Chapter 3

Health Workforce Australia (Abolition) Bill 2014

Health Workforce Australia

3.1 Health Workforce Australia (HWA) was established by the *Health Workforce Australia Act 2009* as part of the National Partnership Agreement on Hospital and Health Workforce Reform. This agreement expired in June 2013.[1]

3.2 In late 2005, a Productivity Commission report on Australia's health workforce[2] noted the complexity of arrangements under which numerous bodies were involved at all levels in health workforce education and training.

3.3 HWA was established to create more effective, streamlined and integrated clinical training arrangements to:

(a) support workforce reform initiatives;

(b) support health workforce research and planning; and

(c) further new workforce models and reforms.[3]

Purpose and key provisions of the Bill

3.4 The Bill seeks to abolish Health Workforce Australia and transfer its functions and programmes to the Department of Health.

3.5 The key provisions of the Bill are as follows:

(a) part 1 contains amendments to the *Health Workforce Australia Act 2009* (HWA Act) that will introduce interim arrangements that facilitate the 'winding up' of HWA. The provisions include: removal of the requirement for HWA to act in accordance with the directions of the Australian Health Ministers' Conference; termination of current HWA Board appointments; and allocation of the Board's current functions to the Minister. The amendments in Part 1 would commence the day after Royal Assent;

(b) the *Health Workforce Australia Act 2009* is repealed (item 19 of Schedule 1);

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1 Senator John Faulkner, Minister for Defence, Second Reading Speech, *Senate Hansard*, 15 June 2009, p. 3101.

2 Productivity Commission (PC), Australia's health workforce, Research report, PC, Canberra, 22 December 2005.

3 COAG (2008), *National Partnership Agreement on Hospital and Health Workforce Reform*, http://www.ahwo.gov.au/documents/coag/national%20partnership%20agreement%20on%20hospital%20and%20health%20workforce%20reform.pdf , accessed 28 June 2014.

(c) the vesting of assets, liabilities and interests in land from Health Workforce Australia (HWA) to the Commonwealth without any conveyance, transfer or assignment (items 21 and 22 of Schedule 1);

(d) the transfer of pending proceedings, investigations, records and instruments (including contracts, undertakings, deeds or agreements) from HWA to the Commonwealth (items 25, 26, 27, 28 and 29 of Schedule 1); and

(e) no transfer of appointment, engagement or employment of an HWA officer to the Commonwealth (item 33 of Schedule 1).

Issues

3.6 Submitters to the inquiry generally recognised the comprehensive data collection efforts and reporting activities of HWA. The primary concerns of submitters focused upon the need to ensure that any proposed transfer of its functions and programmes to the Department did not undermine the continuation of this work.[4]

3.7 Many submitters were keen to understand the precise nature of the functions and programmes to be transferred to the Department:

> If the purpose of the Abolition Bill is to prevent duplicity in administrative functions, and not the abolishment of the functions and programmes of HWA, then it is vital that the breadth of work of HWA is fully understood and considered under any new arrangements.[5]

3.8 Several submitters emphasised that the Department should maintain HWA's cross-jurisdictional perspective and stakeholder engagement:[6]

> When amalgamating HWA's core functions into the Commonwealth Department of Health, an appropriate governance structure will be vital to ensure the new model does not lose the strengths of HWA's organisational structure as an independent, stand-alone body with a separate Board and public charter.[7]

4 For example: Australian and New Zealand College of Anaesthetists, *Submission 2*, p. 1; Community and Public Sector Union, *Submission 1*, pp 1–2; Exercise and Sports Science Australia, *Submission 5*, p. 1.

5 Australian Council of Pro-Vice-Chancellors and Deans, *Submission 12*, p. 2.

6 Consumers Health Forum of Australia, *Submission 13*, p. 6; Osteopathy Australia, *Submission 14*, p. 1.

7 Royal Australasian College of Physicians, *Submission 18*, p. 4.

3.9 Submissions identified a number of HWA's key projects that should continue in order to optimise the effectiveness of the Australian health system.[8] For example, the proposed *National Medical Training Advisory Network*[9] and *Health Workforce 2025—Oral Health.*[10]

Proposed savings—reducing duplication

3.10 Upon introduction of the Bill into Parliament, the Hon. Peter Dutton MP, Minister for Health (the Minister) stated that the proposed abolition of HWA and transfer of its functions and programmes to the Department will:

