Special Commission of Inquiry into Healthcare Funding

Statement of Philip Minns

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1. I have provided two statements to this Inquiry dated 9 April 2024 (**MOH.9999.0764.0001**) and 7 June 2024 (**MOH.9999.0764.0001**). This, my third statement, which accurately sets out the evidence that I would be prepared, if necessary, to give to the Inquiry. The statement is true to the best of my knowledge and belief.

A. INTRODUCTION

2. I am the Deputy Secretary, People, Culture and Governance of NSW Health.

3. As outlined in my previous statements, in this role, I am responsible for the People, Culture and Governance Division, which comprises of branches specifically relevant to this Term of Reference including the Nursing and Midwifery Office, led by the Chief Nursing and Midwifery Officer, the Workforce Planning and Talent Development Branch and the Workplace Relations Branch by both Executive Directors.

B. SCOPE OF STATEMENT

4. This statement addresses Term of Reference F concerning the current capacity and capability of the NSW Health Workforce to meet the needs of patients and staff and also addresses the topics set out in the correspondence dated 23 May 2024 issued to the Crown Solicitor's Office and also Issues Paper 1/24 relevant to my role.

5. I have reviewed the data report of Rian Thompson dated 16 July 2024 and the data contained in that report has been used as a source for this statement.

C. NSW HEALTH WORKFORCE

6. As at June 2024, NSW Health had a Full Time Equivalent (**FTE**) of 139,881 employees, 74% of which are clinical, 22% are front line support staff and 4% are corporate staff. Comprising 15,798 medical staff and 56,523 nursing staff, 13,350 allied health and 6,390 ambulance staff FTE. All clinical workforces have increased FTE between June 2019 and June 2024, with the biggest growth seen in nursing

(+12.8%), medical (+15.1%), allied health (+17.9%) and Ambulance (+35.4%). The total headcount at the end of June for NSW Health Local Health Districts (**LHDs**), Specialty Health Networks (**SHNs**) and Statewide Services was 163,590 individuals.

D. GOVERNANCE

7. In terms of the Ministry of Health's (**MOH's**) role in workforce governance, the People, Culture and Governance Division provides strategic and operational direction and supports capacity for health organisations to implement mandated strategies and decisions. The Division does, at times, become more involved in operational Workforce matters depending on risks identified or when there is a demonstrated need for a systemwide resolution to a local issue.

8. MOH holds centralised administration over certain key employment functions, policy, and strategy which provides the capability to ensure the workforce and its associated labour cost is sustainable. As the system manager, MOH also provides some capacity to adjust market drivers using an equity approach to influence workforce supply across the areas of need. For example, the Rural Health Workforce Incentive Scheme was introduced in July 2022 enabling NSW Health Organisations to offer incentives and benefits outside award entitlements to attract, recruit, and retain health workers in hard to fill positions and critical vacancies in regional, rural, and remote locations.

9. LHDs, SHNs, Agencies and Pillars use the strategic and operational guidance provided by MOH to inform their own workforce plans and strategies, ensuring they are tailored and responsive to local need. For example, in an organisation the scale of NSW Health with 163,000 people, the continuous high volume of recruitment activity requires structured processes to ensure compliance with government principles set out in the *Government Sector Employment Act 2013* and supporting regulations and rules. MOH sets policy and minimum standards through the *Recruitment and Selection of Staff to the NSW Health Service* Policy Directive PD 2023_24, and the public health organisations implement local procedures and processes to support effective outcomes and policy compliance. The Recruitment and Onboarding (**ROB**) system (the recruitment IT system), is configured to support procedural compliance, limiting actions that do not accord with the policy framework. A copy of PD2023_24 is exhibited to this statement (**MOH.0010.0064.0001**).

10. A table of the policies currently applicable to NSW Health employees is exhibited to this statement (**MOH.0010.0301.0001**). In addition to frameworks, guidelines and

policies set by MOH for the whole system, LHDs and SHNs may set additional requirements and I am informed and believe that the exhibited list sets out each LHDs/SHNs relevant framework, guideline and/or policy.

11. NSW Health operates in a devolved governance structure. LHD and SHNs decide the composition of their workforce to meet their activity targets. Those targets are set by reference to their population and health care needs. Decisions on the development and implementation of workforce models are multifactorial and are focused on providing high quality, value-based health care.

12. The *NSW Health Workforce Plan 2022-2032* (**SCI.0001.0043.0001**) was developed contemporaneously with Strategic Outcome 4 of the Future Health Strategy. The purpose of the Plan is to promote the strategies and initiatives that will build and enable our workforce to provide a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, invests in wellness and is digitally enabled. It has identified 6 workforce-related priorities:

    i. Build positive work environments that bring out the best in everyone.

    ii. Strengthen diversity in our workforce and decision-making.

    iii. Empower staff to work to their full potential around the future care needs.

    iv. Equip our people with the skills and capabilities to be an agile, responsive workforce.

    v. Attract and retain skilled people who put patients first.

    vi. Unlock the ingenuity of our staff to build work practices for the future.

