



24 January 2014

Marie Dalins
Director
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Ms Dalins

Response to Draft Determination regarding the Australian Medical Association application revocation of authorisation (A91100) and substitution of new authorisation (A91392)

The Consumers Health Forum of Australia (CHF) welcomes the opportunity to provide a submission to draft determination in respect to an application for authorisation lodged by the Australian Medical Association (AMA).

CHF notes that the Australian Competition and Consumer Commission's (ACCC) considers it appropriate to grant authorisation to the AMA. Significantly, the ACCC deems it suitable to grant authorisation for ten years, instead of the five years requested by the AMA.

As CHF noted in our earlier submission on the subject, authorisation had initially been granted in 2008 based on the ACCC's assessment that there would be some public benefit in the form of transaction cost savings and enhancement of effective representation of rural doctors in negotiating service agreements with state and territory health departments. It was deemed at the time that this 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 Visiting Medical Officers (VMOs).

CHF acknowledges the AMA's response to our submission. We note their comment that the authorisation covers VMO services in rural public hospitals and to that extent consumers can access these services at no cost as part of the public health system. We do not believe that this comment adequately responds to issues in our original submission. This noted that it is important to ensure that 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. This is not limited to the cost borne by consumers, but also to cost, quality, and availability of services that are funded by taxpayer dollars.

We note that the responsibility to collect and monitor data related to delivery of care in the public setting lies with health departments and understand the voluntary nature of these arrangements. However, we reiterate our original call to require the collection of key data to support the claims made regarding the public and consumer benefit of this Authorisation. We are surprised that the Authorisation would be granted for such a long time period in the absence of conclusive evidence to demonstrate tangible public and health consumer benefit from the grant of Authorisation.

More significantly, it is disappointing to note that the ACCC is satisfied with a 'likely' result of public benefit. CHF would have expected a more rigorous and evidence based approach towards the grant of any authorisation that claims to provide public benefit and more so for one that would be in place over the significant period of a decade.

Overall, we reiterate our earlier position, that while the Authorisation may have a positive influence on the retention of rural GP VMO's and provide transaction cost savings for members of the AMA, the actual impact on rural and remote consumers is a critical metric in determining the public benefit claims that support such an Authorisation and CHF would expect to see more evidence to support a public benefit claim of such an authorisation.

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, Priyanka Rai.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Vassarotti', with a stylized flourish at the end.

Rebecca Vassarotti
A/CHIEF EXECUTIVE OFFICER