

# Bonded Schemes

Position paper  
March 2018

*the future of rural health*

## About us

### National Rural Health Student Network

The National Rural Health Student Network (NRHSN) represents the future of rural health in Australia. It has more than 9,000 members who belong to 28 university Rural Health Clubs from all states and territories.

It is Australia's only multi-disciplinary student health network, bringing together people studying medicine, nursing and allied health, encouraging them to pursue rural health careers.

The NRHSN aims to:

- ▶ provide a voice for students who are interested in improving health outcomes for rural and remote Australians
- ▶ promote rural health careers to students and encourage students who are interested in practising in rural health care.

The NRHSN and its Rural Health Clubs offer rural experience weekends, career information sessions and professional development activities as well as providing a social base for students at university and when on rural placement.

The student network leaders also advocate on behalf of health students of all disciplines - including opportunities for more rural placements and training support.

### Rural Workforce Agencies

The NRHSN is an initiative of the Australian Government Department of Health, administered by the Consortium of Rural Workforce Agencies (RWAs). The NSW Rural Doctors Network is the RWA managing the NRHSN on behalf of the Consortium.

Each Australian State and the Northern Territory is served by a government-designated RWA that works to improve access to high-quality healthcare for people in remote, regional and rural Australia. RWAs do this through a range of programs, services and initiatives that attract, recruit, retain and support GPs, nurses and allied health professionals in rural and remote communities.

### Contact us

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### Rural Health Clubs



- 1 **ARMS** - Australian National University, ACT
- 2 **AURHA** - Adelaide University, SA
- 3 **BREAATHE** - University of Newcastle, NSW
- 4 **BUSHFIRE** - Bond University, QLD
- 5 **CARAH** - Charles Darwin University, NT in assoc with Flinders University, SA
- 6 **CRANC** - University of Canberra, ACT
- 7 **FURHS** - Flinders University, SA
- 8 **HOPE4HEALTH** - Griffith University, QLD
- 9 **KRASH** - Notre Dame University, Broome, WA
- 10 **LARHC** - La Trobe University, Bendigo, VIC
- 11 **MARHS** - Charles Sturt University, Albury, NSW including La Trobe University Wodonga campus
- 12 **MIRAGE** - University of Sydney, NSW
- 13 **NERCHA** - University of New England, NSW
- 14 **NOMAD** - Deakin University, VIC
- 15 **OUTLOOK** - University of Melbourne, VIC
- 16 **RAHMS** - University of New South Wales, NSW
- 17 **RHINO** - James Cook University, QLD
- 18 **RHUUWS** - University of Western Sydney, NSW
- 19 **ROUNDS** - Notre Dame University, Sydney campus, NSW
- 20 **ROUSTAH** - University of South Australia, SA
- 21 **RUSTICA** - University of Tasmania, TAS
- 22 **SHARP** - University of Wollongong, NSW
- 23 **SPINRPHEX** - Combined Universities of Western Australia, WA
- 24 **StARRH** - Charles Darwin University, NT including Flinders University, SA
- 25 **TROHPIQ** - University of Queensland, QLD
- 26 **WAALHIIBE** - Combined Universities of Western Australia, WA
- 27 **WARRIAHS** - Charles Sturt University, Wagga Wagga, NSW
- 28 **WILDFIRE** - Monash University, VIC

## Background

The Bonded Medical Places (BMP) and Medical Rural Bonded Scholarship (MRBS) schemes were introduced by the Australian Government in 2004 and 2001 respectively; with the intention of providing more doctors for Districts of Workforce Shortage (DWS)<sup>1</sup> and regional and remote (Remoteness Area [RA] 2-5)<sup>2</sup> communities.

## Bonded Medical Places (BMP)<sup>3</sup>

Between 2004 and 2015, the BMP scheme provided:

- ▶ 700 additional Commonwealth Supported Places (CSPs) each year at Australian medical schools.