> …streamline the delivery of programs to build our health workforce and remove an unnecessary layer of administration and bureaucracy … The programs currently managed by HWA will continue, but aligning these with those already delivered through the [Department] will allow us to save valuable resources by reducing duplication in both service delivery and in the significant overheads required to run an agency.[11]

3.11 The Commonwealth Government is committed to providing national leadership while continuing to work with states and territories towards national workforce planning and reform.[12] The Government is proposing to achieve $142.0 million in savings from the abolition of HWA and changes to health workforce planning. Efficiencies will be achieved by the abolition of the agency and transfer of its functions to the Department. [13]

3.12 In its submission, the Department has noted that, contrary to the National Partnership Agreement on Hospital and Health Workforce Reform, the states and territories have never contributed their expected share of funding to the operations of HWA[14] (approximately $539.2 million from 2008–2013). [15] In contrast, the

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8 Community Affairs Legislation Committee, *Health Workforce Australia Bill 2009 [Provisions]*, June 2009, p. 10 (Department of Health and Ageing); Australian Council of Pro Vice-Chancellors and Deans of Health Sciences, *Submission 12*, p. 4; Australian Dental Association Inc., *Submission 4*, pp 1–2; Australian Primary Health Care Nurses Association, *Submission 6*, p. 1; Australian Physiotherapy Association, *Submission 15*, p. 1; National Rural Health Alliance, *Submission 21*, p. 2; Occupational Therapy Australia, *Submission 11*, p. 4; Faculty of Medicine, Nursing and Health Sciences, Flinders University, *Submission 17*, p. 1 (Simulated Learning Environment (SLE) created at the Centre for Remote Health in Alice Springs also provides continuing professional education of nursing and medical staff based in remote communities and the Alice Springs Hospital, also funding for SLEs in Greater Green Triangle region of Western Victoria and South-Eastern South Australia).

9 Australian and New Zealand College of Anaesthetists, *Submission 2*, p. 2.

10 Dr Carmello Bonanno, Australian Dental Association, *Proof Committee Hansard*, p. 15.

11 Second Reading Speech, *House Hansard*, 15 May 2014, p. 4.

12 Second Reading Speech, *House Hansard*, 15 May 2014, pp 4–5.

13 Australian Government 'Part 2: expense measures', Budget measures: Budget paper no. 2: 2014–15.

14 Australian Government Department of Health, *Submission 20*, p. 3; Ms Penny Shakespeare, Department of Health, *Proof Committee Hansard*, p. 50.

Commonwealth has remained the sole funder of HWA contributing $1.05 billion.[16] In evidence, the Department explained:

> This has presented challenges with HWA's governance arrangements, with HWA reporting to all Health Ministers and having a Board comprising of representatives of each jurisdiction, giving the Commonwealth government limited influence over the use of Commonwealth resources.[17]

3.13 The Review of Australian Government Health Workforce Programs (Mason Review)[18] stated that it is reasonable that the Australian Government would want more direct involvement in HWA, as the states have not contributed their share of operating funds, yet still retain a stake in governance. This governance arrangement has also led to 'uncertainty from the perspective of stakeholders' about the roles and responsibilities of HWA and the Department which need to be resolved.[19] The Mason review also stated that stakeholders perceived that HWA had 'an extremely onerous compliance based contracting model'.[20]

Importance of health workforce planning

Workforce capacity building and data collection

3.14 A number of submitters noted that HWA's data analysis and policy development work were the areas most valued by stakeholders.[21]

3.15 HWA's work on 'comprehensive and sophisticated health workforce data capture and analysis…to enable health workforce modelling and support planning'[22] was acknowledged. Submitters noted that, prior to the establishment of HWA, there was a 'paucity of data' on Australia's health workforce. Through monitoring workforce trends, collating data and building the evidence base on Australia's health workforce, HWA has contributed significantly to national planning for a sustainable

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15 Second Reading Speech, *Senate Hansard*, 15 June 2009, p. 3101.

16 Australian Government Department of Health, *Submission 20*, p. 2.

17 Australian Government Department of Health, *Submission 20*, p. 3.

18 J Mason, *Review of Australian Government health workforce programs, Department of Health and Ageing,* April 2013, accessed 23 May 2014, p. 329.

