

ITEM NO:	17.2 Confidential
MEETING TYPE	Ordinary Council
MEETING DATE:	21 December 2017
SUBJECT:	Streaky Bay Medical Clinic
FILE NUMBER	F17/134 - Chief Executive Officer
RECORD NUMBER:	R17/16841
AUTHOR:	Joy Hentschke
ATTACHMENT (S):	Nil

LINKS TO STRATEGIC MANAGEMENT PLAN 2016-2026

KEY RESULT AREA:	4. Community, Culture and Recreation
STRATEGY:	4.10. Promote and encourage provision of adequate health services and aged care accommodation and facilities.
ACTION:	N/A

BACKGROUND:

The future of the Streaky Bay Medical Clinic (SBMC) is uncertain. The resident doctor is leaving the district and finishes his tenure mid-January 2018. The owner and part-time supporting doctor is retiring at the end of January 2018. SBMC is for sale (without a doctor to provide the service) and if there is no sale the staff, client files and associated office equipment will be removed by the owner. The premises are part of the hospital complex and rent is paid by SBMC.

The system of local government declares (Chapter 2, *Local Government Act 1999*), refer to Page 117, Attachment 2(R17/16402) the following:

*Section 7 (b) the functions of a council include:
to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities (including electricity, gas and water services, and waste collection, control or disposal services or facilities), health, welfare or community services or facilities, and cultural or recreational services or facilities);*

Council has a responsibility under the Act “*to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area*”.

The Mayor and Chief Executive Officer attended a meeting at SBMC to gain an understanding of the service. In that meeting the owners suggested that Council could purchase the business to assure the continuation of the Practice. The Practice Manager has since provided some information to assist Council.

The summary is below:

Income (Practice only – 1.4 Doctors @6 clients per hour)

Total income (Kits & Flu Vax, Incentives, Service Fee)	\$ 392,000
<u>Expenses:</u>	
Total Expenses	<u>\$ 275,000</u>
Estimated Net Surplus	<u>\$ 117,000</u>

Notes: This summary has been adjusted to reflect Council's possible position.

- Assumes average of 1.4 doctors at 6 clients per hour.
- Retention of current staff – all are casual (2 reception, one Practice Nurse and a cleaner).
- Flu vax has not been ordered for the coming season.
- Incentives are Practice Incentive Payments and a Practice Nurse Incentive Payment.
- Services Fees are a percentage of doctor income (doctor income includes all client fees, a hospital on call fee and a fee for service (public and private patients).)

In lieu of a permanent doctor, the new owner of the Practice could source the appropriately qualified medical practitioners via industry related agencies. Each of these agencies have different methods, conditions and costs. There would need to be consideration regarding the accommodation and access to a motor vehicle for the visiting locums (this is not reflected in the financial estimates.).

SBMC is currently Accredited, expiring 29 June 2019; this is required to access many Medicare benefits and incentives.

The asking price is \$ 50,000 with an offer of the Practice Manager assisting the transition.

Country Health cannot maintain/service the SBMC as it is not able to be Accredited and access the Medicare benefits and incentives. Any other party can, provided doctors can be sourced to provide the medical services.

Council's consideration will require investigation into the purchasing entity model as Council has compliance considerations that may cause an increase in administration amongst other implications. At the time of writing this report, the Mayor and Chief Executive Officer have not contacted other Council's for a full briefing on their experiences.

OPTIONS:

1. Council purchases the business known as the Streaky Bay Medical Clinic for the permanent benefit of the district subject to further investigation of the purchasing entity model.
2. Council purchases the business known as the Streaky Bay Medical Clinic, makes budget provision of \$for an extensive marketing campaign to attract permanent doctors and continues to pursue the sale of the Practice.
3. Council does not purchase the business known as Streaky Bay Medical Clinic, makes budget provision of \$ for an extensive marketing campaign and continues advocacy.

Recommendation

1. That Council resolve:
 - (a) Pursuant to Section 90(2) of the Local Government Act, 1999, the Council orders that all persons with the exception Manager Corporate Services Kristen Clark, Community and Economic Development Manager, Penelope Williams (Minute Secretary) to be excluded from attendance at the meeting for agenda item 17.2, relating to “Streaky Bay Medical Clinic”.
 - (b) The Council is satisfied pursuant to Sections 90 (3)(b) of the Act, the information the disclosure of which - (i) could reasonably be expected to confer a commercial advantage on a person with whom council is conducting, or proposing to conduct, business, or to prejudice the commercial position of council; and (ii) would, on balance, be contrary to the public interest”.
 - (c) The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances.

Recommendation

2. That Council having considered report 17.2 titled ‘Streaky Bay Medical Clinic’, 21 December 2017 – *Council decision*

Recommendation

3. That having considered the agenda item 17.2 relating to “Streaky Bay Medical Clinic” in confidence under Section 90(2) and (3)(b) of the Local Government Act, pursuant to Section 91(7) of the Act orders that the minutes, reports considered and discussed in relation to agenda item 17.2 be retained in confidence until December 2018.