



16 August 2013

Contact: Natalie Drage
Our Ref: DOC2013/031944
Your Ref:

Geographic Labour Mobility
Productivity Commission
LB2 Collins Street
East Melbourne VIC 8003

Dear Sir/Madam

Submission from Cessnock City Council for the Productivity Commission's Study into Geographic Labour Mobility Within Australia

Cessnock City Council is aware that the Australian Government has requested the Productivity Commission to undertake a study which assesses geographic labour mobility within Australia and its role in a well-functioning labour market. It is understood that the principle objective of the study is to examine patterns of mobility, impediments and enablers and their effect on the ability to meet Australia's continually changing workforce and employment needs.

Council, in reading the study's Terms of Reference would like to submit its observations for the matter,

assess the current strategies used by employers and governments that affect geographic mobility, and discuss possible options to enable further mobility.

Council wishes to discuss this matter in the context of the 'Australian Standard Geographical Classification – Remoteness Area (ASGC-RA)' scheme. This classification scheme is used by the federal government for the purpose of attracting and mobilising general medical practitioner services particularly in regional and rural communities.

A localities classification within the ASGC-RA is defined by the Australian Bureau of Statistics and is determined as Major City, Inner Regional, Outer Regional, Remote or Very Remote. Cessnock City Council, a predominantly rural-regional located Council has two of its locations designated by the Australian Bureau of Statistics as Inner Regional and one location designated as Major City.

The Department of Health and Ageing uses the ASGC-RA to determine its allocation of incentive programs which aim to attract a medical workforce to regional and rural areas. The range of incentive programs and grants available to all localities, except those determined as Major City include the General Practice Rural Incentives Program, Retention Grant, Relocation Grant, General Practitioner Locum Support Program and the Higher Education Contribution Scheme (HECS) Reimbursement Program.

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Cessnock City Council is of a firm belief that one of its localities has been wrongly classified as Major City and as such is ineligible for the mentioned grants and incentive programs. This ineligible locality has evidence to suggest that it has a more stressed general practitioner to population ratios when compared to the two planning areas within the Local Government Area that are eligible for medical practitioner grant funding programs.

The following table demonstrates the evidence as obtained by Council and reflects how each planning area within the local government area is positioned in regards to the availability of general medical practitioner services. Council's evidence suggests that those areas within the local government area that are eligible for incentive programs, seem to be better positioned in attracting, mobilising and retaining medical practitioners. For instance, the table demonstrates that those communities within the Cessnock Local Government Area that attract incentive programs (in this case their classification is Inner Regional) the ratio of medical practitioner to population is much closer to the national average benchmark. This disadvantage is a considerable issue particularly if localities are inappropriately classified as a Major City but are in fact located in a regional area.

Townships	ASGA Classification	Population Projection as at June 2011 (Approximate)	Doctors Full Time Equivalent	Ratio	Shortage of Doctors
Abermain, Weston, Kurri Kurri, Includes the surrounding townships of Heddon Greta, Cliffleigh, Pelaw Main, Stanford Merthyr	Major City - Remoteness Area 1 (Not Eligible for Incentive Programs)	16,000 people	8	1:2000	3.4 FTE
Central Cessnock Includes for example, the surrounding townships of Milfield, Paxton, Wollombi, Kearsley, Quorrobolong, Neath, Mulbring	Inner Regional - Remoteness Area 2 (Eligible for Incentive Programs)	29,000 people	20	1:1450	0.7 FTE
Greta, Branxton, East Branxton, North Rothbury	Inner Regional - Remoteness Area 2 (Eligible for Incentive Programs)	7,000 people	5	1:1400	0
NATIONAL AVERAGE BENCHMARK				1:1400	
CESSNOCK LGA TOTAL		52,000 people	33	1:1575	4.1 FTE

Cessnock City Council has undertaken previous and ongoing work to advocate and highlight the injustice of the ASGC-RA classification scheme. Unfortunately, no success has occurred to date in regards to an alternative classification scheme being developed in mobilising a medical workforce. The following table provides an overview of the work undertaken to date by Cessnock City Council in regards to advocating for a review.

