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17 May 2022

Dear Interested Party

**Re: Request for submissions: Liverpool Partners Pty Ltd proposed acquisition of Genea Limited**

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Genea Limited (**Genea**) by Liverpool Partners Pty Ltd (**LVP**) (the **proposed acquisition**).

**Background**

LVP is a private equity investor. LVP recently entered into an agreement to acquire Adora Fertility Pty Ltd (**Adora**) and three day hospitals (**Adora acquisition**). This transaction is likely to complete in June 2022.

Adora and Genea both provide fertility services, including In Vitro Fertilisation (**IVF**).

Adora operates one fertility clinic in each of Brisbane, Sydney, Melbourne and Perth, with the majority of its treatments being low cost, bulk-billed treatments.

Genea provides fertility services in NSW at nine locations and at one location in each of Canberra, Melbourne and Perth. Genea's fertility services include full service and more affordable offerings. Its more affordable offering operates through one clinic in Wollongong, NSW.

Further details regarding the proposed acquisition can be found at **Attachment A**.

The ACCC's investigation is focused on the likely impact on competition. In particular, we are seeking your views on:

- competitive tension between Adora and Genea and the likely impact of the proposed acquisition on prices and service levels for fertility services
- the extent of competitive tension between low cost and full service fertility clinics, and
- the likelihood of new entry by competing fertility clinics and any barriers to such new entry, in particular in Perth.

The ACCC is an independent statutory authority responsible for investigating whether the proposed acquisition is likely to substantially lessen competition. The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the Competition and Consumer Act 2010 (the **CCA**). Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

### **How you can engage**

A list of specific questions can be found at **Attachment B**. This matter is public and you can forward this letter to anybody who may be interested.

If you would like to comment in writing, please do so by **4pm 31 May 2022** by email to [mergers@acc.gov.au](mailto:mergers@acc.gov.au). If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please call Nissa Burns on (03) 9910 9558 or Peter Cromwell on (08) 9325 0632.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

### ***Confidentiality of submissions***

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the CCA. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Daniel McCracken-Hewson  
General Manager  
Merger Investigations

## Attachment A

### Industry background

Fertility services assist consumers with conceiving a child and include:

- In Vitro Fertilisation (**IVF**)
- Ovulation Induction / Ovulation Tracking (**OI/OT**)
- Frozen Embryo Transfer
- Intrauterine Insemination (**IUI**)
- Intracytoplasmic Sperm Injection (**ICSI**), and
- Egg Freezing.

The ACCC understands a common distinction in pricing and service offering for fertility services is as follows:

- full service – an individualised offering that includes a number of additional services not covered by Medicare
- low cost – a lower cost offering structured to bulk-bill certain Medicare items for patients meeting selection criteria, although still involving out-of-pocket expenses.

### Liverpool Partners Pty Ltd (LVP)

LVP is a private equity investor. Aside from its imminent acquisition of Adora, LVP does not have any investment interests in businesses relating to fertility services.

### Adora Fertility Pty Ltd (Adora)

Adora provides fertility services from four clinics, located at Darlinghurst in Sydney, Craigie in Perth, Taringa in Brisbane and Greensborough in Melbourne. Adora's clinics are co-located with day hospitals in Sydney, Melbourne and Perth, which are part of the Adora acquisition. The majority of its treatments are low cost, bulk-billed treatments.

### Genea Limited (Genea)

Genea operates its fertility clinics in Australia under three brands:

- (a) Genea: full service / premium IVF & fertility clinics.
- (b) Genea Elements: a more streamlined and relatively more affordable suite of fertility services operating in the lower cost or mid-economy price range.
- (c) Genea Horizon: a specialised, boutique egg-freezing clinic.

Genea has the following fertility clinics operating under the Genea brand: four in Sydney and one each in Gosford, Newcastle, Tamworth, Orange, Canberra, Melbourne and Perth. It has one clinic operating under the Genea Elements brand in Wollongong.

## **Attachment B**

1. Please provide a brief description of your business, profession or organisation, and the reasons for your interest in the proposed acquisition, including any commercial relationship/s with Genea or Adora.

### **Fertility services**

2. How closely do Genea and Adora compete in each of Perth and Sydney (e.g. on price, quality, range of fertility services)?
3. Who else provides fertility services in each of Perth and Sydney, and how do these providers compare to Genea and Adora? Please estimate market shares where possible.
4. Discuss the extent of competition between low cost and full service providers of fertility services.
5. What are the potential barriers to establishing or expanding a business that provides fertility services in each of Perth and Sydney (e.g. costs of establishing medical facilities, attraction/retention of fertility specialists and other medical staff, regulatory barriers to entry, marketing costs, and cost/time to build goodwill and a client base)?
  - a) How easy or difficult is it for an individual or group of fertility specialists to leave their existing fertility services company and establish a viable business supplying fertility services independently? How likely are such businesses to be a material competitive threat to Genea or Adora?
  - b) How easy or difficult is it for an existing fertility services business to begin supplying fertility services in a new state/territory?
  - c) Discuss any particular challenges unique to establishing a fertility clinic in Perth.
6. If the proposed acquisition goes ahead, what do you think would be the likely impact on prices, quality or service levels? If you think these would change, why?

### **Other issues**

7. Please provide any additional information or comments or identify other competition issues that you consider relevant to the ACCC's consideration of the proposed acquisition under section 50 of the CCA, including any competition issues that may arise outside of Perth and Sydney.