



Australian
Competition &
Consumer
Commission

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*Emailed and
posted 14/5/08
SC*

14 May 2008

Mr Steve Sant
Chief Executive Officer
Rural Doctors Association of Australia
Box 5361
Kingston ACT 2604

Dear Mr Sant

Application for authorisation A91078 lodged by the Rural Doctors Association of Australia Limited – final determination

The Australian Competition and Consumer Commission (the ACCC) has issued a determination in respect of the application for authorisation lodged by the Rural Doctors Association of Australia Limited (RDAA) on 7 December 2007.

A copy of the ACCC's determination is attached, including a summary of its reasons. For the reasons set out in its determination, the ACCC has decided to grant authorisation for five years until 30 June 2013. The ACCC's assessment is set out in Chapter 5 of its determination.

The ACCC grants authorisation to the RDAA and its constituent state associations to collectively negotiate with state/territory health departments the terms of contracts for VMOs in rural areas, particularly with respect to payments for services provided to public patients and for on-call services, to apply state-wide. Authorisation is limited to RDAA members who are rural generalists and general practitioners.

The ACCC notes that authorisation extends to negotiations between the RDAA and any health department representative, or agent, of all the rural hospitals in a state or territory with respect to a state-wide arrangement for GP VMO contracts.

Authorisation does not extend to:

- any collective decision by current or future RDAA members to engage in collective boycott activities
- the RDAA negotiating on behalf of other medical specialists
- negotiations involving individual hospitals or any group of hospitals.

Importantly, while authorisation removes the legal risk associated with the RDAA negotiating with state/territory health departments on behalf of its members, it does not compel the state/territory health departments to negotiate with the RDAA. The state/territory health departments remain free to continue with their existing arrangements for GP visiting medical officer contracts.

The ACCC has written to the presidents of the Rural Doctors Association in each state and the Northern Territory in similar terms to this letter to ensure that the constituent members of the RDAA understand the scope and limitations of the authorisation granted by the ACCC.

Application for review

Pursuant to section 101 of the *Trade Practices Act 1974*, a person dissatisfied with this determination may apply to the Australian Competition Tribunal for its review. An application for review must be made within 21 days of the date of this determination; that is, on or before 4 June 2008. If no application to review is lodged by this date, the ACCC's determination will come into force on 5 June 2008.

An application for review of the ACCC's determination should be lodged directly with the Australian Competition Tribunal. The Australian Competition Tribunal is a separate body from the ACCC and is located within the Federal Court of Australia.

For further information about the process involved in reviewing decisions in the Australian Competition Tribunal please refer to the tribunal's website located at <http://www.competitiontribunal.gov.au/>.

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 Joanne Palisi on (02) 6243 1323 or Sharon Clancy on (02) 6243 1217.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch