



25 January 2007

Mr Scott Gregson  
General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
DIXON ACT 2006

Dear Mr Gregson

**Re: Royal Australian College of General Practitioners (RACGP) A91024 - Application for revocation and substitution**

Thank you for the opportunity of commenting on the above application and for the useful background information that you have supplied.

The application involves revocation of authorisation A90795 and its substitution by a new authorisation A91024. The earlier authorisation has been in existence for four years and allows General Practitioners and other medical practitioners within certain business structures, to agree on the fees they charge patients and is due to expire on 10 January 2007.

The Health Services Commissioner often receives calls from users of medical services who are confused about pricing structures. They are often puzzled as to why one practitioner can charge more than another whereas their expectation is that there would be set fees for all doctors. This, of course, is contrary to Competition policy and could constitute price fixing. There is no evidence before me that prices for medical practices have risen as a result of the previous authorisation nor that there have been any negative consequences of the authorisation. I would therefore favour the revocation and substitution application. There has been no harm and indeed there have been some benefits in that a common fee is useful information for consumers. I would not like to see an impediment, to doctors within these types of practices, coming to sensible agreements.

I do not have information about the extent to which the authorisation has been relied upon by eligible practices. The only information I have on whether the authorisation has had an impact on the fees charged by GPs, is that there have been no price rises but there is greater clarity. I have no real information about the likely benefits and detriments of the new aspect of the substitute authorisation relating to hospital agreements. I understand there is a very low percentage of negotiations concerning doctors and hospital fees and that this usually occurs in rural areas on a subcontracting basis. I see no public benefits in impeding these arrangements.

I hope this is of some assistance. Should you wish to discuss it further, please contact me on (03) 8601 5225.

Yours sincerely

**Beth Wilson**  
Health Services Commissioner