



Committee Secretary  
Senate Standing Committee on Community  
Affairs  
Po Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

**SUBMISSION FROM CESSNOCK CITY COUNCIL FOR THE SENATE COMMUNITY AFFAIRS COMMITTEES FOR 'THE FACTORS AFFECTING THE SUPPLY OF HEALTH SERVICES AND MEDICAL PROFESSIONALS IN RURAL AREAS'.**

I write to forward Cessnock City Council's submission for the Senate Standing Committees on Community Affairs for 'The Factors Affecting the Supply of Health Services and Medical Professionals in Rural Areas'. This submission will focus predominantly on item c (iii),

- 'current incentive programs for recruitment and retention of doctors and dentists, particularly in smaller rural communities, including whether the application of the current Australian Standard Geographical Classification – Remoteness Areas classification scheme ensures appropriate distribution of funds and delivers intended outcomes'.

In summary, this submission submitted by Cessnock City Council aims to

- Provide a practice example, reporting on the impacts for a community when medical services are strained, and how the Australian Standard Geographical Classification can exacerbate this situation by wrongly classifying a township, prohibiting it from attracting incentives.
- Recommend that a classification for incentives be based not only on geographical proximity to cities and/or regional hubs but is also considerate of the socio-economic indicators, the community's health profile and exiting ratio's for medical practitioner to general population.
- Encourage the development of a process that allows for a review of a classification, particularly in situations where stakeholders believe the classification is flawed and unjust and prohibitive in attracting increased general practitioner medical services.

Cessnock City Council is aware that access to General Practitioner and Primary Health Services within the Cessnock Local Government Area is a universal gap being experienced by many of our 51,000 estimated resident population (Australian Bureau of Statistics).

Council, in preparing its recent community planning documents, has identified that the townships of Kurri Kurri, Weston and Abermain in particular are experiencing a shortage of General Practitioners.

Kurri Kurri, Weston and Abermain are townships within the Cessnock Local Government Area, Hunter Valley, New South Wales and are located about 120 kilometres north of Sydney and 40 kilometres west of Newcastle. Kurri Kurri, Weston and Abermain have a combined population of around 11,769 people (2006, Census of Population and Housing, Australian Bureau of Statistics).

In Council's research as to the potential reasons for a shortage of General Practitioner Services for these three townships, it has been identified that the Australian Standard Geographical Classification - Remoteness Area (ASGC-RA) score of 'Major City' has had an impact on the townships ability to attract General Practitioners.

### **Setting the Context: Current General Practitioner Service Availability**

Council's research has identified that Kurri Kurri, Weston and Abermain are experiencing a shortage of General Practitioners. This situation is likely to further escalate given Kurri Kurri, Weston and Abermain townships have been classified as a Major City under the Australian Standard Geographical Classification and hence are not eligible for the full breadth of funding opportunities enjoyed by other Medical Practitioners delivering service within the Cessnock Local Government Area.

In consulting with the Hunter Rural Division of General Practice at the time of the classification announcement, it was identified that a Major City classification for Kurri Kurri, Weston and Abermain would most definitely be a barrier in attracting General Practitioner Services to these townships.

From the information obtained by Council, it is understood that the existing Medical Practitioner to resident ratios for the Cessnock Local Government Area is well above the New South Wales state average. For instance the New South Wales average is 1 General Practitioner for every 1400 people. However it has been advised that a caseload of 1 General Practitioner for every 1200 people is preferred.

The table below reflects the General Practitioner to population ratios for the main townships located within the Cessnock Local Government Area. The table advises that Kurri Kurri, Weston and Abermain are the only townships within the Cessnock Local Government Area to be classified as Major City and consequently they have far higher rates of General Practitioner to General Population ratio.

Branxton, Greta	1: 2075	ASGC-RA Inner Regional classification
Cessnock (Township)	1: 1799	ASGC-RA classification Inner Regional
<b>Kurri Kurri, Weston, Abermain</b>	<b>1: 2540</b>	ASGC-RA classification for Kurri Kurri <b>Major City</b>

Source: Hunter Rural Division of General Practitioners (2008)

### A Health Profile for the Cessnock Local Government Area, including Kurri Kurri, Weston and Abermain

An assessment of health within the Cessnock Local Government Area, which includes Kurri Kurri, Weston and Abermain details a high incidence of:

- Psychological distress
- Asthma
- Cardio-Vascular Disease
- Obesity

Source: PHIDU, Population Health Profile of the Hunter Rural Division of General Practice, (2005).

