



# National Medical Workforce Strategy 2021–2031



Investing in our medical workforce to meet Australia's health needs

## Analysis of Locum use in the Medical Workforce

Commonwealth summary paper for Health Workforce Taskforce

### The known

- Locums are an essential component of the medical workforce
- Pre-Covid 19 some regions and health services had high reliance on locums
- Post-Covid 19 there were reports of increasing numbers of doctors choosing to work as locums and increasing costs to health services
- Lack of published data about locums hinders national evidenced-based policy decisions



### The insights from this project

Doctors' reasons for working as locums are:

- Financial
- For professional autonomy and experience
- For flexibility leading to improved work-life balance
- To live or work in their preferred specialty or location



### The implications

Acknowledging that employers may already be considering or implementing these strategies, further efforts to recruit a permanent workforce could include:

- A review of the remuneration and benefits of permanent staff and locums
- A range of employment patterns and options with more flexibility
- Increased focus on doctor wellbeing and workplace culture
- Realignment of accredited and hospital registrars to future need for specialists



## Executive Summary

Medical locums provide essential workforce when doctors take planned or unplanned leave. The National Medical Workforce Strategy identified that some health services are made up of doctors engaged to assist where there are shortfalls in staffing or when a regular doctor is unwell or completing professional development (1). An investigation into the optimum use of locums in the health system was recommended as locums can incur higher costs, fragment care, and work outside educational and quality assurance systems (2-4).

The situation worsened following the Covid-19 pandemic with increased demand for medical staff, increasing costs of locums and anecdotal concerns that more doctors were working as locums. The Commonwealth commenced a project in May 2023 with BDO to undertake analysis of locum use in the medical workforce. To inform this project, a survey was conducted with the locum medical workforce and the broader medical sector who engage locums in conjunction with BDO's requests for financial and other quantitative data. The project concluded in December 2023.

A summary of the project objectives:

1. Analyse locum use and costs by specialty, setting, training and experience, and location
2. Understand doctors' reasons for working as locums
3. Document the benefits and disadvantages of employing locums
4. Identify policies options for increasing the permanent medical workforce.

A major limitation for the project was the insufficient quantitative information available to provide a national view of locum costs. Similarly, data on locum speciality, setting, location and training/experience was unavailable. Insights were drawn from a survey of primarily locum doctors, along with input from some broader stakeholders involved in locum recruitment. The project was re-aligned to focus on the available qualitative data from the survey which generated 1,462 responses to at least one question and 820 respondents completed all questions (515 locum doctors, and 380 non-locum doctors completed 'most' questions).

BDO's final report provided a useful understanding of the drivers of why doctors choose to locum and the locations and specialities that rely most heavily on locums. However, the survey results may not reflect broader locum workforce issues as respondents to the qualitative survey predominately identified as locum doctors.

This project has highlighted data gaps in relation to the use of locums in the medical workforce. The current environment of medical workforce reform is focused on evidence-based workforce planning through data sharing and national governance of the specialist medical training pipeline, both domestically and internationally. Therefore, this project links into current reform and provides future opportunities and options for better data collection to strengthen the evidence base to inform locum-related workforce policy, including attraction and retention of the permanent workforce. Improved data collection and reporting across the medical workforce will also support future work of the Health Workforce Taskforce in providing advice and recommendations to the Health Ministers' Meeting on priority workforce matters to meet the current and future health needs of Australians.

## Implications for health policy

Although this project did not focus on requesting and reviewing the effectiveness of the different strategies that employers may be implementing to remediate the use of locums, BDO made a number of observations which helped to inform the following suggestions for consideration by policy makers. It is also acknowledged that there was limited employer input in the data collected by BDO and that employers may have considered, are considering, or have implemented the suggestions listed below.

### Remuneration and benefits

1. Review remuneration rates for permanent and locum roles.

### Employment options

2. Consider long term attraction and retention strategies that include national information on different career progression pathways and within the context of geographical locations.

### Quality and continuity of care

3. Engage with long-term returning locums for informing policy options and systems that promote continuity of care and involve locums in quality assurance and educational processes.

