existing 4 schools has grown in that time. There has been a major expansion in the number of newly-qualified vets entering the profession in line with the increased number of university veterinary science programs. As a result, a large number of new veterinarians are beginning to enter the profession.

Studies done 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 the numbers have risen from just under 3,200 in 1981 to just over 9,700 in 2010, with a marked increase in the ratio of vets to human population from 213 vets per million population in 1981 to 442 per million in 2010.

Pratley and Abbott (2012a) state that there might already be an oversupply of vets compared to the existing demand, and that the oversupply is likely to increase in coming years.

There are indications that under the current model supply will continue to rise significantly above demand until the year 2020.

Taking these points together, there appears to be a real risk of an oversupply.

Demand for veterinary services

Australia currently has 30% more veterinarians per capita than the USA and UK, countries with comparable numbers of animals per capita and expectations of veterinary service levels.

Recent research has indicated that only 400 replacement veterinarians will be required per annum (Pratley, JE 2012. 'Education for the veterinary profession', Agricultural Science, 24;1:30-33. <http://search.informit.com.au/documentSummary;dn=404921340616954;res=IELHSS>).

It has been reported that the total population of companion animals which should be one key "driver" of demand for vet services, has been contracting (ACAC, 2011). It should be noted that most rural practices derive most of their income from treating companion animals.

The Australian Companion Animals Council (ACAC) has published estimates of the number of pets in Australia, providing data on trends in the number of dogs, cats and other pets. The 2010 report indicated that there has been a substantial and continuing fall in the number of dogs, and that cat numbers fell sharply from 2000 until levelling out in 2007.

When the reported ratios of pets per 100 households are examined for dogs and cats, the trend is clearly downward.

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

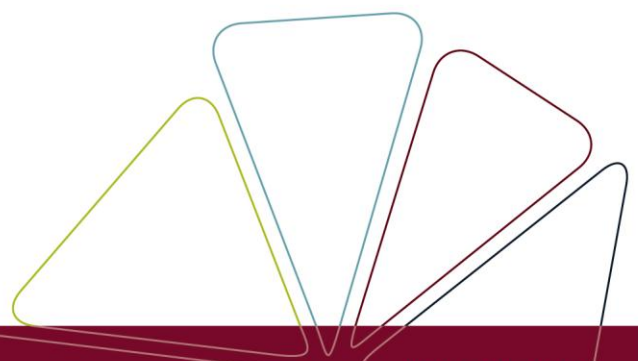
Over the last 10-20 years, state and territory governments have successively reduced government veterinary services such as disease surveillance and field veterinarians monitoring and responding to livestock diseases. This has further reduced demand for veterinarians in the employment market.

Other indicators of supply and demand imbalance

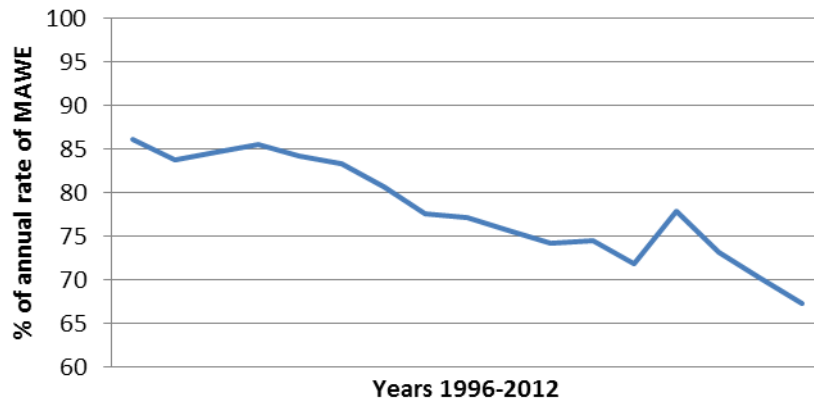
One proxy for the match between supply and demand is to examine statistics on starting salaries and employment levels among new graduates

Data obtained from the Graduate Careers Australia website shows that the veterinary starting salary has fallen significantly against the other professions. When looking at rankings according to starting salary for bachelor degree graduates aged less than 25 and in first full-time employment, veterinarians have fallen from 6th Rank in 1996 to 20th Rank in 2012.

