



# Special Commission of Inquiry into Healthcare Funding

## ISSUES PAPER 2/2024

### THE HEALTH WORKFORCE – SOLUTIONS

3 September 2024

#### A. Introduction

By Letters Patent issued on 23 August 2023, the Governor of New South Wales appointed Richard Beasley SC to conduct a Special Commission of Inquiry into the funding of health services provided in NSW and related matters (**the Inquiry**). The Commissioner is to deliver his report to the Governor by 26 March 2025.

A copy of the Terms of Reference (**TOR**), as amended on 21 February 2024, are attached to this Issues Paper (see **Annexure A**).

#### B. Public Hearings – Solutions to Health Workforce Issues (TORs F and G)

Between **22 July and 7 August 2024**, the Inquiry held a public hearing concerning issues related to the health workforce in NSW (and in particular those issues identified in TORs F and G). This hearing block focused on the identification of:

- the current state and composition of the health workforce in New South Wales - in particular, medical staff, nurses, midwives, and allied health professionals (**Health Workforce**);
- the current approaches to the training, recruitment and engagement of the Health Workforce within the public health system in New South Wales; and
- current and future issues and challenges relating to the training, recruitment, engagement and retention of a sustainable Health Workforce to meet the current and future health needs of the population in New South Wales.

During those hearings (and across the range of other hearings held by the Special Commission), several recurrent themes and issues have emerged in the evidence. They include (but are not limited to):

- a maldistribution of the health workforce towards particular metropolitan areas and associated challenges in recruiting and retaining a stable health workforce in rural, regional and remote locations and some outer-metropolitan regions;
- an increased trend in doctors pursuing non-general practice specialities and specialisation generally;

- the metropolitan-centric nature of many specialist medical training programs and the impact of such programs on recruiting and retaining medical graduates in rural, regional, and remote locations;
- the need for greater flexibility to enable students (including medical, nursing, midwifery and allied health) and doctors undertaking specialist training programs to undertake that study (or the majority of it) and training in rural, regional and remote locations;
- the need for regular and sometimes repeated engagement between specialist medical colleges and individual facilities in relation to the issue of accreditation across a number of specialities;
- the need to ensure that the number of graduates (medical, nursing, midwifery and allied health) is sufficient to meet the current and future needs of the health system;
- the development of “grow your own” initiatives to train medical graduates in rural, regional and remote areas, and the potential benefit of such programs in developing a sustainable health workforce;
- the industrial awards and instruments applicable to the health workforce in New South Wales are out of date, no longer reflect the way in which healthcare is delivered in the public health system, and in some instances, provide for remuneration and other benefits that are less competitive than can be secured by clinicians in the private sector or interstate;
- the benefits and limitations of the mechanisms currently available for the health workforce to engage with management, including Medical Staff Councils;
- the need to rely (to an increasing degree) on medical locums and nursing agency staff to fill rosters, particularly in rural, regional and remote locations, and the emergence of a practice by which LHDs or facilities bid against each other to secure the services of a locum or agency nurse or midwife;
- an increase in the level of burnout being experienced in the health workforce and its effects on recruitment and retention.

**Issues to be explored during the hearings between 8 October and 18 October 2024**

As identified in Issues Paper 1/2024, the Inquiry will hold hearings between **8 October and 18 October 2024**, which will focus on the identification and consideration of potential responses and solutions to the circumstances, issues, and challenges identified during the first stage of the hearings, including those issues identified below. Many of the issues identified below are interrelated.

This list is not intended to be exhaustive. The Inquiry may examine other issues, including those raised by interested parties in response to this Issues Paper.

<b>Issues</b>
1. Measures that may be implemented to address the maldistribution of the Health Workforce between metropolitan and rural, remote and regional locations.

