



Changes to Pharmaceutical Benefits Scheme (PBS) wholesale mark-up from 1 July 2026

20 May 2026

Background

The First Pharmaceutical Wholesaler Agreement (1PWA) is an agreement between the Australian Government and the National Pharmaceutical Services Association (NPSA). It sets out the wholesale mark-up (WMU) and Community Service Obligation (CSO) funding arrangements that apply to pharmaceutical wholesalers.

The 1PWA supports timely and reliable supply of PBS medicines to community pharmacies across Australia and continued investment in the medicines distribution network.

The WMU is one part of the Commonwealth price for PBS medicines supplied by approved pharmacists. From 1 July 2026, both the WMU rate structure and the way the WMU is calculated for some medicines will change.

What is changing from 1 July 2026

From 1 July 2026, the 1PWA introduces a new WMU structure for PBS medicines supplied through community pharmacies that are approved under section 90 of the *National Health Act 1953*.

The changes do 2 things:

- update the WMU rate structure and
- change the calculation method so that the WMU is based on the Ex-Manufacturer Price for the pack quantity dispensed, rather than the current Relevant Quantity method.

These changes apply to:

- section 85 PBS medicines supplied by community pharmacies and public and private pharmacies, and
- eligible section 100 PBS medicines supplied by community pharmacies. Section 100 medicines under the Efficient Funding of Chemotherapy (EFC) Program or the Botulinum Toxin Program are excluded (not eligible).

These changes do **not** apply to section 100 medicines supplied through:

- section 94 approved public or private hospitals or
- Section 92 approved medical practitioner.

Why the calculation method is changing

Under the current method, the WMU for a ready-prepared pharmaceutical benefit is worked out under section 11 of the *Commonwealth price (Pharmaceutical benefits supplied by approved pharmacists) Determination 2020*, which requires identification of the Relevant Quantity from the available maximum quantity / determined quantity for the pharmaceutical item. Depending on the relationship between pack quantity and the Relevant Quantity, the current WMU may or may not align directly with the pack quantity dispensed.

From 1 July 2026, the publicly available 1PWA provides that the WMU is no longer calculated using the Relevant Quantity method. Instead, the WMU is calculated using the Ex-Manufacturer Price for the pack quantity of the listed brand dispensed by the approved pharmacist.

The revised WMU amounts under the 1PWA are not indexed during the term of the 1PWA.

What is not changing from 1 July 2026

These changes do not alter:

- PBS patient co-payments
- prescribing arrangements
- the list of medicines available on the PBS or
- hospital supply arrangements for medicines supplied through section 94 approved hospitals or section 92 approved medical practitioners.

The revised WMU rates under the new structure will not be indexed during the term of the 1PWA to 31 December 2029.

The Community Service Obligation (CSO) arrangements will continue to support timely and reliable access to PBS medicines through community pharmacies across Australia, including in rural and remote areas.

Changes to the wholesale mark-up from 1 July 2026

From 1 July 2026, the WMU will apply as shown in Table 1.

Table 1: Wholesale Mark-Up Payment amounts – 1 July 2026 onwards

Payment type	Value of WMU Payment	
Wholesale Mark-up for Pharmaceutical Benefits delivered to Approved Pharmacists	Tier 1	
	When the Ex-Manufacturer Price is up to and including \$5.50	\$0.24 per dispense
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	Tier 2	
	When the Ex-Manufacturer Price is over \$5.50 and up to and including \$1,000	4.3% of the Ex-Manufacturer Price per dispense
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	Tier 3	
	When the Ex-Manufacturer Price is over \$1,000 and up to and including \$10,000	\$43 + 2% of the amount of the Ex-Manufacturer Price over \$1,000 per dispense
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	Tier 4	
	When the Ex-Manufacturer Price is over \$10,000	\$223 per dispense

Note: From 1 July 2026, the WMU is no longer calculated using the Relevant Quantity method. Instead, the WMU is calculated using the Ex-Manufacturer Price for the pack quantity of the listed brand dispensed by the approved pharmacist.

WORKED EXAMPLES

The examples below show how the revised WMU structure affects medicines differently. The illustrative pricing from 1 July 2026 shows the effect of the revised WMU using the new 1PWA settings, while assuming the current AHI fee settings and current ready-prepared dispensing fee continue.

