Special Commission of Inquiry into Healthcare Funding

Statement of Jennifer Richter

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1. This statement made by me accurately sets out the evidence that I would be prepared, if necessary, to give to the Special Commission of Inquiry into Healthcare Funding (**Inquiry**) as a witness. The statement is true to the best of my knowledge and belief.

2. This statement is provided in response to topics identified by the Inquiry in a letter to the Crown Solicitor's Office dated 14 August 2024 (**MOH.0010.0542.0001**), to the extent that such topics are relevant to my role, and to the Inquiry's letter to the Crown Solicitor's Office dated 22 August 2024 (**MOH.0010.0541.0001**).

A. INTRODUCTION

3. I am the Nurse Manager, Nursing and Midwifery Workforce, Northern New South Wales Local Health District (**NNSWLHD**). I have been in this role since July 2022 and between November 2023 to July 2024 I held the position of Nurse Manager, Nursing and Midwifery and System Improvements at Tweed Valley Hospital, NNSWLHD. A copy of my curriculum vita is exhibited to this statement (**MOH.0011.0052.0001**).

4. In this role, I provide strategic guidance and operational support for nursing and midwifery workforce planning including the analysis of workforce data and management of recruitment campaigns such as Gradstart, which is the annual state-wide recruitment process to recruit graduate nurses and midwives coordinated by the Ministry of Health's Nursing and Midwifery Office (**NaMO**).

B. RECRUITMENT CHALLENGES AND OPPORTUNITIES

5. NNSWLHD historically had quite a stable nursing and midwifery workforce however, cross border pay disparity, COVID-19, environmental factors such as bushfires and floods, and an ageing workforce has led to an increase in workforce shortages. As at July 2024, there are currently 129.66 full-time equivalent (**FTE**) permanent vacancies and 178.79 FTE temporary vacancies in the nursing and midwifery workforce, equating to an overall vacancy of 315.69 FTE. The vacancies are covered by a mix of agency, casuals, extra shifts for part-time staff and overtime. Vacancy rates have remained over

300 FTE since May 2023. We are starting to see permanent vacancies reduce in some facilities including Tweed Valley and Byron, but we are also seeing temporary vacancies increase, due to, in part, a rise in maternity leave.

6. NNSWLHD records midwifery and nursing vacancies through an excel spreadsheet. Facilities will enter the vacancies into the spreadsheet to enable NNSWLHD to ascertain agency staffing requirements. This information also informs decisions to recruit overseas and other marketing/recruitment strategies. As this is a manual process, the accuracy of the data hinges on the person updating it. Errors in the data can hinder our ability to accurately represent our vacancies.

7. As of financial year 2024, NNSWLHD had over 20% of nurses and midwives aged 55-64 years, and 46% were 44 years or younger. This means that 20% of the nursing and midwifery workforce will retire over the next ten years. At the same time, as a consequence of the workforce being female, we will continue to see a rise in maternity leave and a preference towards part-time work. Anecdotally, we have heard that staff often face difficulties finding suitable childcare, particularly one that will support a rotating roster.

(i) international recruitment

8. 60% of all recruitment within NNSWLHD is internal movement, with nursing and midwifery making up the biggest drivers of recruitment within NNSWLHD. In an effort to reduce nursing and midwifery workforce shortages, NNSWLHD embarked on a large-scale overseas recruitment campaign in 2023. The Local Health District (**LHD**) successfully recruited over 150 nurses by sponsoring individuals and their families under subclass 186 visas. These candidates were also offered incentives including re-location costs and accommodation support. Many of these candidates recruited were born in India but had recently been working in the United Kingdom/Ireland.

9. International recruitment has been positive for NNSWLHD. However, there have been a number of challenges including lengthy timeframes associated with the visa approval process, delays with receipt of documentation from the candidate, and delays regarding the candidates notice period to their previous employer where they were required to give between one and three-months' notice. These processes have resulted in the recruitment of these candidates taking between 12 to 18 months from the start of their application to their commencement date.

10. A significant proportion of these staff wanted to work at Tweed Valley Hospital and Byron Central Hospital but have instead been recruited to Grafton Base Hospital and Lismore Base Hospital. It is currently too early to ascertain whether we will retain these employees at these facilities, whether they transfer to other facilities in NNSWLHD or leave NNSWLHD altogether.