19 J Mason, *Review of Australian Government health workforce programs, Department of Health and Ageing,* April 2013, accessed 23 May 2014, p. 25.

20 J Mason, *Review of Australian Government health workforce programs, Department of Health and Ageing,* April 2013, accessed 23 May 2014, p. 330.

21 For example: Royal Australasian College of Physicians, *Submission 18*, p. 1, Catholic Health Australia, *Submission 3*, p. 1; University of Sydney, *Submission 19*, p. 2: See comments in *Submission 12*, p. 4 for a discussion on HWA's "Clinical Placement Survey" as an example of the sole source of data on student load and clinical placement activities. HWA's "Clinical Training Profiles" provide a national snapshot of student numbers, education pathways, and characteristics of clinical training and supervision requirements for clinical placements of a range of health professions.

22 University of Sydney, *Submission 19*, p. 2.

workforce. In turn, this information has 'instigated and informed clinical redesign and innovation improving efficiencies within the health system'.[23] Several submitters raised the reticence of various jurisdictions and professions to share workforce data prior to the establishment of HWA.

Health workforce distribution

3.16 Submissions identified the importance of continuing the work started by HWA to identify and implement reforms to improve the distribution of the health workforce in rural and remote communities.[24] The National Rural Health Alliance commented:

> The Bill's Explanatory Memorandum states that Australia has a '…*well distributed health workforce*, delivering frontline health services for all Australians'. Many people in rural and remote Australia would be surprised at this description, having poor access to many types of health professional and the services they provide.[25]

3.17 The *National Rural and Remote Health Workforce Innovation and Reform Strategy,* [26] the project on *Rural and Remote Generalist Allied Health Professions*[27], the feasibility study of a *National Framework for Rural Medical Generalist* programs[28] and the *General Practice Rural Incentives Program*[29] were all identified as important initiatives.

Clinical training[30]

3.18 Submissions identified clinical training funding for the non-government and private sectors as a valuable area of activity that should continue under the Department of Health's administration of health workforce planning.[31]

3.19 Flinders University noted that accommodation of students in rural and remote locations has always been an impediment to delivery of clinical training. HWA funding has allowed Flinders University to provide eight new residences and upgrade three existing residences to provide student accommodation in the Northern Territory.[32] Flinders University also noted that HWA's support for clinical training

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23 Exercise & Sports Science Australia (ESSA), *Submission 5*, p. 1; Also see: Australian Council of PVCs and Deans of Health Sciences, *Submission 12*, p. 4.

24 Exercise & Sports Science Australia (ESSA), *Submission 5*, pp 2–3; *Submission 21*, p. 2.

25 National Rural Health Alliance, *Submission 21*, p. 1; Mr Gordon Gregory, National Rural Health Alliance, *Proof Committee Hansard*, p. 16.

26 Health Services Union, *Submission 9,* pp 4–5.

27 National Rural Health Alliance, *Submission 21*, p. 2.

28 National Rural Health Alliance, *Submission 21*, p. 2.

29 Health Services Union, *Submission 9,* pp 4–5.

30 National Rural Health Alliance, *Submission 21*, p. 2.

31 Catholic Health Australia, *Submission 3*, p. 1.

32 Faculty of Medicine, Nursing and Health Sciences, Flinders University, *Submission 17*, p. 2.

initiatives has allowed the university to expand and expedite its training of students in a range of health related fields, particularly in rural and remote locations. [33]

National Medical Training Advisory Network

3.20 A number of submissions identified the recent establishment of the National Medical Training Advisory Network (NMTAN) as a highly valued component of HWA's current work program.[34] The NMTAN identified and sought to resolve looming bottlenecks in the training pipeline and its work is considered increasingly necessary: [35]

> Even though this is in the early stages of its work, this cross-professional expert group is fundamental to developing an effective strategy to meet the demands for and from our medical workforce into the medium and long-term future. It is also able to provide expert and detailed input to assist in the future refinement of the HW2030 modelling process.[36]

Nursing, allied health, and other health professional groups

3.21 HWA's approach in adopting a 'whole-of-workforce perspective' in reforming the sector was described as 'seminal' and the Department of Health was urged to maintain this momentum:

> …while much of their work has focused on the medical and nursing workforce, action has occurred across the spectrum of health professions. This has included a broad range of allied health professions and Aboriginal and Torres Strait Islander health workers. This whole-of-workforce approach is vital to build the capacity of the health workforce to meet the emerging health needs of the population, particularly in relation to the management of chronic illness. This broad focus on reform must continue.[37]

3.22 Osteopathy Australia encouraged the Department to continue investing in efficient workforce planning for allied health professionals because it accords with the Government's stated desire to 'reduce demand for unnecessary or overused services'.[38] For example, osteopaths see patients who are taking responsibility for their health by self-referring and paying fees out of their pocket without taxpayer subsidy.[39]

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33 *Submission 17*, pp 1–2.

