



Special Commission of Inquiry into Healthcare Funding

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NSW Special Commission of Inquiry
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Submission to Special Commission of Inquiry into Healthcare Funding (the Inquiry)- locum recruitment

Introduction

As the peak body representing professional recruitment firms in Australia, APSCo welcomes the opportunity to make a submission to the Inquiry and contribute to important dialogue around the best structure for recruiting temporary medical staff (including locums) in order to deliver quality, timely patient care in the most cost-effective manner now and into the future.

We are a strong advocate for employment, workplace relations, skills and immigration policy settings that ensure Australia can continue to attract and retain the professional services workforce needed for our health, productivity and prosperity (see “About APSCo” at end of this submission). This includes settings that recognise the realities and challenges of locating and retaining medical staff in NSW and around Australia, especially in regional areas.

APSCo has around 25 member companies who recruit into medical roles, both permanent and temporary (including locum, VMO and other) across Australia. These members sit at the coalface in seeing the challenges in attracting, recruiting and retaining the skilled clinicians and staff needed to meet demand, often in very short timeframes, and in providing the right mix of permanent and temporary/locum staff.

Our members’ hands on experience in liaising with candidates and health departments/LHD’s every day allows unique insights that we hope can benefit the discussion we know is underway (and which falls within this Inquiry’s terms of reference) on both:

- use of locums/temporaries (versus permanent roles) and
- whether bringing recruitment of locums “in house” is a better or more cost-effective option than the existing arrangement which uses external recruiters.

On the first point, locums and temporary roles remain necessary, at the very least to satisfy surge capacity and gaps due to temporary illness/leave of permanent staff. The vast majority of locum work outside the metro areas across Australia is filling in for staff shortages and lack

of permanent staff. With more opportunities available in the metropolitan cities, doctors who previously locumed regionally no longer have to, further exacerbating pressure of staff shortages.

On the second question of whether locum placement should be “in housed”, the answer is resoundingly no for the reasons outlined below. At the heart of it this would see already stretched LHDs/agencies stretched even further, with the very labour-intensive exercise of locum recruitment added to their list of duties. It would see NSW lose locums to other states and it would likely cost significantly more and see less success in meeting demand in the numbers needed, especially in surge period such as we saw during COVID.

As recruiters of medical staff, our medical members were defined as providing support to “essential services” during COVID. The service they provide remains not only essential but the best and most cost effective mechanism for delivering NSW Health and its patients the permanent and temporary staffing they need into the future, including surge periods.

The locum market and difficulties

The shortage of doctors generally, especially in regional areas, is well documented. This is mirrored with locums.

Many doctors, particularly senior ones, do not need or want to locum and need to be convinced in order to fill critical gaps. The difficulty in finding these senior locums is especially problematic because junior doctors must work under a senior meaning, if a senior cannot be found, the hospital is effectively down 2 staff. In smaller, regional hospitals this becomes critical to service delivery.

Doctors often only locum for 3-24 months and often only work a 0.5 FTE when doing locum work due to the need to be away from home. This demands a high level of ongoing management to ensure locum movements and availability are managed in real time-with the need to manage talent pools 24/7 and know who wants to work where and when.

Services our members perform in relation to locums

The following services are performed by our members, often all within the space of 24 hours, and are extremely labour intensive in an environment of pronounced skills shortages and critical shortages of interested candidates in some areas, particularly regional areas:

- **Locating, approaching and vetting possible candidates.** This entails:

- Advertising and Networking: This is essential to attracting potential candidates and maintaining talent pools, especially given the critical shortage of candidates. Jobs must be typically advertised on various platforms, including online job boards, medical associations, network groups, via email, text and verbal contact with current talent pool. Functions, networking events and one to one outreach/cold calling are also necessary to proactively maintain and try to expand talent pools of doctors.
- Application review and Screening: of all applications to identify most suitable candidate(s) and shortlist.
- Interview and Credentialling: this includes several rounds of interviews with shortlisted candidates and specific paperwork completion with our assistance to get the doctor credentialled. The full NSW process has up to 50 documents required for credentialling and is far more extensive than just reference checks. There are NSW Health and LHD specific checking processes.
- **Candidate submission:** A shortlist is provided to the LHD for approval which may include a further interview process or may go straight to placement.
- **Offer, Negotiation, Onboarding/logistics:** Once a successful candidate is identified all rates/logistics need to be arranged and agreed. This is an extensive and involved process and can include arranging Flights/travel (and much back and forth when flights are changed/cancelled), visas, hire cars, accommodation, housing, insurance, plus dealing with other candidate-specific requests to ensure candidate interest is not lost and candidate secured. Negotiation of contract inclusions and rates is also involved, noting all MOH contracts are negotiated at a LHD level and largely determined by the LHD themselves. Specialist training is often also required by LHD's and for some roles and is arranged by our members.
- **Anticipating and identifying likely needs** -working with LHD's to proactively anticipate needs due to staff shortages, seasonal fluctuations, leave or unexpected circumstances. There is consistent communication between LHD's and members around planned leave, and acute shortages enabling them to refer candidates, minimising the impact on resources.

On top of the above standard elements in locating and placing a locum, COVID required significant extra work and long hours from our members to:

- firstly find candidates (with supply at an all time low) and
- once located, to arrange visas and travel (especially for overseas based staff stuck in all kinds of places).

This significant extra work was something our members - with long term relationships to LHD's and the health sector and a great deal of respect for the profession - were happy to undertake in this unprecedented time of exacerbated pressure on staff, even if it meant losses on some placements.

