

## Rural Health Workforce Incentive Scheme

**Summary** This Policy Directive provides direction, governance, and the framework for eligible health organisations to offer incentives to rural and regional locations that demonstrate hard to fill and critical vacancies.

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**Distributed to** Ministry of Health, Public Health System, NSW Ambulance Service

**Audience** All NSW Health staff



# NSW Health

## Policy Directive

### Rural Health Workforce Incentive Scheme

#### POLICY STATEMENT

NSW Health recognises that attracting and retaining health workers in rural and remote areas can be challenging. To assist health agencies in stabilising the supply of health workers in rural locations, incentives over and above award entitlements may be offered to entice workers to positions with hard-to-fill and/or critical vacancies.

#### SUMMARY OF POLICY REQUIREMENTS

NSW Health uses the Commonwealth Department of Health Modified Monash Model (MM) to classify remoteness and identify challenges regarding providing and accessing health services. Locations classified as MM3 to MM7 are eligible to participate in this scheme.

Incentive packages are applied to eligible positions only. Positions must be considered by health agency Chief Executives and deemed to meet the definition of hard-to-fill outlined in this Policy Directive. The NSW Ministry of Health may provide additional approval to a Chief Executive to extend additional incentives to positions considered critical. Only the positions that meet the definition are eligible for consideration of incentives.

The incentives made available to health workers must comply with the approved structure of available incentives outlined in this Policy Directive. Chief Executives are expected to apply considered discretion and factor the potential flow-on of entitlements to existing health workers in their decision-making.

NSW Health does not provide financial and tax advice to health workers. The incentive package made available to individual health workers is valued at its gross value. Any fringe benefits tax liability is not counted as part of the package's value, and the employing health agency is responsible for payment of any fringe benefits tax incurred.

#### REVISION HISTORY

Version	Approved By	Amendment Notes
PD2024_012 April-2024	Deputy Secretary, People, Culture and Governance	Updated key definitions, responsibilities, location and position eligibility, and health worker eligibility. Updated enterprise-wide risk matrix. Added incentives definitions and conditions.
PD2022_025 July-2022	Deputy Secretary People Culture and Governance	New policy directive.

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## 1. Background

Health organisations in NSW’s rural and remote areas may experience challenges in attracting and retaining a healthy workforce. The NSW Health Rural Health Workforce Incentive Scheme (RHWIS) aims to attract, recruit, and retain health workers in positions that demonstrate hard-to-fill and critical vacancies in rural and remote locations.

### 1.1. About this document

This Policy Directive guides health organisations in creating incentive packages for rural and remote NSW health workers. The policy allows for the development of incentives that may apply to individuals or groups, considering local circumstances and difficulties in recruitment and retention.

### 1.2. Key definitions

<b>Base incentives</b>	Base incentives are not included in calculating an incentivised health worker’s total incentive package value.
<b>Class of role</b>	Multiple positions of the same role classification make up that classification’s establishment in a location.
<b>Critical position</b>	A position that demonstrates the hard-to-fill and critical vacancy criteria and scope provided within this Policy Directive.
<b>Eligible location</b>	Work locations in areas classified as MM3 – MM7 using the Modified Monash Model.
<b>Hard-to-fill position</b>	A position is in an eligible location and meets the criteria specified in this Policy Directive.
<b>Health worker</b>	In the context of this Policy Directive, a health worker refers to employees of the NSW Health Service engaged under the <i>Health Services Act 1997</i> (NSW).  Incentives as part of this Policy Directive do not apply to contractors, agency nurses, locums, visiting medical officers, and contingent workers who are not paid through the NSW Health payroll.
<b>Incentives</b>	Above award financial and non-financial benefits that may be offered to health workers fulfilling eligible health positions. Incentives are not considered entitlements and are provided as determined by the health organisation. All incentives as part of this Policy Directive are valued at gross value.

<b>Modified Monash Model</b>	<p>The Commonwealth Government Department of Health method, the Modified Monash Model, defines whether a location is metropolitan, rural, remote, or very remote.</p> <p>The Modified Monash Model measures remoteness and population size on a Modified Monash (MM) category scale from MM1 to MM7.</p>
<b>Recruitment Initiative</b>	<p>Financial and non-financial incentives or other benefits may be offered to candidates to attract them to eligible health positions. Recruitment initiatives are considered for health workers commencing in a new role.</p>
<b>Retention Initiative</b>	<p>Financial and non-financial incentives or other benefits may be offered to existing health workers to retain them in their current eligible health positions.</p>
<b>Rural and remote</b>	<p>In the context of this Policy Directive, a rural and remote location is classified as one that is MM3, MM4, MM5, MM6, or MM7.</p>
<b>Scheme</b>	<p>Refers to the Rural Health Workforce Incentive Scheme or RHWIS.</p>

### 1.3. Legal and legislative framework

NSW Department of Premier and Cabinet circular *C2010-41 Guidelines for Implementation of the Rural and Remote Incentive Scheme* (the Guideline) provides the authority for nominated NSW Government agencies to apply some or all the incentives within the Guideline.

