



Submission to the Senate Education and Employment Legislation Committee Inquiry into the Migration Amendment (Skilling Australians Fund) Bill 2017 and the Migration (Skilling Australians Fund) Charges Bill 2017

To: Education and Employment Legislation Committee

January 2018

Dear Senator Reynolds,

Thank you for the opportunity to contribute to the Senate Education and Employment Legislation Committee Inquiry into the Migration Amendment (Skilling Australians Fund) Bill 2017 and the Migration (Skilling Australians Fund) Charges Bill 2017.

Catholic Health Australia (CHA) represents Australia's largest non-government grouping of hospitals, aged and community care services, providing approximately 10 per cent of hospital and aged care services in Australia. CHA represents more than 77 hospitals which account for more than 25 per cent of Australia's private hospital beds and around 5 per cent of Australia's public hospital beds. Our organisations together employ more than 82, 000 people and approximately $\frac{3}{4}$ of them are women.

A significant proportion of employees in our organisations are highly skilled nurses, (registered nurses and midwives). The health care and social assistance industry is also the largest in Australia representing 12.7% of the workforce. The significance of this sector and demand for workforce will only increase with population ageing and longer life expectancy. The data included in Annex 1 below sourced from the Australian Government's Department of Health illustrate the shortfalls already predicted over the next 12 years in regards to the demand for nurses. These shortfalls cannot presently be met by new Australian graduates as highly skilled and experienced clinicians are needed to fill these positions. Figure 1 in the annex below clearly illustrates that demand exceeds supply in the nursing workforce and the shortfall will continue to grow into the next decade.

CHA members are therefore obliged on occasion to recruit skilled clinicians from overseas. This is only a small proportion of our workforce however essential to maintain clinical service delivery and train junior staff. The proposed training levy represents a significant additional cost to the employment of clinical staff in both our public and private hospitals. Our members are not-for-profit health service providers and as such these additional costs could impact on the significant investment that our members already make in training Australia's clinical workforce. Please refer to the recent joint report with the Australian Private Hospitals Association (Education and training in the private hospital sector) that details the investment in just the private hospital sector. https://www.cha.org.au/images/CHA-APHA_WorkforceReport_FINAL_May17.pdf

The investment made in our large public tertiary hospitals is also significant.

CHA recognises the necessity of a skilled workforce to the development of a globally engaged industry and economy. The proposed levy however will take money out of the already under-resourced health sector to provide to other sectors, in this regard the Skilling Australia Fund represents a complete public policy disconnect.

Recommendations:

Training Levy:

As our members already significantly invest in training staff an exemption from the training levy should be considered. Determining the levy by the size of annual turnover is not an accurate indicator of the investment that our organisations are already making in terms of education and training. CHA recommends that the existing training/immigration levy remain currently in place for sponsors who need to lodge TSS nominations to meet industry skills shortages and already invest significantly in training their workforce. This is particularly relevant in regional locations where increased costs apply to attract and retain staff in non-metro locations.

Labour Market Testing:

Where occupations are known to be in high demand eg. Perioperative registered nurses and midwives these should be detailed on a list which is exempt from providing evidence of labour market testing. This list could easily be reviewed at the same time as the biannual reviews of the skilled occupations lists.

Rural and regional not-for-profit hospitals:

Thirty per cent of Australians live in rural and regional Australia where access to health services and health professionals is severely limited. CHA members have over 15 hospitals in rural/regional Australia where recruitment of skilled clinicians to fill the many shortages is always a challenge. The imposition of the proposed skilled training levy will disproportionately impact upon these smaller hospitals. We propose that exemptions are applied to health service employers in rural and regional areas where skill shortages are well-known.

Conclusion:

In an environment of an aging population and aging workforce the health sector will continue to be reliant on the migration of overseas skilled health care staff for the foreseeable future. The nursing workforce in particular, which is the largest proportion of our workforce, is already facing critical and increasing shortages. Re-directing funds from an industry already experiencing significant skills shortages to other industry areas makes no sense and will negatively impact our members ability to maintain high quality health services particularly in rural and regional locations.

As such, CHA would welcome the opportunity to discuss options that would respect the intent of the fund without penalising our members. These options include exempting hospitals and aged care services from paying the fund particularly in regional areas or a developing a differential levy to be applied to the health and aged care services sector.

If you require any further information, please contact the Catholic Health Australia office as we would welcome the opportunity to give additional evidence to assist the inquiry in its work.

Sincerely,



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Annex 1

Figure 1: Nursing workforce forecasted demand and supply through to 2030 (data supplied from the Australian Government Department of Health)

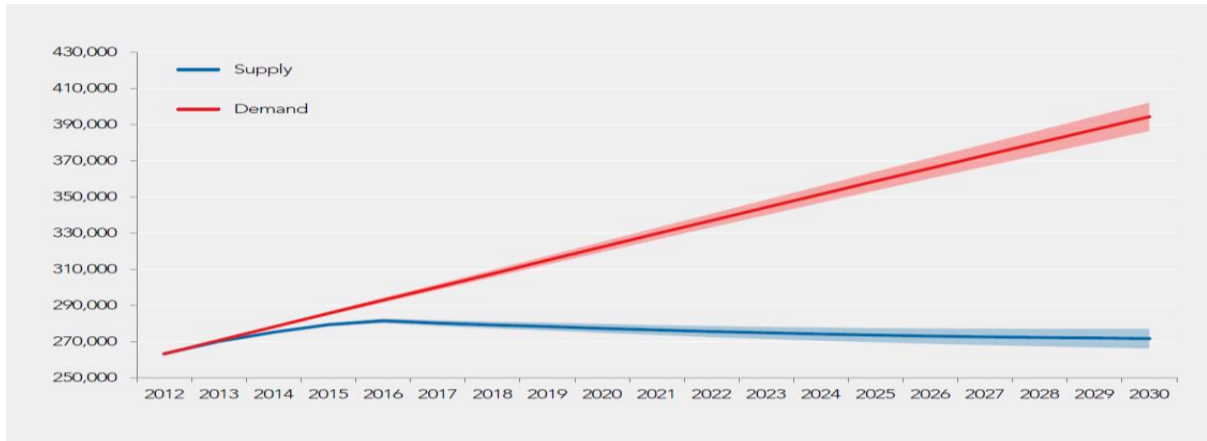


Table 1: Comparison Scenario (Total Nursing) to 2030 (data supplied from the Australian Government Department of Health)

Comparison scenario (Total nursing)					
Headcount	2012	2016	2018	2025	2030
Supply	263,212	281,491	279,206	273,522	271,657
Demand	263,212	292,942	307,625	358,879	394,503
Excess/Shortfall	0	-11,451	-28,419	-85,358	-122,846