The below table articulates further the actual rates of diseases and/or lifestyle indicators within the Cessnock Local Government Area and provides a comparison to New South Wales. It is noted that the table reflects an unacceptably high prevalence of concerning health issues for the Cessnock Local Government Area in comparison to New South Wales

<b>Disease and/or Lifestyle Indicators (2004-2005)</b>	<b>Cessnock Local Government (Rates per 1000 population)</b>	<b>New South Wales (State Average, Rates per 1000 population)</b>
Estimated number of people with circulatory system diseases	190.4	176.9
Estimated number of people with at least one of four major health risk factors, 18 years and over	671.6	540.0
Estimated number of people that had Type 2 diabetes and were overweight, obese person aged 15 years and over	40.6	26
Estimated number of people who are physically inactive, aged 15 years and over	416.1	333.3

The below table reflects the 'Premature Mortality by Cause' for the Cessnock Local Government Area and makes a comparison with rates for New South Wales.

<b>Premature Mortality by Cause (2004-2005)</b>	<b>Cessnock Local Government (Rates per 1000 population)</b>	<b>New South Wales (State Average, Rates per 1000 population)</b>
Cancer (15 to 64 year)	87.0	75.9
Circulatory System (15 to 64 years)	55.5	38
Diseases from Respiratory (15 to 64 years)	10.3	7.8

The below table reflects the rates of overweight and obesity for the Cessnock Local Government Area.

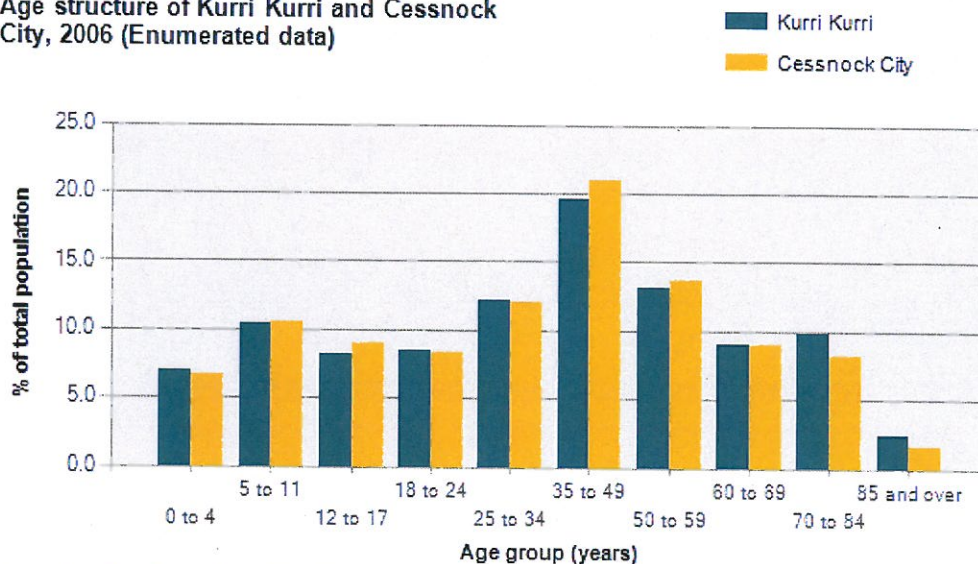
Health Issue	Rates per 1000 population for the Cessnock LGA	Rates per 1000 population for NSW
Estimated number of obese females, 15 years and over	196.8	141.2
Estimated number of obese males, 15 years and over	210.7	169.2
Estimated number of overweight (not obese) females, 15 years and over	261.9	234.4
Estimated number of overweight (not obese) males, 15 years and over.	391.1	389.4
Estimated number of people in normal weight range, 15 years and over.	351	407.7

Source: PHIDU, Population Health Profile of the Hunter Rural Division of General Practice, (2008).