Table 2: Item code 9431J

This item shows the effect of the revised WMU structure from 1 July 2026. Under the current method, the item attracts the current top-tier WMU of \$54.14. From 1 July 2026, the WMU is instead calculated using the Ex-Manufacturer Price for the pack quantity dispensed under the public 1PWA rate table. For this item, that gives an illustrative WMU of \$31.97.

	Current pricing	Illustrative pricing from 1 July 2026*
Drug, strength and form	Etanercept 50 mg/mL injection, 4 x 1 mL syringes	Etanercept 50 mg/mL injection, 4 x 1 mL syringes
Brand name	Brenzys Enbrela Erelzia Nepexto	Brenzys Enbrela Erelzia Nepexto
Pack quantity	1	1
Approved ex-manufacturer price (AEMP)	\$743.60	\$743.60
Wholesale mark-up	\$54.14	\$31.97
Price to Pharmacist	\$797.74	\$775.57
AHI Fee**	\$39.80	\$38.69
Ready-prepared dispensing fee***	\$8.88	\$8.88
Dispensed price for maximum quantity	\$846.42	\$823.14

Method note – Table 2

Current WMU: AEMP \$743.60 is above \$720, so the current top-tier WMU applies = \$54.14.

Illustrative WMU from 1 July 2026: $\$743.60 \times 4.3\% = \31.97 .

* Illustrative pricing from 1 July 2026 assumes the current public AHI fee settings and current ready-prepared dispensing fee continue.

** Tier 2 AHI fee for maximum quantity using the current PBS fee settings on the [PBS website](#).

*** Current ready-prepared dispensing fee shown on the [PBS website](#) in force as at 1 January 2026. Dispensing fees are adjusted on 1 July each year.

Table 3: Item code 9148L

This item shows both changes from 1 July 2026: the revised WMU rate structure and the shift from the current Relevant Quantity method to calculation using the Ex-Manufacturer Price for the pack quantity dispensed. Because this item has a pack quantity of 70 and a maximum quantity of 140, the current WMU is scaled under the current method, while the illustrative post-1 July 2026 WMU is based directly on the pack price (1 pack of 70).

	Current pricing	Illustrative pricing from 1 July 2026*
Drug, strength and form	Lapatinib tablet 250mg	Lapatinib tablet 250mg
Brand name	Tykerb	Tykerb
Pack quantity	70	70
Maximum quantity	140	140
Approved ex-manufacturer price	\$1,023.94	\$1,023.94
Wholesale mark-up	\$27.07	\$43.48
Price to Pharmacist (per pack quantity of 70)	\$1,051.01	\$1,067.42
AHI Fee** (for maximum quantity of 140)	\$99.91	\$99.91
Ready-prepared dispensing fee***	\$8.88	\$8.88
Dispensed price for maximum quantity	\$2,210.82†	\$2,243.64

Method note – Table 3

Current WMU: pack quantity = 70; maximum quantity = 140. Current WMU for the pack quantity is scaled under the current method and shown in this example as \$27.07.

Illustrative WMU from 1 July 2026: AEMP \$1,023.94 falls in the >\$1,000 to ≤\$10,000 band. WMU = \$43 + 2% × (\$1,023.94 – \$1,000) = \$43.48.

* Illustrative pricing from 1 July 2026 assumes the current public AHI fee settings and current ready-prepared dispensing fee continue.

** Tier 3 AHI fee for maximum quantity using the current PBS fee settings available on the [PBS website](#).

*** Current ready-prepared dispensing fee shown on the [PBS website](#) as at 1 January 2026. Dispensing fees are adjusted on 1 July each year.

† Current DPMQ is the PBS-published amount for item 9148L. Displayed component values are rounded for presentation and may not sum exactly to the published DPMQ.

Table 4: Item code 11164N

This item shows the addition of WMU to S100 medicines dispensed in community pharmacies from 1 July 2026: using the revised WMU rate structure and the shift from the current Relevant Quantity method to calculation using the Ex-Manufacturer Price for the pack quantity dispensed. Because this item has a pack quantity of 1 and a maximum quantity of 4.