As below, not only do our members conduct themselves ethically, they have a long term commitment to working closely with NSW Health, NSW and other Australian LHDs and individual doctors and other medical staff. They in some ways acting as a release valve by taking on, and going to all lengths to solve, consistent staffing pressures faced in some regions.

To supply locums, our members also need to be audited externally and have a robust operational system and credentialing management system. This must be audited externally and at a cost to them, with recertification required every 3 years. Full time compliance staff are frequently required for both ongoing compliance and auditing.

As is clear from the above, sourcing and managing talent is extensive and involves costly, time consuming processes which go well beyond just locating a candidate for a role and entail significant:

- logistics and onboarding
- marketing,
- networking and outreach
- attending events and conferences
- promoting NSW health.

Candidate engagement managers often need to be employed as full time dedicated staff just to source and nurture talent pools.

While the role of our members is to source new candidates, often within very short timeframes, nurturing candidates throughout the life cycle of their engagement can be the most time consuming. Talent pools must be updated continuously with real time availability, specialty, seniority, location, interests etc to be able to service LHD/client needs in the (often short) timeframes needed. Our members invest heavily in cutting edge technologies to assist with this.

[Skills shortages, escalating costs and commissions charged by our members](#)

Recruitment of locums has become increasingly time consuming, costly and difficult, even more so since COVID, given very real skills shortages. Commissions barely cover the many costs and urgent logistics that go with such recruitment (as above). The charging of a small commission (which members tell us is on average between 12-14%) is justified and in some cases (particularly in regional areas and during COVID) does not even cover our member costs.

It should also be remembered that commission is only paid on a successful placement and with up to 90% of advertised locum roles going unfilled at certain times, the costs of the still extensive work to try and fill that 90% need to be absorbed within the 13% charged for successful placements.

Locum v permanent medical roles

Our experience across medical and other fields is that professionals who seek out temporary roles do so deliberately given its flexibility and higher pay than equivalent permanent employee positions. As such the mix of professionals looking for permanent and temporary work is unlikely to change without addressing these two key elements.

This is not to say that the solution is removing the flexibility or high pay for those that seek temporary roles (without the guarantee of ongoing employment), as to do this in NSW only would likely see an exodus of locums out of NSW to other states, and inability of the NSW system to meet temporary/surge demand.

External v in house recruitment of locums

In a similar vein, a solution (such as that proposed by Greens MP, Amanda Cohn) to bring recruitment of locums in house in NSW (with a managed register of locums), would not save costs (given the extra internal resources needed) and would likely have significant immediate negative impacts and flow on effects to the system including:

- **significant resource and cost demands on an already stretched LHD network** or on other health agency staff. There would be a need for 24/7 availability of staff to recruit locums who would be called on to find, locate, arrange travel, house, and insure the right staff, often all within a 24- hour period. The cost would not be small
- **incapacity to meet surge demand.** Given the extra input required during COVID (as above) the capacity of internal vs external resources to conduct this work if there is

another pandemic or other cause of surge demand is something that needs to be borne in mind .

- **likely inability to locate and retain the volume of locum staff needed** to deliver the level, let alone quality, of care required in the timeframes needed. This would especially be felt in regional areas and those socioeconomically disadvantaged.

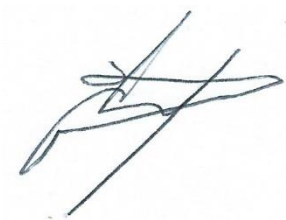
Recent media on unethical practices of external locum recruiters

Recent media advocating for “in housing” of locums has included statements and examples of alleged price gouging and other unethical practices by external locum recruitment firms. APSCo stringently denies such practices amongst our members and would welcome the opportunity to understand where these examples have been drawn from.

Our members (who constitute the bulk of professional medical recruitment firms across Australia) abide by a strict [Code of Conduct](#) and are subject to vetting and due diligence before being allowed to join.

Membership of a trusted peak body is accordingly an option the Commission may wish to consider for all recruiters of medical staff going forward.

APSCo would be pleased to provide a briefing to the Commission on any aspect of this submission. Please do not hesitate to contact me on [REDACTED]



Lesley Horsburgh

Managing Director

About APSCO

Since its United Kingdom launch in 1999 the Association of Professional Staffing Companies (APSCo) has sought to differentiate the professional recruitment market from labour hire agencies and those recruiting less skilled labour, while advocating for the raising of standards across both markets. APSCo membership is available only to quality organisations committed to providing multiple references and adherence to a strict [Code of Conduct](#).

The economic importance of flexible, agile contracting to highly skilled and evolved labour markets, all of which are keen to capitalise on the opportunities of the fourth industrial revolution, digitisation, and the transition to net zero, remains a key message today across all APSCo entities.

APSCo Australia was established in 2016, following a merger with Information Technology Contract and Recruitment Association (ITCRA). We are proud to have 155 members and 35 affiliate organisations, supporting the professional recruiting industry across multiple sectors and states. Our members range from SME's to the largest global, listed companies recruiting into (permanent and contract) professional roles across medical, ICT, accountancy, finance, marketing, media, and other areas.

As the only recruitment body with an international footprint, with offices in Asia, UK and Germany, APSCo has a unique position and insight into international labour markets and how Australia compares. It is essential that governments here continue to look at all options to ensure Australia has a labour market and health system fit for the future. Such options must include the recognition of flexible, agile, highly skilled contracting and access to international, high-skilled, independent workers that will help to fill Australian skills gaps across the economy.