



australian  
nursing federation

Award Review Taskforce Discussion Papers on  
award rationalisation and the rationalisation of  
award wage and classification structures.

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### APPENDIX A

A list of federal and state awards where the ANF is a respondent.

## 1. The context in which the Australian Nursing Federation (ANF) provides comments on the discussion papers

- 1.1 The ANF appreciates this opportunity to provide comment on the Award Review Taskforce Discussion Papers. However we do so in the knowledge that there remain significant gaps in the information required to allow a fully informed response.
- 1.2 Importantly the Workplace Relations Amendment (WorkChoices) Act 2005 regulations have yet to be gazetted. These regulations will provide critical detail and will assist in understanding the potential impact of the proposed changes to the scope and incidence of federal awards, further reduction in the content of awards and the role of the Australian Fair Pay Commission.
- 1.3 We note that both discussion papers in part promote radical changes to the coverage and content of awards on the questionable basis of the need to reduce the level of confusion over the application and interpretation of awards. Such problems are not evident in the sectors where nursing awards apply and we note that there has been no call from nursing employers for these changes.

## 2. The ANF

- 2.1 The ANF is the national union for nurses with branches in each state and territory in Australia. The ANF is also the largest professional nursing organisation in Australia. The ANF's core business is the industrial and professional representation of nurses and nursing in Australia.
- 2.2 The ANF's 150,000 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.

2.3 The ANF participates in the development of policy in nursing, nursing regulation, health, community services, veteran's affairs, education, training, occupational health and safety, industrial relations, immigration and law reform.

### 3. Demographics on the employment of nurses

3.1 According to the Australian Institute of Health and Welfare (AIHW) 273,377 nurses were licensed<sup>1</sup> in Australia in 2003. Of these 80% were registered nurses and 20% were enrolled nurses<sup>2</sup>.

3.2 The 2003 data also shows that the largest proportion of nurses was employed in clinical practice (86.5% of registered nurses and 92.4% of enrolled nurses)<sup>3</sup>. Of these 31.8% were employed in the clinical practice areas of medical and surgical nursing; 14.8% were employed in gerontology; 7.3% in maternity care; 7.9% in operating theatres; 6% in mental health; 11.5% in intensive care; and 5.5% in community health<sup>4</sup>.

3.3 Approximately 58.4% of employed nurses work in public and private acute hospitals; 14.3% in residential aged care facilities; 7.3% in a community setting; and 20% in other nursing areas<sup>5</sup>.

3.4 Nurses are the most numerous occupational group in the Australian health workforce representing 54% of the total employed health occupation in 2001<sup>6</sup>. In 2003 91.4% of the total national nursing workforce were female<sup>7</sup>.

3.5 The number of full-time equivalent (FTE) nurses per 100,000 population in 2003 is 1106 (FTE) nurses per 100,000 population. This compares to a figure of 1031 (FTE) per 100,000 population in 2001. While there has been some improvement in the 2003 (FTE) figure (reversing a downward trend since 1995), it should be noted that most of the improvement was the result of additional hours worked by nurses (from

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<sup>1</sup> Registered and enrolled nurses (enrolled nurses are called Registered Nurses Division 2 in the State of Victoria)

<sup>2</sup> AIHW 2005 Nursing and Midwifery Labour Force 2003 p.3

<sup>3</sup> AIHW 2005 Ibid

<sup>4</sup> AIHW 2005 Ibid

<sup>5</sup> AIHW 2005 op cit p.29

<sup>6</sup> AIHW (2003), Health & Community Services Labour Force 2001, Canberra HXIV

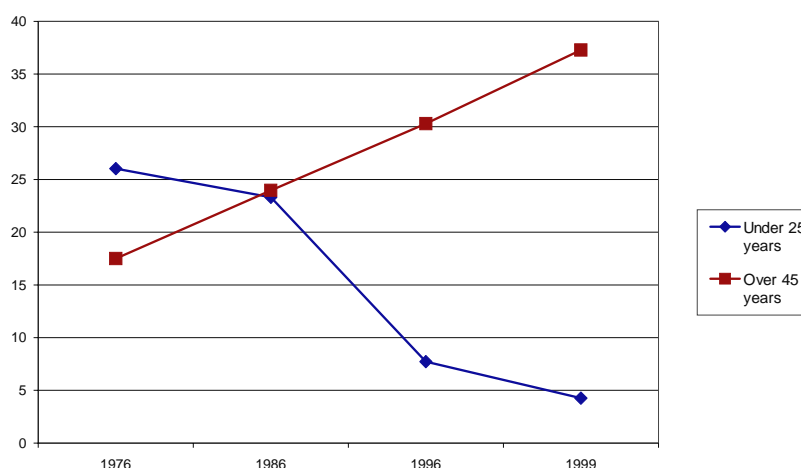
<sup>7</sup> AIHW 2005 Nursing and Midwifery Labour Force 2003 p.4

