

AGENCY NURSES IN PUBLIC HOSPITALS

**158. Mr J.B. D'ORAZIO to the Minister for Health:**

Can the minister please advise the House what the Government is doing to reduce the reliance on agency nurses in public hospitals, which last year cost taxpayers \$55 million?

**Mr J.A. McGINTY replied:**

I thank the member for Ballajura for the question. As the member has indicated, last year the Department of Health spent \$55 million on the employment of agency nurses. Ever since the release of the report of the Auditor General, this has been recognised as a major problem, both financially and in terms of the work force, confronting the Department of Health. Some eight months ago, NurseWest was established. It has now become the largest provider of agency nurses, supplying around 30 per cent of all temporary nursing requirements for government hospitals. I am also pleased to say that in the three years since coming to government, we have employed an additional 927 nurses in our public hospitals in Western Australia. At the same time, our agency utilisation for the first seven months of this financial year has decreased by 360 full-time equivalent positions compared with the same period last financial year. Significantly, the expenditure on agency nurses for the financial year to February 2004 was \$24 million compared with \$38 million for the same period in the previous year, which was a \$14 million reduction. Projected expenditure on agency nurses for the full year is \$38 million compared with \$55 million for 2002-03, which is a reduction of \$17 million. It is also significant that the hourly rate charged by nursing agencies has, as a result of this pressure, fallen by some six per cent in the past eight months, since the establishment of NurseWest. On average a NurseWest pool nurse is \$40 000 per annum less expensive than a nurse supplied from a private nursing agency.

Given this success in the metropolitan area, it is now our intention to roll out NurseWest into country health services later this year. A tender has also been prepared for the supply of temporary nursing staff. That tender has been issued by the Department of Treasury and Finance for the whole of government and is currently under evaluation. We are reversing the dependency on agency nurses. We all know that directly employed, permanent nurses are better for our public hospitals than are people who come and go simply to fill a shift. Not only do we now have the capacity to do new things in our hospitals, such as the general practitioner clinics we spoke about yesterday and the opening of 320 beds to cover the coming winter, but also we have a permanent, dedicated nursing work force to implement those plans.