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08OCE/ 3519

FILE No.
DOC.
MARS/PRISM

Ms Joanne Palisi  
Director  
Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

Dear Ms Palisi

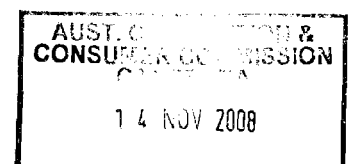
**RE AUSTRALIAN DENTAL ASSOCIATION INC APPLICATION FOR  
AUTHORISATION A91094 & A91095 – DRAFT DETERMINATION**

Thank you for your letter of 22 October 2008 regarding the Australian Competition and Consumer Commission's (ACCC) draft determination in respect of the Australian Dental Association's (ADA) application for authorisation for possible price fixing conduct and exclusionary provisions with respect to shared practices in the dental profession.

Further to SA Health's submission of 17 August 2008 regarding this matter, you have invited SA Health to make a submission in response to the ACCC's draft determination.

The Public Health and Clinical Coordination Division of SA Health also received a letter regarding this matter. This submission responds on behalf of SA Health, which includes all of SA Health's divisions and health regions (and includes the South Australian Dental Service (SADS)).

In its submission, the ADA has provided indicative advice that approximately 20 percent of private dental practices have some form of "associate relationship" with which the draft determination may potentially be applied. However, the ACCC has noted that many of these shared practices can already reach an agreement on fees without breaching the *Trade Practices Act 1974*. Given this recognition by the ACCC, SA Health continues to question whether there is an overwhelming need to implement the draft determination in order to achieve the public benefits described in the summary of reasons.



Further, SA Health considers that there is limited evidence to definitively support the claimed benefits from the application. This highlights the need to measure whether there is any improved affordability of dental services or at least the need for evidence demonstrating that competition has not been impacted by the decision. SA Health would therefore like the ACCC to document how it will measure the net public benefit, including the impacts on competition of the proposed arrangements at the end of the four year period.

In response to SA Health's previous submission, the ADA "notes SA Health's concerns that the authorisation will result in a lessening of competition". SA Health's submission did not argue that there will be reduced competition, rather that if there is a significant reduction in competition, there will be impacts in relation to the future cost to SADS of purchasing services from the private sector. In that context, it is noted that the ADA submission acknowledges that there is potential for practitioners in shared practices to increase fees in dealing with government purchases of dental services.

SA Health considers that if the determination is made, there is a need for the ACCC to define "shared practices" in the determination. There is the potential for a shared practice to exist over multiple sites, yet it seems that the arguments made to support the determination are not necessarily relevant to a multi-site shared practice.

In the summary of reasons, the ACCC indicates interest in receiving further information on whether the competitive effects of the draft determination may be more significant in shared practices involving specialists or general dentists in regional areas where there is potentially less competition. SA Health acknowledges that the overlap in services between dentists and specialists is likely to be minimal and there may be aspects of a team approach adopted in such practices, as suggested in the ADA's submission. SA Health therefore acknowledges the view of the ACCC that any detriment in these shared practices is likely to be limited.

Thank you for the opportunity to comment on the ACCC's draft determination.

Yours sincerely



**DR TONY SHERBON**  
Chief Executive

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