

# PERFORMANCE AUDIT IN BRIEF

## Attracting, Retaining and Managing Nurses in Hospitals

NSW Health



THE AUDIT OFFICE  
OF NEW SOUTH WALES

### About the audit

Nurses play a vital role in providing quality patient care in public hospitals.

A national review of the nursing workforce predicts the demand for nurses will increase by over two per cent a year due to increased hospital admissions. With many nurses nearing retirement, a national shortage of up to 40,000 nurses is predicted by 2010.

This audit looks at how four public hospitals manage their nurses and how the Department of Health is responding to expected nurse shortages.

### Audit opinion

The department has done well to attract and retain nurses. Between 2001-02 and 2005-06 the average number of nurses employed increased to 39,804 with the annual resignation rate falling from 16 to 14 per cent. Overall, the public health sector gained 5,588 nurses, representing an average annual increase of four per cent.

The department advises that an additional 6,744 nurses were employed between January 2002 and September 2006.

The department used a number of strategies to increase nurse numbers. The department improved nurses' wages to make them the highest paid in Australia, recruited over 1,000 nurses from overseas and attracted nearly 1,500 ex-nurses back to the public health sector. The department has also improved the working conditions of nurses with more flexible rosters and greater access to professional development.

The public health sector is working to better manage its nurses.

In consultation with the Nurses' Association, the department is moving to manage nurse workloads in a more transparent, consistent and consultative way. Hospitals are moving to determine the number of nurses on a ward according to the patient load.

The department recognises the need for new models of patient care and changes in work practices. Hospitals are reviewing the work of nurses and employing more enrolled nurses to free up registered nurses for more complex tasks.

These initiatives have increased the number of nurses in public health. But around 45 per cent of nurses work part-time and the department can not quantify the net gain in resources or judge whether we have enough nurses working in hospitals.

Despite the gains, there are indicators that there may still not be enough nurses.

Firstly, the public health sector used overtime and agency nurses to provide the equivalent of 1,217 full time nurses in 2005-06. This was an increase of 21 per cent from 2001-02.

Secondly, we found instances where some of the hospitals visited had closed beds temporarily and deferred admissions for elective surgery because there were not enough nurses to provide appropriate care.

The department is doing further work to assess the nature and extent of nurse shortages and developing strategies to address shortfalls. It is also working with the Commonwealth government on national strategies to increase the number of nurses entering the workforce.





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## Further information

Jane Tebbatt

Phone: 02 9275 7274

Email: [jane.tebbatt@audit.nsw.gov.au](mailto:jane.tebbatt@audit.nsw.gov.au)

The full report is available on our  
Internet site: [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)

## Key findings

**Do hospitals have an effective framework for managing nurses?**

The four hospitals had an effective framework for the day-to-day management of nurses. The department provides a consistent and transparent means of assessing the number of nurses required based on a ward's patient load.

**Are wards adequately staffed?**

All four hospitals continuously reviewed the adequacy of ward nursing levels. Two had implemented the new reasonable workload approach to set nursing numbers and two were in the process of doing so.

Generally the hospitals maintained ward operations in the face of day-to-day nurse shortages, but instances of temporary bed closures due to nurse shortages were not monitored.

Hospitals manage nurse shortages by getting nurses on duty to cover the gap or by employing overtime, agency and casual nurses. The total cost of overtime and agency nurses is not monitored. The department advises that it will introduce standard contracts and tendering processes to improve arrangements with nursing agencies.

Agency nurses and overtime can be a cost-effective way to manage unanticipated absences and spikes in demand. But it is not the best way to meet ongoing increases in demand or predictable supply problems.

**Do hospitals effectively retain and attract nurses?**

The department has reduced the nurse resignation rate and recruited more nurses. But the department is not able to quantify the gain in nursing resources or assess whether it is adequate to meet demand.

The NSW health workforce action plan supports the national strategic framework to get health professionals to work together more effectively, change work practices and develop new models of care

These are all positive initiatives, but it is too early to judge whether the nursing workforce in public hospitals will be adequate in the future.

The department is working with the Commonwealth on strategies to increase the number of nurses entering the workforce.

## Summary of recommendations

We made the following key recommendations:

- hospitals should assess and review the number of nurses needed
- hospitals should monitor the impact of nurse shortages
- the department should review and report on nurse shortages in public hospitals.