****

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**PARLIAMENTARY QUESTION 3611**

**DATE OF PUBLICATION: 23 November 2018**

**Dr M J Cardo (DA) to ask the Minister of Economic Development:**

What is the (a) total amount spent by the Competition Commission on the Market Inquiry into the Private Healthcare Sector since its establishment in 2013 and (b) detailed breakdown of the amount spent by the Competition Commission on services provided by external (i) economists, (ii) lawyers, (iii) expert consultants and (iv) a certain legal firm (name furnished)? NW4182E

**REPLY:**

The Competition Commission set up a Market Inquiry under the current provisions of the Competition Act, in 2014 to consider the state of competition in the private healthcare market, covering a large number of services across the value-chain.

An independent Panel was appointed by the Commissioner to preside over the market inquiry, chaired by ex Chief Justice Sandile Ngcobo, and it engaged Experts as panellists and a number of specialists to support the Chairperson and Panel of Experts.

The Commission decided that a mix of skills would ensure that the Panel oversees and evaluates both **legal** (administrative, procedural) and **technical** (healthcare, health and competition economics) aspects of the inquiry. In addition to the mix of skills, the Commission also had to consider the independence of the various panel members. In particular, the Commission had to seek experts with relevant sector-specific experience that would not result in a conflict of interest. Details of the individual panel members appointed by the Commission to oversee the HMI are reflected in greater detail in Table 1 below:

**TABLE 1: Panel members**

|  |  |
| --- | --- |
| **Panellist** | **Reasons for selection** |
| Chief Justice Ngcobo (Rtd) | * Justice Ngcobo, in his capacity as the Chief Justice of the Constitutional Court was the head of the judiciary in the Republic of South Africa.
 |
| Dr Cees van Gent (Netherlands)  | * Dr van Gent has both competition economics, regulatory and health economics experience from the Netherlands. Unlike locally based competition economists, he has not presided over any matters that may be reviewed during this inquiry.
 |
| Professor Sharon Fonn  | * Professor Fonn is the Dean of Health Sciences at Wits. She brings sector and system-wide experience.She is a well-respected academic with extensive publications.
 |
| Dr Ntuthuko Bhengu  | * Dr Bhengu has public and private sector experience. He has also worked in nearly all parts of the private healthcare sector, bringing experience from all relevant markets.
 |
| Dr Lungiswa Nkonki  | * Dr Nkonki holds a PhD in health economics. She is an academic and has no conflicts of interests in the sector.
 |

The total amount spent by the Competition Commission on the Market Inquiry into the Private Healthcare Sector since its establishment in 2013 amounts to **R196 949 637**.

The detailed breakdown is as follows (Table 2):

**Table 2: cost breakdown**

|  |  |  |
| --- | --- | --- |
| **No** | **Description**  | **Amount** |
| 1 | Legal Expertise & Litigation | R12,537,881.16 |
| 2 | Healthcare Sector Experts | R5,627,139.65 |
| 3 | Data Warehousing & Actuarial Services | R13,486,040.63 |
| 4 | Data De-Identification & Security  | R9,598,784.61 |
| 5 | Economics Experts   | R38,959,579.39 |
| 6 | Media and Communications | R1,391,211.99 |
| 7 | Panel Members | R36,794,302.06 |
| 8 | Human Resources and Operational costs | R78,554,697.51 |
| **Total**  | **R196 949 637** |

In respect of the Panel Members, payments were made as follows (table 3):

**Table 3: Payments made to Panel Members.**

|  |  |
| --- | --- |
| **Panel Members** | **Total** |
| Justice Sandile Ngcobo |  R5 929 016  |
| Dr Ntuthuko Melusi Bhengu |  R9 716 935  |
| Cees Van Gent  |  R11 748 087  |
| Dr Sharon Fonn |  R3 328 763  |
| Dr Lungiswa Nkonki |  R6 071 501  |

In respect of the specific query in the Parliamentary Question regarding a certain law firm, I am advised that Ndzabandzaba Attorneys were not appointed to represent the Commission in the Market Inquiry and accordingly no monies were paid to them.

**-END-**