30.7 hours per week in 2001 to 32.5 hours per week in 2003) with only a 3.6% increase in the number of employed nurses<sup>8</sup>.

3.6 According to the Department of Employment and Workplace Relations (DEWR) National Skill Shortage Survey, the depth and breadth of the skill shortages in nursing remains the greatest of all occupational groups<sup>9</sup>.

3.7 As the chart below demonstrates nurses are getting older and the proportion of older nurses continues to grow. In 2003, the average age for a registered nurse was 43 years and 43.5 years for an enrolled nurse. The proportion of nurses aged 45 years or over increased to 46.5% of the nursing workforce, with 14.3% of that proportion over the age of 55 years<sup>10</sup>.

**Nursing Workforce 1976-1999**



3.8 The ageing of the nursing workforce has implications for workforce planning as it is likely that the 46.5% of nurses who will be contemplating retirement over the next 10 to 15 years, will be those with most experience and with specialist qualifications or expertise.

<sup>8</sup> AIHW 2005 Nursing & Midwifery Labour Force 2003 p.18

<sup>9</sup> Department of Employment and Workplace Relations (2004). National and State Skill Shortage Lists, Australia 2004,

<sup>10</sup> AIHW 2005 Nursing and Midwifery Labour Force 2003 p.23

- 3.9 The nursing workforce has a disproportionate high number of part-time employees and this is increasing. In 2003, 50% of nurses worked part-time (48.6% of the registered nurse workforce and 56.1% of the enrolled nurse workforce).

The average number of hours worked per week however increased from 30.7 hours in 2003 to 32.5 hours in 2003 (32.8 hours for registered nurses and 31.2 hours for enrolled nurses)<sup>11</sup>.

- 3.10 The foregoing snapshot of the national nursing workforce demonstrates, in part, that the key characteristics of the Australian health care system at present, as least as far as the nursing workforce is concerned, are of a system that is relying heavily on the skills and experience of an increasing number of part-time older women who tend to be in the latter stages of their working life.

#### 4. The award regulation of nurses

- 4.1 Nurses across Australia are mainly employed under awards of the Australian Industrial Relations Commission except for nurses employed in New South Wales the private sectors of Queensland and the public sectors in Tasmania where awards are available under the industrial systems in those states.

The ANF is currently respondent to 47 federal awards and 43 awards of state industrial tribunals. A list of the awards is appended to this submission.

- 4.2 It is estimated that between 20% to 30% of nurses across the country continue to have their terms and conditions of employment determined exclusively by federal or state safety net awards. Typically such nurses are employed in aged care facilities, general practice medical clinics and other small businesses.
- 4.3 Nurses in some states, for example Victoria continue to have their career structure and some conditions determined primarily through their federal award, while their rates of pay and other conditions are contained in certified agreements. Unilateral changes in the classification and career structure would invite disputation and undo recent improvements to recruitment and retention outcomes for these nurses.

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<sup>11</sup> AIHW 2005, Nursing & Midwifery Labour Force 2003, p.5

## 5. The history and development of nursing awards and nursing career paths

- 5.1 Since the late 1980s federal and state industrial tribunals progressively developed awards with common national nursing industry rates of pay and conditions of employment. The establishment and maintenance of national nursing conditions was based on the view that nurses should be remunerated on the basis of their skill, education and experience rather than the nursing sector in which they may be employed. During this period federal and state industrial tribunals supported the inclusion into nursing awards of a comprehensive classification and pay structure designed to offer a relevant career path for clinical nurses to ensure sufficient numbers of skilled and experienced nurses remained at the bedside, and an alternative career path to ensure other skilled and experienced nurses moved into nursing management, administration, education or research.
- 5.2 The deliberation by federal and state tribunals, which continued until the late 1990's became known as the establishment of national or professional nursing wage levels and wage related conditions of employment.
- 5.3 While there were many decisions impacting on these important processes following highlight the specific consideration of the Australian Industrial Relations Commission over this period.
- 5.3.1 **National rates for Registered Nurses Level 1, 2 and 3**

