

REVIEW OF THE NATIONAL COMPETITION POLICY ARRANGEMENTS

1. Introduction

- 1.1 The ANF is the national union for nurses in Australia with branches in each state and territory. The ANF is also the largest professional organisation in Australia. The ANF's core business is the industrial and professional representation of nurses and nursing in Australia.
- 1.2 The ANF's 140,000 members are employed in a wide range of enterprises in urban, rural and remote locations in the public, private and aged care sectors, including hospitals, health services, schools, universities, the armed forces, statutory authorities, local government, offshore territories and industries.
- 1.3 The Australian Nursing Federation participates in the development of policy in nursing, nursing regulation, health, community services, veterans affairs, education, training, occupational health and safety, industrial relations, immigration and law reform.
- 1.4 This submission will not address all of the terms of reference; rather it will briefly cover the major issues of concern for the Australian Nursing Federation, nurses and nursing. These include:
 - The impact of competition policy on the provision of quality health services;
 - The application of the public interest/benefit test;
 - Deregulation of the nursing profession.

2. The impact of Competition Policy on the provision and quality of health services

- 2.1 The Australian Nursing Federation is concerned that the application of competition policy is often driven by economic imperatives at the expense of standards of care and social welfare considerations. The assumption that all competition will lead to increased efficiencies and higher standards, and that both competition and efficiency are always beneficial and socially desirable objectives are based on an uncertain foundation.

- 2.2 State and territory governments embarking on a policy of contracting out, privatisation and co-location of health services under the guise of competition policy do so advocating a more efficient provision of health services. There is little if any public evidence that this has been the outcome on either economic or social advancement criteria.
- 2.3 The Port Macquarie Base Hospital was the first public hospital in Australia constructed, owned and managed by the private sector. Rather than saving the NSW government \$40M it ended up costing taxpayers an extra \$143.6M¹.
- 2.4 The Latrobe Regional Hospital was a new facility constructed for public and private patients to replace public health facilities at Moe and Traralgon. Built and managed by the private sector, it was returned to the Victorian Government in 2000 due to unsustainable financial losses and an inability to guarantee appropriate levels of hospital care².
- 2.5 The Australian Nursing Federation therefore contends that this strategy has led to a range of problems including increased cost of services, decreased access to services, reduced conditions of employment and job security for health workers and a decreased quality of care for people requiring care.

RECOMMENDATION

That the Productivity Commission undertakes a comprehensive analysis of the application of competition policy in the health and community services sector to ensure that outcomes achieve improvements to the social, equity and regional objectives of the National Competition Policy.

¹ Queensland Government submission to the Senate Community Affairs Reference Committee (2000), Submission No. 41, Additional information P.2, Hansard 2000.

² Strategic Economics (2003). Paying for Private Profit.

3. The public interest test

- 3.1 The public interest can be defined as a broad body of principles designed to ensure that a decision includes consideration of the potential benefits and costs to the community at large. While the competition policy agreement³ outlines broad social and environmental obligations there is no specific definition as to what ultimately satisfies the public interest test, though it is generally accepted that the community's interests must be advanced in a range of economic and non-economic matters.
- 3.2 The fact that the public interest test lacks definition has given the state and territory governments an unacceptable degree of latitude in the manner in which they implement the competition policy agenda. Assessments of the public interest and benefit appear to be undertaken by people who are not adequately informed; with little or no community input; with inconsistent measurement tools, and often-limited information being provided to the community about the application and determination of the public interest test when a decision is made to implement the competition policy agenda.

RECOMMENDATION

That National Competition Policy is only implemented in areas when it is publicly determined against established criteria.

4. Deregulation of nursing services

- 4.1 The reason that nursing (amongst other health professional groups) is regulated is to protect the public as in the provision of nursing services there is the potential to do harm.

³ National Competition Council (1998) Compendium of National Competition Policy Agreements, p 14

- 4.2 There is a significant and concerted push in sectors of the Australian health and community services industry for the replacement of regulated nursing employees with unregulated workers based in part that they may be a cheaper form of labour. The rationale appears to be that less skilled and educated labour is in greater supply and may be able to fill vacancies left by qualified nursing staff.⁴
- 4.3 National and international experience has demonstrated that the replacement of skilled labour with unskilled labour, that is, the deskilling of the health workforce, results in patient care being compromised and results in additional cost from adverse outcomes.⁵ Expected savings are rarely achieved and are indeed a false economy given the negative outcomes and the quality of care. Cost savings have been demonstrated by the use of qualified staff.
- 4.4 A review of the regulation of registered and enrolled nurses with a view to deregulation of the profession under the guise of National Competition Policy will inevitably have a negative impact on standards of patient care if the application of competition policy defines the regulation of nurses as anti-competitive. The deregulation of nursing practice in the name of competition would have a detrimental impact on the ability of health services to provide quality care and damage the delivery of an important public and social service.

RECOMMENDATION

That nursing remains a regulated profession.

5. Conclusion

- 5.1 The Australian Nursing Federation contends that the provision of health services is a public good and the responsibility of Government. Consequently, the maintenance of the public health system as a publicly funded, fully accessible service is essential for the social benefit of all Australians. Nurses

⁴ Tasmanian Nurse Workforce Planning Project, Final Report (2001) Tasmanian Department of Health and Human Services: Recommendation 16.1

⁵ Crisp, J., (2001) Standards for Nursing Care and Relationships Between Skill Management and Patient Outcomes, commissioned by the National Review of Nursing Education, Commonwealth of Australia

working in the public sector wish to do so in an efficient and timely manner with a focus on quality but without having to have care decisions driven by the need to secure profits for private interests. Competition in itself does not produce quality and efficiency savings and the application of competition policy principles needs to take into account public interest issues such as quality and access for people seeking to access the service and wages and working conditions for people providing the service.

- 5.2 The Australian Nursing Federation strongly supports the continued regulation of nurses and nursing. Nursing is a regulated profession because of the need to protect the public. Regulation establishes and maintains standards of care and monitors the delivery of care by practitioners. Australians benefiting from our health system need skilled practitioners to provide quality care. Quality care can only be delivered by those educated to do so. Ensuring that this is always the case requires continuing professional development and regulation.