### Working conditions

4. Explore opportunities to enhance workplace culture and staff well-being to improve the recruitment, attraction and retention of the permanent workforce and thus the quality of patient care.
5. Create systems that facilitate a professional, supportive workplace for locums including orientation, credentialling, administrative processes and data collection. This could include consideration of an improved, centralised (national) approach to locum and health services matching such as a locum vendor management system, a centralised credentialling system and data collection and reporting system.
6. Promote the benefits of rural and remote work and provide professional, family and community support and enhanced infrastructure in these areas to reduce family and social isolation risks.

### Workforce planning

7. Review the medical workforce pipeline, including the training pathways for increasing rural training in each medical specialty. Workforce planning should consider whether a service operates 24/7, community need, the level of experience and qualification needed.
8. Collect and share relevant data between organisations to facilitate workforce planning and modelling.
9. Students and junior doctors would benefit from having information available about career pathways to support career decisions. Improving visibility of career pathways, including increasing variety and exposure to different types of work and the ability to broaden knowledge will increase control over workload and improve access to careers of choice.

## Next Steps

The findings from this project will contribute to the work underway to support a national approach to the use of locums, the engagement of locums and data collection for the locum workforce.

Significant national collaboration and commitment will be required from all stakeholders to address changes required to find the appropriate balance between locum and permanent doctors across the workforce for improved sustainability of medical workforce to ensure quality, safe and accessible care for all Australians.

## Background

Action 8 in the National Medical Workforce Strategy, 'determine and monitor optimum use of locums', is a priority to address in implementation. Employment as a locum presents many advantages over more traditional and permanent forms of employment. Locums have greater flexibility, can set their own hours and working commitments, and are often paid substantially more. This contrasts with the permanent workforce which has responsibility for maintaining continuity of care, teaching, administration and clinical governance, without the higher pay rates.

## Methods

### Project

The Medical Workforce Policy and Strategy Section in the Department of Health and Aged Care (the department) led the project with oversight from the Health Workforce Taskforce (HWT) and funding from the Health Chief Executive Forum (HCEF) cost-shared budget for National Medical Workforce Strategy implementation.

### Project implementation

The request for tender was reviewed by HWT in November 2022 and the HCEF secretariat reviewed the project plan in early 2023. The department selected BDO as the independent project consultant and work commenced in May 2023. Regular meetings were held between BDO and the department team. HWT received reports and provided feedback on progress in August and December 2023.

### State and territory data leads

HWT facilitated nominations of state and territory data leads to work on the quantitative research and formation of a stakeholder reference group.

### Stakeholder reference group

The 37-member stakeholder reference group included doctors, locums, employers of locums, and staff from jurisdictional health departments, private and public hospitals and peak bodies (Australian Indigenous Doctors Association, Australian Medical Association, and the Rural Doctors Association of Australia). The stakeholder reference group contributed to the approach and method for quantitative data, piloted the survey, tested initial findings, and provided feedback on the draft report. The department engaged with the Association of Medical Recruiters Australia and New Zealand (AMRANZ) to contribute to the development and distribution of the survey.

## Data sources

### Costs of locums

Requests for information on the funding for locums were sent to jurisdictional data leads and the format was modified in accordance with their advice.

### The National Health Workforce Dataset

The National Health Workforce Dataset (NHWDS) was obtained from the Department of Health and Aged Care Data Tool webpage in October 2023 (<https://hwd.health.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml>).

### Survey

Survey questions were based on issues identified in the peer-reviewed literature, the National Medical Workforce Strategy, and by departmental staff and the stakeholder reference group. The survey was piloted and modified following feedback from the stakeholder reference group.

The survey started similarly for all participants and then branched into questions for doctors and broader stakeholders such as employers, locum agencies and health departments.

### Survey distribution

The survey was distributed to the stakeholder reference group and AMRANZ for them to disseminate to their members and service areas. The Medical Board of Australia included information about the project and a link to the survey in their newsletter.

Survey respondents received a link to the survey entitled 'Understanding the role of locum doctors in the Australian medical workforce' via Checkbox, an online data capture tool. The data was collected between 28 August 2023 and 19 September 2023.

