

Review of Pharmacy Remuneration and Regulation
Submission #4; 2-Aug-2016; Warwick Best

Submission to Advisory Committee

I believe the current arrangements for Pharmacy regulations, ownership. Location rules work well and should not be changed. I believe the majority of the Australian public support the current model. This is evidenced by the massive petition a couple of years ago in response to accelerated price disclosure. It is also evidenced by the many, many patients who tell me very often how they love coming into a “traditional local community pharmacy”.

Our pharmacy provides free deliveries to many elderly patients in our local area. These people are unable to attend the pharmacy and rely on us to bring their medication to them. This is one factor that allows these people to live in their homes for longer and not have to go to higher care facilities that cost the government money to run. If location rules changed it would be unlikely that we would be able to continue providing this service for free.

One argument for Supermarkets having pharmacies is to increase access to medicines late at night due to supermarkets extended opening hours. I can't speak for all of Australia, but in our area pharmacy opening hours mirror supermarket hours almost exactly. We are open in our business until 9pm, the last 3 hours of trade 6-9pm are run at a loss to provide a service for our community.

The current regulations are I believe anti-competitive, but in saying that there is a huge amount of price competition in the pharmacy sector, particularly compared to what there was 20 years ago. Woolworths, Coles, Chemist Warehouse and many other discount pharmacies have driven prices down. Chemist Warehouse is everywhere and we are already spending most of our time discussing prices of medications rather than spending the time counselling patients on the correct use of medicines. If location rules change the outcome would be that Chemist Warehouse would double in size, more talking to people about prices and less time helping them to use their medicines appropriately.

It can be argued that pharmacies use their location rule advantages to sell products that are not health related, such as gifts etc. Within pharmacies we do however have rules where we don't sell cigarettes and alcohol. Supermarkets obviously do sell these products. I would be happy if rules were to change so that location rules remain, but with the condition that we only sell health related products. If this were the case it would have to be well defined as to what we could sell and what we could not sell.

I can't see that supermarkets would employ the high staff levels that pharmacies provide. These high staff levels are partly subsidised by location rules and PBS payments. The pharmacist working in the supermarket would likely be overworked and underpaid, and would not have the time to talk to patients, or as Woolworths would see them as customers. We in community pharmacy see them as our patients. We develop a relationship with customers where we become trusted health advisers. Advising on the proper use of medicines obviously saves the government money as it leads to better health outcomes, less hospital admissions etc.

Community pharmacy has been receiving less and less funding through price disclosure since 2008. This has saved the government heaps of money, and PBS spending is much less than it would have been otherwise. When this is coupled with competition from Chemist Warehouse and Woolworths and ever increasing rent payments, many community pharmacies are struggling to stay open. If location and ownership rules were to change many pharmacies would go out of business. These are small businesses that the government is always trying to promote and support.

...

Review of Pharmacy Remuneration and Regulation
Submission #4; 2-Aug-2016; Warwick Best

So in conclusion while the location rules are anti-competitive they help to achieve a high level of patient care. As I said before the people who come into our pharmacy are patients, not customers. I believe the current system works and provides good value for the money the government spends on it.

Warwick Best
Manager/Owner
Bests Pharmacy Cherrybrook
...
...
...
Cherrybrook NSW 2126