34 For example: Australian and New Zealand College of Anaesthetists, *Submission 2*, p 2; Australian Medical Students' Association, *submission 10*, pp 2–3; Australian Medical Association, *submission 16*, pp 2–3.

35 Australian Medical Association, *Submission 16*, pp 1–2.

36 Royal Australasian College of Physicians, *Submission 18*, p. 2.

37 Australian Psychological Society, *Submission 7*, p. 1.

38 Osteopathy Australia, *Submission 14*, p. 3.

39 Osteopathy Australia, *Submission 14*, p. 3.

3.23 The committee noted HWA's role in facilitating novel workforce policy initiatives as a means of addressing skills shortages. Professor Wronski explained:

> The notion of generalism came out of medicine originally as a way of developing skill sets amongst rural medical practitioners so that they were comfortable working in areas of workforce shortage, and it spread into the allied health areas. For instance, you can look at the situation of a smaller town. Let's say you are only ever going to be able to afford one or two allied health personnel. Obviously you would want them to be card-carrying physios, [occupational therapists] or whatever else. What are the expanded skill sets that would enable that facility to provide a fair range of services, mobilising the most out of those personnel?[40]

3.24 The development and implementation of a primary health care nursing workforce plan should be prioritised in the work undertaken by the Department following the transfer of functions and programmes from HWA.[41]

Staffing issues and capacity

3.25 The issue of the relocation of HWA's functions from Adelaide and Melbourne to Canberra was raised.[42] The Department stated that 'ultimately, the Department is a policy department largely located in Canberra'.[43]

3.26 The Department confirmed the transitional arrangements for HWA staff:

> A number of staff [30–40] have taken redundancy payments and left the organisation. We have commenced an expression-of-interest process for staff who are interested in transferring to the department, which is largely complete. We are now waiting for the Australian Public Service Commission to confirm arrangements for the transfer of staff from HWA to the department. So there has been progress, but there have been no actual transfers from HWA to the department at this stage.[44]

3.27 The Australian Medical Association identified the types of skills the Department should look to retain or recruit including those with:

> an understanding of the health policy landscape and an understanding of the modelling techniques and assumptions that have been used by HWA in the past[45]

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40 Professor Ian Wronski, Universities Australia Health Professions Education Standing Group, *Proof Committee Hansard*, p. 23.

41 Australian Primary Health Care Nurses Association, *Submission 6*, p. 2.

42 Community and Public Sector Union, *Submission 1*, p. 1.

43 Mr Andrew Stuart, Department of Health, *Proof Committee Hansard*, p. 54.

44 Ms Penny Shakespeare, Department of Health, *Proof Committee Hansard*, pp 53–54.

45 Dr James Churchill, Australian Medical Association, *Proof Committee Hansard*, p. 13.

Communication and independence

3.28 Stakeholders expressed appreciation of HWA's strong focus on collaboration and engagement, and expressed the hope that this approach will continue with any transfer of responsibilities to the Department:[46]

> HWA has adopted a comprehensive consultative approach to all their activities and this intensive engagement with stakeholders will need to be continued by the Department in order to achieve effective and sustainable outcomes. This consultative approach must continue to be applied to the legacy projects that will be inherited by the Department as well as to newly commissioned projects.[47]

3.29 This broad consultative approach has been regarded as a key reason for the 'high uptake of implementation of HWA policy proposals' through findings and outcomes that are practical and relevant. [48]

3.30 The Australian Dental Association stated that an independent body such as HWA is not critical if the Department continues to consult with stakeholders:

> I am not sure independence is really that important an issue. As I said, the work they have done has been transparent and open and they have consulted well. As long as that process continues and is not lost, I think we would be pretty happy.[49]

