

Submission to Productivity Commission

Australia's Productivity Performance

March 2022

Contents

Introduction.....	3
Recommendations	4
Terms of reference.....	5
Australia’s productivity performance	5
Challenges and opportunities arising from the COVID-19 pandemic.....	6
Previous five yearly review	10
References	11

Introduction

The Queensland Nurses and Midwives' Union (QNMU) thanks the Productivity Commission for the opportunity to comment on the *Australia's productivity performance*.

Nursing and midwifery is the largest occupational group in Queensland Health (QH) and one of the largest across the Queensland government. The QNMU is the principal health union in Queensland covering all classifications of workers that make up the nursing and midwifery workforce including registered nurses (RN), midwives, nurse practitioners (NP) enrolled nurses (EN) and assistants in nursing (AIN) who are employed in the public, private and not-for-profit health sectors including aged care.

Our more than 65,000 members work across a variety of settings from single person operations to large health and non-health institutions, and in a full range of classifications from entry level trainees to senior management. The vast majority of nurses in Queensland are members of the QNMU, and many of our members work in rural or remote areas throughout Queensland.

The economic productivity of Australia is largely dependent on the health of its citizens and nursing and midwifery care is unequivocally linked to improving the health and wellbeing of our communities through their professional and social impacts.

In responding to this inquiry, we will consider issues and reform areas that, in our view, are most likely to enhance productivity growth with a view to improving the living standards and wellbeing of nurses and midwives.

The QNMU reiterates the recommendations we provided to the Productivity Commission in our response to the previous five yearly productivity review in 2016.

Recommendations

The QNMU recommends:

- shifting towards a value-based, patient centred, quality care approach to health care, over privatisation;
- adequately funding the health system and health infrastructures to meet growing demands;
- improving secure working arrangements for all workers;
- conducting a post COVID-19 pandemic review of the health system functioning, funding and policy models to support safety and sustainability;
- implementing legislated nurse/midwife-to patient ratios across all sectors;
- recognising the Nurse Practitioner role in providing primary, acute and aged care;
- exploring the benefits of other advanced practice/innovative nursing roles such as Nurse Navigators;
- exploring midwifery led models of care;
- actioning recommendations from the previous five-year productivity review.

Terms of reference

Australia's productivity performance

The QNMU notes that the terms of reference have requested commentary on the performance of market and non-market sectors, where non-market consists of the health care and social services, public administration and safety, and education and training industries (ABS, 2019). The QNMU focuses the following comments on the productivity performance in the health care sector only.

Privatisation of health care

The QNMU has long objected to the privatisation of health, stating our position in countless submissions to inquiries and consultations over the years.

Privatisation is a core part of the neoliberal agenda and operates on the principle that private ownership and provision, choice, competition, and markets, are essential to maximise productivity and efficiency to create the conditions for economic growth. In practical policy terms, policy that exemplifies market liberalism is considered privatisation. This includes the sale of government business enterprises, the contracting out of public services or outsourcing services to the private sector, offshoring services, the sale of assets to the private sector and the use of public-private "partnerships" to construct and operate public infrastructure, both physical and social.

The QNMU rejects the belief that privately delivered services and increased consumer choice will be more efficient than publicly provided services. This is particularly relevant in the healthcare sector where it is well understood that market mechanisms do not drive quality and efficiency.

There are many examples of how the public/private model of privatisation has failed the objectives of value for money and performance in Australia. Despite claims that privatisation is more cost effective and efficient, in practice it has led to the decline in the functioning and provision of services, lower wages, less job security and access to entitlements for workers and reduces access to quality care for Australians.

Neoliberal reforms have led to profound changes in healthcare systems and the dynamics of public policy, principally because the reforms have privileged free-market over the right to health. In recent decades, the decentralisation of health care to local or regional levels has resulted in an inconsistent approach and competition between the various hospital and health services. Rather than pursuing policies to ensure that the public system can meet demands, alternative policies to subsidise the private sector are becoming more entrenched and difficult to unwind (Duckett, 2020).

The privatisation of health services has caused significant harm to our most vulnerable citizens, such as people with a profound disability, the homeless and those requiring hospitalisation, aged care, childcare or child protection.

Some crucial implications of privatising health care include (People's Inquiry into Privatisation, 2017):

- Reductions in care hours for patients;
- A lack of government accountability for quality and safety and transparency of expenditure;
- Reductions in nurse/midwife staffing numbers and appropriate skill mix;
- Profit motives outweighing the delivery of quality care;
- Erosion of pay and working conditions for staff;
- Cost blow-outs for health services;
- Overall decline in quality of services accessible to the public;

The Australian experience suggests that increased private provisions do not lead to improved access to public care (Duckett, 2020). The QNMU objects to all forms of commodification and privatisation of health and favours a model that prioritises quality, value-based patient centred care as central tenants.