NSW Health Service is a nominated government agency and has received additional approval from the Secretary of the Department of Premier and Cabinet (as the delegate) to apply the incentives to roles outside the definitions in the guideline, using the Commonwealth Department of Health's Modified Monash Model, to locations nominated as MM3 – MM7.

This Policy Directive should be read together with the following authorities and any other applicable industrial instruments, including any applicable Public Sector Determinations and or policies:

- [C2010-41 Guidelines for Implementation of the Rural and Remote Incentive Scheme](#)
- [Crown Employees \(Public Service Conditions of Employment\) Reviewed Award 2009](#)
- [Crown Employees \(Transferred Employees Compensation\) Award](#)
- [Government Sector Employment Act 2013](#) (NSW)
- [Health Services Act 1997](#) (NSW)
- NSW Health Policy Directive *Recruitment and Selection of Staff to the NSW Health Service* ([PD2023\\_024](#))

The health industrial instruments provide a range of employment conditions that may already operate as incentives for health workers. This RHWIS Policy Directive allows eligible health organisations to apply some or all the incentives outlined in addition to those already available as part of their health industrial instruments.

## **2. Responsibilities**

### **2.1. Health organisations**

#### **2.1.1. Chief Executives**

Chief Executives have the responsibility for:

- Taking reasonable steps to ensure the Scheme is applied consistently throughout their health organisation.
- Ensuring their health organisation has governance rules regarding the administration and application of the Scheme.
- Approving eligible positions for incentivisation within the scope of this Policy Directive. This cannot be delegated to subordinate officers.
- Controlling and managing the application of incentives across their health organisation, including ensuring incentives reflect need and scale accordingly.
- Approving incentive packages for health workers in eligible positions or delegating this responsibility to Directors of People and Culture.
- Ensuring available funding is maintained to support the scheme in their health organisation.

#### **2.1.2. Directors of People and Culture.**

Directors of People and Culture are responsible for:

- Recommending eligible positions for incentivisation to Chief Executives, including the quantum and scope of the incentives to be offered.
- Where delegated, approving incentive packages for health workers in eligible positions within the scope of this Policy Directive.
- Ensuring that appropriate information for staff members is provided to address the application of recruitment or retention incentives.
- Facilitating information sharing and managing required tasks for staff members eligible for priority transfer to another health organisation.
- Identifying recurrent funding for recruitment and retention of incentives that present ongoing costs to the health organisation before making recommendations.



### 2.1.3. Managers

Managers in health organisations are responsible for the identification of positions with hard-to-fill and critical vacancies and notifying their relevant People and Culture units.

## 2.2. NSW Ministry of Health

### 2.2.1. Workforce Planning and Talent Development Branch

The NSW Ministry of Health's Workforce Planning and Talent Development (WPTD) Branch is responsible for:

- Governance of the Scheme in NSW Health and the management of the policy framework.
- Providing advice on entitlements available under the Scheme and guiding health organisations to ensure the appropriate application of incentives.
- Advising health organisation Chief Executives and Directors of People and Culture of policy and Scheme rules.
- Determining locations by the Modified Monash Model.
- Approving the extension of incentives for positions identified with critical vacancies.

### 2.2.2. Workplace Relations Branch

The Workplace Relations Branch is responsible for:

- Liaising and negotiating with industrial associations and health organisations concerning applying incentives.
- Advising on matters with implications for statewide industrial relations.

### 2.2.3. Financial Accounting, Policy, Insurance and Revenue Branch

The NSW Ministry of Health's Tax Team is responsible for:

- Providing advice on the tax and superannuation implications of the incentives provided under the Scheme.
- Advising health organisations of the appropriate Fringe Benefits Tax (FBT) treatment for all incentive items being provided.
- Ensuring required information is collected to assess FBT implications and report the incentives into the NSW Health FBT return.

The NSW Ministry of Health's Finance Team is responsible for:

- Monitoring and enabling recurrent funding within yearly allocations as the Workforce Planning and Talent Development Branch outlines.
- Funding and expenditure reporting and tracking against the Scheme.





### 3. Location and Position Eligibility

#### 3.1. Eligible locations

NSW Health utilises the [Commonwealth Department of Health Modified Monash Model](#) (MM) to classify regional, rural, and remote locations. All locations within NSW are classified using the model to identify challenges regarding providing and accessing health services. Categories are clearly defined and available on the [Commonwealth Department of Health](#) website. Under this Policy Directive, incentives are available to roles within MM3 – MM7 locations but unavailable to roles within MM1 and MM2 locations.

#### 3.2. Eligible positions

Positions must be considered and approved by the health organisation's Chief Executive and deemed to meet the definition and criteria of positions with hard-to-fill and critical vacancies. Only those positions that satisfy the definition are eligible for consideration of incentives by health organisations.

##### 3.2.1. Positions with hard-to-fill vacancies

Positions can be defined as having hard-to-fill vacancies and eligible for hard-to-fill incentives when approved by the Chief Executive as:

- having an established history of being an occupational classification, professional classification, or specialist health worker classification that is hard to fill or high in turnover in the defined MM3 – MM7 locality, and
- having been advertised on at least two occasions in a six-month period and resulting in no suitable candidates being offered the position, and
- being critical to service provision, there is an urgent need to ensure service delivery or similar imperative where alternate workforce arrangements present costs to the health organisation above the value of the incentives available under this Policy Directive.