Students accepting a BMP contract between 2004 and 2015 agreed to a Return of Service Obligation (RSO) to:

- ▶ work in a DWS of their choice or, as of 2015, in a Modified Monash Model location 4-7 (i.e. towns with a population of 15,000 or less)<sup>1</sup>;
- ▶ for a period of time equal to the length of their degree, less any time credited through Scaling<sup>4</sup>;
- ▶ with this RSO taking effect after obtaining fellowship; and
- ▶ with up to half of the RSO being undertaken during prevocational and/or vocational training.

These continue to be the requirements of participants who entered the scheme between 2004 and 2015. From 2016, the BMP scheme has provided<sup>5</sup>:

- ▶ 800 Commonwealth Supported Places (CSPs) each year at Australian medical schools from 2016 (an increase of 100 places per year, which previously were attached to the discontinued MRBS).

Students accepting a BMP contract from 2016 onwards will make an RSO commitment to:

- ▶ work in a DWS of their choice, or in a Modified Monash Model location 4-7 (i.e. towns with a population of 15,000 or less)<sup>1</sup>;
- ▶ for a period of 12 months, without the potential for scaling;
- ▶ in blocks of no less than 12 weeks;
- ▶ with this RSO being completed at any time between commencement of internship and 5 years after fellowship attainment.

The application and selection processes for BMP places are determined by individual Australian medical schools following the submission of an application by the student to study medicine.

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<sup>1</sup> DoctorConnect. (2018). Rural Classification Reform - Frequently Asked Questions. [online] Doctorconnect.gov.au. Available at: <http://www.doctorconnect.gov.au/internet/otd/publishing.nsf/content/classification-changes> [Accessed 30 Jan. 2018].

<sup>2</sup> DoctorConnect. (2018). Australian Standard Geographical Classification - Remoteness Area (ASGC-RA). [online] Doctorconnect.gov.au. Available at: <http://www.doctorconnect.gov.au/internet/otd/publishing.nsf/content/ra-intro> [Accessed 30 Jan. 2018].

<sup>3</sup> Australian Government Department of Health. (2014). Bonded Medical Places (BMP) Scheme. [online] Health.gov.au. Available at: <http://www.health.gov.au/bmpscheme> [Accessed 30 Jan. 2018].

<sup>4</sup> Australian Government Department of Health. (2016). The Scaling Initiative - Questions and Answers. [online] Health.gov.au. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/work-st-bmp-scal> [Accessed 30 Jan. 2018].

<sup>5</sup> Australian Government Department of Health. (2018). Bonded Medical Places (BMP) Scheme – Information Booklet for 2018. [online] Health.gov.au. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/workbonded-medical-places-scheme-information-booklet-BMP> [Accessed 30 Jan. 2018].

The RSO commitment for all BMP participants is formalised by a legal Deed of Agreement with the Australian Government, which is signed by the student at the time of enrolment. There is no financial incentive attached to accepting a BMP place.

## Medical Rural Bonded Scholarship (MRBS)<sup>6</sup>

Between 2001 and 2015, the MRBS scheme provided:

- ▶ 100 additional CSPs each year at Australian medical schools;
- ▶ over \$26,000 per annum (indexed annually) to each student for the duration of the student's medical degree. Students accepting an MRBS contract made an RSO commitment to:
  - ▶ work in a regional or remote (RA 2-5)<sup>2</sup> area of their choice;
  - ▶ for 6 continuous years, less any time credited through Scaling<sup>7</sup>;
  - ▶ with this RSO taking effect after obtaining fellowship.

The RSO commitment for all MRBS participants is formalised by a legal Deed of Agreement with the Australian Government, which was signed by the student at the time of enrolment.

The application and selection processes for MRBS places were determined by individual Australian medical schools following the submission of an application by the student to study medicine.

In the 2015 budget, the Australian Government announced that the MRBS scheme would be closed to new entrants; with the 100 CSPs provided each year under the scheme being transferred to the BMP scheme from 2016 onwards.