### Case studies

Case studies were conducted with two target focus groups that focused on understanding workplace culture and management and understanding reasons for high locum demand in specific specialities and locations.

### Analysis

The survey results were illustrated with quotes from the thematic analysis of the free text responses.

## Results

### Response rate

Two jurisdictions were able to supply information on the costs of locums.

2,424 respondents clicked on the survey, 1,462 respondents answered at least one question and 820 respondents completed all questions (515 locum doctors, and 380 non-locum doctors completed 'most' questions).

Survey respondents wrote 3,800 free text responses to 16 questions. Over 250 survey respondents provided their contact information for further discussions on locums.

### Locum location and local context

Information was not available to answer this question from jurisdictional employment records. Broader survey and locum respondents provided additional feedback which varied depending on the different environments for urban and rural locums. It is important to note that there are different models for engaging locums in different contexts such as the longer-term placements or coverage for sole practitioner positions in regional, rural and remote areas compared to shorter placements in metropolitan areas.

### Locum numbers and costs

The two jurisdictions who supplied data confirmed increasing costs of employing locums. However, comparative data is required to analyse the spend on locum recruitment versus the wages of permanent staff so locum costs are not included in this paper.

Data from these two jurisdictions indicates that locum costs increased by 65% between FY2020 and FY2023. Costs per facility increased between 30% and 97% between FY2020 and FY2023. The costs increased due to an increase in the number of locums, the cost per locum and the cost impact of the COVID-19 pandemic (costs increased and have not reduced to pre pandemic levels). Insufficient information was available to provide a national view of locum costs.

### Locum specialty

Information was not available to answer this question from jurisdictional employment records. Broader survey respondents indicated they were more likely to employ locums in psychiatry, surgery, anaesthesia, obstetrics and gynaecology, and intensive care.

### Doctor respondents

Responses to the survey showed that general practice, emergency medicine, general medicine, psychiatry, rural generalism and surgery had high locum use. Locum usage increased with the remoteness of the location.

A quarter of locum survey respondents worked as a locum 1-2 times a year whilst 17% worked permanently as locums. Almost two thirds of respondents to the locum survey were GP and non-GP specialists, 17% specialists were specialists in training and the remaining 17% were hospital non-specialists.

69% of locum survey respondents had over 10+ years' experience, 21% had 5-9 years' experience and 4% had 0-2 years' experience post general registration.

### Rationale for working as a locum

The most frequent reason given why doctors chose to locum was the increased remuneration. However, this was closely followed by the flexibility and autonomy. Flexibility gave doctors better work-life balance and the ability to



study, care for family or take holidays without being tied to rosters. Locums valued the autonomy of being able to choose their work location and not work in units where they found the environment or culture challenging.

*“If you...give them two options: 1 - Permanent position - increased responsibility and accountability, more challenging workdays, reduced flexibility regarding workload/roster/leave. 2 - Locum position - Reduced responsibility and accountability, less complexity/less challenging workdays, increased flexibility in regard to role/workload/roster/leave, MORE Money per hour/day worked. How can we expect [doctors] to choose option 1”*

Some doctors working as locums to work in their chosen specialty, having experienced limited progression, development, and opportunities in their preferred speciality. They attributed this to a mismatch between training numbers and population distribution and that modelling for staff recruitment was based on weekday rather than 24/7 employment. One respondent commented on the availability of specialty training positions.

*“.... Causing massive numbers of service registrars who are not advancing their career [...]. Fix the career pathway, or fix the pay, because staff are clearly voting with their feet and losing permanent staff has long term negative consequences”.*

Many doctors worked as locums to supplement their regular income or to keep contributing following retirement.

#### Diagram 1 of the locum survey question: What might attract you to permanent work?



#### Challenges

The challenges of being a locum were described as the lack of belonging in a professional context, varying administration requirements for each location and trying to understand the local context. Being separated from family and social supports was hard, as was not being able to provide continuity of patient care.

#### Increasing permanent workforce

The answer to what might attract locums into permanent roles corresponded with their reasons for choosing locum work. Higher remuneration and benefits for permanent staff was the top response, but followed by the combination of

flexibility, autonomy, and work-life balance. Next cited were career progression, professional development and gaining work at the location and within the speciality of their choice.