3.31 Catholic Health Australia (CHA) claimed that the lack of 'specific requirements for HWA to consult and cooperate with both education and health providers on the provision of financial support for clinical training' has been a shortcoming. CHA advocated a new national agreement for action on health workforce as a replacement to HWA, with the role of the Department of Health clearly articulated.[50]

Transfer of HWA functions and responsibilities to the Department

3.32 Several submitters highlighted the HWA's capacity to communicate and collaborate with industry, different departments and jurisdictions. Submitters noted it is critical that the Department communicate and collaborate with industry, different department and jurisdictions to ensure that there is a unified and coherent approach to workforce planning.[51]

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46 For example: Occupation Therapy Australia, *Submission 11,* p. 5; *Submission 19*, p. 3; Australian and New Zealand College of Anaesthetists, *Submission 2*, p. 2.

47 Australian Psychological Society, *Submission 7*, p. 1.

48 Occupational Therapy Australia, *Submission 11,* p. 4.

49 Dr Carmello Bonanno, Australian Dental Association, *Proof Committee Hansard,* p. 18.

50 *Submission 3*, p. 1.

51 For example: Mr Allan Groth, Universities Australia Health Professions Education Standing Group, *Proof Committee Hansard*, p. 22; Mr Mark Farthing, HSU National, *Proof Committee Hansard*, p. 32.

3.33 Submitters said that prior to the establishment of HWA, there was a less-focused approach to workforce planning and emphasised the importance of the Commonwealth continuing to co-ordinate for training and health workforce planning.[52]

3.34 The Department noted the potential for 'duplication and confusion for stakeholders' in both agencies managing health workforce programs:

> These issues will be addressed by transferring HWA's programmes to the Department. There will be more clarity for stakeholders, consistent funding arrangements and the opportunity to align overlapping programmes.[53]

3.35 In response to concerns that innovation may be stifled and that the transition may hurt the progress made by HWA in strengthening the sector, the Department confirmed:

> There will continue to be work undertaken in the Department, and in state governments, to develop innovations and reforms to address health workforce challenges, and to support the implementation of these policies.
>
> The Government remains committed to effective health workforce training, productivity and innovation and will ensure that this work is delivered more efficiently through reducing corporate overheads, and eliminating duplication between HWA and the Department.[54]

3.36 The Department committed to 'continue to work with stakeholders, including the states and territories and the private sector'.

> The Department will continue to use established fora, such as the Australian Health Ministers' Advisory Council and the Health Workforce Principal Committee.[55]

3.37 The committee notes that as part of this commitment, the Department is conducting a review of all advisory committees to identify duplicate committees. The Department stated that those committees that represent stakeholders the Department does not already directly engage with will be retained.[56]

3.38 The Department confirmed that all Clinical Training Funding Agreements will be continued for the 2015 academic year.[57]

3.39 The Department acknowledged that staff of HWA have 'well developed skills in data analysis and modelling, programme delivery and evidence-based

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52 Professor Brendan Crotty, Universities Australia Health Professions Education Standing Group, *Proof Committee Hansard*, p. 22.

53 Australian Government Department of Health, *Submission 20*, p. 3.

54 Australian Government Department of Health, *Submission 20*, p. 3.

55 Australian Government Department of Health, *Submission 20*, p. 4.

56 Ms Penny Shakespeare, Department of Health, *Proof Committee Hansard*, p. 52.

57 Ms Penny Shakespeare, Department of Health, *Proof Committee Hansard*, p. 55.

strategic policy advice'. The Department advised the committee that 'many HWA staff will have the opportunity to join the Department' and that the Department was supporting the work HWA was doing to manage the transition process with its staff.[58]

Committee View

3.40 The committee acknowledges the positive submissions reflecting on HWA's role in leading and co-ordinating health workforce planning. The committee considers that it is important for the Department to maintain this lead role within health workforce planning and training. In addition, the amalgamation of this work with the Department will remove duplication and increase the ability of the Government to provide a more streamlined approach to the health workforce. Consultation and collaboration with all stakeholders must continue in order to sustain the unified and coherent framework established by HWA.

3.41 The committee is satisfied that the transfer of HWA's roles and responsibilities to the Department of Health should not interfere with on-going health workforce planning and programs.

Recommendation 2

3.42 The committee recommends that the Health Workforce Australia (Abolition) Bill 2014 is passed.

Senator Zed Seselja

Chair

58 Australian Government Department of Health, *Submission 20*, p. 4.