Submission in response to the Treasury discussion paper on Reform to deductions for education expenses

July 2013

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1. **Introduction**

Established in 1924, the Australian Nursing Federation (ANF) is the largest professional and industrial organisation in Australia for nurses and midwives, with Branches in each State and Territory of Australia. The core business of the ANF is the professional and industrial representation of our members and the professions of nursing and midwifery.

The union has membership of over 225,000 nurses, midwives and assistants in nursing, nationally. Members practice in a wide range of settings across urban, rural and remote locations, in both the public and private health and aged care sectors, including: acute health, community and primary care, schools, remote area health services, residential and community aged care, universities, the armed forces, statutory authorities, local government (such as maternal and child health), and off-shore territories and industries.

The ANF takes a leadership role for the nursing and midwifery professions by participating in the development of policy relating to: nursing and midwifery practice, professionalism, regulation, education, training, workforce, and socio-economic welfare; health and aged care, community services, veterans’ affairs, workplace health and safety, industrial relations, social justice, human rights, immigration, foreign affairs and law reform.

The nursing and midwifery professions remain the single largest cohort of the health and aged care workforce in Australia. As the largest professional and industrial organisation representing nurses and midwives, the ANF has an intense interest in all matters relating to their professional and socio-economic welfare.

The ANF has reviewed the Treasury’s discussion paper: *Reform to deductions for education expenses*. We welcome this opportunity to submit comment from the perspective of the nursing and midwifery professions, highlighting our concerns on the impact of these proposed reforms.

2. **Background**

2.1 **Regulation of nurses and midwives**

Nursing and midwifery are regulated professions. By law, before nurses and midwives may practice, they must be registered, enrolled, endorsed or authorised by the national Nursing and Midwifery Board of Australia (NMBA). The titles of nurse, registered nurse, enrolled nurse, nurse practitioner, midwife and midwife practitioner are protected by legislation, and these titles may only be used when the relevant practitioner appears on the Australian Health Practitioner Regulation Agency (AHPRA) Register of Practitioners.

2.2 **Education of nurses and midwives**

Registered nurses must complete a three year bachelor degree in nursing at university before they are eligible to register with the NMBA.

Midwives have either undertaken a bachelor degree in midwifery at university, or, they are registered nurses with a recognised post-graduate midwifery qualification, also obtained at a university.

Enrolled nurses are educated in the vocational educational training (VET) sector for eighteen months to two years, at the diploma level.

Post initial registration or enrolment, nurses and midwives ideally undertake a period of supported transition to practice, generally of a year’s duration. This is not a mandatory requirement for registration, but it is an expectation in practice.
2.3 Continuing Professional Development (CPD) for nurses and midwives

The health and aged care needs of our community do not remain static and are, at times complex in nature, such as where people have acute or chronic co-morbidities. Rapid changes in care modalities are occurring as a result of evidence from research studies, or in the slipstream of medical technology advances. Committed to evidence-based practice, the nursing and midwifery professions must be in a position to learn of these changes to inform, and accommodate into, their delivery of safe and competent care.

With the introduction of a national regulation and accreditation scheme in Australia in July 2010 for health practitioners, all nurses and midwives are required to undertake a prescribed number of hours of CPD per annum. Under this registration standard, nurses and midwives must be able to demonstrate how they keep their knowledge of their nursing/midwifery practice contemporary, in order to maintain their registration and authority to work as a nurse/midwife. This mandatory requirement for continued registration is particularly relevant to the proposed Reform, given that this registration standard requires – “planning and participating in learning activities”, including “self-directed CPD”, i.e. self-education.

CPD can occur through a range of informal and formal means. Informal learnings include but are not limited to: in-service education sessions on new and emerging technologies and techniques, and facility specific procedures; and reading professional literature. Formal post graduate education equips nurses and midwives with in-depth knowledge required for safe and competent care in an area of practice – this could be a geographical area or a clinical specialty. Access to post graduate programs and the acquisition of advanced nursing/midwifery knowledge and practice is paramount in maintaining nurses and midwives in the health and community services sector and also in attracting new people into these professions.

