2 October 2007

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

**Collective Bargaining Notification CB 0004 Lodged by the Australian Medical Association (Vic) Pty Ltd on 17 September 2007 – interested party consultation**

CATHOLIC HEALTH
AUSTRALIA

The issue of Collective Bargaining for rural and remote Medical Practitioners has been an issue the AMA has been advocating for since the mid 1990's. Numerous submissions have been made by the AMA and Rural Doctors Association on this matter.

In essence, the argument has been that health services and hospitals have monopolistic market control in rural settings making it difficult for individual Practitioners to effectively negotiate individually.

Whilst we can understand the concerns in some of these situations, the reality of the situation is much different than that put forward by these industrial bodies, particularly in regional and outer metropolitan areas.

It is important to preface the following with our belief that outer metropolitan and regional health services are community organisations with extensive community links and charged with advocating for and responding to the local needs of their communities. This is in contrast to many visiting Specialist Medical Practitioners who work on a fee for service arrangement. Thus, it is our contention that for health services in these areas to remain viable and to achieve their aim of responding to the health needs of individual communities, there must remain as much flexibility as possible in negotiating with and employing their staff. This will be significantly undermined if individual visiting Private Practitioners are able to negotiate as a collective group and hold health services, and as such communities, to ransom over conditions and remuneration for what is essential their collective private practices. The following provides more background to our concerns.

It is important to note that whilst we believe regional and outer metropolitan areas, there is already a process in place for collective bargaining in the public health sector via the State negotiated agreements, for both Sessional and Visiting Medical Officers. However, in many cases, Private Practitioners are not attracted to this method of payment preferring

to engage in a fee for service model of reimbursement as it appears to provide higher levels of remuneration.

We also maintain that many Medical Staff already have significant negotiation power in the outer metropolitan and regional areas. They are able to ensure higher remuneration than what is typically available in metropolitan public health services where supply is much greater. In addition, their conditions are also improved with regard to on-call and recall being minimal to non existent. Hospitals in these regions find it difficult to secure satisfactory on-call and recall arrangements and Medical Staff use the smaller public facility as a semi private practice setting.

It also appears that in many of these areas monopolistic medical markets are already in place. Local craft groups who provide hospital services work closely together (often sharing private practices) and maintain significant control over rosters, referrals etc. This results in little ability of health services to negotiate for new Practitioners without significant risk of losing the current workforce.

Many of those providing services in outer metropolitan and regional areas using fee for service arrangements are using the public system to supplement their private businesses. Whilst for some this is due to a commitment to provide public health, for others it is to further subsidise already lucrative private practices.

Given the above, by allowing collective bargaining we risk creating a situation where attracting and recruiting new staff to these already disadvantaged areas will be further compromised by:

- Allowing small private practices to form local market monopolies;
- Allowing a "ratcheting" of terms and conditions across the market (i.e. negotiating one increase in one area and then continuing to use this to build and increase future negotiations in other regions);
- Restricting hospitals and health services to develop specific conditions for specialists who have different needs, including responding to the needs of new practitioners;
- Restricting hospitals and health services ability to respond and negotiate on behalf of communities.

We would strongly advise that where the opportunity exists for a medical practitioner to negotiate within the terms of a State Collective Agreement, that they are encouraged to do so when working in public health care facilities, as the funding system accommodates these terms and conditions. Where Private Practitioners wish to engage in fee for service arrangements this should be negotiated individually ensuring a balance between community need and the Private Practitioners requirements.

Public health services in outer metropolitan and regional areas require full flexibility to respond to:
• Fundamental undersupply.
• Distribution of medical workforce.
• Productivity and flexibility.
• Structural issues relating to training, regulation and funding.
• Responding to community need.
• Building sustainable health care services.

Any collective arrangement for Private Practitioners working in public health care settings has a potential to negatively impact on the rights of communities to have access to, and control over, their public health care system.

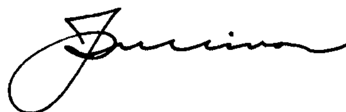
One of the issues outlined in the AMA's submission is that Doctors in metropolitan hospitals earn up to $123.00 per hour whilst rural Doctors working on fee for service can claim up to $133.35 (100% CMBS) per patient and can see three such patients in an hour. Thus, prices are substantially higher in the regional area.

If the AMA application was to be granted, we would contend that a condition of the approval is that price of medical services should not exceed that prevailing in the Victorian Collective Bargaining employment to ensure payments for medical services do not exceed that which is provided in the wider public sector.

We would support a more flexible approach to the negotiation of non-monetary conditions.

If you have any questions in relation to the above comments, please contact Patrick Tobin on 02 6260 5980.

Yours sincerely



**FRANCIS SULLIVAN**
Chief Executive Officer