Special Commission of Inquiry into Healthcare Funding

Outline of Evidence of David Green

Name: David Green

Occupation: Director of People and Culture, Far West Local Health District

1. This is an outline of evidence that it is anticipated that the witness will give to the Special Commission of Inquiry into Healthcare Funding.

A. BACKGROUND

2. My name is David Green. I am the Director of People and Culture at Far West Local Health District (**FWLHD**). I have worked in health-related industries since 2006, in most instances as the Director of People and Culture. I have also worked as the Corporate Services executive which encompassed human resources. During this time, I have held roles that have had workforce responsibilities in every state and territory of Australia. This has included working in both the State and Federal Industrial Relations systems. Prior to joining FWLHD, I was the Australia and New Zealand Director of Human Resources for Fresenius Medical Care ANZ, which is the third largest medical devices multinational and employees approximately 220,000 people globally.

3. I was recruited to FWLHD and relocated to Broken Hill in April 2022, with a remit to identify the people and culture needs, including workforce of FWLHD, and to engage with the then Chief Executive of FWLHD to work on embedding the emerging Executive Leadership Team and its way of working. A copy of my CV is at **Exhibit A (MOH.9999.1264.0001)**.

4. In this role, I am responsible for all people and culture programs including attraction and retention, learning and development, organisational development, employee relations, industrial relations, HR business partnering and coaching, roster and payroll functions, and workplace health, and safety and wellness. The Department of Regional NSW Welcoming Service is coordinated by the People and Culture directorate.

5. My team initially consisted of five FTE staff and has grown to eleven. Recruitment is currently underway for a Manager of Aboriginal Workforce Development; a Diversity and Inclusivity Lead; and a Work, Health, Safety and Staff Wellbeing Lead.

6. My team is not involved in recruitment of medical staff. The recruitment of graduate nurses is a Ministry of Health program which is co-ordinated locally by the Nursing, Midwifery and Clinical Governances Directorate, however letters of offer and accommodation flows to my team for actioning. My team is responsible for actioning the recruitment of replacement nursing staff and for the hiring of agency nurses, who are used to supplement unplanned absences and long-term vacancies where required.

B. **FWLHD STRATEGY**

7. The FWLHD Strategic Plan 2021 - 2026 (**Strategic Plan, Exhibit B (MOH.9999.1260.0001)**) sets out, at page 9, FWLHD' s strategy in terms of workforce. It indicates that FWLHD seeks to achieve:

a. Workforce models that are creative, collaborative and flexible, meet service needs and optimise health outcomes for our community;

b. A professional reputation that aligns with the core values of the organisation (collaboration, openness, respect, and empowerment - **CORE**);

c. Recruitment and retention of a highly skilled workforce;

d. Aboriginal workforce reflects the local population profile at all levels, whose cultural expertise is valued and they are supported in leadership positions.

8. Workforce Models

C. Workforce models, that is plans that identify workforce needs, are developed by the relevant specialty, with People and Culture brought in to recruit as required.

(b) Professional reputation and core values

D. There is significant work being undertaken by the People and Culture directorate to recalibrate employee behaviour and standards so that they are aligned to CORE values. This involves coaching of managers, responding to employee queries, and where required formal disciplinary action.

10. The work on the organisational culture and CORE values is aimed at creating an environment where new employees feel welcomed, are able to perform at a high level quickly and see a long-term future with FWLHD. The Regional Welcome Service in Broken Hill is provided by the Broken Hill office of Regional Development Australia. This service is one of ten pilots and provides a range of services including welcomes packs, information about the locale and opportunities to connect with other people who have moved to Broken Hill. The service begins from acceptance of employment offer and continues for a number of months after the employee commences with the LHD.

(c) Recruit and retain workforce

11. The March 2024 budgeted workforce for the LHD was 876 full-time equivalents (**FTE**). During March the labour utilisation against budgeted FTE was 788 FTE. This translated to a staffing deficit against budgeted FTE of 88 FTE.