E. WORKFORCE SUPPLY AND DISTRIBUTION

13. The monitoring of positions under recruitment is not the most useful mechanism for monitoring rates of attrition and retention in NSW Health. As at 8 July 2024, there are 1198 open recruitment requisitions (positions under recruitment) in the NSW Health Recruitment and Onboarding system. While this is a typical number of open requisitions, it can understate the number of positions sought to be filled, because a given requisition might be for multiple positions in the one role. For example, a single nursing requisition may be open for 10 vacant positions. This level of activity is consistent with a healthy turnover rate in an organisation the size of NSW Health. Raw vacancy numbers are difficult to rely upon as an indicator of supply challenge

given the regular turnover in the workforce. There are also variations in turnover by geography and by specialty.

14. These requisitions do not mean the duties of these roles are unmet. When clinical vacancies occur, premium labour is sourced to meet these gaps in order to maintain service provision. Premium labour is labour that is more expensive than is ordinarily the case. The premium labour is sourced through various means, including by offering overtime, asking part time staff to work additional hours, contacting staff on casual lists and procuring staff through labour supply agencies. Staff recruited by these means include Nurses, Midwives and Medical Locums. As such, tracking requisitions does not assist to accurately identify and manage emerging areas of workforce need.

15. Accordingly, when vacancies arise in our system, the focus needs to be on sourcing premium labour to maintain services and to commence recruitment activity while also centrally focusing on strategies and initiatives to support the availability and supply of the workforce across the state.

Rural and Regional Workforce

16. Despite significant investment, NSW Health continues to have challenges recruiting and retaining a sustainable workforce in rural and regional areas which has created a maldistribution of the workforce, with a concentration in metro areas. This challenge is not unique to NSW Health or Australia, with Canada and France reporting similar difficulties including the French National Academy of Medicine quoting a 2023 French Senate report advising "30% of the French population lives in a medical desert". A copy of the Press Release of the French National Academy of Medicine is exhibited to this statement (**MOH.0010.0344.0001**). See also, a journal article *'A French classification to describe medical deserts: a multi-professional approach based on the first contact with the healthcare system,'* published in the International Journal of Health Geographics. A copy of the report is exhibited to this statement (**MOH.0010.0346.0001**). See for example, a report prepared by the Sax Institute, *Rural healthcare: Paper 1: "Changes in rural medical workforce and health service delivery since 1990"*, p. 5. A copy of the report is exhibited to this statement (**MOH.0010.0299.0001**).

17. Factors impacting the ability to attract staff to relocate to rural and regional areas include:

a. relocation needs for families including partner employment and childcare/schools for children.

b. the undesirability for many of working in relative isolation.

c. changing demographics of the NSW Health workforce including gender and age, including the age of entry into specialist training.

d. lack of suitable accommodation in some contexts.

e. perceptions of a lack of available support, reduced career opportunities and/or training opportunities.

f. population decline in small rural towns and the associated impact on town infrastructure and services, including transport and access services.

g. on-call requirements that become onerous where there is a shortage of colleagues to provide the service.

18. Compounding this, NSW Health is challenged by clinical staff skill shortages across a range of medical, allied health and nursing and midwifery specialties. NSW Health modelling, cited in the statement of Richard Griffiths, Executive Director, Workforce Planning and Talent Development, suggests there are clinical staff skill shortages in 14 of 64 medical specialties, 13 of 23 allied health professions and in midwifery and nursing (both registered and enrolled nurses) in regional areas.

19. An associated challenge in rural and regional areas is managing the community's expectations for health service delivery. For example, the shift to a digitally enabled health system including virtual care and telemedicine can uniquely benefit rural and regional communities to access quality care in a timely way. myVirtualCare was developed by NSW Health and introduced in November 2019. It is a custom-built web-based videoconferencing platform that helps patients, healthcare providers and carers to access and manage care. myVirtualCare was scaled up to support the NSW COVID-19 response and released across the state in September 2020. At the end of a myVirtualCare session, patients or carers are invited to complete a short survey about their experience using the platform. A survey was undertaken between July 2021 and March 2022 and during that time, 25,759 surveys were completed across 15 LHDs and two SHNs. Overall survey respondents were positive about their

experience using myVirtualCare and 78% rated their virtual care as "very good" and 18% rated it as "good". This survey was replicated again between April 2022 and June 2023 and saw 16,959 surveys completed with 81% of survey respondents rating their virtual care as "very good" and 14% rating as "good". A copy of the survey results for July 2021 to March 2022 and April 2022 to June 2023 are exhibited to this statement (**MOH.0010.0304.0001**) and (**MOH.0010.0305.0001**), respectively.

20. NSW Health uses comprehensive planning tools to ensure health services are developed based on population needs and in a way that delivers the best health outcomes. It is neither sustainable nor clinically appropriate to deliver the same level of services in all areas of the State. When planning services, it is critical that specialised and sub specialised medical services are identified as being performed in sufficient volume and frequency at locations in order for clinicians to remain proficient in the procedure.

Strategies to address workforce supply and maldistribution issues

21. There are several strategies in place to address workforce supply and maldistribution issues, including:

    a. Building capability of current workforce through developing targeted education and/or training programs.

    b. Growing and supporting the pipeline of workforces with skill shortages through funding and managing a range of scholarships/cadetships.

    c. Overseas recruitment – LHDs such as Western NSWLHD, South Eastern Sydney LHD and Sydney LHD have had success in partnering with recruitment agencies internationally to identify suitable candidates to recruit to NSW Health.

    d. Mobilisation of the workforce – NSW Health can support short term workforce skills shortages by enabling our workforce to work flexibly in terms of hours, skill set and/or location and can respond in an agile way during times of crisis. This was demonstrated in COVID where the vaccination clinics were mobilised and during the bushfires where staff were re-deployed into other LHDs. To sustain this capability, the Central Resource Unit (**CRU**) was established in May 2023 to deliver centrally coordinated support through mobilisation of workforce to areas of need, particularly as the system recovered from the COVID-19 pandemic. CRU has proven to be successful and has deployed workforce to

areas that have struggled with ongoing workforce supply. MOH is scaling the CRU to employ 400 FTE over the next 3 years to support an ongoing pipeline of deployable health professionals across the system. A copy of the business case for CRU is exhibited to this statement (**MOH.0010.0303.0001**).

CRU Deployments: 1 May 2023 – 6 June 2024

Award	Job Speciality	Number Deployments	FTE
Nursing	Registered Nurse	56	228
Nursing	Enrolled Nurse	24	95
Allied Health	Radiographer	13	75
Allied Health	Physiotherapist	17	68
Allied Health	Allied Health Assistant	5	33
Allied Health	Occupational Therapist	5	33
Allied Health	Pharmacist	10	29
Allied Health	Speech Pathologist	4	26
Allied Health	Social Worker	4	23
Allied Health	Dietitian	2	13
Allied Health	Exercise Physiologist	5	9
Allied Health	Clinical Psychologist	1	3
Allied Health	Podiatrist	1	1
Total		**147**	**636**

NB: All staff are deployed on a fulltime basis. One deployment per week equals one FTE.

22. Regional Medical Workforce Programs are designed to attract more doctors to rural locations where they are needed most. For example, the NSW Rural General Practice Procedural Training Program targets GP specialists to undergo additional training in an advanced skill. NSW funds the positions for training in the LHDs, over and above their employee related budgets, and the GP Fellows are paid equivalent to a staff specialist while fulfilling a training position. These doctors then become rural generalists.

23. The Rural Preferential Recruitment Program is a program for final year medical students to preference a rural hospital to complete their first two years as a doctor (intern and resident medical officer years). Under this program, the students have first choice of location and do not have to rotate to other sites to complete their training. The Rural Generalist Training Program Advanced Skills Training Program target GP trainees to train as Rural Generalists by funding advanced skills training positions in NSW facilities (extra funding for LHDs over and above their employee related

budgets). Trainees are also provided with a $3,000 rural generalist scholarship and receive guided support throughout their training by Directors of Training via HETI.

24. NSW Health has several methods of resourcing the medical workforce, which can be used according to need in the various clinical settings:

    a. ***Visiting Medical Officers*** (**VMOs**) are specialist medical practitioners appointed under a service contract. They are not NSW Health employees. Further detail about the appointment process and terms and conditions is provided in the Statement of Melissa Collins, A/Executive Director, Workplace Relations.

       As at November 2023, there were 6,750 VMOs appointed across NSW Health. This is comprised of 3,100 in metropolitan LHDs, 3,700 in rural/regional LHDs and 550 in SHNs. VMOs can work across multiple LHDs and agencies and as such, the total VMOs appointed by NSW Health is less than the total number of VMOs reported as providing medical services to each agency. The total cost of VMOs appointed across NSW Health for 2022-2023 was approx. $1.041B, comprising $357.4 million across metropolitan LHDs, $638.5 million in rural/regional LHDs and $45.6 million in the SHNs. VMOs are engaged across every medical speciality, however Anaesthetics and General Practitioner VMOs have the biggest head count (1,251 and 1,001 respectively) and cost ($225,293,197 and $143,200,681 respectively). The majority of anaesthetists in NSW Health work as VMOs. Each LHD has a significant volume of VMOs that provide varying amounts of work in the public system. For example, one site may have over 50 VMOs with contracts to deliver the services required. This approach provides the anaesthetists with flexibility of choice for their hours as most do not work fulltime across any one position and makes public on-call rosters less onerous for all whilst delivering the anaesthetic needs of hospitals across NSW Health. The overwhelming majority of GPs in NSW Health are employed as GP VMOs. The majority of rural hospitals are entirely run by GP VMOs, some bigger sites will have a large volume to manage ED rosters. GP VMOs have roles across a number of other settings in regional and metropolitan hospitals in NSW, such as EDs, urgent care centres, sexual assault services, palliative care and other roles.

b. ***Staff Specialists*** are specialist medical practitioners employed in the NSW Health Service under the *Health Services Act 1997.* The *Staff Specialists (State) Award* sets out the salary, wages, and conditions of employment of Staff Specialists in accordance with the *Health Services Act 1997*. The Health Secretary retains a power to set salary, wages and conditions of Staff Specialists when these are not set out in the relevant award.

c. ***Junior Medical Officers*** (**JMOs**) are non-specialist medical practitioners and are employed as either Interns, Residents or Registrars under the *Public Hospitals Medical Officers (State) Award.*

d. ***Career medical Officers (CMOs)*** are hospital non-specialist doctors, who are employed under the *Public Hospital Career Medical Officers (State) Award 2023*. These doctors are experienced doctors who have not undertaken training through a specialty college and are largely employed permanently into a variety of roles within LHDs, including emergency medicine, psychiatry, obstetrics and gynaecology, intensive care and rehabilitation medicine. They provide expertise across the system in important roles that are crucial to the delivery of patient services.

e. ***Medical Locums*** are generally non-specialist medical practitioners employed on a temporary basis on above Award rates. The use of 'contingent' workforce, such as locums, is an important feature of the health system, allowing it to remain agile and to scale up and down when needed. In the 2023 financial year there was an average non-specialist medical locum use equivalent to 592 FTE. This constitutes 3.8% of the medical workforce FTE, or 0.4% of the total FTE for NSW Health. Locum costs have increased over the past 5 years from $132 million in 2018/2019 financial year to $240 million in 2022/2023 financial year but represent only 1.5% of the total payroll costs.

25. Locum agency costs are increasing, and work is currently underway at the state level steered by MOH to address the challenges around the locum workforce. This includes:

    a. mandating the use of a Vendor Management System to manage the interface between LHDs, agencies and doctors when engaging locums to improve transparency around cost and shift allocation;

b. the development of an IT system solution to support pre-employment screening and checks of locums to speed up onboarding processes; and

c. a project to scope the feasibility of establishing an inhouse Locum Agency at NSW Health that would participate in the locum market.

26. The system also needs to continue to assess how services are provided to reduce reliance on premium labour, for example through different models of care and alternative access to the system, such as virtual care.

27. Rural LHDs typically rely on higher levels of nursing agency staff to meet their needs than do other LHDs. However, measures to reduce the number of premium labour nurses have been implemented and nursing agency staff expenditure has decreased by over $7.3 million or 11% from June 2021 to June 2023.

F. WORKFORCE SYSTEM CONTROLS

28. NSW Health uses a range of controls to ensure effective management of its workforce, including:
    a. Rostering Best Practice, fair payment and staff wellbeing.
    b. Auditing.
    c. Local Controls.
    d. Code of Conduct.

Rostering Best Practice, fair payment and JMO wellbeing

29. NSW Health staff are rostered to their contracted hours within an electronic roster system. Controls are in place to ensure staff work and are paid their worked hours. Any hours worked above a staff member's contracted hours are paid according to their appropriate Award condition. We have introduced a range of controls in recent years for example, addressing JMO rostering practices.

30. NSW Health is committed to ensuring that all employees are fairly and accurately paid for their work. In the case of JMOs, NSW Health has been progressively implementing the following initiatives since the NSW Health JMO Wellbeing and Support roundtable in 2017. A summary report of the event is exhibited to this statement (**MOH.0010.0345.0001**), and has been further informed by matters addressed during

the context of the recently settled class action and Australian Salaried Medical Officers Federation (**ASMOF**) contravention action. The initiatives include:

a. In July 2019, the unrostered overtime clause in the *Employment Arrangements for Medical Officers in the NSW Public Health Service* Policy Directive PD2019_027 was updated to expand the categories of unrostered overtime that may be worked by JMOs without prior approval. A copy of PD2019_027 is exhibited to this statement (**MOH.0010.0297.0001**).

b. Rolled out the JMO Rostered Hours Dashboard to enable facility and LHD level monitoring of the hours JMOs wor,k including unrostered and rostered overtime. In 2018, the working hours dashboard was launched and in May 2020, the JMO safe hours dashboard was launched.

c. In February 2020, rolled out an Unrostered Overtime Claim (**UROC**) System which is an electronic tool for claiming unrostered overtime and enabling visibility of JMO's to see the outcomes/assessments of their unrostered overtime claims. In 2021, the mobile app was launched to support ease of access. UROC requires JMOs to declare that they have claimed all hours worked in the past fortnight to enable close to real time assessment. Associated with the UROC roll out was the addition of an analytical dashboard in 2022 to monitor claims processing, claim types and approvals. In 2024 ,new automation of UROC claims into HealthRoster was introduced to speed up payment and ensure pay accuracy and consistency.

d. The Health Secretary has issued communications to JMOs, supervisors and LHDs about the entitlement to overtime and the requirements in relation to claiming and approving it.

e. In 2023, a NSW Health JMO Portal was developed. The Portal is a website for JMOs which includes links to supporting information relevant to them and their employment.

f. In 2023, a standard orientation process was introduced for JMOs around their award entitlements, including hours of work, and working and claiming of overtime which is provided at all facilities for all JMOs.

g. In 2023, JMO rostering workshops were held across all LHDs and SHNs to promote awareness and uptake of JMO rostering best practice.

h. In 2024, variations to the *Public Hospital Medical Officers (State) Award 2023* were negotiated including significantly enhanced entitlements for JMOS in relation to:

   i. Working as a 'Registrar'.

   ii. On call and call back arrangements.