Date of Correspondence/Meeting	Summary
June 2009	The Department of Health and Ageing announces the Australian Standard Geographical Classification Scheme (ASGC-RA). It is advised that Kurri Kurri, Weston and Abermain are classified as Major City - Remoteness Area 1 and the remainder of the Cessnock Local Government Area is classified as Inner Regional - Remoteness Area Classification 2. It becomes evident that a Major City - Remoteness Area 1 classification provides nil incentives for attracting and mobilising general practitioners.
24 June 2009	Cessnock City Council forwards 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 under the Australian Standard Geographical Classification Scheme from Major City - Remoteness Area 1 to Inner Regional - Remoteness Area Classification 2.
29 July 2009	The Department of Health and Ageing in their return correspondence advises that 'there are plans for an extended version of Australian Standard Geographical Classification scheme to be implemented in 2011'.
1 September 2009	A meeting is held with Hon. Mr Joel Fitzgibbon, Member for Hunter to discuss the 'Major City' classification for Kurri Kurri, Abermain and Weston. The meeting includes a summary of the health implications for these communities.
20 September 2011	Given the proposed review of the Australian Standard Geographical Classification Scheme was to occur in 2011, Cessnock City Council sends correspondence to the Department of Health and Ageing seeking feedback in regards to the results of its review. Note: this is the review process that was referred to in the Department's previous correspondence dated 29 July 2009.
14 November 2011	The Department of Health and Ageing in their return correspondence advises that there are no plans for an expanded version of the Australian Standard Geographical Classification Scheme.
5 January 2012	Cessnock City Council forwards its submission to the Senate Affairs Committee for 'The Factors Affecting the Supply of Health Services and Medical Professionals in Rural Areas'. The submission highlights the injustice of the Australian Standard Geographical Classification scheme.

Options to Enable Workforce Mobility

This submission demonstrates Council's experience in how the ASGC-RA can influence where a workforce, in this case general medical practitioners, choose to practice medicine. For regional-rural communities that find themselves oddly classified as a Major City under the ASGC-RA scheme it begs the question whether such classification system is appropriate when determining medical workforce incentive programs.

In striving to deliver an equitable incentive program that delivers equal access to primary health services, it is recommended that a review be undertaken to determine whether the ASGC-RA is the most appropriate classification scheme for allocating incentive programs. It is noted that the ASGC-RA is predominantly based on physical distance to a key locality (usually distance to a city location) and does not consider a communities social attributes, including measures of social disadvantage. However, it is widely accepted that determinants of health are associated with an individual's and/or community's level of advantage or alternatively its level of disadvantage. In view of this, Council supports the following recommendation made by the Senate Affairs Committee for 'The Factors Affecting the Supply of Health Services and Medical Professionals in Rural Areas' (2012),

The committee recommends that the classification systems currently used for workforce incentives purposes be replaced with a scheme that takes account of regularly updated geographical, population, workforce, professional and social data to classify areas where recruitment and retention incentives are required.

Conclusion

Council appreciates the exploration of this area of study being undertaken by the Productivity Commission. Although this submission from Cessnock City Council uses the example of medical practitioners, the central issue for this paper is that where government incentive programs exist or are proposed to be used for mobilising a workforce, the method in how allocations are made must be fitting with both the type of employment and the social characteristics of the community where the employment is intended to occur. Furthermore, it is recommended that the ASGC-RA classification method which is used by the federal government in determining the allocation of incentive programs such as those offered by the Department of Health and Ageing be reviewed as a matter of urgency.

In closing, Council welcomes contact from the Productivity Commission to discuss further the information contained within this submission. If the Productivity Commission requires further information it is encouraged that Council's Community Planning Coordinator be telephoned on 02 4993 4118. Council wishes the Productivity Commission success with its study.

Yours faithfully

Gareth Curtis
Acting General Manager