Classification of positions as hard-to-fill beyond the criteria specified above will only be available upon Chief Executives consulting and seeking the approval of the Workforce Planning and Talent Development Branch, NSW Ministry of Health.

##### 3.2.2. Positions with critical vacancies

Health organisations can apply to the NSW Ministry of Health to offer additional incentives to position with hard-to-fill vacancies that are considered further as critical. The health organisation's Chief Executive must endorse critical vacancies as:

- meeting the definition of a hard-to-fill position in the defined MM3 – MM7 locality, and
- a vacancy that results in concerns for the quality and safety of patient care and which, if left unresolved, may lead to significant service changes or service closures, and
- categorised using the enterprise-wide risk matrix as a significant risk with a consequence rating of A, B, C, D or E.

Approval to classify a position as having critical vacancies and extend additional incentives to these critical positions must be sought through the Workforce Planning and Talent Development Branch.

Positions classified as critical beyond the criteria specified above will only be available upon Chief Executives consulting and seeking the approval of the Workforce Planning and Talent Development Branch, NSW Ministry of Health.

### **3.3. Enterprise-wide Risk Matrix**

Health organisations must use the enterprise-wide risk matrix outlined in the NSW Health Policy Directive *Enterprise-wide Risk Management* ([PD2022\\_023](#)) to assess the critical nature of vacancies.

### **3.4. Reviewing eligible positions**

A register of positions determined and approved for incentives under this Scheme will be maintained by each health organisation and provided to the NSW Ministry of Health.

Health organisations are to review positions regularly to ensure positions remain within the criteria of this Policy Directive.

- Hard-to-fill positions are recommended to be reviewed every 12 months.
- Critical positions must be reviewed every 12 months.

Where there are changes to a position's eligibility or classification, and there is a reduction in the incentive package value, or the position is ineligible for incentivisation, impacted incentivised health workers in that position should be given 12 months' notice before incentives are adjusted or ceased.

### **3.5. Incentive packages for existing health workers**

When an eligible position is identified with existing health workers, health organisations may need to apply incentives to these health workers. These incentive packages are considered retention incentives. The value of the retention payments should equal the incentive package offered to new health workers recruited to the position, excluding any costs associated with relocation and accommodation.

### **3.6. Considerations for a class of roles**

Health organisations may need to consider applying incentives across a class of roles. Chief Executives must assess and approve the incentives to a class of roles, and flow-on must be limited only to those in the classification.

*For example, it may be necessary to incentivise Pharmacists at a location without providing incentives to Registered Nurses at the same location. Directors of People and Culture will need to manage communications sensitively with impacted staff and the relevant Union.*

## 4. Health Worker Eligibility

As a participating government agency, NSW Health and its health organisations can apply the full range of incentives offered under the NSW Department of Premier and Cabinet circular *C2010-41 Guidelines for Implementation of the Rural and Remote Incentive Scheme*, including those that would not ordinarily be available to health workers of the NSW Health system, to provide a more attractive remuneration package to assist with both recruitment and retention to eligible positions.

### 4.1. Conditions of employment

Health workers must be engaged under the *Health Services Act 1997* (NSW) and meet the criteria of a health worker as provided in the key definitions. Health workers must also fulfil all mandatory NSW Health requirements of employment as required for the position, for example, meeting vaccination requirements.

Health workers in eligible positions for less than full-time equivalent will be eligible for a pro-rata incentive package value based on their ordinary working hours. They may receive various individual incentives to their full value, provided the total incentives received remain within the pro-rata incentive package value.

### 4.2. Secondments and higher-grade duties

Incentives provided under the Scheme for an eligible and approved position are available for that position only.

Incentivised health workers who accept secondment and higher-grade positions, where the position is ineligible for incentives, may continue to receive their substantive incentives package for a short-term period of up to 2 months. After this period, their substantive incentives package will be suspended until they return to their incentivised position.

Where health workers do not return to their substantive incentivised position, they may be required to repay any incentives received as outlined in [Section 5 Repayment Requirement](#).

*For example, an incentivised health worker receiving an incentive package valued at \$5,000 accepts a secondment for six months in a non-incentivised position. The incentivised health worker has been receiving the RHWI allowance each fortnight. The health worker may continue to be paid their allowance for the next four fortnights in the two months from the commencement in their non-incentivised secondment position. After this period, the incentive allowance shall be suspended.*

### 4.3. Multiple incentivised positions

Health workers may only receive incentives up to the limit of 1 FTE, or 38 hours per week when expressed in hours. Health workers with multiple assignments across various incentivised positions may receive incentives up to the capped value commensurate to 1 FTE.

*For example, a Registered Nurse works in two positions, one of which is classified as hard-to-fill and the other critical. The Registered Nurse performs 0.5 FTE in both*

*roles, equal to 1 FTE. The Registered Nurse is eligible to receive the respective pro-rata incentives for each position.*

Health workers working in positions eligible for incentives across multiple health organisations must notify each health organisation. The health organisation is required to determine the eligibility of the health worker in each position.