Government role

Queensland is a vast state with a decentralised population in regional and remote areas. Receiving equitable access to care is a significant challenge for these communities and they experience acute disadvantages, largely as a result of their geographical remoteness.

In our view, one of the government’s fundamental roles is to equitably provide essential services, such as health care, to all communities and regulate the delivery of those services. Access to quality health services is a human right and should be based on needs rather than ability to pay. We view this as essential to human development, prosperity, and a flourishing society.

In contrast, neoliberalist ideology encourages the privatisation of sectors like health care and reduces the purview of government’s role, in favour of an increased role for the free market.

Competition principles should not replace fundamental responsibilities of government towards its citizens to provide equitable, safe, quality care. Competition and contestability should only be introduced where they are likely to lead to more effective service provisions. This means that the introduction of competition and contestability must lead to increased quality in care not just a reduction in costs. For these reasons, we encourage greater public sector leadership in the delivery and regulation of quality health care services.

Recommendations

The QNMU recommends:

- shifting towards a value-based patient centred, quality care approach to health care, rather than privatisation.

Challenges and opportunities arising from the COVID-19 pandemic

Australia’s response to the pandemic has largely been shaped by the realities of global privatisation and market competition. One such example is Australia’s overreliance on

overseas supply chains and manufacturers that created a mass shortage of critical medical supplies and equipment, including personal protective equipment for frontline workers.

The pandemic also exacerbated existing issues for workers such as low pay, insecure and precarious work arrangements and poor conditions and entitlements. This was particularly aggravated in the aged care sector, where the workforce is among the most insecure, under-skilled and understaffed. In aged care, pre-existing failings of the sector due to poor regulation and heavy reliance on the private sector, were exposed. During the pandemic, aged care workers were forced to work across multiple workplaces to make a living and faced significant financial hardships for taking time off for COVID-19 testing, quarantining or related carer responsibilities. Meanwhile, providers have placed a troubling over-reliance on agency nurses to fill staffing gaps, further entrenching the casualisation of the aged care workforce.

In addition to workers, aged care residents have suffered during the pandemic due to aged care providers focusing on profit at the cost of providing quality, safe care. A large number of deaths were reported in private aged care homes, attributed to inadequate management, lack of resources and inefficient regulation. The QNMU believes that all elderly Australians have a right to safe, dignified care and that taxpayers' contributions to funding the companies of aged care must be directed to ensuring the provision of that care for every aged care resident. The QNMU calls upon the Productivity Commission to review the learnings from the pandemic in aged care and the recommendations made by the Royal Commission into Aged Care Quality and Safety (Royal Commission into Aged Care Quality and Safety, 2021).

One of the adverse economic consequences of underinvestment and privatisation is the consequence of low productivity (Secure Jobs, 2011). Evidence indicates that Australian working conditions, like job insecurity, wage stagnation and expected hours of work, are contributing to low work performance outcomes (Holden et al., 2010). This has been further exacerbated throughout the pandemic, highlighting a workforce that is fragile and ill-equipped in the face of a global emergency. Frontline workers have faced the brutal consequences of decades of underinvestment in public services. In nursing and midwifery, this can look like inadequate workforce planning, unsafe workloads, insecure jobs, lower occupational health and safety standards, or lack of investment in training and education in the professions. Reducing workers wages and conditions does not result in sustainable efficiency gains. The QNMU calls for secure working arrangements to increase productivity outcomes.

The pandemic has highlighted a need to focus on effectiveness, responsiveness, and safety rather than efficiency alone. The QNMU has witnessed a public health system that is dangerously under resourced and in urgent need of investment. The drive for greater efficiencies has resulted in a public health system where many public hospitals routinely function at greater than 100% capacity. The system is failing to measure what matters effectively and what is measured is driving aberrant outcomes. Hospitals are unable to respond to the demands on their emergency departments, increased need for beds, and growing chronic health concerns of an aging population. This has only been further amplified during the pandemic.

The QNMU calls for adequate health system funding and policy reframing to decrease fragmentation of care and enhance safety and long-term sustainability. This must include an urgent examination of the barriers to introducing new and innovative models of health care (especially community-based models) where nurses, midwives and other allied health professionals are able to work to their full scope of practice. We also suggest the need for a post COVID-19 pandemic inquiry into the health system functioning, funding, and policy models to ensure a safe and sustainable system into the future.

