Financial hardship during student placements

POSITION STATEMENT

College position

ACRRM believes that eligible students undertaking medical studies should be eligible to receive the *Commonwealth Prac Payment*.

As at March 2026, the *Commonwealth Prac Payment* is currently limited to teaching, nursing, midwifery and social work students while they are undertaking mandatory placements.

In July 2026, the Prime Minister announced that the payment would be expanded to include eligible students in: clinical psychology, physiotherapy, occupational therapy, speech pathology, paramedicine, radiography, pharmacy, rehabilitation therapies, audiology, podiatry.

The College calls on the Commonwealth Government to include medical students on the *Commonwealth Prac Payment* to ensure that there is greater support for the students undertaking their placements and reduce financial difficulties during these times.

ACRRM's Rural Generalists and rural General Practitioners play a key role in supporting students, underpinned by the College's ongoing advocacy for this reform. The College also aligns with and supports the advocacy efforts of the Australian Medical Students Association on this issue.

The Commonwealth Prac Payment

The Commonwealth Prac Payment is a government support payment that provides eligible students with financial assistance while completing mandatory, unpaid placements. It currently provides $338.60 per week (as at March 2026) to students undertaking a mandatory placement in a nursing, teaching or social work degree.[1]

It was further expanded in July 2026 to include eligible students in: clinical psychology, physiotherapy, occupational therapy, speech pathology, paramedicine, radiography, pharmacy, rehabilitation therapies, audiology, podiatry.[2]

The Commonwealth Government has acknowledged that placements have a financial impact on students. When the policy was announced, the Education Minister Jason Clare MP stated:

> *Placement poverty is a real thing. I have met students who told me they can afford to go to uni, but they can't afford to do the prac.*[3]

When the ten additional courses were announced, the Government acknowledged that:

> *Paid prac is reducing financial pressure on students and allowing them to spend less time worrying about paying the bills and more time focused on their training.*[4]

Medical Students and Placements

Medical students are currently NOT included in the Commonwealth Prac Payment despite doing a considerably large number of compulsory placement hours. The average Australian medical student completes over 3000 hours of unpaid placement during their degree.

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While ACRRM strongly supports the value of rural placements in building a sustainable workforce, the financial burden associated with these experiences can deter students from choosing or accepting rural opportunities. Without adequate support, placement costs risk reinforcing workforce shortages by discouraging future doctors from pursuing rural and remote practice.

In 2024 the Government was asked why medical students were not included in the payment scheme, with Minister Clare saying at the time:

> *The Universities Accord team recommended we focus the Commonwealth Prac Payment first on teaching, nursing, midwifery, early education teachers and social work, and that's what we're doing.*[5]

Minister Clare has not given any indication when medical students would be considered, if at all in the Commonwealth Prac Payment.

Why Medical Student Placements can cause Financial Hardship

Medical placements are a compulsory component of training and are often undertaken away from a student's usual place of residence. While these experiences are essential for developing clinical skills, they can place significant financial and personal strain on students, particularly those undertaking rural and remote placements.

1. Financial Burden

Placements frequently require students to relocate, sometimes multiple times throughout their degree. This can result in additional costs including accommodation, travel, and higher day-to-day living expenses, particularly in rural and remote areas where the cost of goods and services can be significantly higher than in metropolitan regions. These expenses are often incurred upfront, placing immediate pressure on students' finances.

2. Income Loss

During placement periods, students are typically unable to maintain regular employment due to the full-time and often unpredictable nature of clinical hours. Medical students can be expected to have placement on weekends, evenings and occasionally, night shifts. This results in a loss of income at the same time that expenses increase, forcing many students to rely on savings, family support, or accruing debt to meet basic living costs.

3. Mental Health Impact

The combined pressure of financial strain, academic expectations, and placement demands can negatively impact students' wellbeing. Many students report increased stress, burnout, and reduced work-life balance during placement periods. These pressures may be further exacerbated for students from low socioeconomic backgrounds or those placed in rural and remote settings, where support networks may be limited.[6]

4. Workforce Consequences

Financial hardship during placements can influence future career decisions. Students may avoid or decline rural and remote placements due to cost, limiting exposure to these environments and reducing the likelihood of pursuing rural careers. In the long term, this contributes to ongoing workforce shortages in rural and remote communities, where the need for medical professionals is greatest.

The role of the College and Rural Generalists

Rural Generalists (RGs) and rural General Practitioners (GPs) have a key responsibility in advocating for additional support and assistance for future Rural Generalists. All rural doctors have experienced placement as part of their training and have a unique shared understanding of the challenges students face in balancing financial pressures, study requirements, and clinical responsibilities.

ACRRM is committed to supporting future RGs throughout their training and continues to review and respond to their evolving needs. With a membership spanning students, interns, registrars and Fellows, the College brings a broad and informed perspective across the full continuum of medical training and rural practice. Through ACRRM's outreach programs and free student membership, students now make up almost one-third of the College's membership, demonstrating early engagement and support with the future rural health workforce.

ACRRM has also established a Future Generalists' Committee to: represent the broad interests of medical student and intern/resident members of the College; to ensure that these are reflected in internal decision making and activities; and, to advance these and the mission and values of the College in external forums relevant to medical education, rural health, and careers in rural medicine.

The Future Generalists' Committee represents and advocates for medical students and pre-vocational members within the College as well as the broader medical community, including those not yet engaged with ACRRM.

Endnotes

1. Commonwealth Prac Payment (2026). Retrieved from: https://www.education.gov.au/commonwealth-prac-payment-cpp

2. Albanese Labor Government expands paid prac to strengthen Medicare (2026). Retrieved from: https://alp.org.au/news/albanese-labor-government-expands-paid-prac-to-strengthen-medicare

3. Cost-of-living support for teaching, nursing and social work students (2024). Retrieved from: https://ministers.education.gov.au/clare/cost-living-support-teaching-nursing-and-social-work-students

4. Albanese Labor Government expands paid prac to strengthen Medicare (2026). Retrieved from: https://alp.org.au/news/albanese-labor-government-expands-paid-prac-to-strengthen-medicare

5. 'Placement poverty' burning out medical students amid cost of living, housing crises pressure (2024). Retrieved from: https://www.abc.net.au/news/2024-07-03/health-system-unpaid-placements-medical-students-burn-out/104019306

6. A scoping review of mental health status in Australian medical students and doctors-in-training (DiT) - PMC (2024). Retrieved from: https://pmc.ncbi.nlm.nih.gov/articles/PMC11199170

Find out more

If you have any queries relating to this Position Statement, please contact us by:

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ACRRM acknowledges Aboriginal and Torres Strait Islander peoples as the custodians of the lands and waters where our members and staff work and live across Australia. We pay respect to their elders, lores, customs and Dreaming. We recognise these lands and waters have always been a place of teaching, learning, and healing.