### Scaling<sup>4,7</sup>

The scaling initiative was announced in the 2009/10 Federal Budget as part of the Rural Health Workforce Strategy. Scaling was implemented to increase the attractiveness of working in areas with a higher Remoteness Area (RA) classification by reducing the length of the RSO period for BMP and MRBS participants in proportion to the RA rating (i.e. the more remote the area a participant chooses to work in, the greater the reduction in their RSO). Scaling is only available to MRBS participants and to BMP participants who entered the scheme between 2004 and 2015.

### Bonded Support Program (BSP)<sup>8</sup>

Between 2007 and 2015, both BMP and MRBS participants were eligible to join the Bonded Support Program (BSP), administered by the Australian College of Rural and Remote Medicine (ACRRM) on behalf of the Department of Health (DoH).

The BSP provided:

- ▶ networking events

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<sup>6</sup> Australian Government Department of Health. (2014). Medical Rural Bonded Scholarship (MRBS) Scheme: Student Information Booklet – 2015. [online] Health.gov.au. Available at: [content/work-st-mrb-info](http://www.health.gov.au/content/work-st-mrb-info) [Accessed 30 Jan. 2018].

<sup>7</sup> Australian Government Department of Health. (2016). The Scaling Initiative - Questions and Answers. [online] Health.gov.au. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/work-st-mrb-scal> [Accessed 30 Jan. 2018].

<sup>8</sup> Australian Government Department of Health (2014). Bonded Medical Places Scheme – Information Booklet for 2015. [online] Health.gov.au. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/content/work-bonded-medical-places-scheme-information-booklet> [Accessed 14 Feb. 2018]

- ▶ educational support
- ▶ financial support to attend conferences

Funding for the BSP ceased as of 30 June 2015 and the program is no longer active.

### **NRHSN Member Survey<sup>9</sup>**

The NRHSN surveyed its members in 2014 regarding bonded programs (BMP, MRBS and BSP) in their current form as at 2014.

Responses were received from 920 members:

- ▶ 307 BMP/MRBS students
- ▶ 316 non-bonded medical students
- ▶ 267 nursing and allied health students

The following outcomes were found:

- ▶ Overall, 66% of respondents were in support of bonded schemes as a means of addressing health workforce shortages in Australia.
- ▶ Nursing and allied health students were more likely to support bonded programs than medical students (74% versus 63%;  $p=0.004$ ).
- ▶ There was no significant difference in support between bonded and non-bonded medical students (61% versus 64%;  $p=0.756$ ).
- ▶ BMP students were significantly more likely to be opposed to bonded schemes when compared with MRBS students (27% versus 6%;  $p=0.004$ ).
- ▶ 81% of bonded medical students indicated that they were likely or very likely to complete their RSO requirements, with a further 10% being undecided.

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<sup>9</sup> National Rural Health Student Network. (2016). Bonded Medical Schemes – Research Outcomes Report. [online]. NRHSN.org.au. Available at: <https://www.nrhsn.org.au/advocacy/research/> [Accessed 14 Feb. 2018]

## Position

The NRHSN recognises the need for a range of strategies, including bonded programs, to ensure a sustainable future health workforce in areas of need in Australia. The Network believes that in order to be effective and attract students who are going to be committed to working in these areas in the long term, these programs must be fair and reasonable in what they expect participants to agree to. Furthermore, these programs must ensure that participants are given reasonable support (financial or otherwise) which acknowledges the valuable commitment the students are making when they accept a bonded position.

## Availability of Information

The NRHSN acknowledges the comprehensive suite of information available online regarding bonded schemes<sup>1-8</sup>. Accepting a bonded place is a significant commitment which will have implications on a participant's personal and professional path several years in the future.

The NRHSN believes it is critical that all recipients are clear on all aspects of a bonded place before applying for medicine and selecting a bonded place as a preference. The 2014 survey of NRHSN members indicated that 7% of bonded students were unaware of the RSO requirements at the time of application, although this dropped to less than 1% at the time of signing their contract<sup>9</sup>.

