



A Migration System for Australia's Future

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Executive summary

- The private hospital sector normally employs 140,000 people. However, the health care sector is facing a workforce shortage crisis. The COVID-19 pandemic has exacerbated pre-existing workforce shortages and service demands have increased.
- These shortages are compounded by unusually high levels of staff absenteeism due to COVID-19 and flu. This is limiting the sector's ability to address backlogs in demand for both public and private patient services.
- There are acute shortages across all clinical professions – medical, nursing, midwifery, allied health and mental health.
 - At the start of 2022, APHA identified the private hospital sector needed more than 8,000 nurses to meet immediate demands.
 - The most serious shortage is for skilled and experienced nurses able to fill critical roles and mentor and support new graduates and early career nurses.
 - At the start of 2022 operators were seeking more than 1,000 skilled migrants to assist in meeting this shortfall in skilled and experienced nurses.
 - Other areas of demand include medical specialists, particularly psychiatrists, and allied health professionals.
 - Since then APHA members report that while they are appreciative of the Australian Government's efforts to open up skilled migration and shorten visa processing times, recruitment remains well below target levels.

APHA Recommends:

- **An increase in the number of skilled migrants permitted to enter Australia including nurses and other clinical professions and reduction in the time taken to process applications.**
- **The complexity and cost of sponsoring skilled migrants is reduced, including:**
 - A 12-month moratorium on charges to employers for health care related skilled migration.
 - A 12-month moratorium on Labour Market Testing for clinical professions in acute shortage.
 - Flexibility to allow employers to move skilled migrants between roles within their scope of practice – e.g. moving registered nurses between critical care and peri-operative care in response to service demands.
- **The introduction of policies to make Australia a more attractive destination for skilled migrants, including:**
 - Restoration of pathways to permanent residency for highly skilled migrants.
 - Reduction of costs for skilled migrants and their families.
- **The immediate commencement of workforce planning on a national basis including a rapid assessment of the impact of COVID-19 considering local and global factors.**

Response to discussion paper questions

This section provides brief responses to the questions posed in the discussion paper released by the Department of Home Affairs as part of the comprehensive review of Australia's migration system announced in September 2022.

1. WHAT CHALLENGES AND OPPORTUNITIES DOES AUSTRALIA FACE IN THE COMING DECADES?

Australia is in a global competition for healthcare workers in the context of global shortages.

Incentives offered by other countries include reducing costs to employers, making health and care workers priority workers and fast-tracking visa applications:

- measures implemented in the UK saw 11,000 international nurses register in the six-months between April and September 2021, a similar number to the 12-month period before COVID. The UK Nursing and Midwifery Council reports the international workforce has risen by 23,000 in the 12 months to March 2022 – breaking records in international recruitment.
- In Canada, qualified nurses have fast-tracked residency and provinces have also stepped in to train foreign nurses or assist them to meet licence to practice requirements. British Columbia has set aside \$16000 each to help 1500 overseas trained nurses with English language testing and educational upgrading, while Quebec will invest up to \$65 million to train 1000 foreign nurses. Meanwhile, the province of Ontario has registered almost 4000 overseas trained nurses as of June 2022 – a 132 percent increase compared to the previous year.

Financial incentives alone are not enough. In 2021, the Victorian government committed \$2.5 million in relocation funding and 'dedicated support' in an attempt to recruit 1000 migrant nurses. Only about 100 nurses were recruited.

2. HOW CAN MIGRATION CONTRIBUTE TO THESE CHALLENGES AND OPPORTUNITIES?

Shortages in health care professions will need to be addressed by a mix of strategies. Skilled migration is an essential component of Australia's response because without skilled migrants, Australia will not be able to successfully implement domestically focused strategies. The skills and experience contributed by migrant healthcare professionals are essential to the training and supervision of Australian students and early career professionals.

Identification of skills shortages needs to be more responsive and coordinated:

- Government data collections often have long lead times. These need to be complemented with other more contemporaneous sources of information.
- Employers should not need to conduct costly 'labour market testing' for occupations where acute shortages have already been demonstrated at either regional or national levels.

