

**Submission from the Shire of Laverton**  
**To**  
**House of Representatives Standing Committee on Health**  
**and Ageing**

**Location**

The Shire of Laverton is a remote mining town located 970 kilometres east of Perth and 360 kilometres north east of Kalgoorlie. It has a core population of 550 persons; however when the Fly In Fly Out mining workforces is taken into account the population is considered by ABS to be around 1850. The FIFO population has no economic impact upon the town. It is oft quoted by the mining companies that they supply work opportunities, the majority of the workforce (98%) originate from the coastal regions.

**Socio-economic Demographic**

The core population of 550 persons consists of 58% indigenous persons who would be considered in the very low socio- economic range the rest of the population are either retirees, public servants, self employed or employees of mines or local businesses. The point being made is there is a very small population base to support medical services in the town and region. FIFO employees do not contribute in their own right towards the services provided.

**Services Provided**

The town has a residential GP, a 12 bed hospital fully staffed and a volunteer ambulance service. The hospital provides community nursing; home and community care service, out-patient facilities and an accident and emergency clinic as well as general hospital care. The Royal Flying Doctor Service provides emergency air lift and evacuation transfers. The Shire provides an all weather sealed air strip to ensure that RFDS has 24 hour 7 day 52 week access to the town.

**Shire of Laverton Contribution to the Services**

The Shire provides a cash incentive to the Doctor of \$110,000.00 pa plus a fully serviced 4wd modern vehicle for private and business use by the Doctor. The Shire also provides a rent free modern 4x2 furnished residence and meets all utilities (power, water, gas and telephone) costs. The Shire provides an incentive to ensure a fully staffed hospital which is \$2000.00 after 6 months for each continuous service to registered nurses and \$1000.00 for enrolled nurses. The Shire contributes generously to the RFDS annually.

Summary of costs to the Shire to ensure the provision of medical services:-

Doctors cash incentive	\$110,000.00 pa
Nurses cash incentive	\$ 35,000.00 pa
Foregone rental of Doctors house	\$ 9360.00 pa
Fully serviced Doctors vehicle	\$ 12,000.00 pa
Utilities	\$ 6,000.00 pa
Donations to RFDS	\$ 6,000.00 pa
Operation and mtce. of sealed airstrip	\$ 48,000.00 pa
Total expense to Shire of Laverton	<u>\$226,000.00 pa</u>
Contribution received from operating mines	<u>\$ 55,000.00 pa</u>
<b>Net cost to Shire of Laverton</b>	<b><u>\$171,360.00 pa</u></b>

## **Conclusions**

The Shire of Laverton has found it essential to provide the cash incentives and ancillary benefits to ensure a complete medical service is available to its residents. The volunteer ambulance service is staffed heavily by Shire employees and the Shire ensures that such staff are not penalised when attending call-outs and pays the lost employee time, this cost has not been included in the overall cost of providing a complete medical service. Depending on the number of call-outs during work hours this cost can be as much as \$10-15000.00 pa. This subsidisation of the medical services is by a Shire with a rate base of only \$1.4m. If the Shire did not weigh in so heavily the chances of having a residential GP and a fully staffed hospital service is very unlikely, particularly with no assistance provided by State or Commonwealth agencies. The Shire of Laverton has been criticised by the State Health Department for subsidising nursing positions as it placed other remote and rural hospitals at a disadvantage. This is laughable when the opportunity to recruit to a very remote and very hostile climate town hospital without incentives would be zero. The Shire has found it disappointing that State and Commonwealth agencies do not or will not also recognise the difficulties being experienced in recruiting and retaining appropriately skilled practitioners to areas such as Laverton. Laverton is only one of a large number of remote and rural regional centres throughout Australia suffering this malaise. It has taken the decision of a Council to recognise and address the problem at severe financial disadvantage. It was done because no other State or Commonwealth agency would. The nearest equivalent medical service is Kalgoorlie 360 kilometres distant!

BR (Barrye) Thompson  
Chief Executive Officer  
Shire of Laverton  
10<sup>th</sup> August 2006