



WESTERN AUSTRALIAN
LOCAL GOVERNMENT ASSOCIATION

**Western Australian Local Government Association
Submission**

Productivity Commission

Health Workforce Study

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Introduction – The WA Local Government Association

The West Australian Local Government Association is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and the interests of 144 Local Governments.

The Association provides an essential voice for almost 1,400 elected members and over 12,000 employees of the 142 Local Governments in Western Australia and Christmas Island and Cocos (Keeling) Island Councils. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

Resource Allocation in the Health Workforce

- Public health is essentially concerned with assessing and managing risks to health and promoting good health with health services conceived and delivered with whole populations and their health status in mind
- In terms of technical and allocative efficiency, is the current combination of Government subsidies for the curative and preventive health workforce efficient?
- There is a need to examine current collective investment in the health workforce and the costs and benefits of Government funding for the preventative health workforce, such as environmental health officers, along with the health workforce that focuses on treatment.

Environmental Health

- Australia has a number of intergovernmental agreements and strategies to improve community environmental health outcomes including:
 - National Public Health Partnership
 - National Environmental Health Strategy
 - Aboriginal Environmental Health strategies
- The Commonwealth needs to take a stronger role to ensure that national strategies are implemented – this includes assistance with funding and resources to Local Government to employ a sustainable environmental health workforce

Example: Immunization

- Immunization is a public health issue
- There is confusion around the role of Local and State Government and private GPs and Medicare rebates in relation to immunization services
- Roles and funding disparities need to be clarified

Environmental Health in Western Australia

The Western Australia Health Act (1911) defines a legislative role for State and Local Government in public health. Local Government Environmental Health Officers undertake the following activities:

Food	Food Premises Assessments Food Sampling Meat Inspection
Disease control	Notifiable Diseases Immunisation

Waste Management	Hairdressing and Skin Penetration Effluent Disposal Liquid Waste Refuse Collection Refuse Transfer / Disposal Waste Minimisation (recycling)
Water	Water Surveillance Public Swimming Pools
Accommodation	Public Buildings Accommodation
Vector and Pest Control	Vector and Pest Control Pesticide Safety
Health promotion	Health Promotion
Other	Offensive Trades and Pet Food Establishments Emergency Management

Environmental Health Expenditure by Local Government in WA

- Councils in Western Australia contribute substantial funds towards environmental health activities
- Information from the WA Grants Commission 2002/03 expenditure indicates that Councils spent around \$31,011,143 in 2002/03 in environmental health activities

Issues for Local Government in Environmental Health roles and responsibilities

Outdated Legislation

- All Australian States, except Western Australia, have contemporary public health legislation which is concise, generic and based on a risk to health.
- Western Australia needs as a priority new public health legislation based on contemporary understandings of public health.
- The Health Act needs to clarify the roles and responsibilities of State and Local Government in relation to environmental health service provision.

Role of the State Government and Local Government

- Resources in the Department of Health to support the Local Government environmental health workforce have declined.
- Local Government's functions in environmental health have increased by stealth due to State Government shifting responsibilities onto Local Government without a corresponding allocation of resources and funding. For example, the State Government through legislative change has increased the complexity of or standard at which a local government service must be provided and hence increases its cost without demonstrating change will lead to more improved public health outcomes
- Local Government does not have the legislative autonomy to set fees and charges for environmental health services:
 - Fees and charges set by regulation under the Western Australia Health Act (1911) do not reflect the true cost to Local Government for providing these services.
 - There is no capacity for Local Government to undertake cost recovery as Councils have no control over setting these fees.

This lack of autonomy in setting fees and charge impacts on Local Government's capacity to fund their environmental health workforce.