### Social Profile for Kurri Kurri, Weston and Abermain Townships

The below charts provide an overview of the population distribution for the townships of Kurri Kurri, Weston and Abermain. A comparison with the Cessnock Local Government is also provided.

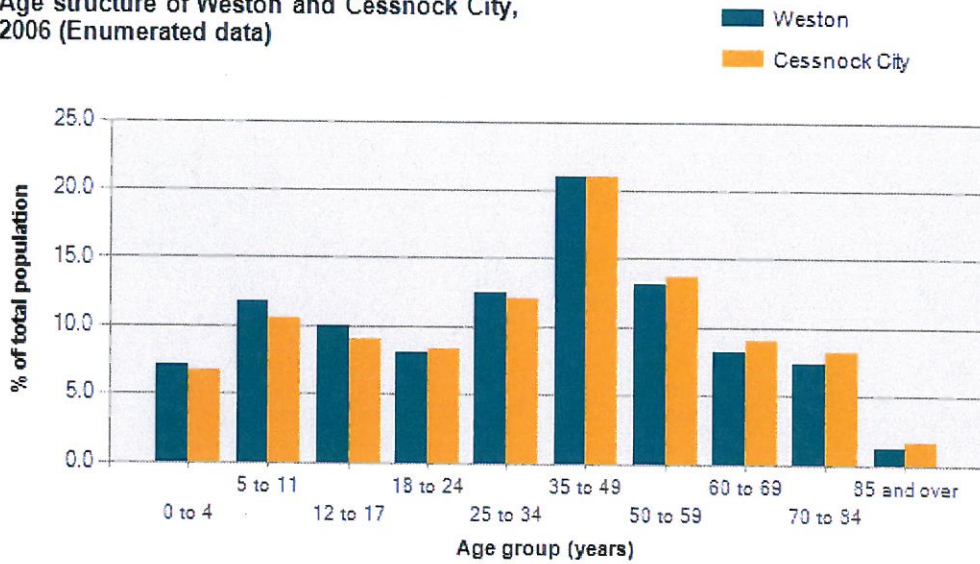
Age structure of Kurri Kurri and Cessnock City, 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

(Tables supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

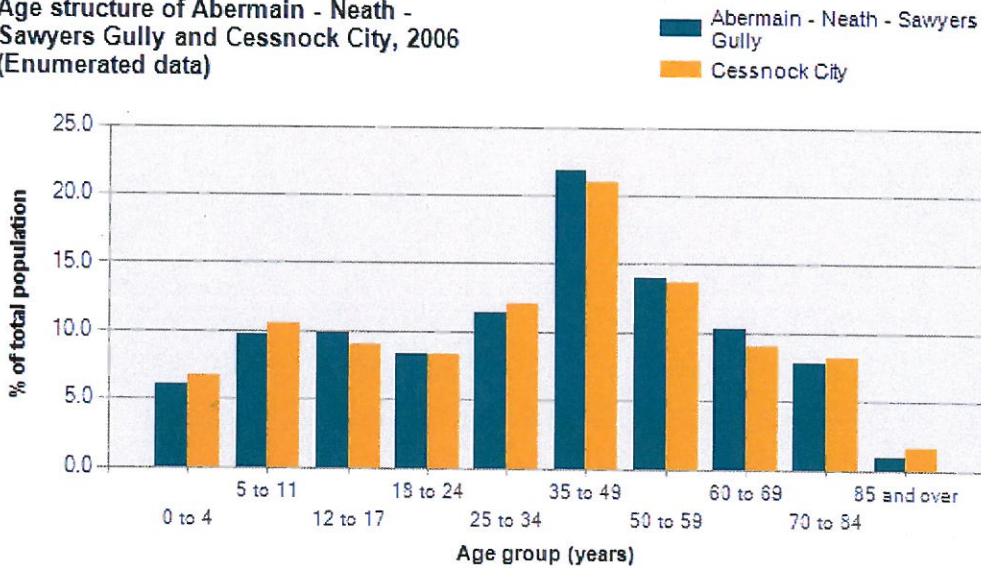
Age structure of Weston and Cessnock City, 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

