

25<sup>th</sup> June 2018

To the members of Health, Communities, Disability Services and Domestic and Family Violence Prevention Committee,

**RE: Inquiry into the establishment of a pharmacy council and pharmacy ownership in Queensland**

I have been a registered pharmacist in Queensland since 2006. In that time I have worked entirely as a community Pharmacist with my time spent in metropolitan and rural settings in my home state of Queensland.

During the last 16 years I have seen some extensive changes to the pharmacy industry. In my opinion, some of these changes have been for the better of the community and others to its detriment. The greatest detriment has been the flaunting of ownership rules and the ever-increasing presence of large corporate structured pharmacy groups.

Pharmacists and Pharmacy assistants have traditionally served to provide key services to the public. They reduce the burden on already overworked General Practitioners, and in many instances this is of zero cost to the public and government. This has been done through valued and professional advice along with many health promotion programs.

As it is well documented in the Pharmacy Business Ownership Act 2001 (QLD), community Pharmacy ownership is a regulated affair with a maximum of 5 pharmacies to be owned by any one Pharmacist. Poor understanding and monitoring by government of contemporary ownership structures has lead to some pharmacy groups exploiting the rules and creating an unfair advantage over those who uphold the rules via their extensive buying power.

The large discount pharmacy groups that are renowned for hiding their ownership structures in complex ownership trusts are unfortunately the ones that are hurting the interests of the public the most. Whilst they claim they offer medications cheaply, what they do best is deliver cheap service and poorer outcomes for consumers. This is done through exploitation of employee pharmacists who are encouraged to work in unfair workload environments with a profit at all costs mentality. I have witnessed and heard many stories from patients and pharmacists from these organisations. This leads to less pharmacist engagement with patients and thus less readily accessed professional health advice.

It was once a given that if you walked in to a pharmacy you were often served by the Pharmacist who owned that particular pharmacy. It created a first class experience and outcome for the patient with regards to their health. An alarming recent publication by the Australian Pharmacy Journal reported that Jack Gance and Mario Verrocchi, who are both owners of the Chemist Warehouse group are now ranked in the 100 Richest People in Australia. Each of which are reported to be worth upwards of 800 million dollars (see Appendix A). I question the last time each of them worked

as a Pharmacist and delivered personalised care to a consumer. Chemist Warehouse advertises that they own over 300 community pharmacies in Australia and are rapidly growing. Many of these Pharmacies are located in Queensland. I further propose the question of how Jack Gance and Mario Verrocchi can earn the money they do from sticking to the legislated maximum ownership of 5 Pharmacies per Pharmacist Owner in Queensland? The answer is that they could not possibly do so without hiding their ownership interests in a complex ownership structure that can get around boundaries of the Pharmacy Business Ownership Act (QLD).

As such, a Pharmacy council needs to be formed and investigate these ownership structures as a matter of urgency. This will further uphold the integrity of the Act and will only serve to benefit the public through Pharmacists focusing on patient outcomes as opposed to profit. This will help to reduce the ever-increasing health expenditure required by the government. We have already seen what has happened to the petrol industry with regards to petrol pricing. Once large groups obtain a clear dominance, prices will only ever increase. Please do not let this happen to the Pharmacy industry in Queensland. Public health depends on it.

Kind regards,

Dominic Ward  
B.Pharm



SHESHTYN PAOLA — 27/05/2018

# The co-founders of My Chemist Retail Group have made it to the Top 100 of this year's Financial Review Rich List

Chairman of My Chemist Retail Group, Jack Gance, and Chief Executive of My Chemist, Mario Verrocchi, have landed in the top 100 of this year's *Australian Financial Review* rich list.

Mr Gance is ranked at 93, with a wealth of \$813 million, while Mr Verrocchi is at rank 94 with \$803 million.

The rich listers have each seen a growth in their wealth of 49% and 44% respectively since last year, when Mr Gance ranked at 131 with a wealth of \$546 million, and Mr Verrocchi at 128 with \$558 million.

My Chemist Retail Group makes at least \$100 million in annual profits and the pair are also part of the \$725 million Home Consortium, says the *AFR*.

This consortium has bought dozens of former Masters sites with the intention of converting the land to retail outlets that will contain at least one of the My Chemist Retail Group pharmacy brands.

Mr Gance and Mr Verrocchi reportedly built their first fortune by establishing the Le Tan, Le Specs and Australis brands.

Executive director of vitamins manufacturer Blackmores, Marcus Blackmore, was ranked 137 on the rich list with a wealth of \$594 million (up 12.3% from \$529 million last year).

Late last year Blackmores hit a milestone, recording more than half its sales to foreign consumers for the first time in the company's 85-year history, according to the *AFR*.

<https://ajp.com.au/news/cwh-owners-rank-on-rich-list/>