

## **Medical intern crisis won't be solved with just more hospital places**

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Almost two hundred medical students from diverse countries have just finished their medical education as full-fee-paying students. They're now looking for the one year of employment (internship) they need to be registered in Australia as medical practitioners. But on current indications, up to half will miss out.

In their intern year, successful applicants will be paid a salary which is well above average weekly earnings. And depending on shift penalties and overtime, their take home pay could be quite handsome, with good prospects for salary escalation over their next few years.

These international students have all paid significant fees for their medical education (typically at least \$60,000 per year), and many assumed that internships would be available for them on graduation, leading to Australian medical registration and permanent residence here. There has been much commentary about their plight, in the print and online media, in professional journals and on The Conversation.

Given the length of medical education – typically five years for an undergraduate degree – the policy dilemma has been foreshadowed for years. But it is only in the past few months that the Commonwealth government has owned the problem and offered partial support to states to create the additional positions required.

Creating internships costs money and, despite the impact on the individuals affected, governments need to decide if that investment is good policy and will lead to more medical practitioners of the kind required – in the locations required. Simply creating more intern positions and hoping for the best is not the right policy response.

### **So how did we get in this mess?**

The Commonwealth government has funded a massive expansion of medical education over the past decade leading to a doubling of the number of domestic graduates from around 1,400 a year in 2000 to 2,733 in 2010. This wave is just now hitting state-funded public hospitals.

There was a concomitant second expansion of medical education as universities decided to admit more international students, chasing a lucrative market. The number of international students graduating has tripled over the period 1999 (144 graduates) to 2010 (474).

Internships are primarily training positions, converting raw graduates into registrable professionals. So hospitals, even quite large ones, can function quite efficiently without this workforce category.

Hospitals and state governments argue they don't have the capacity to accommodate all the new graduates: Australian and full-fee payers. They don't have the funds, nor do they have enough senior doctors who can divert their time to training and supervising junior doctors.

The graduates argue that an Australian internship will mean they'll stay in Australia and enter the workforce here. But if the graduates do complete an internship, and are given Australian residency, there will be further demands to create additional positions to allow these students to train as general practitioners or in other specialties.

Health Workforce Australia has recently published a report which suggests that, based on current work patterns, Australia will face a medical workforce shortage in 2025. But rather than simply expanding training places, as we've done in the past, we need to consider alternative strategies to improve medical workforce productivity. The right response could transform the shortage into a surplus.

### **The trade-offs**

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Medical graduates are among the highest income earners in Australia. A recent [Grattan Institute report](#) which analysed census data showed medical graduates had the highest net lifetime earnings of all graduates. Surgeons, anaesthetists and internal medicine specialists are the three occupational groups with the highest mean taxable income in Australia, ahead of “financial dealers”. The private benefits from medical education are large.

So are these new graduates doing Australia a good turn by paying for their own education and helping to reduce the putative medical workforce shortage? Or are they just another bunch of whingeing graduates with an unjustified sense of entitlement?

The answer probably lies somewhere in the middle. The salary paid to interns is probably excessive: normally situations where supply dramatically exceeds demand would be accompanied by reductions in price. Reducing the salary (which will probably require a reconceptualization of the intern year, emphasising its training intent) will reduce the cost of this training provision and make it more affordable to governments.

Health Minister Tanya Plibersek has indicated that states which offer these training positions can guide the graduates into areas where there is a clear shortage, through bonding and other arrangements. This should be a minimum condition for creating the new internships. Such a strategy should then reduce reliance on doctors trained overseas who are often the only ones who can be recruited to work in these areas of need.

Different states face different market positions, with New South Wales and Victoria, the two states which face few difficulties in staffing their public hospitals, having little incentive to expand internships. This will partially explain their negative responses to the Commonwealth offer of partial subsidies to expand intern training.

But strategies such as these can be mutually beneficial: ensuring new graduates get jobs (and training), while the taxpayers who pay the salaries win out by getting good doctors in the right places.

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