



AUSTRALIAN MEDICAL
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25 September 2013

Mr. David Hatfield
Director
Adjudication Branch
ACCC
GPO Box 3131
Canberra ACT 2601

Dear Mr Hatfield

RE: Australian Medical Association (NSW) application A91383 for re-authorisation of collective bargaining re VMOs – interested party consultation

Thank you for your letter of 10 September 2013 inviting a submission in relation to the application for re-authorisation lodged by the Australian Medical Association (NSW) Limited. The Australian Medical Association (AMA) supports the granting of the Authorisation.

The AMA acknowledges the concerns of AMA (NSW) that legislative amendments to the *Health Services Act 1997* (NSW) (HSA) or the *Independent Contractors Amendment Regulations 2011* (Cth) could add to uncertainty that has arisen since the passing of the *Independent Contractors Act 2006* (Cth). The Authorisation provides clarity and certainty in relation to Visiting Medical Officers (VMOs).

AMA (NSW) has consistently ensured that the views of VMOs are effectively taken into account in the determination of remuneration and conditions for VMOs in NSW. The application by AMA (NSW) essentially seeks to preserve a situation which has served VMOs and other stakeholders well, through fair and thorough negotiations on a range of issues. The AMA notes the comprehensive list of negotiations with public health organisations, 2008-2013 listed on pages 5 – 7 of the AMA (NSW) submission. The list represents robust negotiations, underpinned by the legal authority of the existing Authorisation.

AMA (NSW) has developed a well-established working relationship with NSW Health. The collective negotiation of VMO contracts has led to sustainable VMO arrangements that support the delivery of high quality medical care in NSW hospitals. There is no evidence to suggest the collective negotiation of VMO contracts has led to adverse outcomes or rising costs in the NSW health care system. Indeed, the AMA notes that the 2.5% public sector

wages cap enshrined in legislation in NSW applies to VMO determinations, limiting increases in remuneration for VMOs.

The AMA submits that the arrangements in NSW have allowed the orderly negotiation of contracts, permitted specific workforce issues to be identified and addressed, and have ensured that NSW Health has access to a highly skilled and flexible VMO medical workforce. The success of these arrangements is demonstrated by the fact that the proportion of VMOs operating in NSW as independent contractors is much higher than in other jurisdictions.


The VMO workforce underpins the foundation of the medical practitioner cohort in the NSW public hospital system. The AMA (NSW) application states that there is 'significant discontent' among VMOs in NSW. This puts pressure on the workforce, particularly in regional areas. The renewal of the Authorisation will undoubtedly assist in maintaining a sense of security and solidarity among that workforce and increase the likelihood of VMOs in regional areas remaining in the regional workforce

Flexibility of arrangements is maintained to accommodate local variations in negotiations. Boycott activity is not contemplated and the AMA supports this position. Importantly, the Authorisation allows VMOs to continue to provide services while their contracts are being negotiated by AMA (NSW).

The AMA agrees with the AMA (NSW) submission that there is no demonstrated public detriment to the application. We are confident that AMA (NSW) has been thoroughly committed to ensuring the availability of public hospital services in NSW under the Authorisation. The ACCC can renew the Authorisation in the knowledge that the public benefit has been clear.

Thank you for the opportunity to comment on this issue. We would be pleased if you could keep us informed of the progress of the application.

Yours sincerely



Dr Steve Hambleton
President