Multiple incentivised positions that do not meet the definition will only be available upon Chief Executives consulting and seeking the approval of the Workforce Planning and Talent Development Branch, NSW Ministry of Health.

#### **4.4. Subsequent incentive packages**

Health workers who leave one incentive-based position and take up another incentive-based position may be eligible for a subsequent incentive package if they meet the requirements in the table below. Health workers must disclose any incentive package they may have or are currently receiving to existing or new health organisations.

Tracking existing incentive packages in current incentivised positions is the responsibility of the current health organisation.

Offering a subsequent incentive package must take into consideration the following:

- The intent of this Scheme, and
- The time served in the current incentivised position, and
- The location's MM classification of the new incentivised position.

**Table 1. Eligibility of health workers for subsequent incentive packages**

<b>Time served in the position</b>	<b>Lesser MM</b>	<b>Same MM</b>	<b>Higher MM</b>
Within 2 years of commencement in the position.	Ineligible for a subsequent incentive package.	If in the same health organisation – eligible for a subsequent incentive package. If in a new health organisation – they are ineligible for a subsequent incentive package.	Eligible for a subsequent incentive package.
After 2 years of commencement in the position.	Eligible for a subsequent incentive package.		

Repayment of incentives received to date may be required if a health worker leaves a position within 18 months of receiving incentives, as outlined in [Section 5 Repayment Requirement](#).

Providing a subsequent incentive package in scenarios that do not meet the definitions above will only be available upon Chief Executives consulting and seeking the approval of the Workforce Planning and Talent Development Branch, NSW Ministry of Health.

#### **4.5. Receiving other incentives and benefits**

Health workers receiving incentives and benefits not prescribed as an award entitlement under any other NSW Health incentive scheme are not entitled to receive incentives under this Policy Directive. Health organisations are responsible for ensuring that any health worker who seeks to be covered under this Policy Directive is not covered under any other NSW Health incentive scheme.

This Policy Directive only provides incentives and benefits to health workers who are not incentivised under other NSW Health incentive schemes. Health organisations must ensure that their health workers are not already receiving incentives from other NSW Health incentive schemes before seeking coverage.

### **5. Repayment Requirement**

Health workers who receive an incentive package are required to repay if they leave their incentivised position within 18 months of receiving the incentive. Health organisations are responsible for determining whether a repayment is required and informing the health worker.

#### **5.1. Changes to employment conditions**

If a health worker's employment situation changes, eligibility for the Scheme may also be affected. Health workers may be required to repay, which is determined by the nature of the change in employment situation.

*For example, a health worker initially accepts an incentive package reflective of a permanent full-time position where they are contracted to 38 hours of work per week. After six months of work, the health worker is reduced to a permanent part-time position, employed for 19 hours per week. The health worker accepted a \$5,000 lump sum payment as their incentive package. Due to the 50% reduction in hours for the remaining six months, they would be obliged to repay 50% of the 'remaining' \$2,500 value (or \$1,250) to reflect the change in hours.*

#### **5.2. Commitment to service and repayments**

Health workers receiving a new incentive package under the Scheme must repay if they leave their position within the first 18 months from when the incentive was applied. Health workers contracted for less than 18 months are also required to repay if the contract term is not fulfilled.

Health workers leaving an incentivised position to take up another position at a higher MM classification within 18 months are not required to make repayments.

Repayment requirements are specified in the table below and apply to all health workers.

**Table 2. Repayment requirements as calculated by time served**

Time served in the position	Repayment requirement
Less than 6 months	100% of gross incentive payments received to date
Greater than 6 months and less than 12 months	65% of gross incentive payments received to date
Greater than 12 months and less than 18 months	35% of gross incentive payments received to date
Greater than 18 months	No repayment requirement

Health organisations must seek repayments as soon as possible and make appropriate adjustments to taxation records, superannuation records, and payment summaries where relevant.

Repayment requirements can be waived in exceptional circumstances by Chief Executives.

## 6. Available Incentives

Health organisations may offer one or all of the incentives to health workers in eligible positions outlined in the structure of available incentives. Where exceptional scenarios or circumstances exist or where the application of incentives is out of the scope of this Policy Directive, a case-by-case assessment will be required.

The provision of monetary or non-monetary benefits under the Scheme as part of any incentive package are to be provided in proportion to the hours worked by a health worker in the incentivised position.

Health organisations must comply with the [Section 6.2 Structure of available incentives](#). Chief Executives are expected to apply considered discretion and factor the potential flow-on of entitlements to existing health workers in decision-making.

### 6.1. Considerations for MM6 and MM7 locations

Eligible positions approved as hard-to-fill by Chief Executives under the Scheme at MM6 and MM7 locations are deemed as critical. Further approval from the NSW Ministry of Health is not required.

Broken Hill, which is classified as MM3, given its remoteness, can classify its positions and offer incentives equivalent to those of an MM6 location.

### 6.2. Structure of available incentives

The following table outlines the incentives for the MM location and position classification. Incentive packages are calculated, valued, and paid on a 12-month basis. Health organisations may review a health worker's incentive value package on a 12-month basis. Definitions for each incentive are provided in [Appendix 1 Definitions and conditions of available incentives](#).

**Table 3. Available incentives by MM location and position classification**

	Hard to Fill	Critical
MM3 & MM4 locations	<p><b>Base incentives:</b></p> <ul style="list-style-type: none"> <li>• Relevant award entitlements</li> <li>• Accommodation assistance</li> </ul> <p><b>Packaged incentives up to \$5,000:</b></p> <ul style="list-style-type: none"> <li>• Rural and regional health allowance</li> <li>• Reimbursement of personal computer and internet expenses</li> <li>• Professional development</li> <li>• Additional personal leave</li> <li>• Return airfare home</li> </ul>	<p><b>Base incentives:</b></p> <ul style="list-style-type: none"> <li>• Relevant award entitlements</li> <li>• Accommodation assistance</li> </ul> <p><b>Packaged incentives up to \$10,000:</b></p> <ul style="list-style-type: none"> <li>• Rural and regional health allowance</li> <li>• Reimbursement of personal computer and internet expenses</li> <li>• Professional development</li> <li>• Additional personal leave</li> <li>• Return airfare home</li> <li>• Relocation benefits</li> <li>• Compassionate travel</li> </ul>
MM5 locations	<p><b>Base incentives:</b></p> <ul style="list-style-type: none"> <li>• Relevant award entitlements</li> <li>• Accommodation assistance</li> </ul> <p><b>Packaged incentives up to \$10,000:</b></p> <ul style="list-style-type: none"> <li>• Rural and regional health allowance</li> <li>• Reimbursement of personal computer and internet expenses</li> <li>• Professional development</li> <li>• Additional personal leave</li> <li>• Return airfare home</li> <li>• Compassionate travel</li> </ul>	<p><b>Base incentives:</b></p> <ul style="list-style-type: none"> <li>• Relevant award entitlements</li> <li>• Accommodation assistance</li> <li>• Relocation benefits</li> <li>• Family travel assistance</li> </ul> <p><b>Packaged incentives up to \$10,000:</b></p> <ul style="list-style-type: none"> <li>• Rural and regional health allowance</li> <li>• Reimbursement of personal computer and internet expenses</li> <li>• Professional development</li> <li>• Additional personal leave</li> <li>• Return airfare home</li> <li>• Compassionate travel</li> </ul>

	Hard to Fill	Critical
<b>MM6 locations</b>	<p><b>Base incentives:</b></p> <ul style="list-style-type: none"> <li>• Relevant award entitlements</li> <li>• Accommodation assistance</li> <li>• Relocation benefits</li> <li>• Family travel assistance</li> </ul> <p><b>Packaged incentives up to \$10,000:</b></p> <ul style="list-style-type: none"> <li>• Rural and regional health allowance</li> <li>• Reimbursement of personal computer and internet expenses</li> <li>• Reimbursement of utilities expenses</li> <li>• Professional development</li> <li>• Study assistance</li> <li>• Additional personal leave</li> <li>• Return airfare home</li> <li>• Compassionate travel</li> <li>• Transfer incentives (<i>Ministry of Health approval required</i>)</li> </ul>	
<b>MM7 locations</b>	<p><b>Base incentives:</b></p> <ul style="list-style-type: none"> <li>• Relevant award entitlements</li> <li>• Accommodation assistance</li> <li>• Relocation benefits</li> <li>• Family travel assistance</li> <li>• Credit for study leave (<i>Ministry of Health approval required</i>)</li> </ul> <p><b>Packaged incentives up to \$10,000:</b></p> <ul style="list-style-type: none"> <li>• Rural and regional health allowance</li> <li>• Reimbursement of personal computer and internet expenses</li> <li>• Reimbursement of utilities expenses</li> <li>• Professional development</li> <li>• Study assistance</li> <li>• Additional personal leave</li> <li>• Return airfare home</li> <li>• Compassionate travel</li> <li>• Transfer incentives (<i>Ministry of Health approval required</i>)</li> </ul>	

## 7. Leave Matters

Health workers in incentivised positions are eligible to utilise agreed incentives that provide additional leave under the Scheme and leave entitlement provided under their industrial instruments.

Any monetary incentives will continue to be paid at the appropriate pro-rata'd amount for all paid leave.



*For example, a Registered Nurse works full-time in a hard-to-fill position and receives a rural and regional health allowance paid fortnightly (for this example, \$192). They then take long service leave at half pay for 26 weeks. As a result, the allowance will be paid at \$96 per fortnight.*

For all unpaid leave, incentive payments are to be suspended from the first date of unpaid leave, except for accommodation assistance, which can be paid for up to 2 months.

*For example, a Registered Nurse works full-time in a hard-to-fill position and receives a rural and regional health allowance paid fortnightly (approximately \$192). They then opt to take full-pay long service leave for ten weeks, during which the allowance will continue to be paid in full at approximately \$192 per fortnight. The health worker then elects to take unpaid long-service leave for ten weeks, during which the allowance will be suspended for ten weeks.*

Incentives paid during periods of leave outside the above definition will only be available upon Chief Executives consulting and seeking the approval of the Workforce Planning and Talent Development Branch, NSW Ministry of Health.

## **8. Tax and Superannuation**

Health organisations are to consult with the NSW Ministry of Health Tax Team on the appropriate tax treatment for all incentive items (including accommodation assistance) being provided. Further information on the relevant tax applications is available through relevant resource libraries or the NSW Ministry of Health Tax Team.

Individual health workers are advised to consult a financial adviser before finalising their package. The incentive package made available to individual health workers must be valued at its gross value.

### **8.1. Fringe benefits tax**

Any fringe benefits tax liability is not included in the package value. The employing health organisation is responsible for payment of any fringe benefits tax incurred, which the health organisation can cost to the scheme's funding.

Health organisations must provide appropriate information to the NSW Ministry of Health Tax Team to ensure all incentives are accurately reported within the NSW Health Fringe Benefits Tax return.

Incentives offered that are reportable fringe benefits (where the health worker's total taxable value of certain benefits exceeds \$2,000 in a year) are required to be reported as a "reportable fringe benefit amount" (RFBA) on health worker income statements (previously known as payment summary).

Total RFBA is not taxable income but is considered when assessing eligibility for certain government benefits and concessions such as Medicare Levy Surcharge, Higher Education Loan Payment (HELP), superannuation benefits, child support and family assistance.

## **8.2. Superannuation**

Health organisations are responsible for paying the appropriate amount of superannuation as required by legislation or as advised by the NSW Ministry of Health Tax Team. For the purposes of the Policy Directive, the proper amount of superannuation at the time of payment of applicable incentives is to be in addition to the incentive value. This is then recuperable from the scheme funding. Where superannuation applies to the incentive, payroll will automatically apply this.

*For example, the superannuation required by legislation at the time was 11%, and the health worker only received the rural and regional health allowance to the value of \$5,000. This allowance is subject to compulsory superannuation contribution, where the \$550 superannuation payment would be in addition to the \$5,000.*

## **9. Record Keeping**

Health organisations must keep a record of all roles and positions identified as hard to fill or critical vacancies and all health workers in receipt of an incentivised remuneration arrangement.

The guidelines in *C2010-41 Guidelines for Implementation of the Rural and Remote Incentive Scheme* outline the records required to be maintained at the health organisation level.

The NSW Ministry of Health will provide health organisations with the necessary tools and resources to record this information and consequently retain a Register of Positions.

Health organisations are expected to comply with record-keeping requirements as instructed by the NSW Ministry of Health.

## **10. Appendices**

1. Definitions and conditions of available incentives

## 10.1. Definitions and conditions of available incentives

The table below provides the definitions and conditions for incentives available under the Scheme. These have been adapted from the NSW Department of Premier and Cabinet circular *C2010-41 Guidelines for Implementation of the Rural and Remote Incentive Scheme* and the *Crown Employees (Transferred Employees Compensation) Award*.

The definitions and limits provided within these documents may have been adapted or expanded to apply to NSW Health services and its health organisations.

Incentives beyond the scope and definition outlined below will only be available upon Chief Executives consulting and seeking approval from the Workforce Planning and Talent Development Branch, NSW Ministry of Health.

**Table 4. Definition and conditions of available incentives**

Incentive	Conditions and Inclusions
<p><b>Accommodation Assistance</b></p> <p>Accommodation assistance assists within a defined period in the payment and residence costs, whether in a commercial or privately owned property.</p> <p>It differs from relocation benefits in that it has a broader application and does not need to be aligned with activities related to moving locations because of employment.</p>	<p>Accommodation assistance is a base incentive.</p> <p>Accommodation assistance can be provided in the following accommodation scenarios:</p> <ul style="list-style-type: none"> <li>Health leased accommodation</li> <li>Health owned accommodation</li> <li>Staff identified accommodation where the health organisation pays for or subsidises rent</li> </ul> <p>The following rules are to be applied to accommodation assistance incentives being offered to eligible candidates:</p> <ul style="list-style-type: none"> <li>At MM3 – MM5 locations, costs for short-term accommodation should be limited to 3 months</li> <li>At MM6 – MM7 locations, costs for short-term accommodation should be limited to 12 months</li> <li>For staff-identified accommodation where the health organisation pays for or subsidises rent, this should be at the market rate for a suitably sized property to the health worker's situation or be at a 3-star property</li> </ul> <p>Accommodation assistance is limited to rent payments and commercial accommodation payments.</p>
<p><b>Additional personal leave</b></p>	<p>Additional personal leave forms part of the incentive value package. An additional leave limit of up to 38 hours per 12-month period may be agreed upon as part of any incentive package. This is identified within NSW Health as 'RHWIS Personal Leave'.</p>
<p><b>Compassionate travel</b></p>	<p>Compassionate travel forms part of the incentive value package.</p> <p>Compassionate travel requires documented evidence of major illness, death, or the requirement that the health worker or a family member of the health worker require specialist medical treatment and/or hospitalisation.</p> <p>Return domestic travel costs (including economy airfare) to the nearest capital city in the event of major illness or death in a health worker's immediate family.</p> <p>Reasonable economy travel &amp; accommodation costs when the health worker or a family member residing with the health worker</p>