(Tables supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

Age structure of Abermain - Neath - Sawyers Gully and Cessnock City, 2006 (Enumerated data)

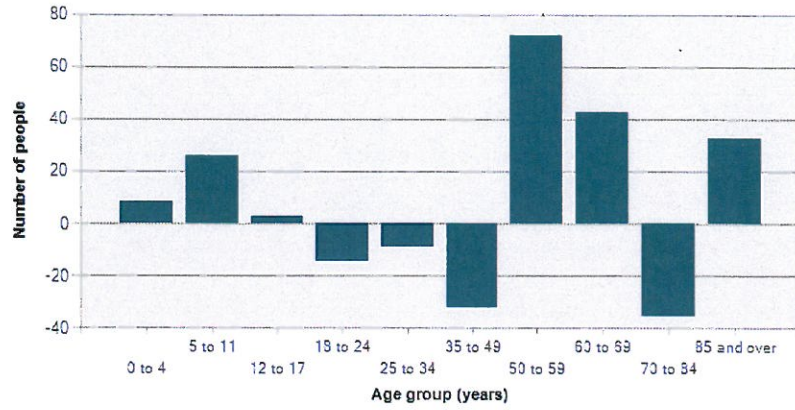


Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

(Tables supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

The charts overleaf provide a five year snapshot of population changes from 2001 to 2006 for the townships of Kurri Kurri, Weston and Abermain. The trend suggests that all three townships are experiencing growth in population for people over the age of fifty. It is likely that as people age, there is an increased need for visitation and access to medical services such as General Practitioners.

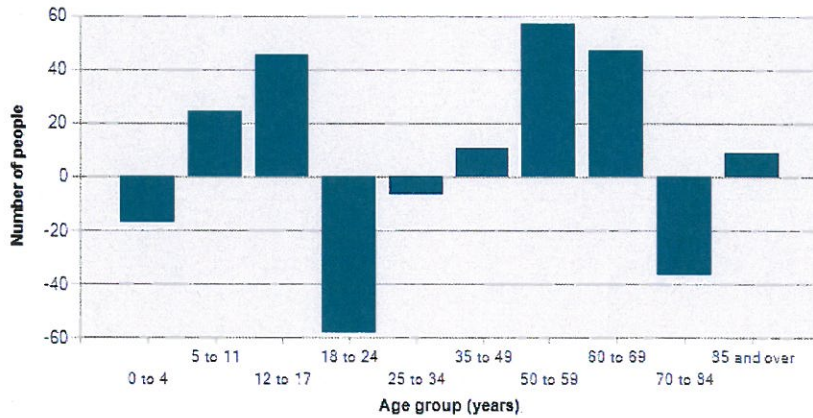
Change in age structure of Kurri Kurri, 2001 to 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 and 2001 Census of Population and Housing (Enumerated)

(Tables supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

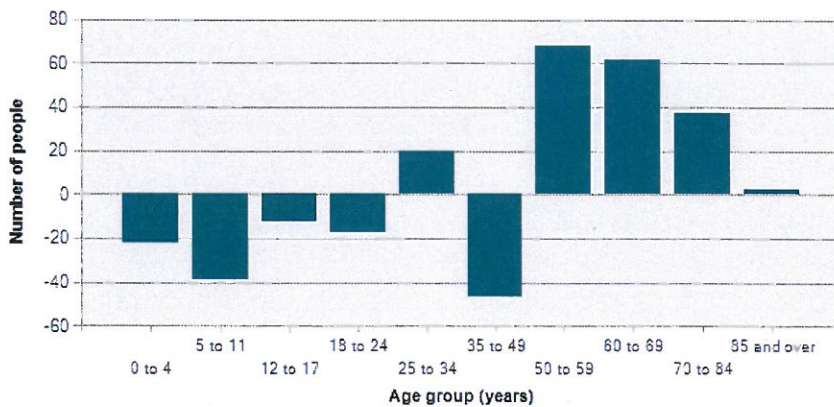
Change in age structure of Weston, 2001 to 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 and 2001 Census of Population and Housing (Enumerated)

(Table supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

Change in age structure of Abermain - Neath - Sawyers Gully, 2001 to 2006 (Enumerated data)



Source: Australian Bureau of Statistics, 2006 and 2001 Census of Population and Housing (Enumerated)

(Table supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

In regards to future population growth, the Cessnock Local Government Area has experienced an estimated annual population growth of 1.7% since 2007. It is expected that the population for the Cessnock Local Government Area will continue to grow over the coming years, given the proposed future land developments planned for the Local Government Area. Hence, the population growth of these townships, will place greater expectations on existing medical services and will make the current situation more acute.