Areas to ensure clarity on include:

- ▶ the contract;
- ▶ return of service obligations;
- ▶ penalties if they breach their obligations under the scheme;
- ▶ eligible return of services towns and the possible changes to these over time;
- ▶ support schemes, organisations and information available to them throughout their training (e.g. Rural Health Clubs and the NRHSN, General Practice Student Network, Rural Workforce Agencies, Colleges etc.); and
- ▶ possible timeline between starting medical training and completing the return of service obligation.

The NRHSN believes that it is important for students to be informed about the bonded scheme as early as possible to ensure they have adequate time to consider all elements of the scheme's obligations.

- ▶ **RECOMMENDATION 1:** There should be significant provision of communication to potential medical students and their families about the BMP, including:
  - provision of information on the schemes at university open days;
  - provision of information to all students registered for the UMAT and GAMSAT;
  - provision of information to all students that have submitted medical school applications/preferences;
  - provision of information sessions available across Australia for all registered UMAT and GAMSAT students and medical school applicants to attend; and
  - providing students with links to past and current BMP students for advice and support.
- ▶ **RECOMMENDATION 2:** Financial support should be available for students offered a BMP to assist with the costs of obtaining legal and career advice prior to signing up to the scheme.

## Terminology

The NRHSN has received anecdotal reports that there is negative stigma attached to the bonded schemes due to the use of the word 'bonding', which has a negative connotation attached to it.

- ▶ **RECOMMENDATION 3:** The word 'bonded' should be removed from the name of the Bonded Medical Places scheme and replaced with 'rural', 'rural pathway', 'workforce need' or similar in order to create a more positive representation.

## Scope

As of 2018, the bonded scheme is currently only available to CSP students studying a medical degree in Australia. However, it is well recognised that mal-distribution of the health workforce in rural and remote Australia extends to the allied health and dental disciplines, although reliable national data is lacking in the allied health sector.<sup>10</sup> The NRHSN believes that methods of addressing this mal-distribution should be continuously explored and reviewed, including the possibility of extending the scope of the bonded program to students studying health degrees other than medicine. The

2014 survey of NRHSN members found that 72% of nursing and allied health members would support the introduction of a bonded scheme for nursing and allied health students, with a further 27.5% being undecided.

From 2016 onwards, the budget for a number of scholarship schemes which previously had ROS commitments attached to them have been reallocated to the new Health Workforce Scholarship Program (HWSP). This includes previous allied health scholarships with ROS such as the Nursing and Allied Health Scholarship and Support Scheme (NAHSSS) and the Diagnostic Imaging – Enhancing Rural and Remote Workforce Scheme (DI-ERRWS). It is expected that the new HWSP will have a Return of Service Obligation of approximately one year per scholar, which will be negotiated on an individual contract basis<sup>11</sup>. This scholarship program will be delivered by a consortium of Rural Workforce Agencies, led by Health Workforce Queensland. Medical students, undergraduate nursing students and undergraduate allied health students are all ineligible to apply for the program<sup>12</sup>.

- ▶ **RECOMMENDATION 4:** Research should be undertaken to quantify the extent of allied health, dentistry and nursing workforce mal-distribution in rural, regional and remote areas of Australia; with a view to developing and optimising programs aimed at increasing recruitment and retention in these areas.
- ▶ **RECOMMENDATION 5:** Training, career pathway, networking and other support (as expanded upon in recommendations 8 to 11) should be available to all health students with an RSO commitment. This includes medical and non-medical health students and graduates under any RSO commitment such as the Health Workforce Scholarship Programme.

## Selection Process

The selection process for students entering the bonded scheme should be standardised across all universities.

Currently, the process of selecting students for the bonded scheme is determined by individual universities,<sup>13</sup> creating the potential for inconsistency across Australian medical schools. There should be a consistent selection process at all universities; preferably one where students need to demonstrate why they are interested in accepting a bonded place.