On 21 August 1990, a five member Full Bench set national wage levels for registered nurses levels 1, 2 and 3. In determining the new wage levels the Full Bench stated:

*"In considering appropriate rates we have ourselves had regard to the following factors:*

- *the history of recent wage fixation for nurses by both federal and State tribunals, including those of New South Wales and Victoria;*

- *the structures of nursing classifications in federal and state awards;*
- *programs which have been established for implementing consistency of pay-related conditions in federal nursing awards;*
- *evidence as to work value and the agreement of all of the employing authorities respondent to the federal awards as to work value comparability justifying common incremental scales and common rates at levels 1, 2 and 3 in these awards;*
- *the submissions of the parties as to cost;*
- *rates applying to other health professionals. In this respect we refer to the statement of the Full Bench in the National Wage decision of August 1989 that paid rates awards should not be fixed at a level which would effect the rates for other workers;*
- *the need to ensure the proper application of the Wage Fixing Principles, in particular the Structural Efficiency Principle which requires that “structural efficiency exercises should incorporate all past work value considerations;*
- *own familiarity with standards of remuneration for work requiring different levels of qualifications and skill;*

*Print J4011 p. 10*

Anticipating further developments concerning the standardisation of pay-related conditions, the Bench concluded with these observations:

*“It has been necessary to explore to the fullest the structural efficiency aspects of the case and to integrate them with the claims for national rates. It has also been a complicating factor that some of the awards which the parties have sought to restructure have diverse histories within state jurisdictions.*

*...Considerable change has already occurred and the process will continue, given the work program identified in the structural efficiency proceedings before Commissioners Cross and Smith.”*

*Print J4011 pp. 14 & 15*

### 5.3.2 Salary Related Conditions

Decisions establishing national shift and weekend penalties were also handed down 21 August 1990 (Print J4030), and on 28 November 1990 (Print R5733).

The salary related conditions referred to above as having been identified for review in the structural efficiency proceedings included:

- (a) Overtime, on call and recall provisions – Prints K8594, K0675 and K1469.
- (b) Annual leave and public holiday entitlements – Print K7534.

### 5.3.3 National Rates for Enrolled Nurses

The Full Bench decision establishing national rates for enrolled nurses was handed down on 10 July 1992 in Print K3662. Significantly, the Bench observed that:

*“Given the nature of the applications, it is important to understand the context in which we are asked to assess the applications. This is particularly important because many of the employer submissions centred upon the history of wage fixation in the particular State from which the current award devolved and the emphasis within that history upon work value assessments; hence the requirement to avoid double counting; to identify datum point of change in line with the requirements of the principles; to test whether or not a “significant net addition to work had occurred”, and to consider carefully internal and external wage relativities.*

*This context is not divorced from the Full Bench decision known as “A257” decision .... Which dealt with applications for national rates for both RNs and ENs. As the ANF submitted there was “unfinished business” from that matter which is now capable of being addressed”.*

*K3662 p.6*

*“We have decided on the basis of the submissions before us that the historical perspective of this matter forms the basis for a special case pursuant to the August 1989 National Wage Case decision...”*

*We have considered the requirements of the relevant principles – structural efficiency and changes in work value within the parameters on which the anomaly was found to exist in the history of federal coverage of nurses in ‘A257’.”*

*K3662 p.8*

*“We note that the Full Bench stated in relation to a similar background of diversity in RN rates which the Commissioner inherited from State jurisdictions:*

*“...We are in a position now of setting rates for an industry which has recently come within federal regulation...”*

*K3662 p.9*

*It is the new structure created for RNs with its own cohesive internal relativities which was set within an industry with a growing incidence of federal coverage which contributes to the circumstances in which we are asked to determine rates for ENs.”*

*K3662 p.9*

### Paid Rates Revision Decision 1998

In response to an application by the ANF pursuant to Item 49 of the WROLA Act the Paid Rates Review Full Bench held:

*“We accept the submissions that although the rates contained in the awards (excluding Appendix A) have been treated as paid rates awards in the past, they are nevertheless properly fixed minimum rates with rates for the relevant classifications being within the acceptable range of relativities in relevant minimum rates awards. We are also satisfied that the incremental salary levels for nurses and enrolled nurses within the classification structures of the two nursing awards form part of the work value assessment of nurses’ rates of pay conducted by Full Benches of the Commission in the development of professional rates for the nursing profession in federal awards.”*

*Print Q7661 p.19*

#### 5.3.4 Nursing Career Paths

The determination of classification descriptors in federal and state awards in conjunction with Generic Level Statements (skill and responsibility descriptors) continue to provide the basis for meaningful and equitable nursing career paths.