Auditing

31. MOH and LHD auditing teams conduct regular audits of payroll using analytics to pick up trends or flags. Focus areas can include:

   a. Simultaneous claims (i.e., Working in two separate locations at the same time or without adequate travel time).

   b. Patterns with claims/wages above a benchmarked average.

   c. Locations/specialties/professions of concern.

   d. There is also a pilot underway by MOH to cross-check clinical record activity against payroll / rostering data.

Local Controls

32. HealthRoster has a range of flags and warnings when rostering staff to ensure staff are paid correctly and in accordance with NSW Health awards and industrial agreements. *Remuneration Rates for non-specialist medical staff – short term/casual (locum)* Policy Directive PD2012_046 sets out remuneration rates for non-specialist medical locums across the NSW Health system, seeking to cap rates. LHD Executive approval is required when payments to locums outside the rates set in the policy are regarded as needed to maintain clinical services. A copy of PD2012_046 is exhibited to this statement (**MOH.0010.0321.0001**).

Code of Conduct

33. All NSW Health employees and contractors (including VMOs and agency staff), are responsible for applying and complying with the *NSW Health Code of Conduct* PD 2015_046. A copy of the Code of Conduct is exhibited to this statement (**MOH.0001.0359.0001**). The Code of Conduct relevantly requires that:

a. Staff not be absent from the workplace without proper notification, when rostered to be on duty.

b. Full-time employees obtain Chief Executive approval for secondary employment subject to certain conditions.

G. RECRUITMENT AND RETENTION

34. Recruitment in NSW Health is governed by the NSW Health *Recruitment and Selection of Staff to the NSW Health Service* Policy Directive PD2023_024 (MOH.0010.0064.0001). The Policy Directive sets the operational framework and governance arrangements for recruitment. There are however a series of factors that impact on NSW Health's ability to recruit and retain staff.

35. Robust workforce recruitment, and employee retention, is essential to maintaining quality healthcare for a growing state. Workforce retention measures the percentage of staff that have remained in their role over the preceding 12-month period. Historically, NSW Health has had a higher permanent retention rate than other industries. As at 30 June 2019, the retention rate was 93.5%. Early in the COVID-19 pandemic, the NSW Health system saw an increase in its permanent retention rate to 94.4% as staff remained in the system to assist with the pandemic response. During the Delta wave and in the lead up to the OMICRON wave, permanent retention rates declined, particularly in regional, rural, and remote areas. In June 2022, the permanent retention rate was at its lowest, with regional LHDs at 90.7% and metropolitan LHDs at 92.4%.

36. The permanent employee retention rate in metropolitan LHDs was 93.2% in 2019. During the peak of COVID in 2022 this fell by 0.8 % to 92.4% and has since risen by 1.5% to sit at 93.7% (as at June 2024). In regional LHDs, the permanent retention rate was 93.9% in 2019 and fell by 3.2 % to 90.7% in 2022. From this point, permanent retention in rural and regional LHDs rose by 0.4 % and now sits at around 92.1%. Part of the reversal of the declining trend in permanent retention is due to the introduction in June 2022 of the Rural Health Workforce Incentive Scheme.

State Retention Rate

Treasury Group	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024
Allied Health	93.6%	94.9%	93.5%	91.9%	92.0%	92.7%
Ambulance Staff	96.9%	97.3%	95.1%	94.4%	95.1%	93.2%
Corporate Services & Hospital Support	93.0%	94.3%	93.3%	90.1%	90.5%	92.1%
Hotel Services	92.0%	93.6%	92.4%	89.1%	89.2%	90.5%
Maintenance & Trades	92.4%	95.0%	92.6%	89.0%	88.9%	89.0%
Medical	95.1%	96.3%	94.8%	95.4%	94.9%	94.4%
Nursing	93.7%	95.3%	94.0%	92.2%	92.6%	93.6%
Oral Health Practitioners & Support Workers	95.3%	94.7%	92.5%	91.6%	90.4%	93.2%
Other Prof. & Para Professionals & Support Staff	92.9%	93.3%	92.1%	89.7%	90.4%	90.3%
Other Staff	92.2%	95.0%	91.4%	86.1%	90.8%	89.8%
Scientific & Technical Clinical Support Staff	93.4%	94.4%	93.8%	91.5%	91.2%	92.3%
State Overall	**93.5%**	**94.9%**	**93.6%**	**91.6%**	**91.9%**	**92.8%**