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2. Measures that may be implemented to address the increasing need to rely on temporary staffing arrangements, including locums and agency staff, within NSW Health facilities (including in rural, regional and remote locations), and the costs associated with such arrangements.
3. Measures that may be implemented to support the recruitment and retention of a Health Workforce sufficient to meet the healthcare service demands of the New South Wales population now and into the future, including any mechanisms and incentives which may be utilised to: <ul style="list-style-type: none"><li>a. attract and retain doctors (including doctors undertaking specialist training), nurses and midwives (including those in training), allied health professionals (including those in training), to work in NSW Health facilities;</li><li>b. attract and retain doctors (including doctors undertaking specialist training), nurses and midwives (including those in training), allied health professionals (including those in training), to work in in-demand service areas;</li><li>c. investigate opportunities to facilitate and support clinicians to practice to the top of their scope of practice, or to extend or expand their scope of practice, to meet the needs of the local population; and/or</li><li>d. produce the number of medical, nursing and midwifery, and allied health graduates necessary to meet the current and future service demands on the Healthcare Workforce.</li></ul>
4. Measures that may be implemented to attract more medical graduates to pursue general practice, and rural generalist training pathways.
5. Measures that may be implemented to attract more doctors to pursue general medical positions (such as hospitalists) in the acute care setting, including changes to position descriptions and employment conditions for such roles.
6. Reforms or other initiatives that may address the outdated nature of the existing industrial awards, instruments (including the determinations), and legislation applicable to the Health Workforce in New South Wales, including any reforms or other initiatives directed to: <ul style="list-style-type: none"><li>a. attracting and retaining staff to work in NSW Health facilities, as compared to private facilities and public facilities in other Australian jurisdictions;</li><li>b. modernising awards, including to recognise and support the optimal healthcare delivery within the public health system in New South Wales;</li><li>c. ensuring that they remain relevant to the contemporary delivery of healthcare within NSW Health facilities into the future, including through regular review mechanisms;</li><li>d. updating definitions and classification structures to better suit the needs of the contemporary health workforce;</li><li>e. supporting the development of a multiskilled, adaptable workforce.</li></ul>

<b>Issues</b>
7. The process by which any reforms or other initiatives to address the outdated nature of the existing industrial awards and instruments (including the determinations) applicable to the Health Workforce in New South Wales may be implemented.
8. Measures that may be implemented to address “non-financial” factors that impact on the retention and recruitment of clinicians to New South Wales Health (whether as employees, staff specialists, visiting medical officers, etc).
9. The role of international medical graduates in establishing and maintaining a sustainable Health Workforce into the future.
10. The role of virtual and multidisciplinary models of care, particularly in rural, regional and remote locations, and the effect of such models on Health Workforce needs.
11. Measures that may be available to improve the collation and sharing of workforce data between NSW Health (and its agencies) and other stakeholders (such as unions, universities, Colleges, and other training institutions), including those which may be utilised to: <ul style="list-style-type: none"> <li>a. develop frameworks for the collection and sharing of workforce data held by NSW Health;</li> <li>b. improve workforce and service delivery planning by NSW Health;</li> <li>c. improve collaboration between NSW Health and its agencies, on the one hand, and specialist medical colleges on the other to identify the need for specialist training positions to support the development of a sustainable workforce into the future, particularly in regional, rural and remote locations; and/or</li> <li>d. encourage universities to offer courses which are consistent with NSW Health workforce planning needs and implement placement partnerships with locations experiencing supply or skills shortages.</li> </ul>
12. Measures that may be implemented to improve and facilitate collaboration between stakeholders (at local, state and national levels) in service and workforce planning.
13. Measures that may be implemented to address challenges in recruiting and retaining a sustainable supply of specialist health practitioners within NSW Health, including those which may be utilised to: <ul style="list-style-type: none"> <li>a. overcome barriers that may be created by accreditation standards and requirements on the availability of specialist training positions, including the impact of limited supervision capacity;</li> <li>b. improve or strengthen workforce planning by NSW Health and its agencies to identify future workforce needs (through attrition and retirement etc) and implement succession planning arrangements, including through the establishment of specialist training positions in areas of future workforce need;</li> <li>c. promote consistency of basic accreditation standards and review mechanisms between specialist medical colleges;</li> </ul>

<b>Issues</b>
d. address training ‘bottlenecks’ in specialist training programs, and in particular in those areas of practice where there are existing workforce shortages.
14. Measures that may be implemented to enhance and strengthen the mechanisms by which clinicians engage with management including (but not limited to) Medical Staff Councils.
15. Measures that may be implemented to promote the wellbeing of the Health Workforce and address the prevalence of burnout within the NSW Health workforce, including (but not limited to): <ul style="list-style-type: none"><li>a. structures or programs, which promote wellness, positive culture, diversity and inclusivity within NSW Health facilities;</li><li>b. an enhancement of the nature of data relating to staff wellbeing within NSW Health.</li></ul>

### **Next steps**

The Inquiry will be in contact with a range of stakeholders and interested parties for the purposes of identifying potential witnesses who may be able to give relevant evidence in relation to one or more of the issues above. However, the Inquiry also invites any person, organisation or body who believes that they may be able to provide relevant evidence in relation to the issues set out above to contact the Inquiry directly at [contact.hfi@specialcommission.nsw.gov.au](mailto:contact.hfi@specialcommission.nsw.gov.au)

### Annexure A

#### Condensed Terms of Reference

*This version of the Inquiry's terms of reference includes the key parts of the Letters Patent dated 23 August 2023, which were then altered and varied by Letters Patent dated 21 February 2024.*