The Generic Level Statements reflect the different levels of responsibility. The Generic Level Statements are based upon national competency standards which were first developed by the Australian Nurse Registering Authorities Conference in 1986 and became known as the ANRAC Competencies.

The competencies were first published in 1990. Research was undertaken to refine and validate these competencies in the period 1988 to 1990 culminating in their acceptance by all State and Territory nurse registering authorities in 1990.

The competencies represented the opinion at the time by the nurse registering authorities of what constituted the desired competencies for nurses at the entry level of practice. The Australian Nursing and Midwifery Council (Inc) (ANCI) was established in 1992, as a body representing the state registering authorities.

The ANMC has further developed the ANRAC Competencies and revised 'National Competencies for the Registered Nurse' were published by the ANMC in late 2005. The further development of the Competencies has included observation in multiple practice settings. The ANMC published the 'National Competency Standards for the Midwife' in January 2006. The revised 'ANMC National Competencies for the Enrolled Nurse' were published in 2000.

The Generic Level Statement for the Level 1 registered nurse was based on the ANRAC Competencies and is consistent with the ANMC 'National Competencies for the Registered Nurse' (2005). Registered nurses at all levels are expected to maintain the ANCI competencies.

The Generic Level Statements at the higher levels provide for the increasing responsibility applicable to those higher levels. In this process the responsibilities in Position Descriptions are assessed against the Generic Level Statements to determine their appropriate level.

The Generic Level Statement for Level 2 registered nurses describes increasing responsibility. The main increases include:

- Developing a broader knowledge base in nursing with a sound base in relation to a specific field of practice;
- The ability to function in more complex situations while providing support to other staff;
- Selecting interventions that have less predictable outcomes;
- Other differences include the undertaking of delegated responsibilities for planning educational and staff development activities, orientation and preceptorship of staff, participation in policy review and initiatives and participation in research.

The Generic Level Statement for Level 3 registered nurses also described increasing responsibility. Whilst the structure allows streaming at Level 3 management, clinical, education and research all Level 3 nurses have responsibility for the provision and co-ordination of services within their stream. Clinical Nurse Consultant responsibilities include the provision and co-ordination of standards of care delivered in an area.

Other activities indicating increased responsibility include:

- Development and implementation of quality assurance processes;
- Identification of issues requiring policy review;
- Ensuring a safe working environment;
- Participation in staff selection, performance management, research and staff development programs.

The Generic Level Statements describe the level of responsibility applicable at each level of the structure and the award classification descriptors provide for appropriate remuneration for that level of responsibility.

We have included this relatively detailed history of the treatment of nursing awards and the development of career paths to demonstrate that industrial tribunals, at both federal and state levels, have undertaken a lengthy and detailed analysis of the appropriate structures and industrial conditions for the nursing industry having regard to the relevant wage fixing principles, the needs of employers and employees and the public interest generally.

The ANF is strongly of the view that the Award Review Task Force should guard against hasty or ill considered decisions that would undermine this work.

## 6. The recruitment and retention of nurses

- 6.1 The nursing classification and career structure in nursing awards has been a critical tool in alleviating recruitment and retention problems in nursing during the past 15 years and must continue to play a central role in meeting nursing workforce requirements into the future.
- 6.2 The supply of nurses at the present time can best be described as fragile. A national and international shortage of nurses combined with the prospect of nearly 50 percent of nurses contemplating retirement over the next 10 to 15 years will have an enormous impact on the numbers, skills and experience of nursing staff.
- 6.3 Nurses have in the past demonstrated a high level of sensitivity to changes within their working environment reinforcing the view that workplace factors are critical to the retention of nurses in the system. Nurses have and will continue to respond to negative changes in their working environment by leaving the profession, taking early retirement or reducing their hours.
- 6.4 The removal or dilution of the nursing classification and career path at any level will send a message to nurses that their skills, experience and high level of responsibility are not valued, rewarded or recognised. This will not only impact heavily on the existing nursing workforce but will be an added disincentive to those considering a career in nursing.
- 6.5 Budgetary pressures dominate the decision making processes across the health industry and our experience of employers in all sectors of health is that they will pay the lowest wage possible. The removal or reduction of the classification and career structure will have far reaching implications for the nursing workforce and the capacity of the health system to deliver quality patient care and positive health outcomes for the community in general. It is in the public interest for nurses to have a classification structure and skill related career path which places clinical skills at the core and rewards advanced clinical practice. The reward is by way of recognition of that practice at a higher classification.

