
From: Murray, Tania [REDACTED]
Sent: Tuesday, 2 June 2020 5:25 PM
To: Lee, Steven
Cc: Kelly, Angela; Office of the ADG, PSP; Hockey, Grace; Thompson, Mark
Subject: RE: ACCC consultation - ANZIGA request for interim authorisation - WA Department of Health comments
Attachments: Application Received - 21.05.20 - PR VERSION - ANZIGA.PDF

Dear Mr Lee,

Further to your email dated 27 May 2020 seeking the preliminary views from the WA Department of Health on the request for interim authorisation application made by the Australia New Zealand Industrial Gas Association (attached), the WA Department of Health provides the following comments:

1. Whether the Proposed Conduct is needed to ensure the supply of medical oxygen during the COVID-19 pandemic?
Yes, it is considered that the conduct outlined may be necessary.
2. Any public benefits or detriments likely to result from the Proposed Conduct?
Potential public benefits arising from the proposed conduct include ensuring the ongoing and sustainable supply of medical oxygen; and equitable distribution of supplies across various user demand groups. There is a low risk of longer term detriment should the conduct continue well beyond the pandemic phase. The WA Department of Health is working closely with the WA Department of Finance, which is the owner and principal to the Common Use Arrangement (CUA) between the WA State Government and the named suppliers, to ensure appropriate supply.
3. Any concerns that the proposed cooperation could reduce competition beyond the end of the COVID-19 pandemic?
*No. These suppliers are routinely market tested and the WA Department of Health uses data analytics tools to evaluate the fees and charges applied by suppliers. This also ensures compliance with WA State Supply Commission's policies, in particular *Value for Money and Open & Effective Competition*.*
4. Whether the Proposed Conduct is likely to impact the supply of medical oxygen in your State during the period of any interim authorisation or in the future? If so, how?
The WA Department of Health notes the application confirms the parties are not yet engaging in the Proposed Conduct, however, are lodging this application as a proactive measure to ensure the intent of their potential conduct is transparent and understood, in the event there is a surge in COVID-19 cases. The Proposed Conduct is intended to support a fair and equitable distribution of medical oxygen in the event of a surge in cases. The Applicants confirm that in the event the pandemic diminishes, this would enable the ACCC to review and revoke the authorisation earlier.
5. Whether there is a need for any interim authorisation to be subject to conditions and, if so, the conditions that might be required?
The primary condition should be to ensure the named suppliers refrain from unfairly inflating pricing. In Western Australia, the existing pricing, terms and conditions are constrained by the Common Use Arrangement established by the WA Department of Finance.

Yours sincerely,
Tania Murray

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