Metro Retention Rate

Treasury Group	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024
Allied Health	93.4%	95.1%	94.0%	92.3%	91.4%	93.3%
Corporate Services & Hospital Support	92.3%	94.4%	93.5%	89.7%	90.6%	92.5%
Hotel Services	92.5%	94.6%	93.8%	90.3%	92.2%	93.0%
Maintenance & Trades	92.4%	94.6%	91.5%	90.8%	88.5%	91.5%
Medical	95.2%	97.3%	95.2%	96.4%	95.4%	94.6%
Nursing	93.2%	95.8%	94.8%	93.2%	93.4%	94.4%
Oral Health Practitioners & Support Workers	96.8%	95.6%	93.9%	95.1%	91.3%	94.9%
Other Prof. & Para Professionals & Support Staff	92.7%	93.0%	93.7%	90.0%	91.2%	91.9%
Other Staff	90.8%	95.2%	91.0%	86.9%	90.7%	88.8%
Scientific & Technical Clinical Support Staff	92.5%	95.5%	94.1%	93.1%	92.7%	93.2%
State Overall	**93.2%**	**95.4%**	**94.3%**	**92.4%**	**92.5%**	**93.7%**

Regional/ Rural Retention Rate

Treasury Group	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024
Allied Health	93.9%	94.2%	92.7%	91.0%	92.3%	92.1%
Corporate Services & Hospital Support	93.6%	94.3%	92.3%	90.0%	89.4%	91.1%
Hotel Services	92.7%	94.0%	92.0%	89.3%	88.7%	91.1%
Maintenance & Trades	92.0%	95.7%	92.7%	88.7%	87.8%	86.4%
Medical	94.8%	95.0%	93.7%	93.7%	93.8%	93.9%
Nursing	94.2%	95.0%	93.2%	91.1%	91.8%	92.9%
Oral Health Practitioners & Support Workers	93.6%	93.5%	90.9%	87.4%	89.3%	91.0%
Other Prof. & Para Professionals & Support Staff	92.9%	93.9%	90.2%	89.4%	89.2%	88.7%
Other Staff	94.7%	94.6%	93.3%	84.8%	91.0%	91.9%
Scientific & Technical Clinical Support Staff	93.8%	94.5%	92.5%	89.8%	89.8%	91.6%
State Overall	**93.9%**	**94.7%**	**92.8%**	**90.7%**	**91.1%**	**92.1%**

37. Nursing and allied health permanent staff retention continues to improve. In 2023, nursing and midwifery permanent staff retention improved by 0.4% from 93.8% to 94.1%, which is higher than the pre-COVID rate of 93.3% in June 2019.

38. During the term of the previous government, the NSW public sector was subject to a wage cap of 2.5% increase per year since 2011. The increase in 2021 was 0.3% by decision of the Industrial Relations Commission. The cumulative effect of the cap being in place for over a decade is that NSW Health does not now compare favourably with the rates of pay in other states and territories, most particularly, Victoria and Queensland. This presents challenges, most particularly in LHDs that border other states, especially Murrumbidgee, Northern NSW, Far West NSW, and Southern NSW. At these locations, NSW Health has experienced new graduates in clinical roles accepting its employment offers, only to later withdraw when they receive offers in neighbouring states.

39. The retention rates achieved by NSW Health to which I refer above may be contrasted with the repeated stakeholder and media references to large numbers of established staff leaving NSW to relocate interstate. While individual cases are often cited regarding interstate resignations, the retention data does not support this as a widespread trend. However, the pay comparison gap does give rise to a considerable level of union advocacy for better wages outcomes. This was demonstrated in the Health Services Union (**HSU**) paramedics' campaign at the end of 2023. The attrition rate for paramedics for June in 2023 was 4.3%, which is one of the lowest rates across any of NSW Health's professional groups. This is 0.9 % lower than the rate for June 2022 and 0.1 % higher than the rate for June 2021. The rate at December 2023 did increase to 5.0% during the peak period of the industrial dispute over paramedic pay and professional registration.

40. In 2023, NSW Health employees received a 4% pay increase (plus 0.5% increase in superannuation) as a result of consent award variations with Health Unions. The HSU declined this offer and instead negotiated a flat pay increase of $3,502 plus superannuation for HSU classifications, resulting in a much lower percentage increase for allied health professionals on higher salaries. In 2024, the Government has made a current offer to all Health unions for up to a 10.5% pay increase over a period of 3 years, with a one off $1,000 payment each year if inflation exceeds 4.5%. The disparity with pay in interstate jurisdictions is a matter regularly raised in negotiations with NSW Health unions. For example, a Registered Nurse upon entry into the profession, earns approximately 15% less on base rate in New South Wales

than their Queensland counterpart. The Government wages offer for three years from 1 July 2024 is made in the context of the overall fiscal position of the State.

41. In terms of measuring employee satisfaction and engagement, NSW Health has consistently achieved engagement scores in the mid-60s in the public sector *People Matter Employee Survey*, (**PMES**) with the engagement scores being as follows:
    a. 2019 (prior to COVID-19) 65%.
    b. 2020 - no survey
    c. 2021 - 64%
    d. 2022 - 62%
    e. 2023 - 63%

42. The engagement score is slowly recovering following the COVID-19 pandemic. Maintaining stable scores for employee engagement at above 65% is a significant achievement in an organisation with more than 163,000 staff disaggregated across multiple agencies and professions.