3. WHAT ARE THE CURRENT AND POTENTIAL BARRIERS IN ALLOWING MIGRATION TO PLAY THESE ROLES?

Historically skilled migration has been essential to the Australian health sector with around 15 percent of health professions coming from overseas. States have been major sponsors together with larger health care organisations and private hospital operators. More recently small private hospital operators have been forced to consider sponsoring skilled migrants in an effort to address acute skill shortages

The barriers are significant, even for bigger organizations. Labour market testing and complex application processes require additional workforce resulting in high costs to the employers. On top of this there are the costs of listing on multiple job boards, legal costs and administrative costs in lodging and following up on applications.

The costs to employers of skilled migration are excessive, particularly in the current climate where hospital operators are confronting increased operational costs on every front and the chances of successive recruitment and retention are low.

The Department of Home Affairs provides some rebates in instances where visas are not taken up but additional refund provisions should be included where the sponsor lodges a nomination and the candidate withdraws prior to lodging a visa application. At present, refund provisions are only available if the applicant is granted the visa but does not commence. If they withdraw before they have lodged and been granted a visa against the sponsorship nomination, the employer is not entitled to a refund.

Doctors, nurses and allied health professionals are trained and registered to work within a defined scope of practice. This scope is often broader than the narrow occupations used to define visa work entitlements. This limits the flexibility available to private hospitals in deploying skilled migrants as demand for clinical services change. This flexibility is crucial in meeting the needs of patients and it also provides opportunities to health care professionals for variety and career development. Current visa rules inhibit this flexibility and add unnecessarily to the costs of sponsorship. It is nonsensical that Australian national clinical staff are able to be deployed flexibly within their defined scope of practice but skilled migrants are not.

Competition between health services (public and private) means that private hospitals must actively compete with other employers. The jobs offered by private hospitals are well-paid, highly skilled positions but it is common for private hospital to find that their preferred candidate declines the offer or leaves soon after commencement because of more lucrative opportunities elsewhere (either in Australia or elsewhere). Private operators cannot match the generous incentives offered by State governments. The sponsoring employer should be compensated for the losses they incur in these circumstances.

4. WHAT REFORMS ARE NEEDED TO ENSURE THE MIGRATION SYSTEM CAN MEET THE CHALLENGES AND OPPORTUNITIES THAT LIE AHEAD?

Age limits for permanent residency and working holiday visas for nurses and other health professionals should be reviewed and where appropriate removed. The changing demographics of the health workforce, economic trends and changing attitudes towards career and life-work balance mean that people are making new and varied choices at different stages of life. As the workforce ages in many countries, many people are also seeking to work longer, or combine work/life balance in various ways to suit their particular life-stage. This is leading to changes in the economically productive life-span of individuals. Choices to combine travel and work are not limited to young adults and the health sector in particular stands to benefit by welcoming skilled and experience workers of all ages including those who may be attracted by the option of a working holiday later in life.

The health sector requires experienced migrants. Suitable applicants are often at the age where they have partners and dependants. If Australia is to be an attractive destination, migrants need to be assured of affordable costs taking account of the costs of application, travel, health insurance accommodation and education/care of children and the factors which make some of these costs greater for skilled migrants than for Australian workers.

Pathways to permanent residency for skilled migrants and other temporary migrants who commit to training for areas of skill shortage should be enhanced in order to realise the investment made by these individuals and their employers for the duration of temporary visa arrangements. Establishing a pathway to permanent residency also recognises the fact that the Australian health system needs these workers for the long term, not just for a defined period.

Other countries, notably the UK have skilfully leveraged economic and historic ties with other countries to attract skilled migrants as part of their wider international relationships. Australia has valuable ties with a number of countries that could be developed to create mutual benefit by viewing the skilled migration of health professionals through a wider lens of economic and social cooperation. Australia offers not only economic and lifestyle opportunity to individuals but also opportunities for career development and training.

Each year Australia graduates hundreds of international students in health-related programs. Increasing the opportunities for these graduates to complete graduate placements/internships or early career development in Australia at a time when the demand for health graduates exceeds supply could deliver benefits for both Australia and countries of origin.