79% of locum survey respondents said they would NOT have accepted a permanent position in their current or most recent role.

#### Free text comments

290 locum survey respondents provided a significant volume of general comments and suggestions. The key themes from these comments were to address locum usage by improving conditions for permanent staff by valuing them and improving the work environment (18%), improving their pay (17%), providing them with more flexibility (10%) and address overall poor work conditions (10%) and poor management (6%).

23% of those who provided free text answers identified poor work environment and/or mismanagement as a key factor. Allowing doctors to take leave and improving workplace culture and creating a supportive network of peers were seen as important to improving doctor wellbeing. The changing pattern of work was also mentioned. *“Train more doctors, taking into account that the new generations of doctors will work fewer hours and accept less afterhours work than those who are retiring. We need to train double the number of doctors than the number who retire.”*

#### Broader survey respondents

Broader survey respondents, such as those who employ locums or run health departments, saw the positives of employing locums as enabling permanent staff to take leave, to employ a readily available, contingent workforce that offers flexibility according to patient demand and the opportunity to evaluate suitability of candidates for future roles.

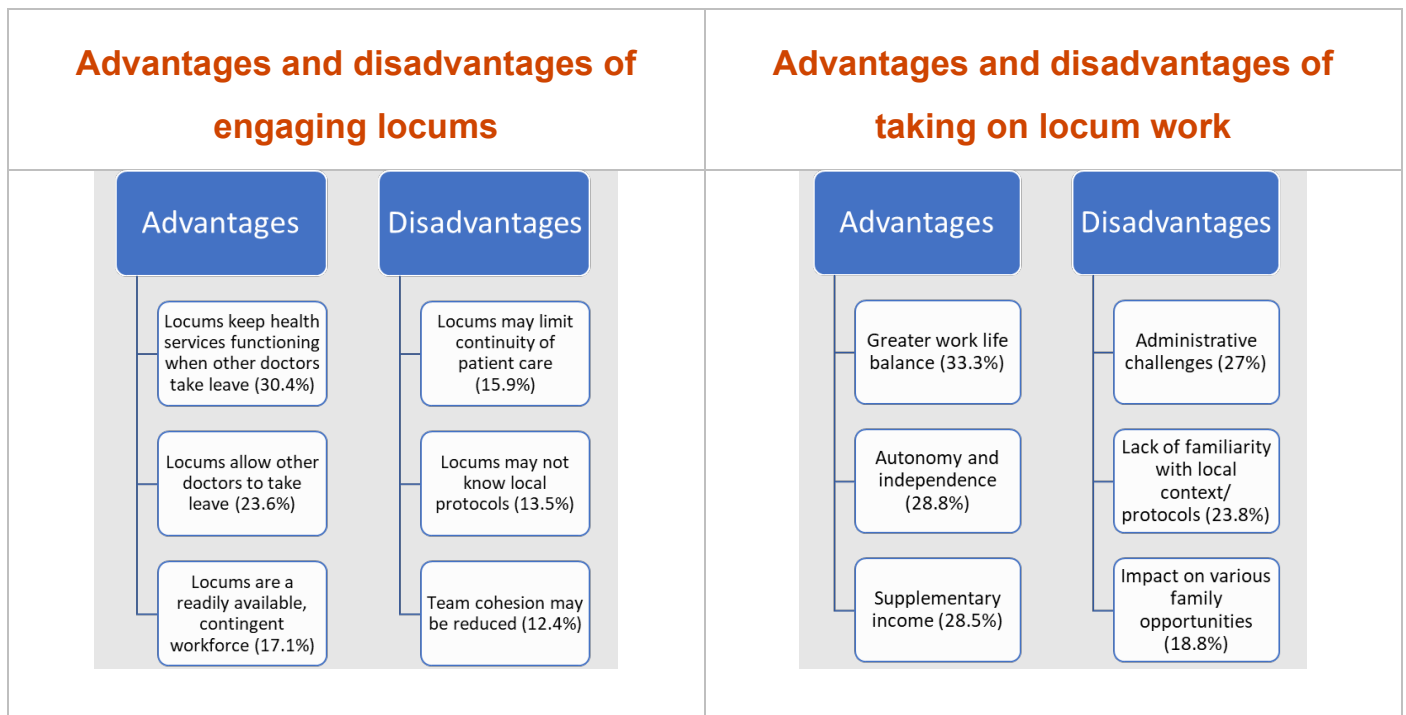
They understood though that this flexibility brought potential disadvantages to continuity of patient care and could affect team cohesion. Locums required good onboarding, and if not provided were often unaware of local protocols and procedures that left administrative tasks to permanent staff. Regulatory and licencing requirements could also be a barrier to employing locums.