The following graph shows the decrease in the veterinary starting salary compared with the annual rate of male average weekly earnings.

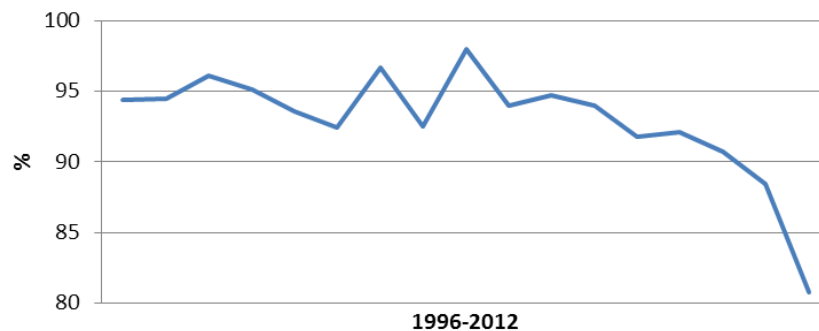


Median starting salaries for veterinary graduates aged less than 25 and in first time full employment as a % of the annual rate of male average weekly earning (MAWE) 1996-2012



More significant is the decrease in veterinary graduates able to find full time work four months post-graduation as seen in the following graph, with significant decreases seen since 2010 when there was an increase in the number of universities offering veterinary degrees and there is still one school yet to produce graduates.

Veterinary Graduates working full-time as a % of those available for full time work 1996-2012



Considering all this evidence, it is highly probable that Australia is experiencing the early stages of a significant oversupply of suitably qualified and registrable veterinarians.

The Australian Veterinary Association's (AVA) recommends that veterinarians be removed from the SOL.

References:

Pratley J (2012) Education for the veterinary profession. *Agricultural Science*, 24(1):30-33

Pratley J, Abbott K (2012) regarding "Education in the Veterinary Profession" *Agricultural Science*,

24(2): 10

Australian Companion Animal Council (2010) Contribution of the pet care industry to the Australian economy 7th edition.

7. Please provide any other information you consider relevant evidence to support your submission

For example, you may know of some independent studies about your occupation that supports your advice to us.

See information provided at question 6 above

8. Would you like to make any additional comments on the SOL?

Need for further workforce analysis

There has never been a national institution responsible for data gathering or workforce planning for the veterinary profession. The Australian Veterinary Association is the only national organisation currently gathering and analysing data about all Australian veterinarians and this began only in 2012.

Due to the absence of any national veterinary workforce data or planning, the potential impact of changes on either the veterinary profession or the health and wellbeing of Australian animals is unknown.

The AVA commissioned a review of available sources of data on the veterinary workforce, which sought to identify gaps and urgent actions required to secure the sustainability of Australian veterinary service provision. The research report urged the immediate completion of a valid dynamic model of the number and composition of the Australian veterinary workforce. The AVA would appreciate the assistance of the Australian Workforce and Productivity Agency with this project to ensure sustainability of the veterinary workforce and to preserve and improve health and welfare standards for the nation's animals.

Advertised positions

Most veterinary positions are advertised through profession-based classified services both online and in hard copy. Standard methods of advertising position such as SEEK, MyCareer, CareerOne and Australian JobSearch are used infrequently by veterinary employers and as such any trends on advertised positions through these services may be unreliable as indicative of positions available.

Stakeholder consultation

The AVA would also be happy to contribute to any stakeholder consultation that the Australian Workforce and Productivity Agency feels appropriate in determining if the profession should be removed from the SOL

9. Please provide the name, position and contact details of a person within your organisation who is willing to be contacted if any further information or follow-up is required.

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All information, **including name and address details**, contained in submissions will be made available to the public on the AWPAs website unless you indicate that you would like all or part of your submission to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information **marked** as such in a separate attachment. Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.