43. Some of the smaller NSW Health agencies consistently achieve engagement scores above 70% for reasons that include those agencies having a flatter structure with more direct access to the executive and decision makers. For example, MOH has scored 73% engagement each of the years 2021, 2022, and 2023. Other smaller agencies, including the Agency for Clinical Innovation (**ACI**), Bureau of Health Information (**BHI**), the Cancer Institute NSW, and eHealth NSW have all maintained scores at or above 65% since 2019.

Agencies with 70+ engagement scores 2019-23

	2019	2021	2022	2023
ACI	(65)	75	71	72
BHI	76	79	71	(67)
Cancer Institute	72	72	70	(67)
CEC	(69)	77	78	78
eHealth	71	75	75	75
HETI	(69)	75	74	71
Health Infrastructure	73	77	78	75
MOH	70	73	73	73

44. The PMES results indicate that dissatisfaction with pay is increasing. In response to the question '*I am paid fairly for the work that I do*,' in 2019 there was a 25%

unfavourable response, in 2021 this went up to 31%, 2022 to 41% and in 2023, 45% of respondents answered unfavourably.

45. The PMES asks questions around the employee's direct line manager. NSW Health has around 13,000 people who supervise or manage other staff. NSW Health has a key role in supporting the capability of managers and supervisors to ensure effective working relationships and maintain employee engagement. A significant amount of work goes into cultural diagnostics after the results of the PMES are released and we continue to focus on the role of building leadership capability to promote a positive and harmonious workplace culture. For example, MOH funds $4.6 million annually to LHDs and SHNs to address strategies and develop responses to the PMES results.

46. Some of the most common initiatives implemented by LHDs include leadership development programs and conflict management. MOH centrally funds a range of other initiatives to promote the cultural framework, such as '*Take the Lead*' which is a two-year program designed to equip and empower nursing and midwifery unit managers with skills to lead change, foster positive team cultures and inspire exceptional care. Finally, MOH is currently developing the *NSW Health Culture and Staff Experience Framework* and a *Framework implementation guide,* which set out NSW Health's core values, the levers to achieve these and identifies what success looks like in striving for a positive culture.

47. Recently NSW Health has engaged in a project to develop and promote an Employee Value Proposition (**EVP**) to promote attraction, recruitment, retention, and recognition of staff for NSW Health. As part of developing the EVP, the key financial and non-financial drivers of working for NSW Health were explored with the current and future workforce. More than 250 staff and leaders of the organisation contributed and shared their perspectives on what NSW Health careers offer through a number of focus groups across the organisation, and 1 on 1 interviews. To capture the unique aspects of working for NSW Health and to promote a consistent and positive message, the EVP that was validated by our staff is '*The team enriching health in millions of ways every day.'* The language and messaging of this phrase and sub variants will be integrated into all workforce related communications and branding strategies as well as attraction and recruitment campaigns.

48. My previous statements for the Inquiry, in Tranche 4, have outlined the various other ways NSW Health consults with its workforce, including through the clinician councils

established under the Model By Laws, see my statement dated 9 April 2024 (MOH.9999.0764.0001) at paragraphs 42 to 54.

49. When an individual's employment with NSW Health is coming to an end, NSW Health agencies may have local processes to receive information from staff. Typically, a combination of exit interviews and/or questionnaires are utilised with the information provided by the individual assessed locally by the agency to identify opportunities for improvement and enhance staff experience. There is opportunity to scale existing good practices in the system to ensure feedback is adequately captured and actioned when people separate from NSW Health. The annualised separation rate for NSW Health was 6.6% for the 2023-24 financial year, equivalent to about 11,100 people. Comparatively in the 2018-19 financial year the annualised separation rate for NSW Health was 5.8%, equivalent to about 8,000 people.

H. WORKPLACE RELATIONS

50. NSW Health has a complex workplace relations environment, with over 300 unique employment classifications, 43 industrial awards, 60 workplace relations policies and 11 trade unions. Similarly, the workplace regulatory framework comprises an intersection of State Legislation, Commonwealth Legislation and industrial instruments and policy. A table of the awards and determinations currently applicable to NSW Health employees is exhibited to this statement (**MOH.0010.0300.0001**).

51. Many of the industrial instruments that govern the employment arrangements are outdated, ambiguous, and do not reflect current service delivery models. For example, award-based allowances (such as the infectious cleaning and nauseous linen allowances in the *Health Employees Conditions' of Employment (State) Award 2023*) have been enshrined for decades and are the cause of regular disputes across the health system. The disputes have often sought to expand the scope of the allowances, with reliance on ambiguity in the awards and past practice rather than the needs of a contemporary health system. There have been three arbitrated decisions since 2018 in the Industrial Relations Commission about the interpretation of the infectious cleaning allowance clause, including a full bench decision in 2021. Despite this, there is ongoing disputation across the system about its application requiring significant resources to manage.

