



**Australian
Competition &
Consumer
Commission**

Our Ref: C2008/1339
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12 November 2008

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*This letter with
attachments was sent
to the attached list of
interested parties on
12 Nov 08.
MB.*

Dear Sir/Madam

**Australian Medical Association Limited and state/territory AMA organisations
application for authorisation A91100 - draft determination**

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the application for authorisation lodged by the Australian Medical Association Limited and the AMA state/territory bodies in Victoria, South Australia, Western Australia, Northern Territory, Queensland and Tasmania (all referred to as AMA) on 19 August 2008. Attached is a summary of the authorisation process including how to make a submission to the ACCC.

Briefly, the AMA is seeking authorisation to collectively negotiate with relevant state/territory health departments, the terms of contracts for rural general practitioners providing services as Visiting Medical Officers in public hospitals and health facilities in rural and remote areas of Australia (except New South Wales).

Draft determination

A copy of the ACCC's draft determination is attached, including a summary of its reasons. For the reasons set out in its draft determination, the ACCC proposes to grant authorisation for five years.

The proposed authorisation extends to negotiations between the AMA and any health department representative, or agent, of all the rural hospitals in a state or territory with respect to a state-wide arrangements for GP VMO contracts. The proposed authorisation does not extend to any collective decision by current or future AMA members to engage in collective boycott activities. The proposed authorisation also does not extend to negotiations involving individual hospitals or any group of hospitals.

In making its assessment, the ACCC recognises that each state/territory has its own system for engaging VMOs. Authorisation allows parties to engage in conduct that would otherwise breach the *Trade Practices Act* (the Act) where they choose to do so, but does not require parties to engage in the conduct. In this case, if granted, authorisation will enable the AMA to engage in negotiations on behalf of their members as specified in the authorisation without breaching the Act. Authorisation does not require a state/territory to change the way it currently engages VMOs or to participate in collective negotiations.

Next steps

Once the ACCC issues a draft determination, the applicant or any interested party may request that the ACCC convene a 'pre-decision conference'. A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Conferences are conducted informally and while legal or professional advisers are able to attend they are not entitled to participate in the discussion.

If you wish the ACCC to hold a pre-decision conference in relation to the draft determination, you must notify the ACCC in writing by **27 November 2008**.

Alternatively, you are invited to make a written submission in response to the ACCC's draft determination. Submissions should be lodged by **4 December 2008**.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to these applications.

Submissions will be placed on the ACCC's public register subject to any request for exclusion (guidelines are attached).

Timetable

The ACCC will continue to progress its assessment of the application in a timely manner. An updated indicative timetable is set out below for your information.

19 August 2008	Lodgement of application and supporting submission.
22 August 2008	Public consultation process begins.
12 November 2008	Draft determination.
December 2008	Public consultation on draft determination including any conference if called.
December 2008/ January 2009	Final determination.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter please do not hesitate to contact Monica Bourke on (02) 6243 1351.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch

Interested parties consulted on 12 November 2008 in relation to the AMA Draft Determination

Australian Consumer Association
Australian Institute of Health and Welfare
Australian Medical Association (ACT)
Australian Medical Association (NSW)
Australian Medical Association (NT)
Australian Medical Association (QLD)
Australian Medical Association (SA)
Australian Medical Association (TAS)
Australian Medical Association (VIC)
Australian Medical Association (WA)
Australian Private Hospital Association
Department of Health (South Australia)
Department of Health (Western Australia)
Department of Health and Community Services (Northern Territory)
Department of Health and Human Services (Tasmania)
Health Complaints Commission Tasmania
Health Services Commissioner (Vic)
National Rural Health Alliance
Office of the Health Services Commissioner
Queensland Health
Royal Australian College of General Practitioners
NSW Rural Doctors Network
Rural Doctors Association of Australia
Rural Doctors Association of NSW
Rural Doctors Association of NT
Rural Doctors Association of QLD
Rural Doctors Association of SA
Rural Doctors Association of Tasmania
Rural Doctors Association of WA
Victorian Hospitals Industrial Association
Victorian Healthcare Association Ltd
ACT Health
Australian College of Rural and Remote Medicine
Australian General Practice Network
Australian Healthcare & Hospitals Association
Australian Rural Health Education Network
Australian Society of Anaesthetists
Catholic Health Australia
Commonwealth Department of Health and Ageing
Consumer Health Forum
Department of Health (New South Wales)
Department of Human Services (Victoria)
Health Consumers of Rural and Remote Australia
Royal Australasian College of Physicians
Royal Australasian College of Surgeons
Rural Doctors Workforce Agency - SA
Rural Doctors Association of Victoria