The industrial entitlements of nurses and midwives vary greatly across the nation’s health and aged care sectors. Some employers provide allowances or authorised leave to facilitate continuing education, but many, if not most, do not. Nurses and midwives in these working environments must foot the bill themselves, with the personal expense often being substantial.

The ANF advocates for improvements to the industrial entitlements of nurses and midwives undertaking further education. We have a long way to go in this regard, however, and this proposed tax reform will only serve to exacerbate this situation.

Treasury might take the view that this mandatory self-education expense is simply to comply with professional registration and not directly related to earning one’s income. However Treasury should bear in mind that if the registration standard is not complied with, there is no possibility of employment in that profession, due to protected title legislation. Therefore, to maintain employment, one must maintain registration. This is consistent with the view of the AHPRA, that professional registration matters are in fact employment matters.

2.4 The nursing shortage

There is currently a shortage of nurses within the health and aged care sectors. A report issued by Health Workforce Australia (HWA) titled Health Workforce 2025 - Doctors, Nurses and Midwives, suggests a worst-case scenario shortfall of up to 109,000 nurses by 2025. The same level of shortfall, and therefore crisis situation, is not predicted at this stage for midwives.
Over the past decade a number of reports have been produced examining the nursing workforce and various specialist nurse workforces.

Although each of the national nursing workforce reports differs slightly in its findings due to the various data sources and methodologies, there are consistencies in both identification of key drivers of supply and demand and findings in terms of projected supply and demand. Essentially the “sign posts” are pointing in the same direction and each of the reports highlight the same factors. These include:

- The general inadequacy of numbers of nursing graduates produced over recent years to meet demand (in terms of both replacement and growth in demand for health services);
- The ageing of the nursing workforce (and projected retirements), decreasing hours worked and turnover which will have an effect on the ability of the nursing workforce supply to replace itself; and
- Growth in demand for health services is expected to increase especially in the aged care sectors but also across acute care sectors. This will also extend to the community aged care sector as the Aged Care Gateway springs open.

2.5 The Assistant in Nursing

Also a member of the nursing ‘family’ is the assistant in nursing (however titled). This category of healthcare worker is not regulated, but performs an important role in the provision of delegated nursing care across the health and aged care sectors. Whilst self-education or CPD is not mandatory for this category, some assistants in nursing hold a certificate qualification in health or aged care. It is highly desirable for assistants in nursing to regularly engage in self-education to keep up with changes and innovations in nursing practice.

Our experience shows that assistants in nursing often go on to complete a nursing qualification that will meet registration requirements. With the dire predictions of a shortage of nurses in coming years, it is most important that we continue to encourage this category of worker to further their qualifications so that registration as a health practitioner will become an option.

Assistants in Nursing are among the lowest paid workers in the health and aged care sectors. It is essential that Treasury does not instil barriers, such as strict limits on self-education expenses, which will discourage these workers from maintaining contemporaneous skills, or to join the profession and thus ameliorate the current predictions.

The ANF believes the Australian Government has an obligation to do all it possibly can to encourage all categories of healthcare workers to remain in their employment and to also encourage them to advance their qualifications in order to enhance the health and well-being of the Australian public. We believe the proposed reform will not contribute to this obligation and in fact appears to be contradictory to this aim.
2.6 Rural and Remote Healthcare

The imposition of a limit on self-education expenses as proposed could have serious and deleterious effects on the healthcare of Australians living in rural and remote areas of our country. Incentives for healthcare workers to provide services to rural and remote areas are often required in order to provide appropriate healthcare for those communities.

Australia’s demographic data finds the majority of the population and services located on or near the continent’s coastline. Healthcare workers in the vast interior suffer from the tyranny of distance when it comes to accessing self-education and CPD opportunities, often requiring long flights and accommodation to attend professional seminars and other learning activities.

Cases studies 1 and 3 in section 3.3 below are good examples of the disadvantages rural and remote health practitioners will suffer if the proposed reform is implemented. The ANF believes that Treasury should not be creating disincentives that will make rural and remote nursing and midwifery less attractive to workers in those professions.

