



7 June 2013

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Dr Chadwick

Rural Doctors Association of Australia application for authorisation (A91376)

The Consumers Health Forum of Australia (CHF) welcomes the opportunity to provide a submission to the Australian Competition and Consumer Commission's (ACCC) Consultation on the Rural Doctors Association of Australia (RDAA) application for authorisation A91376.

CHF is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF notes that the RDAA is seeking authorisation to collectively negotiate with state and territory health departments, Local Hospital Networks, and Medicare Locals on the terms of contracts for rural generalist and general practitioner Visiting Medical Officers (VMOs) in rural areas. This includes payments for services provided to public patients in hospital, and payments for after-hours services in the primary care setting.

This authorisation would effectively extend the authorisation granted to the RDAA in 2008, and further expand the scope of the authorisation to include collective contract negotiations with the newly established Local Hospital Networks and Medicare Locals. According to the RDAA, this would support rural doctors by facilitating their participation in the provision of VMO and other services and enable continuity of existing effective negotiations and arrangements with state health authorities.

CHF notes that authorisation was granted to the RDAA in 2008 based on the ACCC's assessment that there would be a minor public benefit in the form of enhancing the effective representation of rural doctors in negotiating service agreements with state and territory health departments, which would outweigh potential public detriment. The enhancement of effective representation of rural doctors was assessed by the ACCC as a potential positive influence on the retention of rural GP VMOs.

CHF acknowledges the health workforce shortage in rural areas, which has negatively impacted on access to health services and health outcomes for consumers in non-metropolitan areas of Australia. We note that recruitment and retention of medical, nursing, and allied health professionals to these areas remains an ongoing challenge.

In the draft Authorisation, we would expect to see evidence of the RDAA's claim that collective contract negotiations with state health authorities have been effective. In particular, we would like to see evidence that collective bargaining has not resulted in the negative effects usually associated with anti-competitive behaviour, such as increases in the price of medical services supplied by VMOs, and reductions in service availability, quality and choice.

If this Authorisation is granted, CHF would also expect the ACCC to provide additional oversight of medical service price and quality in the relevant geographic areas. Such oversight could be enhanced by a requirement for the RDAA to report to the ACCC annually on quantitative and qualitative measures, such as service pricing, price movements, consumer satisfaction and service availability.

CHF appreciates the opportunity to provide a submission to this consultation. If you would like to discuss these comments in more detail, please contact CHF Project and Policy Officer, Dewi-Inala Zulkefli.

Yours sincerely,



Carol Bennett
CHIEF EXECUTIVE OFFICER