National and Western Australian Skill shortage - Environmental Health Officers

- The National Public Health Partnership in its review of public health regulation identified that a significant challenge for Local Government is attracting and maintaining a suitably skilled workforce to perform its public health responsibilities. The partnership recognized that this issue is particularly acute for Indigenous, rural and remote Councils.¹
- There is a professional skill shortage of qualified environmental health officers in Western Australia.
- The WA Local Government Association hosted a roundtable in November 2004 with representatives from Local and State Government, universities and other academic institutions, professional associations, institutes and business to progress strategies to address Local Government professional skill shortages, including shortages in environmental health officers
- There are currently twenty five vacancies across Local Governments for environmental health officers. There are 28 graduations expected this year from Curtin University
- Because of workforce shortages, service quality and access to environmental health services in some areas of Western Australia are under pressure. This is not just an issue of mal-distribution. The issue is effecting country and metropolitan areas, although shortages more acute in the country areas
- Traditionally demand for environmental health officers has been with government. Increasingly the private sector has an increased need for staff with skill set of environmental health officers. In Western Australia in the last twelve months nine environmental health officers have left local government to work in the mining and food industries, tertiary institutions, consumer protection, and health promotion.
- There is a need for national, State and local strategies to build an adequate environmental health workforce for Local Government. Opportunities exist for all spheres of Government and the Universities to influence both sides of the supply and demand equation for environmental health officers. Some options may include:
 - The university sector increasing the number of fully funded places for environmental health students
 - The university sector to offer distance education opportunities and a mix of both undergraduate and post graduate courses that will lead to students that can be accredited as environmental health officers
 - The development of clear pathways from the VET sector into a university accredited course
 - Targeted programmes for students including Indigenous Australians and students from rural and regional communities
 - The Commonwealth to monitor the extent to which fees are impacting on under graduate and post graduate environmental health students
 - The need for all sectors to market the profession and encourage environmental health as a career choice and to promote the value of environmental health as a career
 - The listing of Environmental Health Officers by the Department of Employment and Workplace Relationship on their National Skill Shortage (NSS) Professional List

Local Government Environmental Health Services to Indigenous communities

- It is appropriate for Local Government, due to its expertise and legislative authority, to undertake environmental health services to Aboriginal communities
- In Western Australia Local Government at present has no legislative authority to apply the Health Act on Aboriginal communities: the consequence is that laws to protect public health and safety do not apply to Aboriginal communities

¹ The Role of Local Government in Public Health Regulations, National Public Health Partnership, March 2002.

- The roles and responsibilities of Local Government, State Government and non government services in delivering environmental health services to Aboriginal communities needs to be clarified – at present there is a plethora of agencies providing environmental health services in Western Australia
- Councils in Western Australia that have remote, discrete Aboriginal communities are the least able to raise their own revenue
- State Government funding of the Aboriginal Environmental Health Programme does not meet current needs. The programme has lost \$2 Million dollars since its inception
- Commonwealth funding needs to take into consideration the additional costs of providing environmental health services to Aboriginal communities

Solutions to address an accredited health workforce delivering appropriate environmental health services to Aboriginal communities should include:

- The development of a State wide Aboriginal Environmental Health Plan, with clarity regarding the location and skill set of the environmental health workforce, funding certainty for the workforce, clarification of the roles and responsibilities of Local and State Government and non government health services in delivering environmental health services to Aboriginal communities
- Specific, sustainable funding provided to Local Government to assist Councils, in a capacity building framework, to provide environmental health services to Aboriginal communities

Primary Health

- Primary health provision that is the funding of doctors, nurses and allied professionals is not a Local Government responsibility.
- Local Government in Western Australia has become involved in this issue from a regional development perspective, filling a State/Commonwealth health care provision gap.
- If a Council is undertaking this role, then they are diverting resources from their core role, including environmental health services.
- Councils in Western Australia are financially supporting the provision of doctors into their communities through
 - The provision of land
 - Capital expenditure on housing and surgeries
 - Operational Costs
 - Considerable staff time and resources
- Poor co-ordination between State and Commonwealth for health care provision have been identified as leading to escalating costs and inefficient use of funds due to duplication of services
- There is a need to determine what sphere of Government should be responsible for health care workforce services and to formalize these arrangements
- The closure of rural public hospitals is an issue for Local Government and their communities: The closure of hospitals must be viewed from a regional development perspective – closure impacts on the economic and social fabric of the whole community
- The management of public hospitals impacts on GP services to the community –in particular if there are salaried doctors employed at the hospital or visiting medical payment arrangements with GPs
- Whilst general practice is a private business there is a raft of policy options that the State and Commonwealth Government can undertake to encourage the provision of doctors to rural and regional areas. A number of these are in place and could be strengthened to encourage medical services to the regions. For example:
 - The employment of more salaried doctors to address shortages in the regions, increase of visiting medical practitioner agreements between private GPs and State hospitals
 - Greater utilization of nurse practitioners
 - Increasing medical places at university