11. To incentivise international recruits, NNSWLHD pay for visas and relocation costs. The costs incurred by NNSWLHD to recruit international nurses and midwives is generally between $40,000 and $55,000 for each nurse / midwife, inclusive of the recruitment agency's fee, airfares, visa costs and accommodation for the first 12 weeks of their employment. The cost of visas and relocation is significant and the LHD is not funded for this, although it is more financially effective than relying on agency nurses. One of the conditions of employment for our international workforce has been to require the employee to commit to their role for a period of two years otherwise they are required to pay back a portion of the relocation expenses incurred by NNSWLHD. This condition does not restrict the employee from transferring between facilities within NNSWLHD.

12. There is an opportunity for international recruitment to occur at a state-wide level. This would reduce competition between Local Health Districts (**LHDs**) and also reduce the administrative burden for LHDs managing complex visa requirements.

(ii) Graduates

13. NNSWLHD has increased its graduate intake through the NSW state-wide Gradstart campaign. For example, in 2018 we accepted 63 graduates, and our program has now increased to requesting over 200 graduates for 2025. This is because we recognise graduates are an important pipeline into our hospitals and if graduates live locally, they are likely to remain loyal to NNSWLHD. In 2023 and 2024, the retention of our graduates was around 80%, with 20% leaving during the program, or at completion.

14. Unfortunately, for the 2025 Gradstart program, the Clarence and Richmond areas have not received the number of applicants they need for their programs. For example, Clarence offers 27 places in their program, but they have only received 10 applicants, leaving 17 places unfilled at this stage. Similarly, Richmond offers 53 places in their graduate program, however, has only received 40 applicants. Mental Health has also requested 15 candidates but have been unable to fill eight places. The Tweed-Byron area on the other hand, offers 108 places in their program and have received 185 applicants. However, half of those applicants live in Queensland and candidates

frequently apply to both Queensland and NSW graduate programs and may withdraw from NSW if they secure a position with Queensland Health.

15. The increase in graduates has changed our workforce composition, to which many of our staff are still adjusting. There has been some negativity in the workforce about staff being junior and believing that junior nurses are getting into leadership roles too quickly.

16. Graduate nurses are often found to be in leadership roles early in their career. This can sometimes be a planned and considered decision, however, often, it is usually spur of the moment. For example, due to sick leave, a Registered Nurse Year 1 may be required to be in-charge of a ward/unit without having had the appropriate training. Currently, each facility offers a 'Nurse in Charge' training day, however, often the training day will occur after the nurse has undertaken the nurse in charge role on a ward/unit.

(iii) Agency staff

17. Agency nurses can play an important role in filling emergent leave. Historically, NNSWLHD did not routinely utilise agency nurses, however, following the floods in 2022, there has been an increase to the amount of agency use in NNSWLHD. We currently use, on average, over 200 FTE of agency nurses each fortnight across NNSWLHD. NNSWLHD has worked hard over the past year to bring the cost of agency use down due to a change in the contracts we use, however the FTE still remains high.

18. The primary challenge with agency staff is the cost. Presently, the cost of agency staff includes accommodation for the length of the contract, car rental if the accommodation is more than 45 minutes away from the facility, and travel to and from the contract location, as well as the usual hourly rate. We note that the Ministry of Health (**MOH**) is implementing a state-wide contract for all agencies, which will likely reduce some of the costs associated with agency use.

19. Another challenge with the use of agency staff is that they are on short-term contracts and accordingly, are not aware of the team's systems and processes, which can impede them contributing to team culture. We often do not fully understand the skillset of agency nurses until they begin working for us. For instance, we might anticipate that an incoming emergency nurse has a high level of expertise, only to discover once they start that their experience or skills fall short of our expectations.

20. There has been a recent spike in temporary vacancies because maternity leave has increased across NNSWLHD. Because of the large number of permanent positions

available, many employees who aspire to a permanent position will not apply for a temporary contract. Accordingly, we are currently utilising agency staff to fill those temporary vacancies. Because staff can remain on reduced hours up to their child's fifth birthday, it can sometimes take a considerable amount of time for them to return to their original full hours. In some cases, they may never resume their full hours and may choose to continue working part-time instead.

