Australian Citizens Party

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MEDIA RELEASE

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Pharmacy deregulation poses health hazard

This release is an edited version of an article by the same title in the 3 July 2019 Australian Alert Service *by Jeremy Beck.*

In recent weeks a media campaign appears to be softening up Australians for pharmacy deregulation under the guise that more competition will deliver cheaper medicines. Such deregulation would open the pharmacy sector to the big supermarkets, allow multinational pharmacy chains such as US-headquartered Walgreens Boots Alliance to take over, and in the end deliver poor health outcomes. Former Macquarie Bank boss Graeme Samuel's recent campaigning for pharmacy deregulation is a big worry given his long-term track record in the disastrous National Competition Policy reforms, which, far from increasing competition, gave Australia the most concentrated retail sector in the world, dominated by the Coles-Woolworths duopoly.

News Limited's Sue Dunlevy ran a story based around a Chemist Warehouse survey of 325 rural Victorians, which found that many were driving long distances to access cheaper medicines in larger cities, among other findings, including that 80 per cent wanted a discount pharmacy in their town. The story quoted Graeme Samuel who said the location rules were to blame for "bolstering the interests of powerful pharmacy owners at the expense of consumers who have to pay hundreds of dollars a year more for medicines".

Pharmacy Guild of Australia, the national peak body representing community pharmacy responded in an 18 June media release: "This was a misleading shameless beat-up which misrepresented and misquoted the Guild's view on Location Rules. It also ignored the benefits of the community pharmacy model, the availability of generic medicines, and the safety net mechanisms of the subsidised medicine scheme, the PBS." The Guild explained the importance of regulation: "The Pharmacy Guild has published empirical evidence to demonstrate that the current regulation of community pharmacies is delivering high levels of access, choice, competition, equity and quality for consumers. For example, 87 per cent of Australians live within 2.5 km of at least one pharmacy. This is not an accident of the market—it is a direct result of the Location Rules policy. The level of access for community pharmacies is higher than for supermarkets, banks and medical centres in both capital cities and in regional areas."

Media call David the bully and Goliath the victim

Other media pushed the deregulation propaganda, including the ABC which ran a shameless story titled, "Why the Pharmacy Guild is the most powerful lobby group you've never heard of". In an attack on the Guild's "complex set of rules", ABC journalist Monique Ross seemingly advocates for the Coles and Woolworths duopoly: "Only a registered pharmacist can own a pharmacy, which locks out big companies like Coles and Woolworths", she bemoaned. It is especially twisted that ABC would label the independent pharmacists the "powerful lobby", and not the Coles-Woolworths duopoly and multinational chains that they are up against. But the big problem here is the failure to understand the role of a registered pharmacist, whose expertise is essential. Pharmacists do not merely enter some business venture for profit. They are highly trained professionals. A registered pharmacist must complete a tertiary degree in Pharmacy such as a Bachelor or Master of Pharmacy. This typically requires at least four years of study. In addition, graduates then need to register with the Pharmacy Board of Australia and complete an internship of approximately 1 year with a registered pharmacist. This highly specialised profession is in danger when the corporate giants take over.

One Gold Coast pharmacist, who wished to remain unnamed for fear of retribution, told the *Financial Review* last year that the "corporatisation of pharmacy" means independent pharmacies can't compete. "Chem Warehouse don't spend time with patients. How the hell will I pay a pharmacist on a $2 script and we spend 15 minutes talking to a patient?" She forecast that in coming years the 5,700 pharmacies across Australia will be slashed to about 2,000, which will mostly be owned by corporate giants.

Deregulation for profits before people

A pharmacist with Australian and international experience told the *Australian Alert Service* that a danger of deregulation is that drugs for "marketable" diseases will take priority. He said pharmacists should be empowered to make decisions to provide best patient care, and evidence-based practice in

pharmacies should prevail rather than pushing drugs for profit. This echoes an earlier warning from the Pharmacy Guild made in a June 2014 submission: “The corporate pharmacy model would see a fundamental change to the provision of pharmacy services to the Australian public from the primarily patient-centric model of the community pharmacy sector to a corporate pharmacy model with a shareholder-centric focus on maximising shareholder value.”

The US-headquartered pharmacy giant Walgreens Boots Alliance has long been eyeing Australia. In March 2016 the Australian Government’s IP Australia formally accepted the company’s registered trademark. At that time, Walgreens Boots Alliance’s global brands president Ken Murphy told Fairfax Media that the group would ideally like to open company-owned Boots pharmacies in Australia but was prevented from doing so under existing pharmacy ownership laws.

The international experience shows pharmacy deregulation has failed the common good. In Norway the rapid transformation of the pharmacy sectors into oligopolies followed deregulation reform in 2001. Government intervention and re-regulation was necessary to impede the emergence of these monopolies. Whether it be in banking, electricity markets, the dairy or the taxi industry, deregulation has a long string of failures. As Chairman of the Victorian Taxi Services Commission Samuel led the way to taxi deregulation to bring in Uber. What was the result? Thousands of taxi drivers have a bleak retirement future, and several have already committed suicide. Uber drivers act as wage slaves and in many cases earn half the statutory minimum wage for transport workers.

Australians should learn from the disasters of previous deregulations, and fight this latest attempt to loot an important sector.

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