



Department of Health
Government of **Western Australia**

FAXED
6/5/08

OFFICE OF THE DIRECTOR GENERAL

Ms Isabelle Arnaud
Director
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 1331 2131
CANBERRA ACT 2601

By facsimile: (02) 6243 1499 12 11

Dear Ms Arnaud

APPLICATION FOR AUTHORSIATION A91078 LODGED BY RURAL DOCTORS ASSOCIATION OF AUSTRALIA LTD (RDAA) – DRAFT DETERMINATION

I refer to your letter dated 6 March 2008 inviting the Department of Health (DOH) to make further submissions on draft determination A91078.

The DOH considers that its original submission of 20 February 2008 continues to reflect its views and wishes to make only the following observations in light of the draft determination.

The ACCC considers that the voluntary nature of the proposed authorisation limits the potential detriment. The DOH submits that although it would not be compelled by the authorisation to negotiate with the RDAA, the practical effect is that the RDAA would be able to create substantial pressure to negotiate. In an environment of medical shortage, DOH may not be in a position to resist this pressure and may be effectively compelled to enter into such negotiations. This would give rise to the difficulties associated with impeded competition which were highlighted by the DOH in its original submission.

Also relevant is the fact that in Western Australia, RDAA members are a subset of the visiting medical practitioners (**VMPs**) who are contracted under the current Medical Services Agreement framework. Other groups include metropolitan based VMPs (mainly specialists), rural specialists, and general practitioners who are not RDAA members. Granting one particular group collective bargaining ability over others risks complicating VMP arrangements and increasing administrative costs.

189 Royal Street, East Perth, Western Australia 6004
Tel (08) 9222 4222 TTY-1800 067 211
Letters PO Box 8172 Perth Business Centre Western Australia 6849
<http://www.health.wa.gov.au>
ABN 28 684 750 332

Thank you for the opportunity to comment on the draft determination.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Flett', is written over a light grey rectangular background.

Dr Peter Flett

ACTING DIRECTOR GENERAL

14 April 2008