

Gilbert Jewel

To: Tim Grimwade

Please find attached our response to your letter in relation to the amendments to the proposed tender process as applied for by Health Purchasing Victoria.

Henk van Dalen



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Tim Grimwade
General Manager
Adjudication Branch
Australian Competition & Consumer Commission
P.O. Box 1199
DICKSON ACT 2602

Dear Tim

Re: HPV; Application for Authorisation Nos A90811 & A90812.

Thank you for your letter dated 22 April 2002 in relation to the changes to the proposed tender documentation by HPV. We consider that these changes only highlight the aptitude of a Government to circumnavigate specific provisions (Section 45 (2)(ii) made under the *Trade Practices Act* (TPA) to protect the ability of free enterprise businesses to be competitive. There is **no public benefit** in this. By capping the rate of remuneration for a service has restricted the ability of an agency to procure the services of professional independent nurse practitioners in response to a chronic need for them in the Public Health System.

Attached is a letter (Attachment 1) which we had to send to facilities before they were able to contract services from this agency. As you can see we are not interested in locking ourselves into this arrangement for an indefinite period of time. At the same time both the Department of Human Services (DHS) and the Australian Nursing Federation (ANF) have actively and sometimes over enthusiastically been trying to persuade our agency nurses to join hospital run Nurse Banks or become permanent staff members on a ward in order to guarantee continued availability of shifts. Nurses who work through agencies do so for many reasons. One of them is to work as a nurse but not be tied to an inflexible social and family unfriendly environment of the Public Health System. **Nursing agencies are of public benefit** as they provide a modality of employment that suits nurses that would otherwise leave the system.

It is interesting to note that the strategy of the Government of Victoria has been based on perceptions and innuendos, to the public, that nursing agencies are greedy. They have not backed up any of their claims with either facts, figures or logical arguments. Extensive media coverage has been given to elaborate on how the Health system is healthy and how interesting and rewarding the profession of Nursing is. It appears that letters to the editor that I know of have not been published. There does not appear to be a balanced public discussion on this issue and that is **not of public benefit**. On the part of agencies it has already been clearly established that agency nurses cost the public purse less than a bank nurse. (RCSA submission ACCC, 2002, Pg 22) It can also be argued that some larger agencies were beginning to charge too much and that some action had to be taken to prevent further unnecessary erosion of a fragile health budget. We have always been on record to say that this situation could have been controlled with industry consultation rather than a proposal that clearly contravenes the following sections of the TPA;

- Exclusionary provisions under section 45(2)(i)

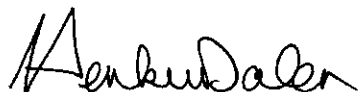
- Anti competitive agreements under section 45(2)(ii) and
- Price fixing under section 45(2)(ii)

To allow exemption in relation to the application as forwarded by HPV would lead to to the establishment of a dangerous precedent that would be of **no public or industry benefit**. HPV, in proposing the above and setting up a tender process that gives them all powerful discretionary powers without responsibility, seem to have forgotten that the Government of Victoria has stated that **"We are committed to promoting business prosperity and productivity by continuing to build a competitive business environment"** and **"To support business growth, Government must work in partnership with business, providing responsive-friendly services and a supportive fair and certain regulatory framework"**. (Victorian Government Business Statement)

We have already decided that should this tender process be implemented, we will not be part of it. It is quite clear that the conditions of the proposed tender document are designed to create a commodity supply sub branch of HPV rather than an organisation operating as a free enterprise, providing a sought after service within a competitive community. Our nurses indicated that they feel that they are valued by us and that any erosion to their opportunities to work **the way they choose** will make them (69% of respondents) seriously think about leaving the health care profession. (Our section of the RCSA survey) This is not a new or local phenomenon. This has been and looks like remaining the key issue why there are not enough nurses in our health care system. **Conditions do not suit**. If they are forced to make this decision is the outcome of public benefit?

In summary, our position has not changed since our first submission on this issue. We have already witnessed a reduction in the standards of care in our Health system. Beds have been closed, staff have been told to work extra hours to cover shifts, sick leave absences are up and patients have complained that replacing overseas nurses appear to lack the clinical, language and interpersonal skills and experience that they have previously experienced. Should HPV be successful in their application more experienced nurses will leave the system. **Patient safety will be at risk. This will not benefit the public?**

Yours sincerely



Henk van Dalen
Development Manager
Alpha Nursing Australia

«Title» «First_name» «Surname»«Position»
«Facility»
«Address1» «Address2» «Postcode»

Dear «Title» «Surname»,

Further to your letter stipulating your requirements in relation to the directive given to you by the Department of Human Services under section 42 of the Health Services Act 1998 we advise the following.

Alpha Nursing Australia Pty Ltd will, for the time being, comply with the requirements of the directive in order to, as far as possible, minimize the disruption to the provision of care to the public in our public health care system.

Please note though that we have no control over what agency nurses will accept as a shift in relation to replacement grade.

Alpha Nursing has always been mindful of the poor state and inadequate planning of the Health Budget. Our rates have always been fair and equitable. Our rates for the casual staff we ask to work for you will reflect the;

- 80% above the basic award rate for the replacement grade nurse, if available and
- 15% loading above the allowances provision included in the award.

As you can appreciate, these rates are the "bare bones" in relation to the expense of on costs. For this Agency to continue to provide you with the outsourcing of independent professional practitioners please note that any future increases in the cost of items noted below will be passed on to you.

1. Increases as stipulated in the EBA.
2. Any increases in the statutory requirements like the 1% increase in the Superannuation levy to be applied on the first of July 2002.
3. Publicised increases in the CPI.
4. Any increases given to nurse bank or hospital nursing staff, which is above EBA.

We look forward to continuing our business relationship with you.

John Montalto
Director