### Economic Profile

Using the social indicator measure 'Socio-Economic Indexes for Areas', the Cessnock Local Government Area features poorly. In fact, the Cessnock Local Government Area is the most disadvantaged Local Government Area when compared to neighbouring councils within the Hunter Statistical Division. The social and economic disadvantage being experienced by residents of the Cessnock Local Government Area impacts on the health and wellbeing of individuals and hence creates an increased need for essential and accessible health and medical services. The following table reflects the level of disadvantage experienced by the Cessnock Local Government Area in comparison to the Hunter Statistical Division.

SEIFA index of disadvantage Local Government Areas in the Hunter Statistical Division (ranked from greatest to least disadvantaged)	2006 SEIFA index of disadvantage
<b>Cessnock (C)</b>	<b>938.7</b>
Great Lakes (A)	952.4
Gloucester (A)	963.3
Muswellbrook (A)	972.7
Upper Hunter Shire (A)	978.0
Newcastle (C)	983.1
Port Stephens (A)	986.0
Maitland (C)	992.0
Lake Macquarie (C)	995.9
Dungog (A)	1000.8
Singleton (A)	1016.6

Source: Australian Bureau of Statistics, Socio-Economic Indexes for Areas (SEIFA), 2006.  
(Table supplied by Informed Decisions, I.D Consulting, Pty. Ltd. Victoria.)

Furthermore, when considering the Socio-Economic Index score for Kurri Kurri, Weston and Abermain it is noted in the below table that all three townships have higher incidence of disadvantage compared to the average score for the entire Cessnock Local Government Area.

<b>SEIFA index of disadvantage</b> Cessnock City's small areas (ranked from greatest to least disadvantaged)		<b>2006 SEIFA index of disadvantage</b>
Cessnock East		870.6
Weston		871.9
Kurri Kurri		901.2
Cessnock West		912.1
Aberdare - Kearsley		915.5
Abermain - Neath - Sawyers Gully		927.4
<b>Cessnock City</b>		<b>938.7</b>
Ellalong - Paxton - Millfield - Rural West		959.0
Greta - Branxton - East Branxton		972.8
Bellbird - Bellbird Heights		975.1
Kurri Kurri East		975.8
Rural East		1019.6
Rural North		1061.0

Source: Australian Bureau of Statistics, Socio-Economic Indexes for Areas (SEIFA), 2006.

### **Case Study: Rural Isolation from Tertiary Medical Services**

The nearest specialty medical services to Kurri Kurri, Weston and Abermain are located in the Newcastle area which is a distance of approximately 40 kilometres by road. However, Council is aware that Kurri Kurri, Weston and Abermain are transport disadvantaged in terms of links to specialist medical services. The John Hunter Hospital based in Newcastle is the closest tertiary, specialist hospital to Kurri Kurri, Weston and Abermain.

The below case example reflects the complexity of rural travel to regionally based medical services.

#### **Case Study**

*Tom, aged 7 years was diagnosed with asthma three years ago. Asthma is a condition that is more prevalent in the Cessnock Local Government Area in comparison to the NSW state average. Tom is required to attend the paediatric outpatient clinic which operates from the John Hunter Hospital. The appointment time Tom has been given is 9am. Tom's mum does not have her own vehicle and relies on public transport to attend the appointment. Tom and his family live in the township of Kurri Kurri. The journey using public transport is as follows:*

- Catch the 7:07am Kurri Kurri to Newcastle Bus arriving at 8:08am  
(alight at The Store, Hunter Street)
- Catch the 8:15am to 8:30am Bus  
(arrive 0.5 kilometre from John Hunter Hospital)



