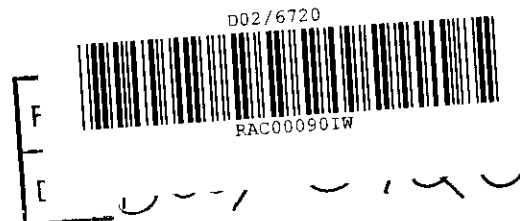


15 February 2002



Professor Allan Fels AO
Chairman
Australian Competition and Consumer Commission
P O Box 1199
DICKSON ACT 2602

Dear Professor Fels,

**Submission to Australian Competition and Consumer Commission
Application for Authorisation Nos A90811 and A90812**

We wish to object to the tender system proposed by Hospitals Purchasing Victoria (HPV) on the basis that it is naïve and simplistic in concept and the consequences, if implemented, will be extremely damaging to the smaller nurses' agencies, the nursing profession and to the overall public hospital system. In particular:-

- The tender proposed is too large and inflexible and only the very large (and more expensive!) agencies will have the ability to meet the conditions and requirements. The public interest will suffer due to lack of choice of agencies.
- Smaller agencies (which represent some 60% of nurses supply) will be unfairly disadvantaged and may be forced to close.
- The real issues of costs, we believe, have not been identified by the government. Comparisons between hospital on-costs are not identified when compared with agency nurses' costs – where the package includes payroll management services and considerable administration costs; i.e. tax, superannuation, professional indemnity, public liability, WorkCover and training. The actual increase in award which may or may not be paid to the nurse is a relatively small increment compared to those overall administration costs.
- The present hospital/nursing agency system is extremely sensitive and major changes are not without risk. If delays and nurse shortages occur as a result of the new (large) tender, not only could there be real supply and cost problems if other agencies have to be brought in, but there could even be patient lives at stake if the system breaks down. One large agency could well reduce flexibility or management opportunities presently enjoyed by the various hospitals acting autonomously.

- Not only can the proposals be seen as restrictive to smaller agencies and reduce their work opportunities, but the general thrust of the proposals are against the use of part-time agency staff. This is counter to world trends, not only in nursing, but all fields – where, for example, in the U.S.A. some 70% of the work force are contractors or employment agency staff. The general flexibility and family advantages of agency work in nursing should not be under-estimated. Any proposals to reverse the clock and encourage more full-time employment must be regarded as unrealistic and restrictive.
- The issue of nursing shortage will not be addressed by the new tender proposals. There is a worldwide shortage of nurses and the only way this problem can be addressed is by providing more incentives for students to take up nursing as a career and better wages and conditions to encourage nurses to stay in the profession.

We have been in business for over 30 years supplying nurses to all the major hospitals. We insist on a high level of professionalism and have attained quality control standards accreditation. We provide total payroll management services and have some 2,000 nurses on our nurses roll and currently place hundreds of nurses per week in some of Melbourne's largest public and private hospitals. We still regard ourselves as a relatively small operation and are most concerned that the new tender system as proposed would be beyond our scope and be extremely damaging to our business.

Yours sincerely,



Elizabeth Schofield, RN
Director - Malvern Nurses Agency