

THE AUDIT OFFICE  
OF NEW SOUTH WALES

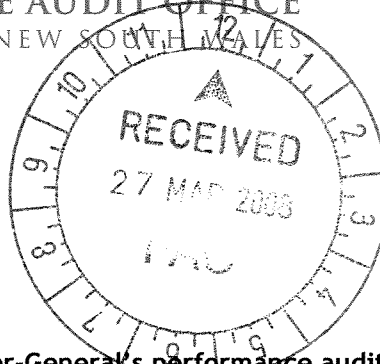
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YOUR REFERENCE

Mr Paul McLeay MP  
Chair  
Public Accounts Committee  
Parliament House, Macquarie Street  
SYDNEY NSW 2000



19 March 2008

Dear Mr McLeay

**Examination of Auditor-General's performance audit report  
Attracting, retaining and managing nurses in hospitals**

We have reviewed NSW Health's submission on its response to our performance audit report.

When the report was tabled the then Director-General accepted the thrust of our recommendations which she (correctly) characterised as:

- spreading the use of the nursing workload tool
- continuing to monitor the impact of the demand for more nursing positions, now and into the future
- reducing reliance on overtime and agency nurses
- retaining our valued nurses in the system.

In February 2007, NSW Health provided detail on how they planned to address each of the 14 recommendations.

NSW Health's latest submission reports progress in addressing the recommendations. In the attached table, we comment on the relevance and progress of NSW Health's action in addressing the recommendations.

The submission indicates that NSW Health:

- has made material progress in addressing three recommendations. It has rolled out the workload tool to all hospitals, which are employing more enrolled nurses and monitoring the use of overtime and agency nurses.
- is taking action consistent with another eight recommendations.
- is yet to review the implementation of two recommendations. And its management of agency nurses is being reconsidered after state-wide tendering did not realise anticipated benefits.

NSW Health's submission does not contain sufficient detail for us to substantiate the reported progress.

I will forward a copy of this correspondence to the Director-General of NSW Health.

I am very happy to provide any further assistance the Committee may need in completing its examination.

Yours sincerely

Peter Achterstraat  
Auditor-General

Attach

**Attachment-  
Audit Office observation of NSW Health proposed action and progress**

*Attracting, retaining and managing nurses in hospitals*

| Recommendation                     | Does proposed action address issue?  | Progress reported by Health                           |
|------------------------------------|--|---|
| 1 workload tool                    | Yes proposed action consistent with intent of recommendation   | Completed Dec 2007                                    |
| 2 data quality                     | Yes proposed action consistent with intent of recommendation   | Continuing  |
| 3 patient specials                 | NSW Health to consider recommendation in May 2008  |   |
| 4 more ENs                         | Yes proposed action consistent with intent of recommendation   | Material and continuing                               |
| 5 innovative care                  | Yes proposed action consistent with intent of recommendation   | Continuing  |
| 6 monitor closures                 | NSW Health yet to consider recommendation.   |   |
| 7 care indicators                  | Yes proposed action consistent with intent of recommendation   | Continuing  |
| 8 monitor OT and agency use + cost | Yes proposed action consistent with intent of recommendation   | Material and continuing                               |
| 9 agency performance               | The initial action was consistent with intent of recommendation but state-wide tendering for agency nurses has not produced the desired outcomes. Health is reconsidering its approach to improving the management of agency nurses. |   |
| 10 nurses leaving                  | Yes proposed action consistent with intent of recommendation   | Continuing  |
| 11 resignation                     | Yes proposed action consistent with intent of recommendation   | Continuing  |
| 12 define FTE                      | Yes proposed action consistent with intent of recommendation   | Continuing, dependent on new payroll system (2 years) |
| 13 publish nurse shortage          | Yes proposed action consistent with intent of recommendation   | Continuing  |
| 14 develop workforce plans         | Yes proposed action consistent with intent of recommendation   | Continuing  |