## Rural Health Workforce Incentive Scheme

Incentive	Conditions and Inclusions
	requires specialist medical treatment and/or hospitalisation at the nearest suitable facilities outside the employment location.
<b>Credit for study leave</b>	<p>Credit for study leave is only offered at MM7 locations as a base incentive.</p> <p>Additional study leave is provided when a health worker is enrolled in an accredited and approved program from a recognised tertiary institution and has completed 3-years of full-time service (equivalent to 5,928 hrs) in their incentivised MM7 position.</p> <p>Health workers can access one semester (equivalent to 16 weeks) of leave. The health worker must demonstrate that they were enrolled into an approved and accredited study program for 16 weeks, such as through an academic transcript or proof of enrolment with academic calendar dates.</p> <p>Provided each request satisfies all requirements, an incentivised health worker may use their additional study leave incentive for more than one request until the 16 weeks are exhausted.</p>
<b>Family travel assistance</b>	<p>Family travel assistance is a base incentive for critical vacancies at MM5 locations, as well as at MM6 and MM7 locations.</p> <p>2 return economy airfares per 12 months for family members, usually part of the health worker's household, to travel to and from the nearest capital city.</p>
<b>Professional Development</b>	<p>Professional development forms part of an incentive value package.</p> <p>In the context of the RHWIS, additional professional development leave can be taken for purposes related to ongoing professional development, such as attending conferences, training seminars, and educational courses.</p> <p>A limit of up to 38 hours of additional leave per 12 months may be agreed to as part of any incentive package. This is identified within NSW Health as 'RHWIS Professional Development'.</p> <p>Health workers will be required to demonstrate that they are enrolled in, participating in, or undertaking activities related to professional development.</p>
<b>Reimbursement of computer and internet expenses</b>	<p>Computer and internet reimbursement forms part of the incentive value package.</p> <p>Purchase of a personal computer by health workers on commencement and payment of costs of an appropriate domestic internet connection, including establishment and ongoing fees.</p>
<b>Reimbursement of utility expenses</b>	<p>Reimbursement of utilities is offered at MM6 and MM7 locations and forms part of the incentive value package.</p> <p>Up to 100% of the connection cost and ongoing expenses for domestic power, landline, and mobile phones.</p>
<b>Relevant Award Entitlements</b>	Award entitlements are not considered as part of the incentive value package.
<b>Relocation benefits</b> Relocation benefits have been partially adapted from the <i>Crown Employees (Transferred Employees Compensation) Award C7845 (TECA)</i> .	<p>Relocation benefits form part of the incentive value package for critical vacancies at MM3 &amp; MM4 locations.</p> <p>Relocation benefits are a base incentive for MM5 locations where the position is critical and at MM6 and MM7 locations.</p>



Incentive	Conditions and Inclusions
<p>Not all incentives reflected in the TECA have been adopted by NSW Health.</p>	<p>Relocation benefits cover expenses incurred by the health worker because they must move from their current residence to another place of residence to fulfil employment responsibilities.</p> <p>NSW Health offers the following relocation benefits:</p> <ul style="list-style-type: none"> <li>• <b>Special relocation leave</b> of up to 38 hours valued at the health worker's equivalent base hourly rate to carry out any relocation activities, including: <ul style="list-style-type: none"> <li>○ Arranging storage, or</li> <li>○ Occupying and settling into new premises, or</li> <li>○ Preparing and packing personal and household effects, or</li> <li>○ Traveling to the new location to commence service, clean vacating premises</li> <li>○ Visiting new locations to obtain accommodation</li> </ul> </li> <li>• <b>Travelling and meal expenses</b> for the health worker and one member of the household to travel to the new location for a reconnaissance trip or to commence work, including: <ul style="list-style-type: none"> <li>○ One economy airfare or reimbursement for the use of a private vehicle to be calculated at the official business rate</li> <li>○ Meal expenses related to travel purposes as set out in the Premier's Department <a href="#">C2023-02 Meal, Travelling and Other Allowances for 2023-24</a>, or as amended, for the new location.</li> </ul> </li> <li>• <b>Temporary accommodation</b> when the health worker is taking up a permanent position and is in the process of relocating; temporary accommodation can be provided commercial accommodation such as hotels or privately rented accommodation for up to 2 months during relocation</li> <li>• <b>Removal and storage expenses</b>, including: <ul style="list-style-type: none"> <li>○ Insuring household effects because of relocation for service, retirement, or where the health worker dies of up to \$8,000</li> </ul> </li> <li>• <b>Education for children expenses</b> including: <ul style="list-style-type: none"> <li>○ Accommodation expenses up to \$56 per week for each dependent child undertaking Year 12 studies where elected subjects are not available at the school in the new residential location, where a Department of Education certificate is provided as evidence</li> <li>○ Reimbursement of essential school clothing and ancillary items for each dependent child who is required to change school because of the relocation up to \$8,000</li> </ul> </li> <li>• <b>Reimbursement of transaction expenses</b> because of the need to sell a residence at the former location or for the acquisition of a new residence at the new location. Can only be paid within 24 months of relocation and for a maximum property value of \$520,000 (other than stamp duty), conditions being:</li> </ul>



