



Our ref: IM-72413
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Dear Interested Party

Request for submissions: Monash IVF's proposed acquisition of Fertility North

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Fertility North Holdings Pty Ltd (**Fertility North**) by Monash IVF Group Limited (**Monash IVF**) (the **proposed acquisition**).

Monash IVF provides specialist fertility, diagnostic obstetric and gynaecological ultrasound treatment to patients in Australia and South East Asia. Fertility North provides fertility services at Ramsay Joondalup Private Hospital in Joondalup, Western Australia. Further details are provided at **Attachment A**.

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

- how closely Monash IVF and Fertility North compete in the supply of in vitro fertilisation (**IVF**) services to patients in Perth;
- the likely impact of the proposed transaction on prices and/or services, particularly whether patients would have access to alternative suppliers of low-cost IVF services after the proposed acquisition; and
- whether new entry or expansion in the supply of IVF services in Perth would constrain a combined Monash IVF/Fertility North from altering its pricing (including bulk-billing policies) or service levels.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by **29 January 2024** via email with the title: *Submission re: Monash IVF / Fertility North - attention Karina Geddes / Albert Lee*. If you require more time to respond, please let us know.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Karina Geddes on (03) 9290 1820 or Albert Lee

on (07) 3811 9266.

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 treats sensitive information it receives during a merger review as confidential, and will not publish your submission. 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 Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential.

Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Tim Byrne
Acting General Manager
Merger Investigations

Attachment A

Proposed acquisition

On 19 December 2023, Monash IVF announced its intention to purchase 80% of Fertility North with an option to acquire the remaining 20% in the future, by way of Share Sale Agreement.

Monash IVF

Monash IVF is an ASX listed company (ASX:MVF) that offers a range of specialist fertility, diagnostic obstetric and gynaecological ultrasound treatments to patients in Australia and South East Asia. In Australia, Monash IVF owns and operates several different brands including Monash IVF, Repromed and Fertility Solutions. The Monash IVF and Repromed brands operate as suppliers of full-service IVF services. Fertility Solutions operates as a supplier of full-service and low-cost IVF services.

In Perth, Monash IVF owns PIVET, which operates out of PIVET Medical Centre in Leederville in central Perth. Monash IVF acquired PIVET in 2023. PIVET offers full-service fertility services and while until 2023 it provided low-cost IVF under the ZEST IVF brand, it no longer does so.

Fertility North

Fertility North is a fertility services provider located at Ramsay Joondalup Private Hospital in Joondalup, approximately 29km north of Perth CBD. It offers both full-service and low-cost IVF services.

Area of overlap

The parties overlap in the supply of IVF services in Perth. They both supply full-service IVF services, but only Fertility North provides low-cost IVF services.

Industry background

Infertility is the inability to conceive or maintain a pregnancy to the point of live birth, and it affects about one in six Australian couples of reproductive age. IVF is the process undertaken by patients who are or may be unable to otherwise conceive, due to either medical or social infertility. IVF involves fertilising an egg with sperm in a laboratory. The resulting embryos are allowed to grow in the laboratory and then the best embryo is placed into the woman's uterus.

IVF services can be broadly categorised as: full service and low-cost. Low-cost services are structured to minimise out-of-pocket costs for patients, and therefore do not include services such as donor and genetics. Some low-cost IVF patients are offered a standardised experience and the service is structured to bulk-bill all Medicare eligible expenses, although this is not the low-cost model offered by Fertility North. A patient's personal characteristics may restrict them from accessing a low-cost offering.

Full-service IVF includes a broader range of services and can include a number of services not covered by Medicare including elective egg freezing. The overall out-of-pocket costs for full-service IVF are generally substantially higher than low-cost IVF.

Attachment B

1. Describe your business or organisation and explain your interest in the proposed acquisition, including any commercial relationship(s) with Monash IVF (PIVET) or Fertility North.

Competition between Monash IVF (PIVET) and Fertility North

2. Describe how closely Monash IVF (PIVET) and Fertility North compete in the supply of IVF services in Perth including, for example, in relation to price or bulk-billing practices, type and quality of service and/or convenience.
3. Describe whether there has been any change to the competitive constraint PIVET imposes on other suppliers of IVF services in Perth following acquisition by Monash IVF.

Competing suppliers

4. Identify suppliers of IVF services that compete with Monash IVF (PIVET) and/or Fertility North and describe whether each is a strong, moderate or weak competitor and why.
5. Provide market share estimates of competing suppliers in the supply of IVF services in Perth, including a break down for share of low-cost and full-service IVF.
6. To what extent would these competing suppliers constrain the merged entity from altering its pricing (including bulk-billing practices) or service levels after the proposed acquisition.
7. Describe how far patients are typically willing to travel to access the services of Monash IVF (PIVET) and/or Fertility North.

Entry or expansion

8. Identify competitors which have entered or expanded in the market for the supply of IVF services in Perth in the last 5 years.
9. Identify potential future new entrants in the market for the supply of IVF services in Perth.
10. Identify the competitor/s most likely to commence offering, or expand their offering of, low-cost fertility services in Perth in the future.
11. Discuss the likelihood that these potential entrants, or existing competitors, could establish a sufficient presence to constrain a combined Monash IVF (PIVET)/Fertility North from altering its pricing (including bulk-billing policies) or service levels after the proposed acquisition.

Other information and competition issues

12. Describe any trends or changes you see as impacting the competitive landscape of the IVF services industry. In your response, consider issues such as:

- a. bulk-billing rates; and
 - b. any recent technological developments.
13. 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 Act.