

PK C2001/1712
WF C2001/1711

COLBROW NURSES AGENCY

P.O. BOX 486

BLACKBURN 3130

Ph: 9842 9711 Fax: 9842 7519

Email: colbrow@iprimus.com.au

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



18 December 2001

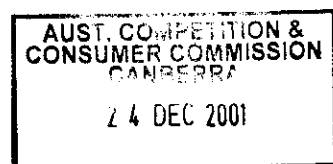
Dear Mr Grimwade,

RE: APPLICATION FOR INTERIM AUTHORISATION FOR HEALTH PURCHASING VICTORIA FOR A90811 & A90812

I am writing to express my opposition to the interim authorisation sought by Health Purchasing Victoria ('HPV') to proceed with the tendering process for the provision of casual agency staff prior to final approval of the proposal by the Australian Competition and Consumer Commission ('ACCC'). The granting of such interim authorisation would be without proper regard or consideration in relation to the possible detriment to affected parties.

The urgency perceived by HPV is questionable and unsubstantiated. Nursing shortages have been well reported and evident in Victoria for a considerable length of time. As expressed in the proposal, this tendering process is in relation to 5% of the nursing workforce. It is difficult to see, given this relatively small number, how interim authorisation is urgent. It will not disadvantage HPV or health service providers (other than economically) to delay the tender process until all parties concerns can be considered and evaluated.

Economic considerations of the state government cannot be the only factor when determining whether or not to grant interim authorisation. While the government will ultimately save money by speeding up the process before final authorisation is determined, the detriment to the market in the meantime will be substantial.



The granting of interim authorisation will adversely effect the market such that the decision may be irreversible or, at the very least, cause significant damage to the existing structure of the market. The provisions of the Trade Practices Act ('TPA') will then have no bearing on the proposal as the smaller concerned parties may no longer be in existence. Despite the ACCC's efforts to minimise negative effects of public perception, it would be very difficult to stop changes in the current system if interim authorisation is granted. Agency nurses perceptions will be negative in the extreme. The possible outcome being that they will leave the profession without further consideration, given their avenue for extra income will be perceived to be immediately removed.

Of those who do not resign from nursing, nurses may see the need to leave specific agencies and join others, to whom nurses may consider tenders will be awarded. This will fundamentally damage the agency industry which has been successfully providing supplementary casual nursing staff since 1957.

The party applying for authorisation to breach the TPA is HPV. On this basis, it would seem HPV should bear the burden to substantiate both the claim that interim authorisation is urgent and that to proceed with the tendering process prior to final approval by the ACCC will not adversely affect the market. The reasoning outlined in the proposal document is deficient to say the least. Economics of the state government in relation to 5% of the nursing work force cannot be the only consideration.

Nurses are an extremely valuable resource. HPV should not be able to dictate nurses value by capping their income. In a free market economy, supply and demand should set the rate payable for the provision of the goods or service in question, not a government statutory body.

For these reasons, the ACCC should deny HPV interim authorisation to proceed with the tendering process.

Yours sincerely,

Christina Widuckel
Colbrow Nurses Agency