3. Specific comment

3.1 Tax reform proposal

Essentially, where there is evidence of excessive claims for education expenses the ANF agrees that the Treasury must act to counter this breach of entitlement by investigating and responding on an individual tax payer level. However, we consider that the proposed measure to institute an annual cap of $2,000 on work related education expenses will cause hardship for professionals who make authentic claims for activities which have direct and positive impact on their practice for public benefit.

Accordingly, the ANF calls for Treasury to rescind the proposal:

*From 1 July 2014, taxpayers will only be able to claim up to $2,000 of all their education expenses each year.*

3.2 Negative consequences of tax reform proposal

This submission will not address the specific questions set out in the discussion paper. Rather, the ANF wishes to highlight what we see as the potential negative consequences of a decision to reduce the threshold for taxation deductions for education and education related expenses to $2,000 per year, in regard to the nursing and midwifery professions, and their delivery of health and aged care services.

Our issues are as follows:

- The HWA supply/demand report referred to above, *Health Workforce 2025 – Doctors, Nurses and Midwives*, provides a number of scenarios for the nursing/midwifery workforce supply and demand projections to the year 2025. The most attractive scenario in terms of reducing the supply/demand gap is that which addresses retention of nurses and midwives in the workforce. The cost of an inability to recruit and retain enough nurses and midwives to meet the future growing needs of the Australian community is significant. The ANF would therefore caution against taking any steps that may compromise retention of nurses/midwives or dissuade potential nurses/midwives from entering the professions, such as the proposed cap on education expenses. We are concerned too that the proposed measure will negatively impact on our ability to attract nurses and midwives to re-enter their professions after a period of absence for child-rearing/other family reasons.
There are many challenges to a career in nursing or midwifery. Apart from the personal and professional rewards, there are limited financial benefits as recompense. If nursing and midwifery are to remain as viable professions, the status must be enhanced and the welfare of nurses and midwives promoted and upheld. Nurses and midwives are important human capital in Australian society.

For nurses and midwives, all new knowledge gained through educational activities has direct application to their individual practice and thus a benefit to the health, well-being and productivity of all of the community. Generally, although post graduate education is an expensive undertaking, additional qualifications gained do not translate into higher income for nurses and midwives.

While the Australian Government provides a pool of funding for nurses and midwives in the form of scholarships, as a contribution towards undergraduate and post graduate education, continuing professional development and re-entry programs, these funds are small in proportion to the total nursing and midwifery population. In addition, the Government funding is not only disproportionate to the nursing and midwifery population, there is also inequity when compared with funds provided to other health professional groups with smaller total numbers. This glaring disproportion was acknowledged in the recently released Review of Australian Government Health Workforce Programs by Jennifer Mason and her Report’s recommendations reflect an attempt to redress this situation.

By way of example, Chapter 3 of the Report (page 111) provides the following commentary:

Currently around 8.5% of the total domestic medical student population in Australia receive a Commonwealth funded scholarship (through RAMUS, PHMSS, MRBS or Rotary) compared to only around 1.7% of the total domestic nursing and midwifery student population in Australia (through NAHSSS, PHMSS or Rotary).

The graph at page 6 of the Treasury discussion paper clearly shows that the highest median claim for formal education expenses is from the ‘over $180,000’ taxable income bracket. The ANF, as the union for nurses and midwives in Australia, is aware of the salaries and wages negotiated for these professions across the country. As we are unable to locate them, we would be interested to learn from the Treasury of any practising nurses and midwives who fit the ‘over $180,000’ taxable income bracket.

Educational activities for nurses and midwives organised by Australian-based nursing and midwifery professional organisations (such as conferences), are held in Australia, not off-shore. Where nurses or midwives attend conferences overseas, these are international events which have been organised by foreign countries. Such events provide Australian nurses and midwives with invaluable opportunities for disseminating research findings and sharing innovative practice with international colleagues, as well as learning of advances in clinical care/professional issues/educational approaches, to enhance knowledge in this country. These activities should be supported, not discouraged by punitive tax reforms.
• As a general statement, nurses and midwives bear the major financial costs in pursuing both undergraduate and postgraduate qualifications and attending relevant industry conferences and seminars. We set out below some typical case studies which highlight the costs that are to be borne by the nurse/midwife in the pursuit of continuing professional development. In addition, nurses and midwives typically have to reduce their work hours to attend external courses, thereby reducing their income. It is not uncommon either, for nurses or midwives to be required to utilise their annual leave entitlement in order to attend post graduate studies or continuing professional development activities. It is more the exception than the rule that employers of nurses and midwives fund, or provide a funding contribution, to continuing professional development activities. The ANF does not anticipate that this will change in response to the proposed tax reform on work-related education expenses.

