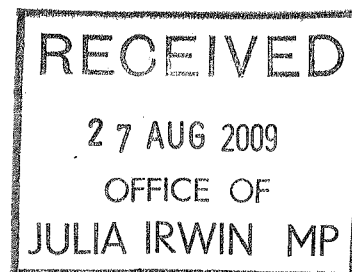




The Hon Warren Snowdon MP
Minister for Indigenous Health, Rural and Regional Health
and Regional Services Delivery

Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600



Dear Mrs Irwin,

Thank you for your letter of 24 June 2009 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, requesting a response to the recently submitted petition to reclassify the rural status of Gawler, South Australia. Your letter has been referred to me as the Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery.

I note that the petition refers to the Australian Government's 2009-10 Budget package of measures designed to tackle the shortage of doctors and health workers in rural and remote communities of Australia.

On 10 December 2007, Minister Roxon asked the Department of Health and Ageing to undertake an audit of the shortage of doctors, nurses, and other health professionals. On 30 April 2008, the *Audit of Health Workforce in Rural and Regional Australia* report was released. As a result of the Audit, Minister Roxon asked the Department to review the Commonwealth funded rural health programs and the geographic classification systems that determine the eligibility for rural health program funding.

In response to the Audit and reviews, the Australian Government announced:

- a \$134.4 million package announced in the 2009-10 Budget to improve rural and remote workforce shortages and better target existing incentives through the provision of additional financial and non-financial support for rural doctors;
- a new structure for rural and remote health programs, including program consolidation, to be introduced in conjunction with the Budget measures; and
- the progressive introduction of the new classification system, the Australian Standard Geographic Classification Remoteness Areas (ASGC-RA), to replace the outdated Rural, Remote and Metropolitan Areas (RRMA) classifications as the basis of funding rural health programs.

The RRMA classification, introduced in 1994, is based on population figures and statistical local area boundaries as at the 1991 census. Under RRMA, Gawler was classified as a capital city (RRMA 1) and, therefore, ineligible for rural and remote health workforce incentives. However, on 9 October 2007, the then Minister for Health and Ageing approved the reclassification of Gawler from RRMA 1 to RRMA 4, therefore, ensuring its eligibility to a range of rural workforce programs.

An arbitrary change such as this can have the effect of drawing existing doctors away from more remote areas that have higher levels of need and workforce shortage. Gawler is located just 40 km from Adelaide and as an outer metropolitan location continues to be an eligible location to attract doctors moving from an inner metropolitan area with a relocation incentive of up to \$40,000.

The ASGC-RA system was developed in 2001 by the Australian Bureau of Statistics as a statistical geography that allowed quantitative comparisons between 'city' and 'country' Australia. The purpose of the structure is to classify census collection districts which share common characteristics of remoteness into broad geographical regions called Remoteness Areas (RAs). The ASGC-RA is updated every census.

The defining difference between 'city' and 'country' is physical remoteness from goods and services. Remoteness is calculated using the road distance to the nearest urban centre in each of five classes based on population size. The remoteness classification divides Australia into five RAs: Major Cities of Australia; Inner Regional Australia; Outer Regional Australia; Remote Australia; and Very Remote Australia. Gawler has been classified as RA 1 (Major Cities).

There has been some uncertainty and confusion generated as a result of the Budget measure and the grand parenting arrangements that have been put in place to support this measure. It is important to note that Gawler will remain eligible for a number of workforce incentives. In addition, doctors who lose access to rural programs and incentives as a result of the new classification system will continue to receive an equal benefit for a period of three years, commencing 1 July 2010.

Gawler GP Inc and Gawler Medical Practitioners Association submitted a Transition Plan to Minister Roxon. The Plan is currently under consideration. Further to this, I recently traveled to Gawler to discuss these concerns with a representative of Gawler GPs and I undertook to respond to the concerns they raised in that meeting.

The Department of Health and Ageing has also written to Gawler GP Inc to advise that annually-negotiated grant funding is available to support the financial viability of the Gawler GP After Hours Service. Under the General Practice After Hours Program, grants of up to \$100,000 (GST exclusive) over two years are available to assist with the operating costs of after-hours services, including the payment of GP incentives to encourage participation in after-hours rosters.

Since meeting with a representative of the Gawler GPs, I have also written to Gawler GP Inc to confirm their eligibility for this grant and encouraging them to apply. You may be interested to know that this grant can be utilised in a variety of ways to support an after hours service, including incentives to attract and retain GPs on the after hours roster, GP on-call allowances, nurse and receptionist wages, GP training costs, as well as administrative costs associated with the after hours service.

The Government is making the necessary reforms to rural health policy in order to ensure that incentives respond to current population trends and provides the most support to communities in greatest need. Any changes in doctor numbers in response to the new programs and classification system will be closely monitored. Should it be found that the policy is not achieving its objectives in some areas the Government may consider adjustments, but will only do so as part of a broad based policy supported by factual evidence.

I trust that the above information is of use.

Yours sincerely

WARREN SNOWDON

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