Minimum nurse and midwife-to-patient ratios

The QNMU has been a long-time advocate for nurse-to-patient ratios across all health sectors. Recent research into the effects of nurse-to-patient ratio legislation on nurse staffing and patient mortality, readmissions, and length of stay in Queensland showed that the costs avoided due to fewer readmissions and shorter length of stay were more than twice the cost of the additional nurse staffing (McHugh et al., 2021).

Nurse and midwife-to-patient ratios will contribute to organisational productivity, hospital efficiency and continuity of patient care by increasing staff satisfaction, decreasing attrition rates, reducing patient readmission and adverse events, limiting service variation, and improving equality across the healthcare sectors. Minimum nurse-to-patient and midwife-to-patient ratios are an economically sound methodology which saves lives and improves patient outcomes.

Recommendations

The QNMU recommends:

- adequately funding the health system and health infrastructures on which society depends on;
- improving secure working arrangements for all workers;
- conducting a post COVID-19 pandemic review of the health system functioning, funding and policy models to support safety and sustainability;
- implementing legislated nurse/midwife-to patient ratios across all sectors;

Innovative models of care

The continuing failure of the healthcare system to utilise nurses and midwives to their full scope of practice is limiting consumer access to evidence-based, cost-efficient nurse/midwife-led models of care. During the COVID-19 pandemic, nursing and midwifery models of care have been successful in utilising digital technologies to provide quality, safe care to patients. The QNMU considers the engagement of the following innovative models of nurse and midwifery-led care, as a key opportunity to increase productivity and quality of care, long after the pandemic.

Nurse Practitioner led models of care

The nurse practitioner role is the most advanced clinical nursing role in Australia, with additional responsibilities for patient assessment, diagnosis and management, referral, medications prescribing, and the ordering and interpretation of diagnostic investigations. Despite the highly skilled nature of the nurse practitioner, the role continues to be underutilised to its full potential.

The introduction of the NP role in Australia has demonstrated improvements in access to care for marginalised, disadvantaged, isolated and underserved populations, whilst reducing costs and decreasing the duplication of work and documentation (Queensland Health, 2020). A key advantage of the NP role has been to bridge the gaps in access to care for diverse areas such as palliative care, cardiac care, mental health, pain management, alcohol and other drug services and renal replacement therapy (KPMG, 2018).

Nurse navigator role

Another advanced practice and specialised nursing role are nurse navigators. They provide co-ordinated care for those patients who have complex health needs and need assistance in navigating the healthcare system. These positions have been shown to deliver improved health outcomes and significant cost savings. We encourage further consideration as to how best use to these roles to their full capability and scope of practice.

Midwifery-led models of care

The QNMU continues to advocate for the upscaling of midwifery led care, particularly in communities.

Midwife-led continuity models provide care from the same midwife or team of midwives throughout the pregnancy, birth, and the early parenting period. A significant body of research demonstrates midwifery continuity of care models provide optimal outcomes for women and their babies. The Lancet Framework for Maternal and Newborn care indicates that midwifery led primary health care leads to improved mortality and morbidity across the life course (Wilson et al., 2020).

Workforce planning

To best utilise the value of nurses and midwives, a nationally coordinated workforce planning response is required. The QNMU suggests investing in educating nurses and midwives in areas of high need, such as Mental Health, Aged Care, Palliative Care and Paediatrics to meet health care demands.

Recommendation

The QNMU recommends:

- recognising the Nurse Practitioner role in providing primary, acute and aged care;
- exploring the benefits of other advanced practice/innovative nursing roles such as Nurse Navigators;
- upscaling midwifery led models of care, particularly in community care;
- nationally coordinated workforce planning, incentivising and investing in educating nurses and midwives in areas of high need, such as Mental Health, Aged Care, Palliative Care and Paediatrics

Previous five yearly review

The QNMU refers to recommendations included in the *Shifting the dial report* based on the previous five-year productivity review in 2017 (Productivity Commission, 2017). The QNMU supports many of the recommendations made in the previous review and acknowledges that action is still required to implement these recommendations. The QNMU suggests that the following recommendations from the *Shifting the dial report* are actioned:

- reconfiguring the health care system around the principles of value-based patient-centred care, and using information and data better to inform providers, researchers, and consumers (recommendation 2.3);
- more integrated healthcare that places the patient at the centre of the system, and that manages, and prevents the onset of, chronic ill health;
- implementing nimble funding arrangements at the regional level (recommendation 2.1).

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