3.3 Case studies

This section of our submission features three case studies to highlight expenses incurred by nurses and midwives in their pursuit of contemporary knowledge and skills for safe and competent practice, through continuing professional development activities. These examples demonstrate the reality of costs of educational activities and the absurdity of imposing a $2,000 cap on expenses incurred in ensuring optimal public health and well-being.

**Case Study 1**

Chris is a Remote Area Nurse (RAN) working in Utopia, Northern Territory. With a population of 1,200, this aboriginal homeland of the Alyawarra and Anmatjirra people, covers an area of 3,500 square kilometres. Chris is employed by the *Urapuntja Health Service*, an Aboriginal community controlled health organisation. The service provides clinical and after hours emergency services, primary health care, family support, chronic disease management, out-station/homeland visits and evacuations by the Royal Flying Doctor Service. The clinical team includes a permanent Doctor, three Clinical Practice Nurses who share the on-call, a Public Health Nurse, an Aboriginal Health Worker and the RAN, Chris.

The clinic is 280 km from Alice Springs, 180km on a dirt road and 100km sealed. The drive takes 3 to 3.5 hours during the dry season and up to 6 hours during the wet season. Independent flight charters can be organised from Alice Springs Airport, with a cost of approximately $400 one way.

Chris must undertake 20 hours of continuing professional development in accordance with the Nursing and Midwifery Board of Australia’s mandatory registration requirements. He is also committed to maintaining and updating his knowledge base, using evidence-based practice, and retaining professional clinical networks with his remote health and nursing colleagues. For this reason, he is a member of CRANAplus, the Australian Nursing Federation and the Australian College of Nursing (ACN). This year the CRANAplus annual conference is in Darwin and the ACN National Nursing Forum is in Canberra. Chris submitted an abstract to present the findings of his current research study at the CRANAplus conference, which has been accepted.
Funding is available for locum cover in Chris’s absence. However, as is usual practice, Chris is required to use his recreational leave to attend these conferences. He is capitalising on his opportunity to have locum cover, by undertaking professional development workshops either side of the conference. These include the Remote Emergency Care (REC) Course and Advanced Life Support (ALS) Program on the day before and the Maternity Emergency Care (MEC) Course on the day after the conference. These education updates are imperative for his remote area practice. Due to his remote location and the limitation of flight schedules he needs an additional night of accommodation either side of the conference.

Costs for Chris to attend the conferences:

**CRANApplus conference:**

- **CRANApplus conference fee**: $600 (member early bird rate)
- **REC Course fee**: $520 (discounted member rate)
- **ALS Program fee**: $399 (discounted member rate)
- **MEC Course fee**: $560 (discounted member rate)
- **Travel to Darwin**: $1,056 ($400 petrol return and $656 Qantas red-e deal return)
- **Accommodation in Darwin**: $1,680 (8 nights incl. breakfast – 2 nights for travel, 2 nights for courses and 4 nights for conference @$210 per night conference discount rate)
- **Meals**: $320 (dinner costs only as breakfast incl. with accommodation and lunch incl. in conference)

**Total Conference Costs**

$5,135

**ACN conference:**

- **ACN National Nursing Forum fee**: $750 (member early bird rate)
- **Travel to Canberra**: $936 ($400 petrol return and $536 Qantas red-e deal return)
- **Accommodation in Canberra**: $796 (4 nights accommodation @ $199 per night – conference discount rate)
- **Meals**: $160 (dinner costs only as breakfast incl. with accommodation and lunch incl. in conference)

