



VICTORIAN HOSPITALS'
INDUSTRIAL ASSOCIATION
ABN 77 538 927 547

Position Statement

January 2025

Workforce Training and Development Funding

Background

Why is investing in training and development of our workforce important?

- It is more cost efficient to develop capability than it is to purchase it later from external sources.
- The role of Victorian public hospitals and registered community health services goes beyond delivering high quality care to the Victorian community. Public hospitals and community health services, and their workforces, play a critical role in the training and development of the future workforce at both a local and systems level.
- Public health care employees report the highest rate of satisfaction amongst public industries, with 65% of employees agreeing their organisation supports them to learn and grow in their careersⁱ.
- Department of Health (**Department**) Training and Development funding (**T&D funding**) contributes to the employment of critical educational resources including educators, supervisors and support staff within public hospitals and community health services.
- Victoria will need 59,267 new healthcare workers by 2026.ⁱⁱ

How do health services utilise training and development funding?

- Practical placements for students (both initial and postgraduate qualification), supporting the transition of the workforce from student to healthcare worker, and the professional development (upskilling, refreshing, mandatory training) of existing and new staff are just some examples of activities public health services undertake.
- Government, regulators, peak bodies and educational organisations set standards that require students and healthcare workers to complete practical placements. Public hospitals and registered community health services facilitated more than 750,000 practical placement days in 2023ⁱⁱⁱ.
- Public hospitals also utilise training and development funding to support workforce innovation, including implementing new models of care that support roles such as nurse practitioners.



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How is Department of Health, Training and Development funding administered?

- T&D funding streams are predominately allocated to organisations based on FTE or reported activity. Other streams require organisations to complete an Expression of Interest (EOI) when applying for funding.
- Public hospitals report back to the Department on outputs of program funding (e.g. numbers of participants), with limited focus on outcomes (e.g. improved worker retention).
- Public hospital T&D funding provides some flexibility for health services, with funding guidelines^{iv} outlining the scope of how funding can be utilised.
- Public hospital T&D funding is a fixed pool and has not kept pace with increased training and development activity. For example, the Transition to Practice funding stream for nursing and midwifery graduates has not kept pace with the growth in Transition to Practice positions.
- T&D funding allocation is increasingly allocated on a financial year to year basis and is subject to variation, making it challenging for services to plan training and development activities given funding uncertainties.

Who receives Training and Development funding?

- Public hospitals have access to T&D funding for eligible professions such as medical practitioners, allied health, nursing and midwifery. Limited T&D funding is available for non-clinical workforces such as cooks, cleaners, patient service assistants or administrative staff.
- T&D funding for registered community health services is limited and linked to specific program funding streams. Depending on the program funding stream, T&D funding is a separate itemised funding line, or consolidated in the overall budget.

The Department review of Training and Development funding

- In June 2024 the Department announced a review of T&D funding arrangements (the review).
- The review will test the efficacy of the current approach and how it delivers value for the community, the sector, our staff and the department.^v

VHIA Position

- VHIA and its members value the contribution T&D funding makes to workforce innovation and building a highly skilled sustainable workforce.
- Victorian Public Sector Commission's People Matter survey data suggests that government should continue to invest in training and development activities for all healthcare workers.



The way forward

- The input of public hospitals and registered community health service executives, including those currently subject to, and not subject to T&D funding, is critical to the future direction of existing and new funding streams.
- A review of T&D funding should consider 'outcomes', with those outcomes reported via the Best Practice Clinical Learning Environment (BPCLE)^{vi} as a starting point.
- T&D funding is maintained as a separate funding stream to activity-based funding streams (i.e. 'price').
- Any shift towards wrapping up T&D funding in 'price' may disincentivise those services considering an increase in training and development activity, as the increased activity may not result in additional funding. In addition, there is a risk that training and development activities will not be prioritised due to competing organisational demands.
- A reduction in training and development activity will likely exacerbate existing workforce challenges.
- Government should consider an increase in T&D funding where funding has not kept up with the increase in training and development activity.
- Government should consider implementation of processes that provide services with greater clarity of timing and extent of funding.
- While it is important to ensure public health services and registered community health services are accountable for the funding they receive, streamlining the administrative burden and allowing more flexible allocation of funding to areas of greatest need, will likely result more effective use of funding.
- EOI processes disadvantage smaller services who do not have the time or resources to develop quality submissions compared to larger metropolitan and regional organisations.
- VHIA recommends EOI processes consider the constraints that exist in smaller organisations and be weighted accordingly.

Broadening eligibility

- Community health care workers, clinical and support staff contribute to the efficient delivery of quality care across all settings.
- VHIA recommends that the scope (i.e. which workers and settings) of T&D funding is reviewed to ensure all health care workers are provided with the opportunity to develop skills and progress their careers.



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END

ⁱ Victorian Public Sector Commission People matter survey 2023 <https://vpsc.vic.gov.au/workforce-data-state-of-the-public-sector/employee-experiences-in-the-workplace-2023/job-satisfaction-and-career-intentions-2023/> accessed 14 October 2024

ⁱⁱ Victorian Department of Health, Health Workforce Strategy [Victorian health workforce strategy | health.vic.gov.au](https://www.health.vic.gov.au/victorian-health-workforce-strategy/) accessed 14 October

ⁱⁱⁱ Victorian Department of Health, Knowledge Bank <https://vicknowledgebank.net.au/future-workforce/student-placement-activity/> accessed 14 October 2024

^{iv} Victorian Department of Health, Training and Development Program Guidelines <https://www.health.vic.gov.au/education-and-training/training-and-development-funding> accessed 14 October 2024

^v Victorian Department of Health, Health Services Bulletin, 3 June 2024

^{vi} Victorian Department of Health, Best Practice Clinical Learning Environment <https://www.health.vic.gov.au/education-and-training/best-practice-clinical-learning-environment-bpcle-framework> accessed 14 October 2024