Walk 0.5 kilometres to John Hunter Hospital, approximate distance 20 minutes. Arrive at John Hunter Hospital at 8:50am

Total Travel Time: 1hr 43mins

### Community Consultation

Cessnock City Council has previously undertaken a consultation process with the community of the Cessnock Local Government Area, which included residents of Kurri Kurri, Weston and Abermain regarding the availability of General Practitioner Health Services. The consultation process has been in the form of a community survey and was available for comment from the 1 February 2009 to 31 March 2009. In addition to a range of community service questions the survey asked particular questions on the availability and access to General Practitioner Medical Services. In total 310 surveys were received. The results of the survey are as follows:

Question: Is your General Practitioner (Local Doctor) located in the Cessnock Local Government Area?

Yes n =230 77%	No n=67 23%
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Note: 13 people did not answer the question.

Question: How would you rate the availability of General Practitioner (Local Doctor) Medical Services within your community?

Not Known n = 11 4%	Unsatisfactory n = 166 55 %	Satisfactory n = 59 20%	Good n = 33 11%	Very Good n = 21 7%	Excellent n = 9 3 %
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Note: 11 people did not answer the question.

Question: Do you think we need more General Practitioners in the Cessnock Local Government Area?

Yes n =252 83%	No n =4 2%	Unsure n = 46 15%
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Note: 8 people did not answer the question.

The survey allowed the respondent to provide further comment regarding the availability of General Practitioner Medical Services. The following comments were provided:

*'We need to have more GP's – expected housing developments will put further strain on existing medical services'.*

*'I would like to see more female doctors in town'.*

*'Last winter I was very sick with the flu, I needed to see a Doctor and to get a sick note for work. I was told it was impossible to see a Doctor for an appointment within the next 3 weeks'.*

*'More medical services needed, its absolutely critical'.*

### **The Challenges in Obtaining a Review of the Australian Standard Geographical Classification Remoteness Areas (ASGC-RA)**

With the announcement of the Australian Standard Geographical Classification Remoteness Area in 2008/2009, Cessnock City Council sought to understand the implications for townships within its Local Government Area. Upon investigating this change, Council became aware that Kurri Kurri, Weston and Abermain had been classified as a 'Major City'.

With this awareness, in 2009 Cessnock City Council forwarded correspondence to the Department of Health and Ageing advocating that the townships of Kurri Kurri, Weston and Abermain have its classification reconsidered as a matter of urgency from Major City to Inner Regional.

The return correspondence at that time from the Department of Health and Ageing advised that 'there were plans for an extended version of Australian Standard Geographical Classification Remoteness Area to be implemented in 2011'. This return correspondence, dated 29 July 2009 is attached for the Committee's reference.

Given a proposed review of the Australian Standard Geographical Remoteness Areas was to occur in 2011, Cessnock City Council sought feedback in regards to the status of this review. The feedback from the Department of Health and Ageing dated 14 November 2011 advised that there are no plans for an expanded version of the Australian Standard Geographical Classification Remoteness Area system.

From this experience, it has highlighted that there are significant challenges for community's in seeking a review of the Australian Standard Geographical Remoteness Areas. This submission strongly encourages that a process be developed and implemented in situations where communities perceive the classification to be detrimental to its well being and its ability to attract medical services.

### **Conclusion and Recommendations**

In closing, the issues being experienced in Kurri Kurri, Abermain and Weston highlight that the Australian Standard Geographical Classification is flawed and can wrongly categorise a township.

It is essential that a more equitable approach in how townships are classified for the purpose of incentives be developed. Achieving this would provide communities with greater opportunity and leverage to attract increased General Practitioner Medical Services and ultimately would assist in improving a community's wellbeing. More specifically, it would assist in the direct treatment and prevention of many medical and psycho-social conditions that are prevalent amongst socio-economic, disadvantaged townships.

Given the unjust situation for townships, such as Kurri Kurri, Abermain and Weston it is essential that incentives be based not only on geographical distance, but also consideration given to social and economic indicators for individual townships. Furthermore, it is requested that as a matter of urgency, a process be developed that allows for communities to seek a review of its classification.

