



Hon Lawrence Springborg MP
Minister for Health

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25 OCT 2013

Dr Christian Rowan
President AMA Queensland
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Dear Drs Kamp and Rowan

Thank you for your letter dated 22 October 2013, in relation to the engagement of Senior Medical Officers on contracts.

As you are aware, the *Blueprint for Better Healthcare in Queensland*, released in February this year, outlined clearly for our public health system to grow and provide for a sustainable future we have to change the way we do things. Report after report has pinpointed the practices of the past are not sustainable and we have to reform the way we work, the way we delivery our services and ensure that service to our community is our primary responsibility.

Specifically, the *Blueprint for Better Healthcare in Queensland* outlined the need for a modern and flexible employment framework to be at the core of required reforms. A key initiative of the reforms is the change of engagement of our senior staff from awards and agreements to modern individual contracts.

As you would be well aware, Queensland senior medical staff are amongst the best paid across Australia and indeed New Zealand with many of our staff earning in excess of \$500 000 per annum. As has been discussed in consultative forums, attended by both ASMOF and the AMA, it is proposed that current remuneration arrangements would be translated into a contract framework with no intention to for the translation to contracts to cut the wages and conditions of medical staff. Further the concept of an "employment warning" is ridiculous to the point of being unprofessional for an esteemed body such as the AMA.

Despite detailed consultation and assurances, it comes as quite a surprise that your letter seeks to misrepresent the current situation so significantly. The basis of the Newman Government's approach is to bring arrangements into line with the Commonwealth's Fair Work Act – which you may recall was actually designed and developed by the former Federal Labor Government. I would like to place clearly on the record my disappointment and my response to the issues raised so there can be no doubt about the position of the State Government.

Information on proposed changes

The Department of Health has communicated and been open with the AMA and ASMOF regarding the engagement of senior doctors on contracts. This is clear in the eight month old "Blueprint" and reinforced in my communications following the release of the Queensland Audit Office report *Right to Private Practice in Queensland Public Hospitals*. Information has been shared with your organisations and your feedback has been carefully considered.

- **Proposed new private practice arrangements (including QAO report)**

As discussed in detail with your organisations, the current private practice arrangements are unsustainable and have cost the department \$800 million dollars over the last decade for a rather limited return to taxpayers. These arrangements will cease at the expiry of the current contracts on 30 June 2014. New simplified and sustainable private practice arrangements are currently being designed and modelled. As outlined, as soon as the final model is available, it will be provided to you and senior medical staff. The new private practice arrangements will commence on 1 July 2014 and be available for medical staff via the new contract. As outlined to senior medical staff, the Department is committed to implementing the recommendations from the first report, which is also informing the new private practice arrangements.

- **Financial information regarding remuneration including allowances and entitlements and how these matters will be determined**

As repeatedly outlined, the intention of the translation to contracts, is that the vast majority of doctors will see little or no change to remuneration, provided current work patterns are generally maintained. The current complex remuneration framework will be replaced by a total remuneration package that will generously compensate doctors for the dedicated hard work. As you know, this includes specific compensation for additional, after-hours work such as on call, overtime and recall to work. In regards to superannuation, our modelling demonstrates there will be little impact to superannuation for medical staff.

The proposed contract

As you are well aware, the contract is currently in draft form and subject to consultation. All feedback regarding the contract has been and will be taken into account.

- **Fatigue provisions**

The draft contract contains a commitment to fatigue management and the continued application of current policy in accordance with best practice fatigue management including the "Medical Fatigue Risk Management System".

- **Meal breaks**

Meal breaks should be taken in accordance with operational and clinical requirements. This is common practice for high income professionals. I am positive our senior medical workforce and their managers will be capable of making such arrangements without it outlined in such a prescriptive manner.

- **Dispute resolution mechanism in the contract and exclusion of QIRC's jurisdiction including in regard to unfair dismissal and bullying**

As discussed, the relevant grievance procedure for the HHS will apply. That will be outlined in the contract. Should the *Industrial Relations (Fair Work Act Harmonisation No. 2) and Other Legislation Amendment Bill 2013* be passed into law, access to the QIRC will not be available to high income employees across the Queensland public sector. It is common place for staff earning up to and over \$500 000 not to have access to the QIRC or the Fair Work Commission.

- **Loss of tenure and limitation on redundancy provisions**

The Public Service Commission Directive 11/12, *Early Retirement, Redundancy and Retrenchment* will continue to apply to senior medical staff on contracts as it does to the broader Queensland Health workforce. Therefore there is no limitation on redundancy provisions. What you refer to is the safety net provisions which have existed for many years and which are proposed to simply be updated under the the *Industrial Relations (Fair Work Act Harmonisation No. 2) and Other Legislation Amendment Bill 2013* should it be passed into law.

- **Guarantee that SMOs and VMOs will be no worse off under the new arrangements**

As outlined previously, the vast majority of doctors will see little or no change to remuneration, provided current work patterns are generally maintained. To suggest otherwise is contrary to the Department's consistent position in relation to this matter clearly communicated to you repeatedly during our discussions on the matter.

- **Mechanism to ensure consistent interpretation across all 17 Hospital and Health Services**

The framework for the contract will be contained in a Health Employment Directive which will ensure consistent terms and general conditions across the 17 HHSs. Each HHS will be a separate employer facing different geographical and operational circumstances at times with the draft contract providing the flexibility to accommodate these local considerations.

- **Discretion with Director-General to amend contracts unilaterally**

As outlined above, the contract framework will be contained in a Health Employment Directive which will be issued by the Director-General. This is to ensure consistency across HHSs. The contract is a legally binding document that cannot be altered by the parties unless provided for in the contract or agreed by the parties.

- **No mechanism to monitor implementation of contract or for collective re-negotiation**

Contracts are individual instruments between an employer and an employee. Collective negotiation is not a feature of individual contracts. Notwithstanding this, employees or their nominated representatives are free to raise concerns at any time on behalf of an employee.

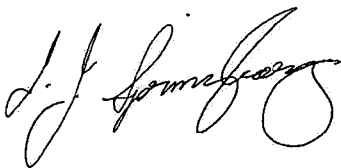
- **No transparent mechanism to determine future salary increases**

As is the case with contracts in many jurisdictions, including the broader Queensland public sector, wage rises can be granted to contract staff. The contract also provides for an annual salary review between the employer and the employee.

I trust this clarifies the Department of Health's position on the matters you have raised. I would encourage you to engage constructively in supporting the reforms essential to providing a sustainable health system for the future. For the Queensland health system to grow and provide sustainable future, senior medical staff employment arrangements must be flexible to respond to the evolving challenges of delivering quality health care for patients across Queensland and in keeping with the community standards and expectations for employees on similarly high incomes.

Should you require any further information in relation to this matter, I have arranged for Ms Lyn Rowland, Chief Human Resources Officer, Queensland Health to be available to assist you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L. Springborg', written in a cursive style.

LAWRENCE SPRINGBORG MP
Minister for Health