



The New Zealand Medical Students' Association

Press Release: Budget likely to worsen kiwi doctor shortage

NZMSA and NZUSA - May 26th 2010

Medical students are concerned that government changes to fees will have a significant impact on New Zealand's health workforce in years to come.

The Budget announced that the current fee maxima policy will be scrapped and replaced with a 4% annual limit on fee rises across the board, as well as funding 20 new medical places.

"While we welcome the boost in medical places, we remain concerned over rising student debt and its potential impact on the health workforce. We know that medical students feel significant pressure to go overseas from their significant amount of student debt," says New Zealand Medical Students' Association (NZMSA) president Liz Carr.

"We have a health system facing a crisis due to doctor shortages and increasing demand for health care. There is already huge community concern over the impact higher fees will have on graduate retention and workforce shortages," says Carr.

"The government's abandonment of maximum fee caps is a worrying development, and does nothing to fundamentally address the issues of continued underfunding and climbing student debt. Medical fees had been held steady for the past few years under fee maxima – now they are likely to climb to over \$70,000 for the five year course," says NZUSA co-President David Do.

The 2005 NZUSA Doctors and Debt study found that the total average doctors' debt at graduation was \$65,206. A 2008 NZMSA survey found that the average medical student debt had increased to over \$75,000. It also found that 60% believe it will influence their location of work in the world, and that 12% of newly graduated doctors leave before entering the New Zealand workforce.

"The research shows that high student debt is a major driving force for students to specialise sooner, enter the locum workforce, or head overseas and ultimately seek a higher salary. All of these decisions reduce the supply of GPs, reduce retention of junior doctors, and drive up the cost of employing doctors," says Liz Carr.

"These latest changes may undo the good work resulting from government policies such as the voluntary bonding and rural immersion schemes. What is the point of increasing medical places, if most of those graduates end up pushed overseas by their student debt once they finish?," concludes David Do.

For more information, contact

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