How Pathology Australia advocates for ‘patient care’ to achieve big corporate profits

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Pathology in Australia is big business. ariadna de raadt/Shutterstock

We see their spokespeople quoted in the papers and their ads on TV, but beyond that we know very little about how Australia’s lobby groups get what they want. This series shines a light on the strategies, political alignment and policy platforms of eight lobby groups that can influence this election.

Each time we go for a blood test to investigate or keep track of an illness, or have a tissue sample from a Pap test or suspicious mole sent off for analysis, the wheels of the pathology industry are put to work.

Pathology in Australia is big business. One company draws an annual revenue of almost A$4 billion. And a proportion comes from the public purse, via Medicare rebates.

The industry features a handful of very large corporations – including giants Sonic and Primary Health Care – that typically use multiple brands, giving a misleading sense of competition.

Other large groups operate on a commercial basis but have a religious and thus notionally not-for-profit orientation, such as the St John of God group in Western Australia.
There are also a shrinking number of smaller independent operators trying to occupy market niches or leverage personal relationships.

The industry doesn’t speak with one voice; different providers have competing interests. The key private sector industry body is Pathology Australia. But it doesn’t represent Primary Health Care or religious entities.

Pathology Australia

CEO: Liesel Wett
Elected March, 2014.

Who they represent: Pathology services

Number of members: Almost 20 member companies/pathology services

Political leaning: Liberal National Coalition

Key election issues:
- Opposing cuts to bulk-billing incentives for pathology services

Further reading: True blood: cutting through confusion about pathology cuts
The Don’t Kill Bulk Bill campaign was promptly abandoned in mid-May after Pathology Australia negotiated a deal with the Coalition government. This meant Pathology Australia’s members would maintain bulk billing. And the government would introduce regulation to stop general practitioners from charging pathology companies high rents for blood and tissue collection centres co-located within their clinics.

Sonic shares went up almost 5% after deal was announced, signalling a win for Pathology Australia. And the government was able to dodge a bullet.

Patients are arguably the losers, being used as pawns in a campaign that claimed to be about patient care but was really about corporate profits.

Why lobby about pathology?

Like all lobby groups, Pathology Australia tries to persuade policymakers (officials and politicians) at the Commonwealth and state levels to “see things their way” when making rules and funding decisions. That “seeing” might relate to pricing, as was the case in the Don’t Kill Bulk Bill campaign.

Other lobbying has gained less attention. The pathology industry has, for instance, attempted to convince the federal health department and the Australian Competition & Consumer Commission (ACCC) that ongoing consolidation across the sector – which might otherwise be construed as anti-competitive activity – is acceptable because bigness results in the provision of high-quality services across Australia.

Such lobbying typically doesn’t take place in the public arena. Instead it’s the matter of meetings with ministerial advisers, unsolicited visits to backbench MPs and briefings of officials, sometimes leveraging cogent analyses such as the Centre for International Economics report prepared for Pathology Awareness Australia.

In parts of Australia, pathology lobbyists have attempted to privatise public pathology labs in public hospitals. The reasoning given is the sale would benefit a state treasury, remove the need for new investment, and improve service delivery.

This was the case in Tasmania, where Pathology Australia and individual pathology companies have donated to the local Liberal Party. Such donations don’t determine decisions but do, presumably, allow the donor to get the decision-maker’s ear.

Conflicting voices

If you look at Pathology Australia’s website, you won’t get much information about its war-chest or how it spends its funds to persuade the important people. Scrutinise reports from the leading private organisations, which presumably have had representatives doing the rounds in Canberra, and you similarly will not gain much useful data.

People who are not industry insiders are reliant on anecdotes about who talked to whom at industry dinners or who was seen in the foyer at the health department or the ACCC.
The public sector organisations are represented by Public Pathology Australia, established in 2001 as the National Coalition of Public Pathology. It is precluded from donating to political parties but can foster awareness. Its site is more informative.

Sitting alongside those bodies are the professional organisations that in essence represent the human capital – the clinicians and technicians who work in or around the industry. Those organisations include the Royal College of Pathologists of Australasia, with enough authority to gain a meeting with the minister, and entities such as the Australia & New Zealand Society of Blood Transfusion, Australian Institute of Medical Scientists and Australian Society of Cytology.

Such organisations do not have a major public profile. They arguably seek to stay out of the spotlight on the basis that soft power is best exercised through participation in departmental committees. Some of these are very opaque but still determine government policy.

Corporate priorities are not synonymous with national benefit. For a better discussion about health spending, we need greater transparency on the part of the minister, department and other bodies. Otherwise Australians risk being again used as pawns in the pathology game.

Read the other articles in The Conversation’s Australian lobby groups series here.