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<sup>10</sup> Mason, J. (2013). Review of the Australian Government Health Workforce Programs. Canberra: Commonwealth of Australia, Department of Health and Ageing. Available at <http://www.health.gov.au/internet/main/publishing.nsf/Content/review-australian-government-health-workforce-programs> [Accessed 30 Jan. 2018].

<sup>11</sup> Health Workforce Queensland. (2017). Health Workforce Scholarship Program – Application Information. [online] Healthworkforce.com.au. Available at: [https://www.healthworkforce.com.au/media/Healthworkforce/client/20171128\\_HWSP\\_Application\\_Information\\_FINALE\\_HW\\_Q\\_Branded.pdf](https://www.healthworkforce.com.au/media/Healthworkforce/client/20171128_HWSP_Application_Information_FINALE_HW_Q_Branded.pdf) [Accessed 1 Feb. 2018].

<sup>12</sup> Department of Health. (2017). Health Workforce Scholarship Program. [online] Health.gov.au. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/health-workforce-scholarship-program>. [Accessed 1 Feb 2018].

<sup>13</sup> Australian Government Department of Health. (2016). Bonded Medical Places Frequently Asked Questions. [online] Health.gov.au. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/work-bonded-medical-places-scheme-frequently-asked-questions#one> [Accessed 1 Feb 2018]

- ▶ **RECOMMENDATION 6:** A review should be undertaken of the current bonded student selection process across Australian medical schools with a plan to develop and implement a standardised, national selection process that is fair, transparent and ensures understanding and interest in the scheme by the applicants.

## Non-financial Support

The NRHSN calls for continued support of current and prospective bonded medical students before, during and after their university studies.

The NRHSN welcomed the Australian Government's introduction of the BSP in 2007. The networking, mentoring, support and opportunities to attend conferences which the program sought to provide were substantial in terms of their influence on students' perceptions of the bonded schemes. The BSP also supported recipients through their professional interests and career choices along their pathway to completing their RSO. This is reflected by the findings of the NRHSN's 2014 survey of its members, which showed that bonded students who had accessed BSP resources were significantly more likely to support the bonded schemes than students who had not (65% versus 51%;  $p=0.025$ ).

The BSP was discontinued by the Australian Government as of 30 June 2015.

The NRHSN believes it is important to support bonded students to ensure they are connected with the information, training and professional development they need to best prepare them for their RSO commitment.

- ▶ **RECOMMENDATION 7:** Bonded students should have access to academic and networking support (e.g. conferences, training, training pathways, mentoring, networking etc.) to best prepare them and help them in navigating through a pathway to fulfilling their RSO.
- ▶ **RECOMMENDATION 8:** Bonded students should be regularly consulted regarding anticipated barriers to completing their RSO to ensure relevant support is provided.
- ▶ **RECOMMENDATION 9:** Formal research should be undertaken to investigate the effect that the BSP had on students' professional intentions with regards to addressing health workforce shortages.

## Financial Support

With the 2015 Budget announcements, the financial support available through the HECS reimbursement scheme is no longer available to students who have accepted a bonded place.<sup>14</sup>

In signing up to the bonded scheme, participants make a significant commitment to work in a DWS (or in towns with a population of 15,000 or less), which will likely influence their professional career and have financial implications including, but not limited to, costs of relocation, rural placements and training. The NRHSN believes that financial support should be available to bonded scheme participants in order to recognise the commitment that has been made and to support them along their rural health career pathway.

- ▶ **RECOMMENDATION 10:** Financial support should be available to bonded students to support costs associated with relocation during their studies, training and career.

## Return of Service Commitment

BMP students entering the scheme from 2016 onwards will be required to complete a 12-month RSO. This represents a significant reduction in the RSO length when compared with students who entered the scheme from 2004 to 2015, who are required to complete an RSO equal to the length of their medical degree.