	Current pricing	Illustrative pricing from 1 July 2026*
Drug, strength and form	Ustekinumab Solution for I.V. infusion 130 mg in 26 mL	Ustekinumab Solution for I.V. infusion 130 mg in 26 mL
Brand name	Stelara Steqeyma	Stelara Steqeyma
Pack quantity	1	1
Maximum quantity	4	4
Approved ex-manufacturer price	\$560.73	\$560.73
Wholesale mark-up	N/A	\$24.11
Price to Pharmacist (per pack quantity of 1)	\$560.73	\$584.84
HSD Mark-up** (for maximum quantity of 4)	\$40.00	\$40.00
Ready-prepared dispensing fee***	\$8.88	\$8.88
Dispensed price for maximum quantity (4)	\$2,291.80†	\$2,388.24

Method note – Table 4

Illustrative WMU from 1 July 2026: AEMP \$560.73 falls in the >\$5.50 to ≤\$1,000 band. WMU = \$560.71 x 4.3% = \$24.11.

* Illustrative pricing from 1 July 2026 assumes the current S100 mark-up fee settings and current ready-prepared dispensing fee continue.

** Tier 4 HSD mark-up fee for maximum quantity using the current Highly Specialised Drugs Program PBS fee settings available on the [PBS website](#).

*** Current ready-prepared dispensing fee shown on the [PBS website](#) as at 1 January 2026. Dispensing fees are adjusted on 1 July each year.

† Current DPMQ is the PBS-published amount for item 11164N. Displayed component values are rounded for presentation and may not sum exactly to the published DPMQ.

Frequently asked questions

Will patients pay more for their medicines with these changes?

There are no changes to PBS patient co-payments as a result of the WMU changes.

The revised WMU structure may affect some medicines differently depending on their Ex-Manufacturer Price band and how the current WMU is calculated.

Will these changes affect which pharmacies I can access my PBS medicines?

No. These changes do not change where patients access their PBS medicines. Section 85 PBS medicines will continue to be available through community pharmacies in the usual way. From 1 July 2026, the revised WMU will also apply to eligible section 100 medicines supplied by approved pharmacists. Medicines supplied through section 94 approved hospitals or section 92 approved medical practitioners will continue under existing arrangements.

Will prescribing arrangements be affected by these changes?

No. There will be no changes to prescribing arrangements as a result of the 1 July 2026 WMU changes. Patients will continue to obtain prescriptions from their usual prescriber.

Will the WMU changes apply to PBS section 100 benefits supplied through public and private hospitals?

No. The revised WMU from 1 July 2026 applies to section 85 and eligible section 100 medicines supplied through community pharmacies (section 90 approved pharmacists).

No changes will be made to existing pricing arrangements for PBS medicines supplied through section 94 approved public or private hospitals or section 92 approved medical practitioners. Medicines that are not supplied by approved pharmacists will not be subject to the revised WMU structure. Efficient Funding of Chemotherapy (EFC) Program medicines and Botulinum Toxin Program medicines are not included in the revised WMU arrangements.

Why do the WMU changes only apply to community pharmacies?

The WMU forms part of the PBS pricing framework that applies to medicines supplied through community pharmacies (section 90 approved pharmacists).

PBS medicines supplied through public and private hospitals operate under separate pricing and funding arrangements and the new WMU structure for section 85 PBS medicines will apply. For section 100 medicines no changes for public and private hospitals and approved medical practitioner will apply.

Community Service Obligation (CSO) wholesalers support this model by supplying PBS medicines to community pharmacies across Australia. Other pharmaceutical wholesalers may supply specific medicines under separate commercial arrangements.

How will the Dispensed Price for Maximum Quantity change for section 100 medicines?

From 1 July 2026, the revised WMU will apply to eligible section 100 medicines supplied through community pharmacies, except for EFC and Botulinum Toxin program medicines.

For eligible section 100 medicines supplied through community pharmacies, the Dispensed Price for Maximum Quantity may include:

- the medicine price (approved ex-manufacturer price or premium ex-manufacturer price, where applicable)

- the revised WMU
- the ready-prepared dispensing fee
- a mark-up for ready-prepared pharmaceutical benefits
- the dangerous drug fee, if applicable.

How is the WMU calculated when the pack size differs from the maximum quantity dispensed?

This example shows a medicine where the pack size is 1, and the listed maximum quantity is 4 is dispensed. The worked example below uses item code 13300B for choriogonadotropin alfa 250 microgram/0.5 mL injection, 0.5 mL pen device. This item has a maximum quantity of 4 and a current DPMQ of \$304.96.