*Full copies of the Letters Patent are available on the Inquiry's website ([healthcarefunding.specialcommission.nsw.gov.au](http://healthcarefunding.specialcommission.nsw.gov.au)) and should prevail over this summary if there is any inconsistency.*

*The Inquiry is to inquire into and report on:*

- A. The funding models used to provide health services in NSW and whether they most effectively support the safe delivery of high quality, timely, equitable and accessible patient-centred care and health services to the people of NSW, now and into the future.
- B. The existing governance and accountability structure of NSW Health, including whether:
  - i. it provides the best balance between central oversight and locally devolved decision making (including the current operating model of Local Health Districts);
  - ii. local communities are appropriately engaged in health service development and delivery;
  - iii. the governance structures best support efficient implementation of state-wide reform programs;
  - iv. privatisation and outsourcing has adversely impacted on the delivery of health services and health outcomes to the people of NSW or otherwise;
  - v. governance structures support a sustainable workforce and delivery of high quality, timely, equitable and accessible patient-centred care to improve the health of the NSW population;
- C. Whether the funding models for health services or the way NSW Health funds health services delivered in public hospitals and community settings;
  - i. incentivises the delivery of health services that provide the overall best health outcomes for the people of NSW;
  - ii. provides the best value for the costs incurred in providing such health services;
  - iii. best supports (and does not obstruct) access to preventive and community health initiatives that provide the best overall health outcomes;
  - iv. maintains a financially sustainable healthcare system;
- D. Whether the strategies of NSW Health that are in place or in the process of implementation best manage escalating costs, the limitation of wastage, minimise overservicing and appropriately identify gaps and improvements in financial accountability and efficiency;

- E. Whether the current procurement strategies and processes of NSW Health are appropriate and enhance support for operational decision making, service planning and delivery of quality and timely health care, including consideration of supply chain disruptions;
- F. The current capacity and capability of the NSW Health workforce to meet the current needs of patients and staff, and its sustainability to meet future demands and deliver efficient, equitable and effective health services, including inquiry into:
  - i. the existing skills and distribution of health workers in NSW, including whether there are shortages of workers and particular skill sets in any locations;
  - ii. the financial and non-financial factors impacting on the retention and attraction of staff;
  - iii. existing employment standards;
  - iv. the role and scope of workforce accreditation and registration;
  - v. the use of locums, Visiting Medical Officers, agency staff and other temporary staff arrangements;
  - vi. the relationship between NSW Health agencies and medical practitioners;
  - vii. whether there are opportunities for an expanded (or working to full) scope of practice for the health workforce including paramedics, pharmacists, community and allied health workers, nurses and midwives;
  - viii. the role of multi-disciplinary community health services in meeting current and future demand and reducing pressure on the hospital system;
  - ix. opportunities and quality of care outcomes in maintaining direct employment arrangements with health workers;
- G. Current education and training programs for specialist clinicians and their sustainability to meet future needs, including:
  - i. placements;
  - ii. the way training is offered and overseen (including for internationally trained specialists);
  - iii. how colleges support and respond to escalating community demand for services;
  - iv. the engagement between medical colleges and local health districts and speciality health networks;
  - v. how barriers to workforce expansion can be addressed to increase the supply, accessibility and affordability of specialist clinical services in healthcare workers in NSW;
- H. New models of care and technical and clinical innovations to improve health outcomes for the people of NSW, including but not limited to technical and clinical innovation, changes to scope of practice, workforce innovation, and funding innovation; and

- I. Any other matter reasonably incidental to a matter referred to in paragraphs A to H, or which the Commissioner believes is reasonably relevant to the inquiry.

AND FURTHER, *[the Inquiry is to]* make recommendations to address the issues raised including in relation to National structures or settings, including the National public hospital funding model and/or National Health Reform Agreement and the impact of aged and disability care in NSW public hospitals, where such recommendations would support or enhance any changes recommended by the Special Commission.

...The Special Commission may be assisted by one or more experts on matters that *[the Commissioner]* considers require expert opinion.

.... in conducting the inquiry:

- J. *[it is]* To have regard to existing reviews, reports and recommendations in relation to the national public hospital funding model and other national settings insofar as they impact on the delivery of high quality, timely, equitable and sustainable public hospital and community health services in NSW, in particular co-payments, oversight of compliance and influence of private capital on the health services market; and
- K. *[it is]* not required to inquire, or to continue to inquire, into a particular matter to the extent that you are satisfied that the matter has been or will be sufficiently and appropriately dealt with by another review, inquiry or investigation.

AND pursuant to section 21 of the *Special Commissions of Inquiry Act 1983* (NSW) it is hereby declared that sections 22, 23 and 24 shall apply to and in respect of the Special Commission...

*[The Inquiry is to report no later than 26 March 2025]*