The Skilling Australia Levy imposed on employees sponsoring skilled migrants perversely adds to the cost burden carried by private hospital operators without in any way reducing Australia's dependence on skilled migrants in the health sector because the Levy is directed toward VET programs, not towards programs that would reduce the health sectors dependency on skilled migration. APHA is of the view that there should be a moratorium on the Levy while private hospital operators work through a period of severe financial challenge and continue to partner with the public system in addressing record-high levels of health service demand for elective surgery, mental health and other services in the wake of COVID-19. In the longer term, if such levies are to be retained, they must be used to support the industry sectors which pay them.

An introduction to the private hospital sector

WHY IS THE PRIVATE HOSPITAL SECTOR IMPORTANT

- The private hospital sector comprises 289 overnight hospitals and 350 standalone day hospitals. It includes for-profit and not-for-profit operators, corporate groups and independently owned and operated facilities.
- Since the start of 2020, the industry has demonstrated its integral role within the health sector in addressing both the immediate and long-term consequences of the COVID-19 pandemic.
- In 2020-21, the private hospital sector:
 - Treated 4.9 million patients, more than 40 percent of all hospital admissions.
 - Treated one-in-20 public patients as part of the COVID-19 pandemic response and through partnerships with jurisdictions to address backlogs in demand for public patient services¹.
 - Provided one in three of all level three intensive care unit separations, an increase of 44 percent and 18 percent of patients requiring continuous ventilatory support.
- The private hospital sector provides:
 - 60 percent of all surgical services
 - 50 percent of cardiovascular procedures
 - 60 percent of all musculoskeletal procedures
 - 70 percent of all eye procedures
 - 75 percent of procedures on the brain, spine and nerves.
 - 80 percent of all in-patient rehabilitation.
 - 45 percent of all acute adult psychiatric beds.
 - At least 30 percent of all chemotherapy².
- The outlook for 2022-23 remains dominated by the continuing health and economic impacts of the pandemic within Australia and internationally. The challenges facing the health sector mean private hospitals remain crucially important in providing timely access to health services for all Australians.
- The private hospital sector also plays an essential role in the training and development of the future health workforce. APHA estimates each year private hospitals provide:
 - 40,400 days of clinical placement for medical students.
 - More than 300,000 days of clinical placement for nursing and midwifery students.

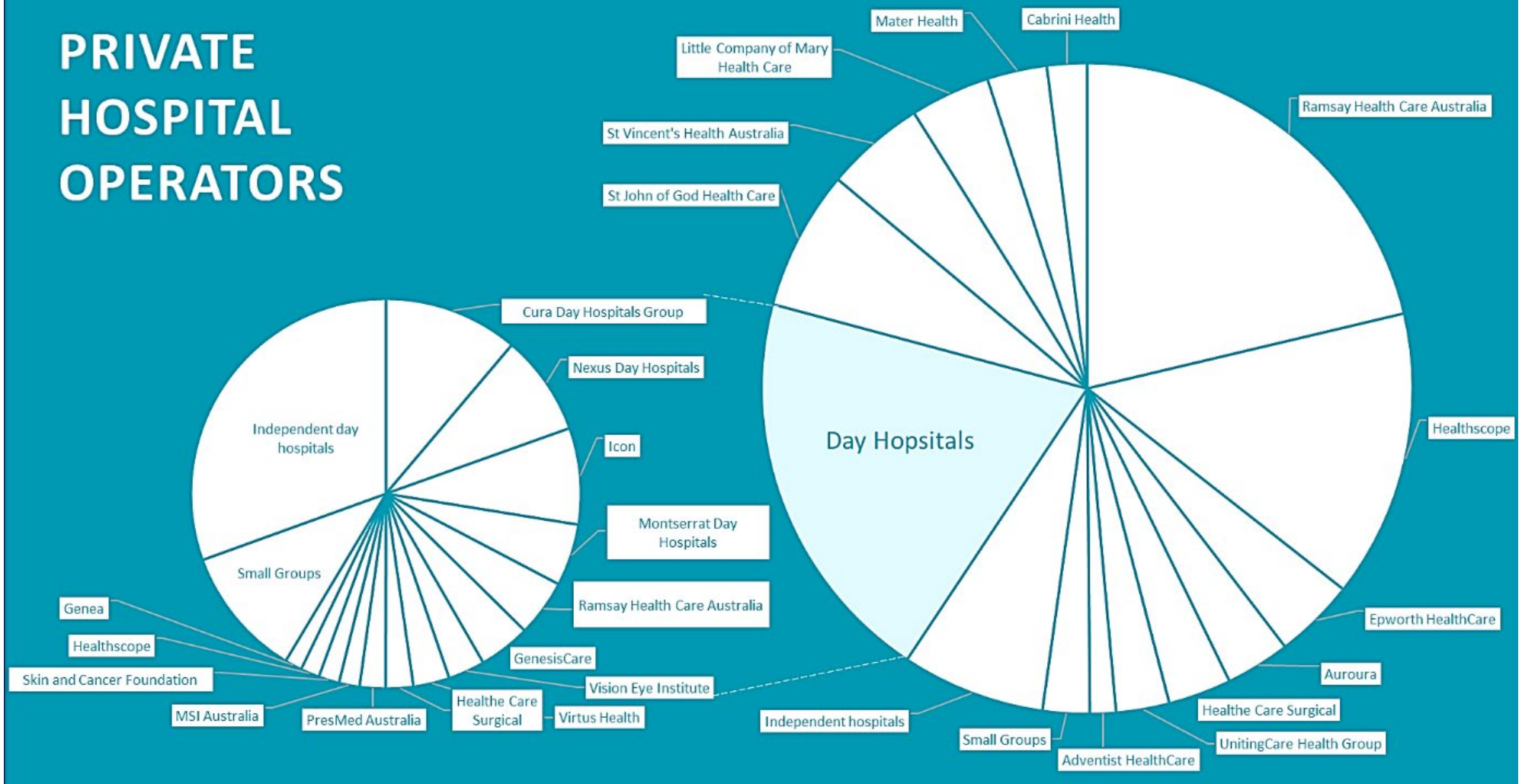
¹ This is in addition to those public hospitals which are operated by private and not-for-profit organisations.

² AIHW Admitted Patient Care, 2020-21.

- 29,000 days of clinical placement for allied health students³.
- The private hospital sector also employs and trains medical interns, registrars and allied health and nursing graduates.
- The private hospital sector provides personalised models of specialist care that respond to the diverse needs of Australian communities.
- The following diagram shows the major private hospital operators and their size relative to the sector as a whole.

³ Australian Private Hospitals Association and Catholic Health Australia, Education and training the private hospital sector, Canberra 2017.

PRIVATE HOSPITAL OPERATORS



The Australian Private Hospitals Association

- The Australian Private Hospitals Association (APHA) is the largest peak industry body representing the private hospital and day surgery sector.
- APHA members provide services in all states and territories.
- APHA members operate 160 overnight hospitals and 151 day hospitals across Australia.
- Major operators within the membership include:
 - Adventist HealthCare Limited
 - Aurora Healthcare
 - Cura Day Hospitals Group
 - Dental Corporation Pty Ltd
 - Eastern Heart Clinic Group
 - Epworth HealthCare
 - Evolution Healthcare Pty Ltd
 - Genea Limited
 - GenesisCare
 - Healthe Care Surgical Pty Ltd
 - Icon Pty Ltd
 - MSI Australia
 - Nexus Day Hospitals Pty Ltd
 - PresMed Australia
 - Queensland Eye Institute
 - Ramsay Health Care Australia Pty Ltd
 - Royal Rehab Group
 - The Park Private Hospital & Walcott Street Surgical Centre
 - Uitas HealthCare Pty Ltd
 - Vision Eye Institute
 - Wesley Hospital Ashfield & Kogarah.

In addition to these corporate groups, APHA represents more than 90 independent stand-alone facilities.