Medicine: Choriogonadotropin alfa Solution for injection 250 micrograms (0.5 mL pre-filled pen).
Item code: 13300B. Pack size 1, Maximum quantity 4.

Before 1 July 2026 (current method)

Price to pharmacy (PTP): AEMP \$65.59 multiplied by 1.0752 equals \$70.52

Wholesale mark-up is \$4.93 (PTP – AEMP)

Administration, Handling and Infrastructure fee (AHI) per pack: $\$70.52 \times 4 - 100$ multiplied by 5% + \$4.91 divided by 4 equals \$3.50 (AHI Tier 2)

Therefore, \$3.50 is the pharmacy mark-up

Calculation to Dispensed Price for Maximum Quantity (DPMQ):

$\$70.52$ PTP plus $\$3.50$ AHI multiplied by 4 plus $\$8.88$ (dispensing fee) equals $\$304.96$ (DPMQ)

Note that this drug is also listed on s100 IVF program with a pricing quantity and maximum quantity of 1 – Item code 6182J

The calculated amounts for this listing will not change as per the dispensing rule – Community Access:

AEMP \$65.59 plus \$4.00 (pharmacy markup for s100) equals \$69.59 plus \$8.88 (dispensing fee) equals \$78.47 (No wholesale mark-up applicable to s100 listings)

From 1 July 2026 (new method)

Wholesale markup: AEMP \$65.59 multiplied by 4.3% equals \$2.82 (PTP: \$65.59 plus \$2.82 equals \$68.41)

Therefore, wholesale mark-up is \$2.82 (Tier 2) for 1 pack. Total WMU when maximum of 4 is dispensed is \$2.82 multiplied by 4 equals \$11.28. This is WMU amount is captured in the calculation below of $\$68.41 \times 4$ in the calculation to the DPMQ.

Calculation to DPMQ

AHI per pack: $\$68.41 \times 4 - 100$ multiplied by 5% + \$4.91 divided by 4 equals \$3.40 (AHI Tier 2)

Therefore, \$3.40 is the pharmacy mark-up

DPMQ: $\$68.41$ PTP plus $\$3.40$ AHI multiplied by 4 equals plus $\$8.88$ (dispensing fee) equals $\$296.12$.

Will there be any changes to the Price Disclosure and Statutory Price Reductions due to changes to the WMU?

Price disclosure reductions are applied at the approved ex-manufacturer price (AEMP) or claimed price level. Changes to the WMU do not alter the way Price Disclosure is currently applied, because the reduction is applied to the AEMP and claimed price, not to the WMU.

Can a wholesaler claim a distribution fee from the sponsor in addition to the new and/or increased WMU?

From 1 July 2026, the revised WMU will apply to PBS medicines supplied by community pharmacies. Other fees that pharmacies and wholesalers may claim from pharmaceutical companies are considered separate commercial arrangements between wholesalers and pharmaceutical companies and not a matter for the Department.

Will there be any changes to the reporting requirements for Community Service Obligation (CSO) wholesalers due to inclusion of section 100 medicines?

From 1 July 2026, the revised WMU will apply to section 85 and eligible section 100 medicines supplied through community pharmacies. CSO distributors must meet the CSO Compliance Requirements and CSO Service Standards for the distribution of eligible section 100 medicines under the CSO arrangements.

CSO Distributors are not required to provide the distribution centre from which the stock is supplied. However, the CSO Distributors must provide any data and reports sought by the CSO Administration Agency as part of a periodic assessment carried out by the CSO Administration Agency to ensure the continued achievement by the distributors of the requirements for access to the CSO Funding Pool as set out in the CSO Deed.

Will there be any changes to Deeds of Agreement for medicines with Special Pricing or Risk Sharing Arrangements?

No changes to Deeds of Agreement between the Commonwealth and sponsoring pharmaceutical companies are proposed as a result of WMU changes. Current Deeds will continue to operate under their existing terms.

Note: This fact sheet summarises changes arising from the First Pharmaceutical Wholesaler Agreement (1PWA) and related PBS pricing arrangements from 1 July 2026. Worked examples are illustrative and may be updated if pricing components change.