

Peter Mac

Peter MacCallum Cancer Institute

Patron:
John Landy, MBE
Governor of Victoria.

Peter MacCallum
Cancer Institute
comprises
metropolitan
and country
locations,
Sir Donald and Lady
Trescowthick
Research Centre,
Lotti and Victor
Smorgon Wing



Chief Executive Office

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15 January 2002

Mr Tim Grimwade
The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
Dickson, ACT, 2602

Dear Mr Grimwade,

**Re: Nursing Agency Tender
(Health Purchasing Victoria)**

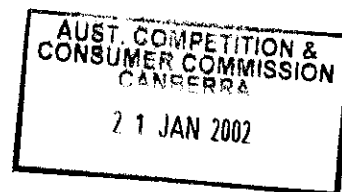
Thank you for your invitation to make a submission to the Australian Competition & Consumer Commission regarding the Nursing Agency Tender submission made by Health Purchasing Victoria.

In principle, Peter MacCallum Cancer Institute believes that the public benefit arising from the establishment of a Nursing Agency tender to be administered by Health Purchasing Victoria far outweighs any anticompetitive detriment.

A copy of our supporting submission is attached. For further information please contact Mrs Wendy Wood, Chief Nursing Officer on telephone (03) 9656 1040.

Yours sincerely,

Dr David J Hillis
Chief Executive Officer



Encls.

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Peter MacCallum Cancer Institute
St Andrews Place, East Melbourne, Victoria, 3002

Health Purchasing Victoria

“Nursing Agency Tender”

(Application for Authorisation Nos. A90811 & A90812)

Re: The proposed awarding of a tender by health purchasing Victoria on behalf of health services for the exclusive acquisition of temporary agency staff from suppliers of agency nursing staff by such health services.

This submission is to express definitive support for the Application for Authorisation Nos. A90811 & A90812 lodged by Health Purchasing Victoria, as the implementation of this tender will provide significant public benefit.

Overview

The Peter MacCallum Cancer Institute has been committed to premier care for patients with cancer and their families for over fifty years. Peter Mac provides a statewide cancer service and prides itself on the ease of access people with cancer have to outpatient clinics, inpatient services and support at home. Multidisciplinary teams who specialise in cancer care underpin the provision of quality care to patients and their families in a specialist environment such as that offered at Peter Mac. Nurses with specialised cancer nursing knowledge and skills are essential members of these teams, making a particular contribution to continuity of care across all settings of care.

Over the past 2 years Peter Mac has suffered from a significant number of nurses resigning or reducing their hours, attracted by the higher salaries offered by agencies. In some cases, due to the specialist nature of their expertise these nurses continue to work exclusively at Peter Mac via their agency. This negatively impacts on the morale of nurses who continue to work for Peter Mac and contributes to retention problems. The effect of the shortage of nurses working in public hospitals in Australia is significantly worsened by the gradual leaching of permanent staff to casual employment by agencies.

Lack of flexibility in working hours or location cannot be sited as a reason for leaving Peter Mac to join an agency as we conduct our own nurse bank offering casual employment in all departments of the hospital in inpatient, ambulatory and satellite settings. Peter Mac staff also have excellent access to high quality education programs either for no or reduced fees. However the one benefit we can't compete with is the higher hourly rate paid by all agencies (for some shifts in specialty areas, double or triple rates apply). Although many nurses state that their job satisfaction is much higher as a

permanent team member and have remained loyal to Peter Mac they are now much more likely to work part-time at Peter Mac and to work additional shifts in another hospital via an agency to reap the rewards of inflated pay rates. In many cases nurses have elected to reduce their permanent hours to take advantage of the higher agency rates of pay. Some nurses have sacrificed the benefits of permanent employment and resigned altogether as they are able to earn the same take home wage via an agency in only half the hours.

Specific effects on Peter Mac of the increasing need to use agency nurses:

- Overall reduction in the number and hours of permanently employed nurses
- In some wards on some shifts 50% of nurses are supplied from agencies
- Significant increase in the administrative time spent filling rosters and managing staffing
- Significant reduction in the ratio of specialist cancer nurses to non-specialist nurses in ward areas
- Change in the model of patient management as insufficient cancer nurses to fill specialist roles, contributing to an erosion of primary nursing as the preferred model of providing continuity of care
- Poor morale and high stress levels of permanent nursing staff, particularly in inpatient wards, due to the high number of agency nurses per shift. Particularly noted is that lower acuity patients are assigned to the agency nurse who may be earning double the hourly rate, increasing the burden on permanent staff. This burden is also increased by additional time required to orient agency staff to ward areas and clinical care requirements of patients
- The permanent staff is constantly assigned the sickest patients and may also carry the burden of advanced management (including discharge planning) for the patients assigned to the agency nurses
- Frequent expressions by nurses of high stress, burnout and exhaustion
- Higher sick leave rate
- Fewer nursing participants in quality or research activities
- Higher risk of treatment errors or omissions, as agency nurses may not be familiar with specialist treatments
- Difficulty in retaining and recruiting nurse managers due to poorer remuneration and much higher responsibilities than doing an ordinary agency shift
- Wards with a number of agency nurses already rostered to fill the required nurse: patient ratios often need to close beds if a permanent staff member is sick
- Reduction in other patient services, including equipment purchases, to fund the significant increase in the gap between health services funding and the cost of the provision of nursing staff due to the increasing casualisation of the nursing workforce and associated agency fees
- Regular inability to fill staff vacancies with agency staff also resulting in the need to close beds. A full-time bed manager has been appointed as result of the need to constantly reassess the number of beds that can remain open.

- Longer-term these issues contribute to a significant loss of specialist cancer nursing expertise, not only at Peter Mac, but as a consequence of Peter Mac being unable to fulfill its role as a producer of specialist nurses for other health services.

Conclusion

The escalating use of agency nursing staff is causing a downward spiral in the provision of patient care services with a corresponding increase in cost while demoralizing the permanent nurses who eventually give up and join an agency. If the casualisation of the nursing workforce is allowed to continue unabated, public hospitals will have no alternative other than to close beds and reduce patient services further in order to manage their business and maintain the standard of clinical care.

Patients in hospital need nurses who are committed to continuous care and who are supported by a close peer network, multidisciplinary team members, access to specialist education and who participate in quality programs that enhance and assure the best possible care is provided. Agency nurses cannot fulfill this role. If a significant number of the nurses currently employed by agencies increase their hours and/or return to work in hospitals, more beds and services would be available, quality would be assured, risk would be reduced and costs would be contained.

The Peter MacCallum Cancer Institute therefore supports the Tender process for the provision of agency nurses.

Wendy Wood
General Manager of Surgical Oncology / Chief Nursing Officer
Peter MacCallum Cancer Institute

Professor Sanchia Aranda
Professor / Director of Cancer Nursing Research
Peter MacCallum Cancer Institute