

Milton Burrell

5 July 2018

Committee Secretary
HCDSDFVPC
Parliament House
George Street Brisbane, Qld 4000

Dear Committee Secretary:

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

Douglas Chemists' owners have recently been made aware of the abovementioned inquiry, and I am writing on behalf of our 25 franchise pharmacy owners to express our concerns with this development.

By way of background, Douglas Chemists has been serving the community since 1972 when John Douglas opened his first pharmacy (John Douglas Chemist) in Goulburn NSW. That pharmacy still operates today, run by son James Douglas as a Priceline Pharmacy. The group has grown to a fully-franchised model with pharmacies across QLD, NSW & the ACT under the Priceline, Good Price, Discount Drugs and Soul Pattinson brands.

Our Brisbane support office has received numerous calls this week about this latest development from our Qld franchise partners. With a 600-strong pharmacy team, including ~ 100 pharmacists, I personally have concerns for their jobs and welfare in the future, given this latest update.

If the laws were to change in Qld opening the way for deregulation, I believe the state will experience a huge fall-out from such a move, as we have seen in some overseas experiences, particularly rural settings. Most of the pharmacies in our group are rural pharmacies. It horrifies me to think that a supermarket in a one-pharmacy town will put my franchise partner out of business, because that is exactly what would happen.

Under the Government's drive to take costs out of the PBS (price-disclosure) since 2007, margins in pharmacy have fallen, and pharmacy profits have shrunk. Deregulating an industry that is marginal for some operators will unfortunately put many marginal operators to the wall as the banks close in. The other challenge in a rural setting is securing good long-term pharmacists who would rather be developing their career in the big cities. To this end, it is more expensive to recruit and employ rural pharmacists (I'm sure there is the same issue with rural doctors) than metro pharmacists.

Deregulation will put added pressure on an already boiling pot. Another consideration in the rural setting is the likelihood of several health services disappearing in the bush.

Pharmacy is one of the most trusted professions, up there with Nurses and Doctors, and it bewilders me and my franchise partners that we would even contemplate a deregulated environment. Our pharmacists do much for their local communities for free, like in-home medication management, home deliveries, counselling and screening programs, and under deregulation many of these services would disappear. We are the centre-point of all things 'health' and provide community hubs for locals, not to mention employing locals, in our endeavour to offer professional health advice.

I have seen a customer with a cut come to a pharmacy for treatment, rather than their doctor. A simple bandage was the treatment. How could a patient do this in a supermarket, for example? And what about vaccinations? Pharmacy offers a clean, safe and qualified environment to do this. I can't imagine rolling my sleeve up for jab, sitting next to the meat counter at the local grocery store or petrol station.

But I can image going into a supermarket and asking the young 16-year-old girl/guy on the check-out register where the dispensary is, and they respond; "over in that corner just past the cigarettes and the alcohol (in the case of a southern state)". I visited a CVS store in the U.S. a couple of years ago and I was able to purchase a bottle of analgesics which had 1,000 tablets for \$24.95, what country and health regulator allows a person to buy 1,000 tablets (Ibuprofen, Aspirin, Paracetamol) – yes, I know the U.S., but this does not make it right. This is not right, and Qld will head this irresponsible way under a deregulated environment. Very dangerous.

Since 2007, under PBS Reforms, the cost of medicines to consumers in Australia has significantly reduced. Through this time generic medicines have increased as has competition. The market has a way of leveling the playing field and it does not need more competition. Some pharmacies have succumbed to these forces, but most of us have learned new ways to compete and survive in what can only be described as a competitive and challenging environment. I support the government's drive to take costs out of the PBS and as government statistics show, the pharmacy industry has been a responsible player in the overall health system in keeping the books in check and saving millions of dollars.

In our business over the past 12 months, our 600+ staff have sold 7.6m products to 3.5m customers dispensing 2.3m prescription medicines in the process. We have safes for narcotics and dangerous drugs and undergo rigorous testing and quality care reviews as part of our professional development.

We are only a small group, but we pack a powerful punch on behalf of the health system, your system, something which will be compromised, possibly fatally, under a deregulated environment.

Thank you for taking the time to hear our concerns and on behalf of Douglas Chemists I urge the committee to recommend against deregulation.

Sincerely,



Milton Burrell
CEO - Douglas Chemists