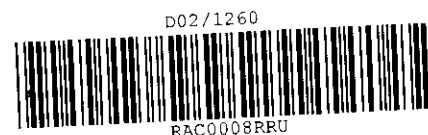


Gilbert Jewel

From: Grimwade Tim
Sent: Monday, 14 January 2002 7:33
To: Jones Gavin; Palisi Paul
Cc: Gilbert Jewel
Subject: FW: Health Purchasing Victoria



fya

-----Original Message-----

From: Anneplusanne@aol.com [mailto:Anneplusanne@aol.com]
Sent: Sunday, 13 January 2002 11:59
To: adjudication@accc.gov.au
Subject: Health Purchasing Victoria

Dear Sir or Madam,

Please find attached my comment relating to your current review of a proposal by the Victorian Government relating to the Trade Practices Act and nursing agencies supply of nurses to the public health service.

I thank you for your time in considering my comment

Yours,
Anne Mordey
RN, ONC, Grad. Dip Critical Care

14/01/02

As a member of the current public health service and as a critical care nurse, I would like to put forward my opinion on the current situation regarding the Victorian Government proposal regarding Health Purchasing Victoria.

Background

It is well known that there is a chronic, severe shortage of qualified, experienced and adequately skilled nurses to provide the range of nursing services required to operate a health service of quality. This is a shortage Australia – wide and indeed, worldwide.

The reasons for this are multifactorial and, in spite of worldwide investigation into recruiting new staff and retaining experienced staff, the facts remain unchanged at present; there are not enough nurses globally. Many of the same issues affecting the Victorian system are the same for the UK, USA, Canada etc., they are all at different stages of the same issues and none of them have yet found a solution.

The public system has never recovered from the loss of qualified nurses supposedly superfluous to needs in the early 1990's. The recent escalation of the shortages has been due to the effect of the reduced numbers of nurses attracted to the profession and the drain of nurses out of the system.

The outcome of the 2000 Enterprise Bargaining Agreement regarding pay increase was extremely disappointing, especially for those concerned that there should have been greater remuneration and recognition for those with post graduate qualifications.

This dissatisfaction was only marginally offset by the introduction of nurse-patient ratios, which at least began to address the issues of workload and working conditions. This disappointment heralded a marked decline in numbers of nursing hours available, as more nurses left the system and fewer were recruited to it.

Casualisation of the Nursing Workforce.

Many qualified nurses are no longer working in the public or private health system. Of those who are, many no longer saw the benefit in working full time in a single institution and the trend to work part time has increased over the last 5 years. The only way to increase control and decrease the stress over working conditions was to leave or reduce hours. Some people have other part time jobs, such as, working for private ambulance companies; some people did not work above their part time hours.

Job security has not been a cause for concern for years, as the nursing staffing crisis has brought about a choice of readily available jobs. This environment has encouraged experimentation with work practices, in the knowledge that there is always a position available to come back to. Many have left to join the ambulance service where pay, conditions, holiday leave and superannuation are better. Many have left for completely different areas of study and work.

The increase in staff shortages initially led to nurses picking up extra shifts but the increasing stressors associated with an increasingly difficult working environment led the majority of nurses to work extra shifts only if there was additional payment for it e.g. agency rates. This has lead agencies to capitalise on a market and we now find ourselves in the current situation.

- ***In summary, there was a large shortfall in the number of nurses required before this current situation with nursing agencies arose. In fact, it was probably what drove the market in the first place.***

Taking the proposal by Phillips Fox point by point from the heading 'Public Benefits Test' :-

The approach to reduce the cost of providing nurses has been two pronged :-

1. reduce the agencies commission
2. reduce the rate of pay to the nurse so that it is close to award rate.

and the justification for it is very simplistic.

'Employment equality and workplace harmonisation'

It is true that the uncertainties associated with using such a high ratio of agency staff are stressful to the permanent staff; I have personal experience of that stress in my on workplace. However, if we were unable to secure these nurses, the stress of being short of staff would be worse and we know this because in very recent history we were unable to secure the numbers required and it had devastating consequences. The 'harmony' in the workplace was not at it's best at that point.

In summary, any current decrease in workplace equality and harmony might easily be matched or exceeded by the working atmosphere when staff are stressed by lack of staff.

'Price Certainty'

The costs associated with providing staff can be stabilised although the balance between cheapest price and the optimal price requires careful thought.

The face value reduction of costs must not lead to loss of nursing staff, which would increase the likelihood that the system would be unable to provide a worthwhile service.