**In summary, this submission submitted by Cessnock City Council recommends that**

- **Monetary incentives continue to be available for the purpose of attracting General Practitioner Services.**
- **A new classification incentive system be developed that is considerate not only of geographical proximity to cities and/or regional hubs but is also considerate of the socio-economic indicators, the community's health profile and the existing ratio's for medical practitioner to population.**
- **A process be developed that allows for a review of a classification, particularly in situations where stakeholders believe the classification is flawed, unjust and prohibitive in attracting increased general practitioner medical services.**

In closing, Cessnock City Council is appreciative of the Senate Committees enquiry into this issue. If representatives would like to be briefed on the issues raised within this submission, the Committee is encouraged to contact me on 4993 4159.

Yours faithfully

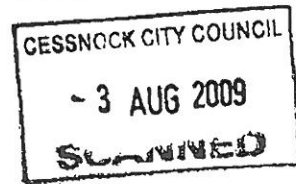
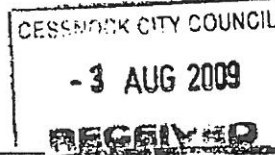
MICHAEL BRADY  
ACTING GENERAL MANAGER

5 January 2012



Australian Government

Department of Health and Ageing



Mr B Mortomore  
General Manager  
Cessnock City Council  
PO Box 152  
CESSNOCK NSW 2325

Dear Mr Mortomore

Thank you for your letter of 24 June 2009 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, concerning the changes to rural classification system. The Minister has asked me to reply on her behalf.

I note the issues you have raised on behalf of Cessnock City Council regarding the review and its potential impact on health and well-being in Kurri Kurri.

The Australian Government recognises that Australia is experiencing a shortage of doctors and other health professionals, and that some areas of Australia are experiencing greater difficulties in recruiting health professionals than others. There are a number of reasons for this shortage, including a growing and ageing population and changes in the composition of the medical workforce. As a consequence, the Government has moved quickly to investigate these important health issues with the intention of translating well-informed health policy deliberations into meaningful and effective programs and services to improve community access to necessary primary health care services.

Whilst I appreciate that there are local issues that need to be considered by the Government, I also note that the introduction of the Australian Standard Geographic Classification – Remoteness Areas (ASGC-RA) system forms a basis for rural health reform to ensure that rural programs are targeted to areas of greatest need. Moving to ASGC-RA will strengthen support to rural and remote communities. You may be interested to know that the transition to ASGC-RA will result in more than 2,400 doctors in rural communities across Australia being able to access rural retention payments for the first time. In the context of a national framework, this is a significant improvement for rural doctors.

In addition, the new ASGC-RA does not alter the determination of Districts of Workforce Shortage (DWS). DWS status is completely separate from the rural classification of a location. In order to access Medicare benefits arrangements, an overseas trained doctor (OTD) subject to Section 19AB of the *Health Insurance Act 1973* (the Act) must be working in a location that is deemed to be a DWS. This can include outer metropolitan areas and does not restrict doctors to rural and remote areas.

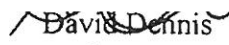
A location is deemed to be a DWS if it falls below the national average for the provision of medical services. This is a key mechanism that the Government uses to achieve an equitable distribution of medical services across Australia. Kurri Kurri is currently classified as a DWS making it an eligible location for OTDs.

The introduction of the ASGC-RA classification system will be closely monitored, particularly with regard to changes in doctor numbers in rural areas. It is also important to note that the new Remoteness Area Classification will be updated with each census by the Australian Bureau of Statistics and hence continuously improve over time. Moving to the new system will ensure that rural health programs continue to be classified using the current Australian Standard.

There are plans for an expanded version of ASGC-RA to be implemented in 2011. This will automatically flow through to rural programs to ensure they are assessed using the most appropriate and accurate Australian geographical classification.

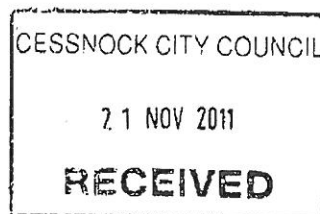
I trust this information is of assistance.