Broader survey respondents could see potential consequences of minimising locum usage. There was concern that reduced use of locums could further increase pressure on permanent/other doctors and wider healthcare teams, disadvantaging practices that rely on locums and their ability to meet demand with determinantal impacts on patients. If permanent positions remain unfilled services could close, and locum doctors might leave the medical workforce altogether.

188 broader survey respondents provided a significant volume of general comments and suggestions. The key themes from these comments were to address locum usage by improving pay of permanent staff (18%) and decreasing the pay and benefits for locums by introducing a pay cap (16%) and improving conditions for permanent staff by improving work environment (12%) and work/life balance (10%). 10 % suggested to tend to overall national healthcare workforce shortage. One survey respondent quoted *“We should never be in the position where we are paying the supervised more than we are paying the supervisors - yet we are, and it is to our detriment.”*



Findings from the case studies were consistent with the overall findings and recommendations of the project.



## Complementary projects

BDO made recommendations regarding the data that would be needed to analyse the costs of locums nationally which could provide a basis for national consistency in payments.

The Department of Health and Aged Care Workforce Data and Intelligence Unit undertook to explore patterns of locum work in general practice from Medicare billing data. This project focussed on the cost of locums in public hospitals and understanding why locum employment had increased, and why doctors choose to locum. From this information policies can be designed to meet the needs of patients and doctors within fiscal constraints.

Analysis of the medical specialty pipeline and agreements on data sharing have commenced under the National Medical Workforce Strategy and has been strengthened by actions and resources allocated following the Kruk review (5).

## Conclusion

Locums are an essential part of the medical workforce and the findings of this project show that the drivers of locum employment are complex and multifaceted. The drivers include the attraction of supplementary doctors who are employed, semi-retired or those who have family and personal commitments in a different location to the availability of work. Locum work also enables potential employees and employers to assess their mutual fit prior to making a longer-term commitment.

This project took place in 2023 as the world and Australia's health systems continued to emerge from a pandemic, so the results need interpretation within this context. Lockdowns and the threat of catching a fatal disease at work

challenged doctors as human beings and professionals. Health departments, managers and services are coping with significant increases in demand trying to catch up care that was delayed during Covid-19 alongside the predicted increased need for an enlarging and proportionately older population. The results likely reflect a system and profession readjusting after major shock and re-evaluation of their personal commitment to serve patients and need to care for themselves and their families. Employers may also be implementing a range of strategies to remediate the use of locums in the medical workforce, independent of this project and its findings.

The level of response in relation to workplace culture expressed by some locums in the free text was a concern. Several media articles have painted locums as ‘greedy’ and self-serving. The free text comment that “locums are not the enemy” suggests an alternative narrative. That is that increased reliance on locums is evidence of a system under stress that impacts negatively on its workforce. Locum work gives doctors the financial freedom to maintain their wellbeing by titrating their interaction with the health system and is mirrored in other professions and industries.

The findings and themes from this project are consistent with the priorities identified in the National Medical Workforce Strategy. In addition to the consideration of quality, safe and accessible care, these areas include remuneration, work-life balance, flexibility, workplace culture, opportunities in specialty groups, the overall cycle of attraction, retention, permanent recruitment, and the supply and distribution of the medical workforce and the number and location of training places.

Significant national collaboration and commitment will be required from all stakeholders to address changes required to find the appropriate balance between locum and permanent doctors across the workforce for improved sustainability of medical workforce to ensure quality, safe and accessible care for all Australians.

## References

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