- Bonding medical school places to regions
- Funding nurse practitioners to work, with GP supervision where appropriate, in areas where few or no doctors can be secured.
- Targeted recruitment of medical students from regional areas
- University campuses to offer medical training in the regions
- Appropriate telecommunications infrastructure in regional Western Australia to facilitate IT solutions for health care delivery
- The development of innovative regional models of health care delivery utilizing rural hospitals and GP services

Local Government funding of the health workforce

- In 2002/03 Local Governments in Western Australia spent over \$2 Million dollars on medical facilities.
- Local Government involvement in funding the GP workforce is placing increasing pressures on limited Local Government resources. Council involvement is a result of cost shifting from the State and Commonwealth onto Local Government along with poor co-ordination between State and Commonwealth for health care provision
- Cost Shifting occurs when Local Government agrees to provide a service on behalf of Government but funding is subsequently reduced or stopped, and local government is unable to withdraw because of community demand for the service. The second is where, for whatever reason, another sphere of government ceases to provide a service and local government steps in.
- If the employment and provision of a GP workforce is a core role for Local Government then Local Government should be fully funded to provide this service and it undertaken within a strategic policy framework that includes clarification of the roles and responsibilities of the State and Commonwealth along with sustainable funding arrangements for Local Government
- The House of Representatives Standing Committee on Economics, Finance and Public Administration Report, *Rates and Taxes: A Fair Share for Responsible Local Government, 2003 (Hawker Report)* found that escalating costs and constrained funding along with a growing community expectations/funding gap threatens the future of efficient and responsive Local Government. These reaffirmed the findings of the Commonwealth Grants Commission 2001 review into the operation of the Local Government Financial (Assistance Act) Act 1995. In particular:
 - Commonwealth Financial Assistance Grants (FAGs) to Local Government are an important source of Local Government revenue
 - Councils have worked to increase their revenue raising capacity –however many rural and regional Councils have a limited ability to raise funds through fees and charges and rates and are dependent on FAGs – it is often these Councils who face the expectation to fund GP services
 - The current FAGs program does not provide local government with sufficient growth in funding to meet increasing demand. The CPI-based escalation methodology has seen FAGs steadily decline as a proportion of total Commonwealth taxation revenue.
 - The quantum of funding based on an equalization principle is not keeping pace with the change in Local Government's role
 - There is a need for sustainable and adequate financial assistance funding from the Commonwealth to Local Government. For example an increase in the quantum of assistance through changes in the way the Commonwealth calculates Financial Assistance Grants (FAGs) – the linking of the quantum of financial assistance for local government to an agreed proportion of total Commonwealth taxation revenue (excluding GST): a graduated two-step approach, by amending the escalation factor to more closely align growth in FAGs with that of the Australian economy; and subsequently, setting the quantum of FAGs at an amount equivalent to 1% of total Commonwealth taxation revenue (excluding GST).

The WA Local Government Grants Commission

- General purpose grants to Local Government are not re-allocated by the WA Grants Commission amongst Western Australian Councils on a per capita basis. They are equalized based on the difference between the assessed expenditure need and the assessed revenue raising capacity of each Local Government. Calculation for assessing Councils rate revenue is based on standardized mathematical formula which involves assessing the revenue raising capacity of each Local Government in five categories: urban properties, agricultural properties, pastoral properties and mining property and the Commission assesses capacity by different methods for each.² Assessed expenditure need involves assessing each Local Government's operating expenditures in the provision of core services and facilities.³ A policy neutral approach is taken.

The WA Local Government Grants Commission has introduced two health disability factors:

- Aboriginal environmental health allowance
- Rural Medical Allowance
- Funding is distributed to Councils based on relative need not absolute need.
- Funds fall short of the actual requirements to fully equalize services.

Local Government and Aged and Disability Care Services

- There is an increasing focus for funding for Home and Community Care Programmes is inadequate for the role it is to undertake
- Local Government, when delivering a HACC service, often has to supplement the service with funds and resources.
- Operational funding for the aged care workforce, in particular in the regions, is inadequate – Local Government are often expected to supplement the services with funding
- There is a need for appropriate State and Commonwealth indexation of funding for these services to ensure that funding covers the cost of service provision

² Op cit, p 134

³ Op cit, p 134