12. During the period 1 July 2023 to 30 April 2024 the recruitment team processed 402 recruitment requisitions with the employment outcomes of 157 FTE permanent, 22 part-time permanent, 36 full-time temporary contract, 12 casual and 175 agency staff, the majority of which are nurses. Agency nursing staff are engaged on a 13 week short term contract. This means that one FTE requires the engagement of four agency nurses over the course of twelve months. This is an example of the significant effort undertaken by People and Culture to recruit and place candidates.

13. The appointment of the Talent Acquisition Lead, and the Learning and Development Lead were a direct initiate to improve FWLHD's capabilities in the recruitment of staff, and to improve the capability building of existing staff. The strategy includes the reinvigoration of school-based traineeships, improving the level of current recruitment activities used by FWLHD and a focus on developing our local staff in order to provide them with development and career pathways which encourages retention. Reflective of the difficulties in recruiting staff is the fact that the Talent Acquisition Lead is a Sydney based role which was recruited for in Sydney. This is also an example of applying innovative approaches to meeting workforce needs for roles that do not necessarily require being based in rural or remote areas.

14. Retention efforts including the development of existing staff have also focussed on improving the culture of FWLHD. The LHD undertakes an annual People Matter

Engagement Survey (**PMES**) which provides employees the opportunity to provide feedback on what is working well and what they would like to see improved. The results are then used to develop action plans which address the areas that are to be worked on. The FWLHD 2023 PMES survey had seventy two percent participation rate, the highest participation rate of all LHDs. As a result of the high participation rate, the LHD were able to identify 60 individual teams on whose culture they were able to focus on improving. For example, in response to feedback regarding CORE values the decision was taken to include CORE values as a standing agenda item at all team meetings.

15. The Rural Health Worker Incentive Scheme (**RHWIS**) is in its early stages, having been introduced in July 2022. The scheme offers a maximum of $20,000 per FTE which can be used in a variety of ways such as a salary top up, a relocation allowance, accommodation support, and professional development. The RHWIS provides an attraction incentive in the first year of employment. In the second and subsequent years of employment the attraction incentive is converted to a retention incentive of equivalent value. The current distribution of the RHWIS incentives across the LHD is presented in the table below:

Occupation	Recruitment	Retention
Administration	8	19
Allied Health	10	22
Property and Maintenance	5	5
Health Managers	7	32
Hospital Assistants	4	18
Social Workers	12	8
Nursing	81	137
Clinical Specialists/Consultants	10	34
Aboriginal Health Worker/Practitioner	6	10
Clinical Educators	5	12
TOTAL	**148**	**297**

16. To date the RHWIS has not had a material impact on the capacity of the FWLHD to attract staff. The large number of retention incentives were predominantly issued to staff already employed by FWLHD prior to the commencement of the RHWIS. Given the remote location of services in FWLHD coupled with the long term employment of many of FWLHD staff there is limited evidence to date that the retention incentive has had a positive impact on the retention of staff.

(d) Aboriginal Workforce Development

17. The Strategic Plan indicates that Aboriginal workforce will reflect the local population at all levels by 2026. This requires the current Aboriginal workforce within the LHD of 76 FTE to be increased to 119 FTE.

18. In order to achieve this goal, the LHD is currently recruiting for the role of Manager of Aboriginal Workforce Development. The role will be tasked with helping build a Aboriginal workforce local pipeline by engaging with the Aboriginal community, helping them to navigate the complexities that our recruitment system poses to Aboriginal people, focussing on developing a working environment that is culturally safe, providing management training, and implementing the development the capability of our indigenous staff.

C. CHALLENGES

19. Challenges at FWLHD primarily stem from its remote location.

20. In workforce recruitment and retention, the primarily challenge is remoteness. The flow on effect is reliance on fly-in-fly-out (**FIFO**) workers, need for accommodation services (of which there is a shortage), and premium labour costs. A further complicating factor is that Broken Hill airport is unable to accommodate larger aircraft (for example, Boeing 737) which are commonly used between capital cities. This limits the passenger capacity of existing flight services.

