

## *The Public Benefit of Pharmacist-Owned Pharmacies*

### *The threat to community pharmacy*

- Pharmacies in Australia are required by State and Territory legislation to be owned by registered pharmacists. Under national competition policy, this legislation must be reviewed to remove any anti-competitive provisions unless they are in the public benefit.
- The Prime Minister strongly supports the present system and has arranged with the Premiers and Chief Ministers for one national review to be undertaken jointly between the Commonwealth and all State and Territory Governments at the end of 1998 or early 1999. His position is that the tradition of pharmacies owned and operated by pharmacists has served Australia well, and he is committed to seeing it preserved.

### *The present system of community pharmacy*

- Australia's community pharmacy achieves world's best practice. The network of almost 5,000 pharmacist-owned pharmacies in all parts of the country provides:
  - very accessible, high quality professional health care services;
  - equal access to affordable pharmaceuticals for the community; and
  - the personal accountability of a university trained pharmacist.
- Pharmacists are the custodians of dangerous drugs. Almost all overseas jurisdictions control the ownership of pharmacies in some way or other. De-regulation of the present system would require the development and implementation of a whole new system of regulation.

### *Big business takeover*

- Supermarkets want to own and operate pharmacies. Woolworths has recently said as much publicly. Their primary interest is - and must be - in sales, market share and profit.
- Pharmaceuticals are not groceries to be self-selected, and supermarkets do not provide a health care environment to support the quality use of medicines. Their expertise is in convenient shopping for food and groceries, not professional advice and help in the use and effects of medications, nor in providing the range of public benefit programs (methadone, needle exchange, medication review etc) which many pharmacies provide.
- Ownership of pharmacies by supermarkets would reduce competition and lead to the same market dominance of pharmacy which they have over food.
- Deregulation of pharmacy ownership would destroy the current distribution system which provides consumers with *equal access to medicines at reasonable prices regardless of whether they live in urban, rural or remote parts of Australia*. It would destroy the valuable network of rural pharmacies which, with the demise of banks and other important services, are often at the centre of rural community life.

### *Political and community support*

- Federal politicians of all persuasions have indicated a high level of support for the public benefit provided by the present system of community pharmacy.
- Consumers have given the strongest indication that they do not want pharmacies to move into supermarkets.

### Effect of Deregulated Pharmacy Ownership on Rural and Regional Communities

1. **People in rural and regional communities would no longer have equal access to medicines (as people living in urban areas) – they would have to pay more for medicines.**

The current distribution system of pharmaceuticals spreads the cost of freight across urban and rural areas so that people in rural areas pay the same for medicines as do those in the town – ie the cities subsidise the bush.

Large supermarkets owning pharmacies would bypass the pharmaceutical distributors and purchase direct from the manufacturers. This would destroy the present distribution system and would mean that pharmacies in outlying areas would have to pay much higher freight costs. These costs would then be passed on to consumers.

Under the present system, pharmaceuticals are generally available within 24 hours, regardless of where a person lives. It is unlikely that such an excellent service would be maintained if the current distribution system were destroyed.

2. **Many pharmacies in small towns would no longer be viable and would close down.**

Supermarkets would not be interested in owning pharmacies in small country towns, but would instead position themselves in large rural centres. This would mean that pharmacies in small towns around these areas would lose custom and would no longer be viable.

3. **The closure of pharmacies in small towns would have an adverse impact on the continued viability of these communities.**

The pharmacies in small towns are often the centre of rural community life and provide many added services such as Medicare claims and other non-pharmacy services. The closure of the pharmacy would no doubt lead to the closure of other businesses in the town which would threaten the continued viability of the community.

4. **Deregulation would destroy the current network of community pharmacies and lead to increased unemployment.**

At present there are almost 5,000 community pharmacies spread throughout Australia which provide employment for approximately 40,000 pharmacists (including proprietors) and pharmacy assistants.

Mike Farrell

CANELAND Pharmacy

Shop 74 CANELAND Shoppingtown

Mackay

Q

4740