## Rural Health Workforce Incentive Scheme

Incentive	Conditions and Inclusions
	<ul style="list-style-type: none"> <li>○ Stamp duty in full on any purchase where the health worker occupies the property within 15 months, or stamp duty to the maximum property value of \$520,000 where the health worker occupies the property after 15 months but within 24 months from the date of commencement in the incentivised position</li> <li>○ Professional costs and disbursements of a solicitor or registered conveyancing company</li> <li>○ Real estate agent commission on the sale of former residence</li> <li>○ Registration fees on transfers and mortgages on the residence or the land and a house erected on the land</li> </ul> <ul style="list-style-type: none"> <li>● <b>Reimbursement of incidental costs</b> because of the need to sell the residence at the former location or for the acquisition of a new residence at the new location up to \$8,000.</li> </ul>
<b>Return airfare home</b>	<p>Return airfare home forms part of the incentive value package.</p> <p>One domestic return economy airfare to the health worker's home base per 12 months or equivalent motor vehicle allowance where air travel is not practicable.</p> <p>A health worker's home base would apply to those who have adopted an out-of-area employment model.</p> <p>Should a health worker have relocated to the place of work, then the health worker can nominate a location in Australia where other family or equivalent are based as their "home base".</p>
<b>Rural and regional health allowance</b>	<p>The rural and regional health allowance forms part of the incentive value package. It is payable either in a lump sum or recurring allowance.</p> <p>Limits for the incentive value package are determined based on the vacancy classification of the position.</p>
<b>Study assistance</b>	<p>Study assistance forms part of the incentive value package at MM6 and MM7 facilities.</p> <p>Up to 4 hours of study time a week plus additional study assistance leave for block attendance.</p> <p>The 4 hours of study time is included in the working hours, e.g., a health worker is contracted for 38 working hours per week, which would then be counted as 34 working hours and 4 study hours. The total monetary value of these hours is calculated based on the health worker's equivalent base hourly rate and counted as part of the incentives value package.</p> <p>Additional study assistance leave can be paid as special leave for study blocks. The total monetary value of these hours is calculated as part of the incentive value package.</p>
<b>Transfer incentives</b>	<p>This incentive provides a health worker who completes 3-years of continuous service in an incentivised position at an MM6 and MM7 facility to:</p> <ul style="list-style-type: none"> <li>● Return to a substantive position, or</li> </ul>

Incentive	Conditions and Inclusions
	<ul style="list-style-type: none"> <li>• Priority transfer to a preferred and nominated location</li> </ul> <p>Appointments to Broken Hill and Moree may be treated as eligible for priority transfer in line with this clause if identified as a hard-to-fill and critical vacancy and with prior approval of the Ministry of Health.</p> <p>Transfer incentives are not monetary and can only be attained once a health worker reaches a continuous service of 3 years in the current role, excluding periods of leave without pay for more than two months.</p> <p><b>Substantive transfer incentive:</b></p> <p>For a return to a substantive position, the home health organisation must accept the return of the health worker at their former level, and the right to return to service must not be withheld. If the health worker's former role has been filled, they must be appointed to the most appropriate position commensurate to their grade and experience before taking up the incentivised position.</p> <p><i>For example, a Registered Nurse 6th year accepts an incentivised 3-year appointment to an MM5 location as a Nursing Unit Manager Level 1. They have negotiated a return to a substantive position. On completing the 3-year appointment, the return to the substantive position will be at their substantive Registered Nurse classification, with appropriate consideration of what service should be counted towards their increment.</i></p> <p><b>Priority transfer incentive:</b></p> <p><i>Responsibilities of the Ministry of Health:</i></p> <ul style="list-style-type: none"> <li>• Approving the transfer incentive</li> <li>• Ensuring that appropriate discussions are undertaken by both participating health organisations</li> <li>• Ensuring that the Chief Executive of the receiving health organisation are aware of the responsibilities required for the health organisation at the end of the health worker's 3-year term</li> </ul> <p>Once WPTD has provided approval, this must be included by the health organisation as part of the prescribed component of the incentive package on offer to the health worker.</p> <p><i>Responsibilities of the health organisation:</i></p> <p>Health organisations must submit via brief or correspondence to the WPTD requesting approval of a transfer incentive. The brief or correspondence should include the following details:</p> <ul style="list-style-type: none"> <li>• Health worker name</li> <li>• Position and facility that the health worker is filling</li> <li>• <i>For substantive positions:</i> grade and increment of the health worker in their substantive position</li> <li>• <i>For priority transfers:</i></li> </ul>



## NSW Health

### Rural Health Workforce Incentive Scheme

Incentive	Conditions and Inclusions
	<ul style="list-style-type: none"> <li>○ Grade that the health worker in their position immediately before accepting the incentivised position, and</li> <li>○ The preferred facility the health worker would like to transfer to at the end of their 3-year term.</li> <li>● Confirmation that the health organisation offering the incentive has had appropriate discussions with the receiving health organisation</li> <li>● Confirmation and include evidence of the approval by the Chief Executive of the receiving health organisation</li> </ul> <p>Transferring health organisations must confirm service to the receiving health organisation for priority transfer incentives.</p>