21. The local labour market is unable to support the workforce required in FWLHD. For example, in Broken Hill, a town of 17,000 people, it is not possible to hire all workers locally. Therefore, attraction and retention is important, as is an understanding that our approach to staffing will be different to a metropolitan hospital. The geographic location of services within the LHD necessitates an acceptance that the staffing model will have a high degree of short-term itinerant workers who supplement a core staff of local long-term employees.

22. The remote nature of FWLHD provides a particular challenge, as it is difficult to bring people 1,200km west of Sydney.

23. The current incentive that is allowable under the RHWIS is not sufficient to make FWLHD competitive with the other NSW LHD's and other states and territories. For example, Broken Hill is classified as (Modified Monash Model category 3 (MMM3, a large rural town with a population between 15,000 and 50,000), which is the same as the Blue Mountains or Dubbo. Whilst the RHWIS provided capacity for Broken Hill to offer incentives that are equivalent to that of a MM6, it is difficult for FWLHD to compete for workers, with the same incentive levels but a far more remote location.

24. Current awards and conditions of employment are determined at a state level with very few, if any, conditions of employment that are discrete to remote health services. As a result, FWLHD is unable to offer conditions of employment that are superior to the metropolitan and large rural services. This means that for many applicants there is no real advantage in moving to FWLHD.

25. By way of example, the Nurses And Midwives (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2020-2024 provides for 152 hours of personal leave per annum for employees with five or more years of employment. NSW Health, including all LHDs, offers 10 days of personal (sick) leave per annum. Given that many employees in the public health system are long term employees this is a significant benefit for FWLHD services to compete against. This is particularly true for our services in the Lower Western sector (Buronga, Wentworth, and Balranald) who lie close to the NSW/Victorian border.

26. Whilst FWLHD represents less than 1% of the total NSW Health Workforce it is required to meet the same funding conditions as other LHDs. The remote location and size of FWLHD services does not allow it to take advantage of economies of scale in the same way that larger services and LHDs are able to. For example, Ward Clerks for the Broken Hill Health Service are generally employed as 0.5FTE. Whilst the assigned FTE is driven by the available funding it does not take into account the difficulty in attracting and retaining staff who are willing to work for 0.5FTE.

27. As with funding, FWLHD is required to use the NSW Health recruitment system (ROB Recruitment and On Boarding) that is designed for large scale organisations. The complexity of the designed system is better suited to a large sized recruitment

team, something that FWLHD does not have the funding to support. In addition, the mandated steps in the system are strictly sequential and cannot be bypassed. This impacts on the agility of the LHD to rapidly recruit and on-board new employees.

28. The fragmented nature of NSW Health acts to create further impediments. For example, whilst vaccination requirements and mandatory checks are uniform across NSW Health, they are not held in a single database that all LHDs can automatically draw from in a seamless manner. This further slows the recruitment process and acts as a disincentive for candidates who question why they are being asked to redo checks and vaccinations.

29. Accommodation is chronically undersupplied, particularly in Broken Hill. Relocation to rural and remote locations is expensive and FWLHD provides support in terms of relocation costs and the provision of temporary accommodation. Where employees are working on a FIFO basis, travel to and from and accommodation whilst in situ is provided by the LHD. This is a considerable cost which is not reflected in the funding the LHD receives.

D. OPPORTUNITIES

30. Across the states and territories there exists opportunity to adopt approaches that are used by other jurisdictions. For example, this could include the adoption of increased personal leave and long service leave for remote health services. Accelerated progression through nursing increment levels could also be adopted. This would require input from the relevant unions and professional association, however the fact that these are used in other jurisdictions would indicate the viability of these changes.

31. During the COVID pandemic, the circumstances served as a proof-of-concept opportunity to adopt a number of different approaches to providing care. For example, the use of Care Assistants in hospitals, the introduction of surge staffing were aimed at freeing clinical staff so that they could concentrate on providing care. My observation is that these proof-of-concept changes were successful, however, post pandemic the re-introduction of the pre-December 2019 way of working has re-emerged. COVID provided the impetus to challenge the traditional ways of working (for example working from home) and there is a clear need to continue to

be innovative in the way we use our workforce. Workforce shortages in health show no sign of improving. Redesigning how we provide health care is an important and underutilised way of addressing workforce shortages.