52. Award reform is a priority to simplify the industrial instruments and increase workforce flexibility and productivity. Simultaneously, reform is a fiscal challenge and there can

be a lack of interest in bargaining from the industrial organisations if there is no ability to buy out the outdated award clauses and structures either with increased wages or improved conditions. The wages cap from 2011-2022 exacerbated the underlying issues with NSW Health's aged awards especially in the early to mid-2010s as there was little incentive to engage in bargaining when 2.5% was available to the unions for a no change outcome.

53. The Health Secretary may approve a determination for non-standard or 'over-award' conditions. Further information about these arrangements is provided in the Statement of Melissa Collins, A/Executive Director, Workplace Relations. These arrangements are sought for several reasons, including retention of staff and to ensure service continuity.

54. I am also aware that from time-to-time LHDs have implemented certain non-standard or 'above Award' entitlements, outside of the approval process for a Health Secretary issued determination. Whilst these arrangements have not been approved by MOH, I believe there are several factors contributing to their prevalence in the system. In summary, these factors relate to challenges attracting and retaining staff across all levels of medical practice, including historical industrial arrangements not reflecting modern clinical practice, cultural issues including threats to withdraw services if not paid at parity with private practice, and the fact that NSW salaries and conditions across all medical awards are unfavourable when compared to interstate counterparts. Taken together with the need to maintain service continuity, several different types of non-standard arrangements would appear to have been implemented by NSW Heath agencies to attract and retain staff.

Complaints management and dispute resolution

55. The NSW Health *Complaints Management* Policy Directive PD2020_013 assists people working in NSW Health to effectively manage complaints made by patients, carers, and members of the public. However, since 2018 NSW Health has been developing initiatives to support staff members make complaints and notify of grievances in their workplace. The Manager's Portal and Staff Portal provide resources for staff to identify and respond to all levels of grievances and concerns, together with proposed steps for resolving such issues. Developed by MOH, the Portals are in use across the system. Agency Directors of People and Culture meet monthly to discuss a range of matters, including the utilisation of the portals. A copy of PD2020_013 is exhibited to this statement (**MOH.9999.0837.0001**).

56. The Statement I prepared for Tranche 6 sets out in more detail the role of MOH in complaint management and dispute resolution, grievance, complaint, and dispute resolution processes.

I. REGISTRATION AND ACCREDITATION

57. The National Registration and Accreditation Scheme (**NRAS**) was established under the Council of Australia Governments to provide one scheme for registered health professionals across Australia (16 professions).

58. The national boards regulate the professions, register practitioners, develop standards, codes and guidelines, and approve education providers / programs of study. The Australian Health Practitioner Regulation Agency (**AHPRA**) administers NRAS and supports national boards. Once registered, practitioners must continue to meet standards and renew registration annually.

59. The Australian Medical Council (**AMC**) accredits medical schools, postgraduate medical councils and specialist medical colleges, in addition to assessing international medical graduates seeking registration to practise in Australia.

J. SCOPE OF PRACTICE

60. There is no universal definition of 'scope of practice' in Australia, with different professions applying the term differently. Scopes of practice broadly set out the professional practice parameters that the staff member is qualified to operate within and are influenced by the extent of the profession's recognised skill base and/ or regulatory guidelines, acknowledging that some functions may be shared with other professions, individuals or groups. NSW Health needs to have both specialist and generalist clinical skills to provide high volume and quality care to patients, across varied clinical settings.

61. Regulatory reform is needed, both in awards and legislation, to enable a larger number of professions including allied health, nursing, and Aboriginal Health Practitioners to prescribe or administer medicines and order basic imaging and tests. For example, there are opportunities for broader scope of practice for paramedics to work in Emergency Departments, Nurse Practitioners in prescribing medication and allied health in providing specialist medical and surgical ambulatory services.

K. PREVAILING CHALLENGES

62. There are several complex challenges facing NSW Health from a workforce perspective, including:

    a. COVID-19 disrupted the NSW Health workforce, including by changing trends in recruitment and retention, the public perception of health careers and changing workforce expectations.

    b. External market factors, including the NDIS (National Disability Insurance Scheme), Aged Care and the private sector continuing to compete with NSW Health for skilled clinical and other workforces.

    c. While the overall pipeline and supply of health professionals is strong, maldistribution of this workforce across NSW remains a challenge.

    d. The strong influence of complex stakeholder groups can limit the speed at which workforce reform and strategies can be implemented.

    e. The community has expectations of 24/7 health service across metropolitan and regional NSW. This creates workforce demands which can be difficult to meet where some industrial instruments do not provide for out of hours work.

    f. The age of most NSW Health awards and the fact that the wages cap implemented in 2011 by the previous NSW Government operated as a disincentive for award reform for more than a decade means any reforms will come at a considerable and unfunded cost.

    g. Significant cultural and Award reform is required to meet our changing service and workforce needs. This will come at considerable cost which is currently unfunded.

Phil Minns

Witness: PAUL DECARLO

17.7.24.

Date

17-7-2024

Date