



COMMONWEALTH OF AUSTRALIA

OFFICE OF THE DEPUTY SECRETARY

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The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
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FILE No:

DOC:

MARS/PRISM:

Dear Mr Chadwick

**Draft determination on the Application for Authorisation Lodged by Health Purchasing
Victoria; Application for Authorisation Nos A90811 & A90812**

Thank you for your letter of 27 June 2002 inviting the Department of Health and Ageing to respond to the Commission's draft determination proposing to grant authorisation in relation to the above applications.

The Department has no objections to the draft determination.

As you are aware, the split of responsibility between the Commonwealth and State and Territory Governments for nurse education, and registration and employment respectively, gives the Commonwealth little direct influence in matters concerning the nursing workforce. The Commonwealth has been concerned for some time about conditions within the nursing workforce, and the June 2002 'Report on the Inquiry into Nursing' by the Senate Community Affairs References Committee made recommendations in the area of nursing agencies.

The Department is coordinating the Commonwealth's response to the Inquiry, and the ACCC has been invited to respond to recommendations concerning nursing agencies. (Attachment A). In particular, the Senate Community Affairs References Committee recommended that the ACCC conduct a review of the practices of nursing agencies in the health care sector. The Committee also recommended a national review of the charges and practices of nursing agencies.

You may also be aware that the Nursing Recruitment and Retention Taskforce, a taskforce of the Australian Private Hospitals Association, is also compiling evidence on the impact that the charging policies of some nursing agencies are having on the cost of providing casual nursing staff in private hospitals.

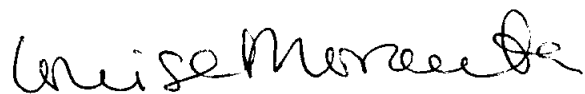
There are a number of issues around the use of agency nurses which impact on the capacity of the approved providers to deliver quality aged care. Like other sectors in health, the aged care industry faces a shortage of nurses. Agency nurses provide the industry with access to an emergency workforce, covering short and medium term gaps in staffing rosters. However, the cost of that workforce impacts on facility resourcing and cost management as it comes at a premium. Some arrangement that would help manage those costs and provide some level

of consistency of personnel and skills, would be of benefit to the services, with some possible flow on to service clients.

The proposed purchasing arrangement set out in the Health Purchasing Victoria tender would affect a small number of Commonwealth-funded, State-owned homes.

Thank you again for the opportunity to respond to the draft determination.

Yours sincerely

A handwritten signature in black ink, appearing to read "Louise Morauta". The signature is fluid and cursive, with a large initial 'L' and 'M'.

Dr Louise Morauta
Acting Deputy Secretary

~~July 2002~~

7 August 2002