**Total Conference Costs**

$2,642

**Total Self-education Costs**

$7,777

**Case Study 2**

Ruth is an experienced registered nurse working in the emergency department of a large public hospital in Melbourne. She has completed a Postgraduate Diploma in Emergency Care at La Trobe University and has many years of experience working at an advanced practice level in the emergency departments of both metropolitan and regional hospitals. Recently Ruth has enrolled in her Masters of Nursing Practice (Nurse Practitioner) at Deakin University. She is a longstanding member of the College of Emergency Nurses Australia (CENA), a fellow of the Australian College of Nursing and recently joined the Australian College of Nurse Practitioners (ACNP). As she is commencing her Masters of Nursing Practice (Nurse Practitioner), she has applied for annual leave to attend the ACNP Conference to be held in Hobart in September. Ruth will be undertaking both her postgraduate study and her continuing professional development in her own time and at her own cost as her employer does not provide study or professional development leave.
Cost for Ruth to commence her Masters and attend the ACNP Conference:

**Masters of Nursing Practice (Nurse Practitioner) Deakin University**
Two years full-time or up to four years part-time
Indicative annual cost for 2013 $18,660

**ACNP conference:**
ACNP conference fee $720 ($680 member early bird rate & $40 conference dinner)
Travel to Hobart $370 (Qantas red-e deal return)
Accommodation in Hobart $615 (3 nights accommodation @ $205 per night includes breakfast – conference discount rate)
Meals $40 (dinner cost first night only as breakfast incl. with accommodation, lunch incl. in conference and conference dinner Thurs night)

Total Conference Costs $1,745

**Total Self-education Costs** $20,405

**Case Study 3**
Karen has just returned to work following the birth of her first child. Prior to her recent maternity leave, Karen worked for the last eight years on a busy surgical ward of a large hospital in Newcastle. Three months ago she applied for a new job at a local general practice and was successful in securing the role. Karen has completed her orientation and is now working three days a week, on Mondays, Wednesdays and Fridays. She has enrolled in the Australian College of Nursing Immunisation for Registered Nurses Course in order to become an authorised immuniser. This course runs for 100 hours over 12 weeks. Karen needs to travel to Sydney one day per week for the 12 weeks of the course. She needs to drive to Sydney so that she can leave the baby with her sister for the day. This means she will incur parking costs in the city.

Once Karen has completed this course she plans to undertake the Well Women’s Screening Course offered by Family Planning NSW later in the year. This course consists of two modules (theory and clinical) and is designed to help registered nurses and midwives develop confidence and competence in the provision of cervical screening. The Distance Learning Package, consisting of pre-reading and related activities (approximately 35 hours), must be completed before attendance at a face to face workshop. The one day workshop is scheduled to be run in Newcastle in October.

**Australian College of Nursing Immunisation for Registered Nurses Course**
$782 (non-member rate)
$480 (petrol costs)
$300 (parking costs)

**Family Planning NSW Well Women’s Screening Course** $1,870

**Total Self-education Costs** $3,432
4. Conclusion

The ANF acknowledges that where the Treasury have evidence of excessive education related expense claims, there needs to be a mechanism for managing, investigating and responding to this, in the public interest. Action should be taken, however, at the individual tax payer level, and not through a punitive measure applied across the board.

As outlined in our submission, a proposed capping of $2,000 on work-related education expenses has the potential to have severe negative consequences for continuing professional development for nurses and midwives.

The ANF calls on the Australian Government to abandon plans to introduce a $2,000 cap on education expenses. The two most compelling reasons for taking this position are that, as regulated health professionals, nurses and midwives are required by law to engage in continuing professional development; and, in order to provide safe, competent care for the Australian community, it is imperative that nurses and midwives have contemporary, evidence-based knowledge and skills, gained through life-long learning. Such activities cost money.

The ANF considers that, rather than impose financial burdens, a responsible government should invest in the nursing and midwifery professions.

5. References


2. Note 1

3. Registrants who are required by AHPRA to undergo medical examinations/tests to maintain registration are not entitled to a Medicare rebate because the examination or test is required for employment purposes. (Health Insurance Act 1973 (Cth) s.19(3)(b))