Yours sincerely,

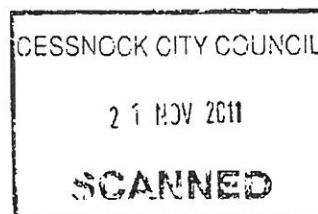
  
Assistant Secretary  
Workforce Distribution Branch  
29 July 2009



**Australian Government**  
**Department of Health and Ageing**



Lea Rosser  
General Manager  
Cessnock City Council  
PO Box 152  
Cessnock NSW 2325



Dear Ms Rosser

Thank you for your correspondence of 6 October 2011 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, regarding the Australian Standard Geographic Classification-Remoteness Area (ASGC-RA) classification system. The Minister has asked me to reply on her behalf.

As you are aware, the Australian Government through the 2009-10 Federal Budget committed \$134.4 million to improve the health workforce in regional, rural and remote Australia. The *Rural Health Workforce Strategy (RHWS)* comprised a package of programs to better target existing incentives through the provision of additional financial and non-financial support for rural doctors.

The introduction of the ASGC-RA classification system under the *Rural Health Workforce Strategy* forms a basis for rural health reform to ensure that rural programs are targeted to areas of greatest need. Government programs, must carefully balance the needs of communities to ensure doctors are evenly distributed, providing equity of access to primary health care services for all Australians.

I note your concerns regarding the ASGC-RA classification system as it relates to a number of communities in your local area. Similar issues have been raised by other stakeholders concerning the use of the ASGC-RA system to determine incentive rates.

In late 2010, the Department of Health and Ageing engaged the National Centre for Social Applications of Geographic Information Systems (GISCA) in the University of Adelaide, who are experts in this field, to investigate those concerns and to provide advice.

The review has been completed by GISCA with the report identifying that overall the ASGC-RA classification system is working well. The report has been released publicly and can be downloaded via the following link:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/access-remote-index>

There are no changes planned for an expanded version of the ASGC-RA classification system. The Department will continue to monitor the transition to the ASGC-RA system, particularly with regard to changes to doctor numbers in rural areas.

Your correspondence seeks information about the current ASGC-RA status for the townships of Cessnock, Greta, Branxton, Abermain, Weston and Kurri Kurri. Under the ASGC-RA system, Cessnock, Greta and Branxton are classified as RA2 areas (Inner Regional), whilst the townships of Abermain, Weston and Kurri Kurri are classified as RA1 areas (Major Cities).

We know that doctors take a range of financial and non-financial factors into account when considering whether to work in a regional area. That's why, for example, the Government has invested over half of the \$5 billion Health and Hospitals Fund to improve regional health infrastructure, with the final \$475 million round opening later this year.

Under the *RHWS*, more doctors are now eligible to receive incentives which are scaled and based upon the premise that payments increase in proportion to the degree of remoteness based on the ASGC-RA system. Doctors who relocate to Cessnock, Greta and Branxton will be eligible for relocation grants of up to \$15,000 and retention payments of up to \$18,000 under the General Practice Rural Incentives Program.

Whilst no incentives are offered for townships in RA1 areas under the *RHWS*, I can confirm that Abermain, Weston and Kurri Kurri are currently classified as Districts of Workforce Shortage (DWS). These townships are therefore eligible locations in which to engage overseas trained doctors (OTDs) who are subject to Medicare provider number restrictions under section 19AB of the *Health Insurance Act 1973*. These restrictions generally require the doctor to work in a DWS in order to access the Medicare Benefits Scheme. Should doctors in those areas wish to discuss the employment of an OTD they can contact the Workforce Regulation Section of the Department by emailing [19AB@health.gov.au](mailto:19AB@health.gov.au).

In addition, the Government is investing a further \$632 million into doctor training. In total this new investment will deliver an additional 5,500 new or training GPs, 680 medical specialist and 5,400 pre-vocational general practice placements program training places over the coming decade, ensuring a majority of GP training is undertaken in regional and rural areas.

I can assure you that the Government is working hard to ensure that communities such as the Cessnock area continue to have access to adequate health care.

I trust this information has been of assistance.

Yours sincerely

Lou Andreatta  
Assistant Secretary  
Health Workforce Training and Distribution Branch

14 November 2011