- 6.6 The removal or diminution of classification and career structures will not just impact negatively on the numbers of nurses in the health system. Other matters for consideration include the following:
- 6.6.1 The high proportion of nurses aged 45 years and over (46.5% of the nursing workforce) means that nearly 50% of nurses will be contemplating retirement within the next 15-20 years and it is likely they will be those with the most experience and with specialist qualifications or expertise. The removal or diminution of classifications and career structures will be a disincentive for nurses to undertake further training and specialisation. The high cost of graduate and post graduate education is already a significant deterrent for nurses to undertake further education and training. This will be further exacerbated if there is little or no reward for nurses who undertake further study and training.
- 6.6.2 Critical to the role of nurses and delivery of quality nursing care is sufficient numbers of nurses and an appropriate skill mix in each ward and unit. The existing classifications and career structures are fundamental to achieving an appropriate balance of skilled and experienced nursing staff relevant to the operational requirements of the particular ward or unit.
- 6.6.3 The classification and career structure is also critical to enable support and mentoring to new graduates and less experienced nurses, providing ongoing guidance and education to their colleagues; a factor identified in a number of nursing workforce reviews as essential to the retention of new graduates in the system, and the retention of nursing staff generally.
- 6.6.4 The demands on nurses are greater and the environment they work in is under increasing pressure. Any further pressure through the undermining of the career structure could undo much of the work done over the past 10 to 15 years to stem the flow of nurses away from nursing.

- 6.6.5 The removal or diminution of the classification and career structure will further impact on the ongoing problems facing nurses across all sectors of the health industry and runs counter to the numerous reports and reviews into nursing labour force issues that promote strategies to ensure there is an increased supply of new nurses adequately educated and supported for entry to the nursing workforce and then retained within the workforce.

## 7. Recommendations

### Rationalisation of federal awards

- 7.1 That all nursing awards contain standard classification structures, descriptors and nomenclature.
- 7.2 That the generic classification structures continue to incorporate incremental salary levels for registered nurses, enrolled nurses and assistants in nursing in recognition of the work value assessments of nurses' rates of pay conducted by federal and state tribunals.
- 7.3 That rationalised awards apply on a common rule basis so as to ensure that all employees (including managerial and professional employees) are protected by the provisions of a safety net award.
- 7.4 That rationalised awards apply on a common rule basis to the occupation of nursing.

### State considerations

- 7.5 The Award Review Task Force should systematically engage and consult with the relevant industrial parties covered by state awards to ensure that recommendations on industry practices and arrangements maintain the status quo.

- 7.6 That customs and arrangements related to the application of state awards be identified and preserved as schedules in rationalised awards in the relevant industry sector(s).

#### Rationalisation of award wages and classification structures

Should rationalisation proceed the ANF recommends:

- 7.7 That nursing award wages and classification structures be rationalised to facilitate and promote articulation between assistants in nursing, enrolled nurses and registered nurses.
- 7.8 That nursing award wages and classification structures be rationalised to further promote career progression and reward increased levels of responsibility.
- 7.9 That the examination of broadbanding classifications and pay rates should ensure that nurses retain the ability to practice in a clinical capacity or alternatively pursue a nursing career in administration, education, management or research with equal value placed on these streams.
- 7.10 That the impact of state and federal government funding mechanisms and indexation arrangements in award pay rates be fully considered prior to any rationalisation of classification structures and pay rates.
- 7.11 That any recommendations on the broadbanding of classification structures and pay rates consider the potential impact on current state, territory and federal government programs promoting the employment of nurses in general practice settings and as nurse practitioners.
- 7.12 That nursing award wages and classification structures be rationalised in a way that reflects professional accountabilities as regulated by state and federal nursing authorities.