(iv) NSW Health Aboriginal Nursing and Midwifery Cadetships

21. I am the program coordinator for the Aboriginal Nursing and Midwifery cadets, which includes recruitment, ongoing support and reporting requirements. We receive funding from MOH to recruit to these positions. We currently have three cadets. The MOH will fund three cadets for the 2025 intake, with NNSWLHD to consider funding for any additional cadet that may apply. NNSWLHD has a high proportion of Aboriginal residents, making up 5.7% of the population, however our nursing and midwifery Aboriginal workforce is quite low and is underrepresented. The Cadetship is a great pathway to improve representation in our workforce however we do not see many people applying for it.

C. WORKFORCE CHALLENGES – COMPETITION FROM QUEENSLAND

22. One of the primary challenges NNSWLHD faces when recruiting nurses and midwives is the pay disparity with their Queensland Health counterparts. This is a particular challenge in the northern part of NNSWLHD such as Murwillumbah District Hospital and Tweed Valley Hospital where staff can easily travel across the Queensland and NSW border. Anecdotally, we also find this occurring at other facilities such as Lismore Base Hospital. I understand that registered nurses/midwives can be paid an additional $11,000 to $13,000 per annum in Queensland.

23. Additionally, the Gold Coast Hospital is a major tertiary facility with a comprehensive trauma service, extensive paediatric care, a larger Intensive Care Unit (**ICU**), and an expansive Emergency Department. This makes it an appealing workplace for nurses and midwives seeking valuable experience. Currently, it is difficult for NNSWLHD to compete with this level of service and medical coverage, as we do not always offer similar facilities or acuity.

24. A number of conditions of work offered by Queensland Health are also attractive. For example:

a. Each employee is rostered two consecutive rostered days off per week.

b. Casual staff are paid overtime for all time worked in excess of 32 hours per week.

c. Casual staff are paid a higher loading rate of 23%.

d. Staff receive 100% of their salary packaging.

e. Staff receive a Professional Development Allowance each year which can be anywhere between $1,743.50 - $2,325.50.

f. There are other allowances offered or paid at a higher rate, e.g., mental health environment allowance.

g. Accrued days off may be accumulated up to a maximum of five days, or 12 days in exceptional circumstances.

25. Another barrier to recruitment is the inability to transfer leave entitlements between organisations. For example, I wanted to hire a new employee at Tweed Valley Hospital, and she wanted to accept the position however she just found out she was pregnant. I would have been happy to have supported her to commence and then take maternity leave. The prospective employee had extensive experience at Queensland Health however NSW Health Policy requires an employee to work for 40 weeks to be entitled to maternity leave, as per clause 5.6 of Policy Directive *PD2023_045 Leave Matters for NSW Health Service* (**MOH.9999.0107.0001**), which prevented her from accepting the position.

26. To attract nurses and midwives to NSW, we could offer to transfer their accumulated leave balances. While this approach does incur costs for the organisation, it would encourage potential candidates to apply by removing concerns about losing their leave entitlements. There could be strict limits implemented on the amount of leave that can be transferred. This strategy would help draw in the right talent and skilled professionals who might otherwise overlook the opportunity.

27. LHDs and our Queensland Health counterparts are all competing against each other to attract the same nurses and midwives. Standardised pay and conditions across Australia would reduce competition and increase retention of staff in public facilities.

(i) Data

28. NNSWLHD does not hold reliable data on how many of our staff leave our LHD to work at public hospitals in Queensland. It is difficult to obtain data about staff transferring to a Queensland Health facility because of remuneration differences. Both NNSWLHD and Queensland Health facilities employ staff living in both NSW and Queensland. It is reasonable for employees to transfer between jurisdictions such as for a promotion or for personal reasons.

D. RETENTION

29. NNSWLHD maintains turnover data, including the number of resignations each month and year, which is recorded via Stafflink. However, this data does not offer detailed insights into the specific reasons behind employee departures. The current system only allows for selection from a limited set of predefined reasons, such as retired, own accord, deceased, not worked in 6 months, which does not capture the full range of factors that might contribute to an individual's decision to leave.

