



**AUSTRALIAN MEDICAL ASSOCIATION  
(SOUTH AUSTRALIA) INC**

17 December 2018

SA Productivity Commission

E: [sapc@sa.gov.au](mailto:sapc@sa.gov.au)

Dear Commissioner

**Government procurement Inquiry**

The AMA(SA) notes the above inquiry, and is glad to share with you some issues the Association has previously raised relating to procurement. While unsure if these fall within the remit of your inquiry, we seek to provide the information for your consideration.

Below is some feedback we provided in October 2016 to the Social Development Committee of SA Parliament – Inquiry into Regional Health Services.

We advised the Committee in our submission that the AMA(SA) had have considerable concerns regarding Country Health SA's responsibility to ensure provision of medical services, and their then-recent application of the procurement process when undertaking contract negotiations for rural specialists. We sought the future exclusion of the burdensome and inappropriate treasury 'procurement' process from future medical workforce contracts in all SA rural and regional areas.

Below is an extract from our submission:

**i. Procurement by Country Health SA and the benefits, or otherwise, to country communities**

***Comments from a rural/regional GP***

*Wherever possible, rural hospitals should be empowered to procure produce locally to help reduce the ecological footprint, as well as assist viability of providers in small communities. This social contract must be considered against possible cost savings when looking at state-wide buying.*

***Comments from a rural/regional GP***

*In a population of 1.6 million, mostly in a city state and a few small or very small centres, standardization of procurement seems good sense to me, the caveat being that all potential recipients/users of standardized procurement are involved in the evaluation processes.*

Our submission also discussed Mount Gambier orthopaedic and ophthalmology specialist contracts, that were recent at the time, and for which we understood procurement processes were used. This process was significantly suboptimal. The AMA(SA) provided considerable support to the Mount Gambier specialists during a protracted period as they dealt with the overly bureaucratic and stressful 'procurement' machine ... which resulted in the clinicians who had provided services for over 40 years collectively being contracted for a further term with no other applicants. A similar process was undertaken for ophthalmology at Mount Gambier.

The AMA(SA) called for a review and the future exclusion of the treasury 'procurement' process from medical workforce contracts in all SA rural and regional areas. Whilst the process may be suitable for major bulk contract provision, it has proven itself to be totally unsuitable, and indeed hazardous when applied to medical workforce engagement. The AMA(SA) recommended a review of the framework for encouraging and supporting medical practitioners into rural locations.

In addition, the AMA(SA) has encouraged Country Health SA to see itself as more than a commissioner of health services. Country Health SA and the rural medical workforce funding framework must acknowledge a role in training and research in rural SA. Such recognition would support early rural experiences and engagement by the younger doctors. This would encourage sustainability and more permanency of our rural medical workforce. All of these requirements require significant personal negotiations and understanding of the fragility and dynamics of attracting and retaining the rural medical workforce. The earlier procurement process was totally unfit for purpose in this regard and was not welcomed or appreciated by all parties involved.

Enclosed is a member letter from that time that explains some of the background, and was submitted by AMA(SA) to the inquiry also.

Please do not hesitate to contact us on this or any other relevant matters and thank you for your consideration of the issues raised in this submission.

Yours sincerely

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

**Joe Hooper**  
LLB(Hons), BSc(Nursing), Dip Applied Science  
Chief Executive

Enc Letter re specialist contracts, 2016

*Mr Barney McCusker* FRACS (ORTHO), F.A.ORTH.A.

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**ORTHOPAEDIC SURGEON**

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BJM:TCD

29<sup>th</sup> September 2016

Dr Janice Fletcher  
President – AMA SA Branch  
PO Box 134  
NORTH ADELAIDE SA 5006

Dear Janice,

Henry and I are now working under the current contractual arrangements, which took some time to organise with the South Australian Department of Health.

You will remember that these were rather drawn out, starting with seeking an expression of interest from us as to whether we wished to continue in our present position.

This was then followed by a ninety seven-page application form.

This was then followed by a two-hour interview, which in my case only took thirty minutes.

This interview was conducted at the Mt Gambier Hospital in the presence of the Chief Executive Officer Jayne Downs and one of her associates, along with Dr Peter Charlton, who was sitting in as my witness.

It was conducted on video link and I answered questions from a panel of four people sitting in Adelaide.

At the time I was given an assurance that a recorded copy of this interview would be sent to me in due course but it has, as yet, not arrived.

This was then followed by a visit from a Mr Steve Ramsdall in association with the AMA Chief Executive at my rooms.

This was then followed by an offer of a contract, which did not reflect any of the concerns that I had raised in that meeting.

This was then followed by Mr Joe Hooper from the AMA acting as an intermediary to try and obtain a resolution between myself, Mr Forbes and the Department of Health.

This was then followed by Wallmans solicitors taking over the negotiations and, finally, a resolution being obtained, such that the contract is now set down as having started on the 1<sup>st</sup> of May this year.

I was told at the time that this was the standard approach that the Department of Health will be taking in negotiating contracts from this point onwards.

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29<sup>th</sup> September 2016

Dr Janice Fletcher – AMA SA

I would be grateful to know how many contracts the Department of Health have now undertaken with various medical practitioners around South Australia in this manner.

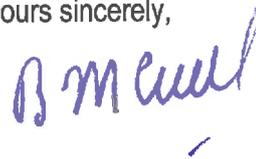
I do not want to know the individuals involved but simply the number of such negotiations that have been undertaken in this manner.

I would have expected that there would be a significant number of such negotiations and such practitioners having had to go through this process other than myself and Henry Forbes.

If this is not the case, I think it would be reasonable to know why Henry Forbes and I were put through this process.

If a significant number of practitioners have been now put through this process, do you as our peer group think this is an efficient way to deal with the medical workforce in South Australia?

Yours sincerely,



cc Mr H Forbes FRACS