There is no price certainty attached the increasing amount of money being invested in nurse recruitment and retention, given the global competition for available nurses.

'Increase in nursing staff availability'

The sufficient availability of appropriately qualified nursing staff is essential for the provision of quality public health care.

No nurse would disagree with that.

However, it is absolutely clear that Victorian Hospitals are struggling to maintain an adequate service due to nursing staff shortages. Even now, there are many occasions when beds are closed because we still cannot secure enough appropriate staff, even through the agencies, whatever the rate of pay, whatever the cost to the State.

At a time when many nurses are working more hours than they ever have, nursing shortages still impact upon the hospitals ability to keep beds open 24 hours a day.

It is this lack that is preventing hospitals from operating at full capacity and maximum efficiency and the costs of inefficiency should be borne in mind too. These are both financial costs and the cost to the general public in having a lessor service.

Lack of nurses is a major factor in why elective surgery is cancelled, why we cannot keep Emergency Departments open to ambulances at all times, why patients are transferred between Coronary Care Units and Intensive Care Units of different

hospitals at great financial cost and often to the detriment of the patient. All because the lack of the appropriate nurse closes the bed.

Given that nursing output has been maximised as a result of the increases in rates of pay over the last months, I would counter the suggestion that reducing the agency nurse rate of pay will 'encourage nurses to increase their availability'.

The reasons for this are :-

- many of the part time staff, mentioned previously are only working as many agency shifts because it is financially worthwhile and would otherwise not be tempted to work.
- many staff are working more than full time because it is financially worthwhile.
- some nurses lost to the system have been working shifts because it is financially worthwhile to do so in addition to their other job. For example, to maintain registration, ex- nurses in the ambulance service, pharmaceutical and medical sales have been working occasional shifts because they can earn rates of pay similar or more than their own. These may otherwise let their registration lapse.
- many nurses would have left the system recently but for the fact that they feel the remuneration now makes it worthwhile to stay

In summary, the system is still presently unable to operate at maximum capacity because of nursing shortages, in spite of having many more nursing hours available to us via agencies. I see no reason why the situation would not revert to its previous state of high rate of staff shortfall if income via agencies were reduced. A small number of nurses might increase hours they had previously reduced to accommodate agency work. However, I feel that the vast majority would not seek the increased hours of work at lessor income and simply go back to working their previous number of hours. My opinion is that the reduction in agency rates would be a de-motivating factor, resulting in a decrease of available hours and it is a very high risk strategy.

'Fostering business efficiency

Without doubt, the public deserves to have public health services at the lowest price and to have maximum efficiency in administration costs. If nursing staff must be sought from outside providers because the public health service is unable to recruit and retain sufficient numbers, then it seems sensible to use the agency providing the best service at the most competitive price. If there is 'downward pressure on wages payable', the final rate must be measured very carefully against the award rate, if it is not to have adverse affect on the total number of nursing hours available to the public system.

TO SUMMARISE

It is the Governments duty to provide the public with a health Service of quality that is affordable to the public purse. It is not the intention of nurses to bankrupt the Health Service by accepting higher rates of pay from agencies and it is inaccurate to look at the costs of agency nurses in isolation, as there are many costs associated with the inefficiencies which arise from inadequate staffing.

There is a great concern among remaining nurses that any modification in the current system must be replaced by something in order to avert a massive deterioration in the nursing staff crisis. It is a matter of great urgency, just as it was 16 months ago,

when management was alerted of nurses concerns over nursing shortages and associated costs, which they refused to believe would reach this magnitude.

More than 12 months ago, there were not enough nurses to maintain the public system and this can be measured in a number of ways, including incidence of ambulance bypass.

At the moment, there are still not enough nurses to provide the best service, in spite of maximising the output from each nurse.i.e. all the nursing wishing to work in the public system are currently doing so. Putting the actual cost aside for a moment, one of the ways this output has improved has been as a result of better remuneration via nursing agencies. One can only conclude that rate of pay is a major factor in the shortage of nurses and while agency commission can be reviewed, serious consideration must be taken of the impact reduction of pay will have on available nursing staff. Trying to stabilise the workforce must be a factor to consider.

The system is barely coping with the staff shortages now and before jeopardising this, thought must be put into some sort of interim 'Crisis Plan' to retain sufficient nurses in the system to allow it to operate effectively.

Loss of nursing hours will increase the number of empty beds, decrease the number of patients that can be treated and reduce access to health care. This is not in the public interest.