30. A more effective system for gathering feedback during resignation is required to enable NNSWLHD to understand why our staff are leaving our facilities. Although NNSWLHD has consistently offered exit interviews, there are obstacles to staff completing them. For instance, the interviews must be conducted before staff finish their roles, as the link to the interview is only accessible internally. It is also challenging to compel staff to complete exit interviews, often due to concerns about "burning bridges" or a belief that their feedback will not lead to any meaningful change.

31. A potential solution is to require employees to complete their resignation directly in Stafflink, which would then be submitted to their manager. This approach would provide an opportunity to offer the employee an exit interview at the time of resignation or, at a minimum, request additional details regarding their reasons for leaving.

32. NNSWLHD is dedicated to its staff and is actively exploring ways to better understand and meet their expectations. The Performance and Talent (**PAT**) system includes a tool for conducting "check-ins" throughout the year to document staff progress towards their goals. Additionally, we offer various initiatives to support staff retention, including flexible work arrangements and access to professional development opportunities such as in-servicing, conferences, and tertiary leave.

E. PROGRAMS ADDRESSING WORKFORCE CHALLENGES IN RURAL AND REGIONAL AREAS

(i) Rural Health Workforce Incentive Scheme

33. The NSW Health Rural Health Workforce Incentive Scheme (**RHWIS**) is an incentive package for positions located across rural and regional facilities. The LHDs decide what positions at what facilities are eligible for the Scheme. The RHWIS was offered to positions identified as difficult to fill, and as such, some nursing and midwifery positions missed out, such as Clinical Nurse Educators. Whilst the extra payment to staff was beneficial to the staff that received it, I do not consider RHWIS achieves parity with remuneration offered by Queensland Health.

34. A further limitation is that it ties the staff members in receipt of the incentive to remain in their position for a period of 18 months. If the staff are promoted or wish to move facilities within NNSWLHD they are required to return the financial payments they have received. This operates as a disincentive to accept promotions, and thereby limits their career development within the LHD.

F. TRAINING AND EDUCATION

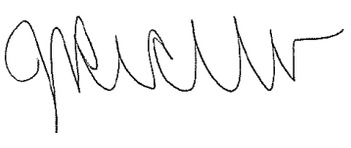
35. Student nurse experiences during clinical placements are crucial for NNSWLHD, as positive experiences often lead to students being more inclined to seek employment with us in the future. Presently, the booking of student placements occurs through the ClinConnect system. This particular system can be difficult to use for the LHD and education provider because of its general functionality as well as the way in which education providers are required to book placement blocks in advance. There are opportunities to update the system to make it more useable and functional, which would in turn maximise student placement and minimise cancellations from education providers.

G. GOVERNANCE

36. The Nursing and Midwifery Executive Committee is chaired by the District Director of Nursing and Midwifery and membership includes the Nursing and Midwifery Leadership team (e.g., myself and the other members in my team) and the Directors of Nursing from all services/facilities. This committee meets monthly on the first Friday of every month and the aim is to enhance integration and collaboration among nursing staff across the District, promote consistency and improve care and service delivery. This involves

exchanging information, encouraging innovation, and sharing ideas. The committee will review and endorse policies relevant to nursing and midwifery, advise on the implications of policy changes, industry standards and statutory requirements. Additionally, it will monitor nursing and midwifery performance across the NNSWLHD and address any areas of concern.

37. The NNSWLHD Nursing and Midwifery Workforce Planning and Development Committee is also chaired by the District Director of Nursing and Midwifery. This committee is responsible for contributing to the development of the NNSWLHD Nursing and Midwifery Strategic Workforce plan by implementing and monitoring initiatives for workforce attraction and retention. This includes supporting the physical and mental wellbeing of nurses and midwives, developing career pathways and succession planning strategies, and fostering leadership development. Additionally, the committee makes recommendations and develops strategies addressing emerging or forecasted workforce trends, and presents these recommendations related to workforce initiatives to the NNSWLHD Nursing and Midwifery Executive.



Jennifer Richter

Witness: Georgia Mohenoa

5 September 2024

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