



**Submission to the**

**Australian Treasury**

**Reform to deductions for education expenses consultation**

**12 July 2013**

## Introduction

The Australian Healthcare & Hospitals Association (AHHA) welcomes the opportunity to provide a submission to the Australian Treasury's consultation on proposed reforms to deductions for education expenses.

The Australian Healthcare & Hospitals Association is Australia's largest group of health care providers. Our membership includes state health departments, Local Hospital Networks and public hospitals, community health services, Medicare Locals and primary healthcare providers, universities, and individual health professionals and academics. We are uniquely placed to be an independent, national voice for universal high quality healthcare to benefit the whole community.

The AHHA is strongly opposed to the introduction of a \$2,000 cap on self-education expenses and believes that it represents poor policy that will have a significant negative impact on the availability and quality of health care in Australia.

The discussion paper contains a number of statements which are broad generalisations that do not reflect the reality of the circumstances that result in health professionals claiming education expense deductions. Further the discussion paper does not address the disparity in costs incurred by health professional living and working in regional. Rural and remote areas of Australia.

The Australian Government provides a range of incentives to encourage health professionals to work in rural and remote areas as it recognises the challenges of recruiting and retaining staff in these areas. The proposed \$2,000 cap will present a direct contradiction to those incentives.

Mandatory CPD

Rubbish cost estimates

Rural and remote

Access to services

Quality issues

"However, education also delivers significant private benefits to the employee. An individual who undertakes education is first and foremost investing in themselves and in their own earning capacity."

Registered health professionals are required to undertake continuing professional development in order to remain eligible for registration with the AHPRA. This process is not relating to increasing their earning capacity but rather is a mandatory requirement to ensure the safety and quality of health service provision in this country.

Section 3.3 of the Discussion paper includes an example of costs for a dentist, Yanthe, who incurs \$1,850 education expenses. This example, which falls just \$150, below the cap is a dramatic under-estimation of the costs that can actually be incurred.

Discussion paper example		Alternative example (Australian Dental Congress 2013)	
Dental conference – home town	\$1,500	Dental conference	1400
Dental Journal	\$350	Pre-conference workshop	950
		Lunch session	70
		Accommodation (5 nights – 3 star stand-by)	644
		Travel from regional area (eg Tamworth, discount economy)	615
		Airport transfers	120
		Meals	330
	\$1,800		\$4,129

The example provided is not extravagant but rather represents the actual costs of attending the ADA national conference. This example exceeds the proposed cap by \$2,129 and is a single event. Undertaking any additional education in the same year would generate further costs.

The application of the cap will discourage participation in continuing education programs. Practitioners will be inclined to complete the minimum requirements to maintain registration and will seek out the cheapest options. This will have a compounding effect on the quality and safety of health services – providers who are under-trained and under-skilled.

This will be felt most strongly by the younger health professional already burdened by significant HECS debt and by those living in rural and remote areas. Pity the practitioner living in Alice Springs who faces costs of XXXX to attend a one day course in a capital city

Recruitment and retention of health professionals to

The government acknowledges these difficulties and provides a range of incentives to support locum and permanent recruitment and retention.

For example the Rural GP Locum Program is designed to allow rural GPs to undertake ongoing education and training and provides up to \$2,000 to subsidise locum travel costs.

So one hand of the government acknowledges that traveling to rural locations can incur costs of \$2,000 while another hand of government is imposing a cap of \$2000 on the support given to health

professionals needing to travel from those locations to undertaken education programs to maintain their registration in order to provide services to their community.

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