

Record of discussion

Application for authorisation lodged by Rural Doctors Association of Australia

Teleconference with Trevor Carr, Chief Executive Officer, Victorian Healthcare Association Ltd (VHA)

ACCC attendees: Isabelle Arnaud and Sharon Clancy

10 April 2008, 10 am

The purpose of the discussion was to explore VHA concerns in light of the ACCC's draft determination.

Ms Arnaud commenced the discussion by explaining that since the ACCC had released its draft determination proposing to grant authorisation to the RDAA, a number of submissions had been received from interested parties which continue to raise concerns about the proposed collective bargaining arrangement. The ACCC is interested to explore these concerns further and noted that in particular, concerns have been raised about impact of the proposed arrangement in Victoria.

Ms Arnaud noted that the key concern raised by the VHA is the potential impact of the proposed arrangement on costs and the detriment associated with this. An increase in costs is often a possibility with collective bargaining arrangements and in these circumstances, the ACCC looks to those features of the proposed arrangement which are likely to minimise cost increases. Ms Arnaud said that in the context of the RDAA's application, the ability of the state health departments to choose to not negotiate with the RDAA appears to limit the anti-competitive detriment of the proposed arrangement.

Mr Carr noted that specialists were excluded from the ACCC's proposed authorisation and he stated his agreement with this position.

After Ms Arnaud clarified that the ACCC's proposed authorisation would only apply to state-wide arrangements negotiated by the RDAA and the state health departments, Mr Carr said that the ACCC's proposed authorisation was acceptable.

Mr Carr said that his only concern was that any agreement negotiated by the Victorian Department of Human Services (VDHS) be adequately funded.

Mr Carr noted that under the RDAA's proposal, the VDHS would negotiate a contract with the RDAA but it would be individual hospitals that would be subject to the terms of the contract and bear its commercial and legal liability. Mr Carr does not expect that VDHS will agree to negotiate with the RDAA. He noted that Victoria is the only state where hospitals are independent legal entities.

Ms Arnaud thanked Mr Carr for his time and the teleconference then ended.

Sharon Clancy
10 April 2008