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## Media release

### **Sixth Community Pharmacy Agreement negotiations progress**

The Pharmacy Guild of Australia has signed a letter of intent with the Minister for Health, Sussan Ley, in relation to the Sixth Community Pharmacy Agreement, which will commence on 1 July 2015 and run until 30 June 2020.

The Agreement is required to enable Australia's 5,450 community pharmacies and their staff to continue meeting the health care needs of their patients.

Like previous Community Pharmacy Agreements, the Agreement will cover the issues of pharmacy remuneration for dispensing PBS and RPBS subsidised medicines; wholesaler remuneration including the Community Service Obligation; the Pharmacy Location Rules; and Professional Programs and Services.

The National President of the Pharmacy Guild of Australia, George Tambassis, said that he was pleased the negotiation of the Sixth Community Pharmacy Agreement has reached this key stage.

“Community pharmacies must have certainty so they have the necessary confidence to continue investing and employing staff,” Mr Tambassis said.

“Pharmacies continue to be at the forefront of arguably the biggest reform across the health sector which is ensuring that the PBS remains sustainable into the future. These PBS reforms are having a major impact on the viability of pharmacies, and the Guild is pleased the Government has recognised the clinical importance and value of dispensing through an increase in dispensing remuneration.

“The new Administration, Handling & Infrastructure Fee (AHI) is a structural reform which will substantially delink dispensing remuneration from the price of medicines, enabling the Government to continue its PBS reforms whilst not jeopardising standards of patient care.

“The Government will maintain the Community Service Obligation, which is paid to pharmacy wholesalers to ensure that Australians have timely access to PBS medicines.

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“The Government also intends that the Agreement would provide up to \$1.26 billion for evidence-based, patient-focussed pharmacy programs. This would include \$50 million for a Pharmacy Trial Program and \$600 million in a contingency reserve to support new and existing community pharmacy programs and services.

“The Pharmacy Location Rules ensure that community pharmacies are highly accessible and well-distributed throughout Australia. The Coalition has committed to legislating to extend the Location Rules until mid-2020 and I am pleased that the Shadow Health Minister, Catherine King, last week confirmed Labor’s support for the Location Rules.

“The Government will also implement a range of savings across the PBS supply chain. Due to their place at the end of this supply chain, pharmacies will contribute significantly to this savings task both directly and through flow-on impacts. The Government has made clear that these savings are necessary to secure the Agreement and the Guild is supporting them, with the exception of the discounting of the PBS co-payment measure, which is a matter for government.

“On behalf of the Guild, I thank Minister Ley and her team for progressing the negotiations to this important milestone. There is more to do and the Guild will continue working constructively with the Government to secure the ongoing delivery of high-quality patient benefits and health outcomes via the next community pharmacy agreement,” Mr Tambassis said.

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