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<sup>14</sup> Australian Government Department of Human Services. (2015). HECS Reimbursement Scheme. [online] Humanservices.gov.au. Available at: <http://www.health.gov.au/hecs-reimbursement-scheme> [Accessed 1 Feb. 2018].

The NRHSN believes that it will be important to ensure that current and future retention strategies, such as the General Practice Rural Incentives Programme (GPRIP),<sup>15</sup> are optimized in order to maximise the number of bonded participants who remain in areas of need beyond their 12-month obligation. This will be important to ensure provision of a sustainable, long-term workforce in these areas.

- ▶ **RECOMMENDATION 11:** Monitoring of bonded students should be undertaken to determine the number of participants who remain working in areas of need beyond the duration of their RSO.
- ▶ **RECOMMENDATION 12:** Research should be undertaken into methods of maximising the effectiveness of retention strategies aimed at delivering a sustainable, long-term health workforce in areas of need.
- ▶ **RECOMMENDATION 13:** Appropriate support should be provided to those bonded scheme participants who signed up to the programs prior to 2016 and hence are required to complete an RSO of extended duration (6 years for MRBS and equivalent to degree length for BMP).

## Outcomes and Evaluation

The NRHSN believes it will be important to continue to review the effectiveness of bonded schemes in both their form prior to the 2015 Budget announcements and in their current form.

With the first few cohorts of bonded scheme participants now entering their RSO period, the NRHSN sees the next few years as a timely and important opportunity for the Australian Government and stakeholders to continue to review the bonded schemes for their effectiveness in delivering a sustainable, long-term Australian health workforce in areas of need.

As of May 2015:<sup>16</sup>

- ▶ 0.6% of the 6295 BMP participants had obtained fellowship and begun their RSO. A further 4.9% had withdrawn from the scheme or breached their contract.
- ▶ 7.7% of the 1394 MRBS participants had obtained fellowship and begun their RSO. A further 6.8% had withdrawn from the scheme or breached their contract at some point after entering medical school.

The NRHSN believes that it is too early to make concrete predictions about the fate of the 92.9% of BMP and MRBS participants who have yet to reach an outcome (either withdrawal from the scheme or initiation of their RSO).

- ▶ **RECOMMENDATION 14:** The BMP (and MRBS, for the remainder of its lifetime) should be continuously reviewed in terms of their effectiveness in delivering a sustainable, long-term rural health workforce.
- ▶ **RECOMMENDATION 15:** Reasons for breach of contract should be reviewed to determine where further support could be provided to participants, or possible changes to the bonded schemes could be implemented, in order to reduce further breaches while still serving to address health workforce need.

The NRHSN believes that the implementation of these recommendations is vitally important to ensure that students positively identify with bonded schemes; that such schemes are seen as fair and an attractive stepping stone in the pathway towards a career in regional, rural or remote Australia; and that they fulfil their intended purpose of addressing Australian health workforce mal-distribution.

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<sup>15</sup> Australian Government Department of Health. (2017). General Practice Rural Incentives Programme (GPRIP) – Program Guidelines. [online] Health.gov.au. Available at: [http://www.health.gov.au/internet/main/publishing.nsf/content/general\\_practice\\_rural\\_incentives\\_programme-programme-guidelines](http://www.health.gov.au/internet/main/publishing.nsf/content/general_practice_rural_incentives_programme-programme-guidelines) [Accessed 1 Feb. 2018].

<sup>16</sup> Commonwealth of Australia. (2015). Proof Committee Hansard: Senate Community Affairs Legislation Committee, Estimates. Tuesday 2nd June 2015. Canberra: Commonwealth of Australia. Available at: [http://www.aph.gov.au/~media/Committees/clac\\_ctte/estimates/bud\\_1516/Hansard/DoH\\_official\\_hansard\\_2June15.pdf](http://www.aph.gov.au/~media/Committees/clac_ctte/estimates/bud_1516/Hansard/DoH_official_hansard_2June15.pdf) [Accessed 14 Feb. 2018].