

18<sup>th</sup> June 2004

The Secretary  
NCP Inquiry  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616

Dear Sir/ Madam,

The Royal Australian College of General Practitioners (RACGP) is pleased to have the opportunity of making a submission to the Productivity Commission on the Review of the National Competition Policy (NCP) Arrangements.

The RACGP is the national leader in setting and maintaining the standards for quality practice, education and research in Australian general practice. The Australian public is well served by general practice which provides a world-class service to the community. Amongst its other aims, the RACGP seeks to work with other organisations to advance key concerns for General Practitioners (GPs), their patients and society. The College, through Australian general practice, works to improve the standard of health care for all Australians and especially groups of people with special health care needs.

Seemingly, the NCP is premised on the view that, generally, the public will be better served by facilitating competition in the "market". However, the RACGP is of the opinion that GPs and the practices in which they work, although appearing to be in competition, often work as teams by collaborating together to meet the needs of their patients in an efficient and effective manner. The Commissioners undertaking this review for the Productivity Commission will note that an authorisation made by the Australian Competition and Consumers' Commission (ACCC) in 2002 to allow GPs to agree on patient fees without risking action under the Trade Practices Act (TPA) accepted that collaboration benefited patients. Particularly, it was established that where GPs worked together as a team in one practice, the ability to agree on fees was likely to facilitate a team approach that supported the provision of high quality patient care.

The benefits of collaboration are particularly obvious in, but are not limited to, the provision of primary medical care outside normal general practice working hours, generally known as After Hours Care rosters, and the negotiation with health authorities over Visiting Medical Officers' (VMO) agreements.

There remains a concern amongst some GPs that cooperation between practices, which aims to ensure that the provision of care outside normal general practice working hours, violates the conditions in the TPA, despite the decisions being made to maximise patient welfare. Some GPs fear that their rosters will be seen as collusion, rather than as cooperation.

Complying with the intent of the TPA, that "competitors" must negotiate independently, risks the detriment of patients since the time involved in negotiating with health authorities on an independent basis results in unnecessary time away from clinical practice. This is another illustration of how the legislation unnecessarily compromises patients' health outcomes by not accommodating the benefits from GPs collaborating with one another in the interests of their patients.

The negotiation of VMO arrangements by groups of GPs is an example of where the ACCC could recognise these arrangements as a valid approach by providing appropriate authorisation. The RACGP has demonstrated that an authorisation may be an appropriate response to the particular circumstances of general practice. The case of VMO arrangements is yet another example of the difficulty of reconciling the current approach of the legislation and its operation in general practice. Commissioners undertaking this review may wish to consider whether the Legislation needs to be reviewed to better accommodate these collaborative arrangements, which are in the public interest but may be perceived to be competitive.

I would like to express the RACGP's wish to appear before the Committee to discuss the issues raised in this letter, should that be appropriate.

Should you have any questions about the submission from the RACGP, these could be directed, in the first instance, to Mr Ian Watts, National Manager – GP Advocacy and Support. Mr Watts can be contacted on 03 8699 0544.

Yours sincerely

**Professor Michael Kidd**  
President