

John Clark & Casey Clark

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Dear Committee Members

We are writing to express our views on the current questions raised by the inquiry into the establishment of a pharmacy council and the pharmacy ownership in Queensland.

John Clark has been a pharmacist for close to 40 years. During this time has worked in England & Australia. He has bought & sold many pharmacies, as well as starting up a successful franchise which was sold approximately 3 years ago. He currently has partnership within 5 pharmacies in QLD.

Casey Clark has been a pharmacist for close to 15 years now and has invested in her future by taking a part ownership within 3 pharmacies in Queensland.

Please see below our opinions on those questions we feel appropriate to answer:

- 1) Are pharmacy ownership restrictions imposed by the *Pharmacy Business Ownership Act 2001 (Qld)* (Act) necessary to protect consumers and deliver accessible and affordable medicines and services?

*We believe that these restrictions protect consumers, as the responsibility and accountability for the decisions made regarding quality use of medicines remains with the pharmacist owner. This way there is no external influence applying untoward pressure to achieve objectives that may not be in the best interest of the consumer. Corporate ownership means that profit is the sole motivating force of the corporate entity. Whilst this is of importance to business, from experience with corporate entities profits do come before health outcomes for the community.*

*An example may be where many services are done at a low to no cost to the consumer, often at the expense of the business. This is because the pharmacist owner is often more engaged and invested within the local community. Whereas an external ownership structure, or corporate structure, may only consider those services it can turn for a profit. While making a profit in a business is important, it should not be the sole focus of a health care organisation. If the external party, or corporate, has no investment in the local community, then some of these decisions will be made with little to no consideration for the impact on those that may not be able to afford the service.*

- 2) Are the ownership restrictions sufficiently clear, particularly regarding the restrictions on corporations owning pharmacies?

*We believe the restrictions are clear; however they do not appear to be overly scrutinized when being applied. There needs to be more scrutiny of the trusts in a business, management agreements and franchise agreements to ensure that they comply with the pharmacy act and to make sure that the owners are pharmacists and that the pharmacist doesn't own more than 5 pharmacies in practice.*

- 3) Would changing the pharmacy ownership restrictions under the Act improve community outcomes?

*We do not believe so. By changing the Act it could potentially reduce the accountability of the owner to the community and the consumer. The industry is already a very competitive market space, which is benefiting the community.*

*The question that needs to be asked is if you already have a world class system of delivering pharmacy to the community, at very low prices, and you go and change one of the cornerstones then what guarantee is there that the system will be improved? Once changed, it will be impossible to change it back if the standards fail. Also the corporate*

*entities will be far harder to deal with than the Pharmacy Guild, who is also vitally concerned with community outcomes rather than profit.*

- 4) Should the Act be amended to allow any party to own a pharmacy, subject to requirements for dispensing only by a qualified pharmacist? Would the community be better off under such a scenario?

*From experience of working in corporate entities in England the corporate owners do try and influence the pharmacist professional responsibilities, in an attempt to maximise their profits. We do not believe the community would be better off if the ownership structure was to be changed. A core pillar of the current Act is centered on the pharmacist owner being accountable for all decisions made in their pharmacy, and for the timely access to medications for consumers. This is often done at an expense to the business; such an example is high cost medications like Hep C medication.*

*Some Hep C medications cost approximately \$22,000, which the pharmacy carries the cost of until reimbursed by the government almost a month later. The pharmacy must also then wait up to 10 weeks to receive the GST back once lodging their BAS. This affects their cash flow, and is all done for the return of \$70 that the government pays them for the process. The cost of carry these medications, and the little return received, means that pharmacist owners are doing this due to their understanding of the importance that access to these medications means to consumers, it is not a commercial decision. Someone who is not a pharmacist may make decisions purely made on commercial reasons that could therefore affect the community, as they may have little understanding of the impact those decisions would have to consumers.*

- 5) Is there any difference in performance of pharmacies owned by non-pharmacists in Queensland (such as Friendlies) in relation to protecting consumers and delivering accessible and affordable medicines and services?

*Friendly Society pharmacies are not as efficient as normal retail pharmacies and with the profits plummeting in the recent years Friendlies are exiting pharmacy in Queensland. Whilst they are not privately owned, their structure through lodges makes their administration cumbersome and is already leading to reduced services in the community.*

- 6) Does the Act provide adequate protections to promote the professional, safe & competent provision of pharmacy services, and to maintain public confidence in the pharmacy profession now and in the future? If not, what additional protections should be included in the Act and why?

*Currently the act suffices but does need to be reviewed in light of all the technical advances over the last 30 years e.g. computers, internet.*

- 7) Are you aware of any transfers of pharmacy ownership which have not conformed to the requirements under the *Pharmacy Business Ownership Act 2001 (Qld)* (Act)?

*We believe that the transfer of ownership that took place between Malouf Pharmacies and Ramay health care was in breach of the act.*

*The Chemist Warehouse structure may not be in technical breach of the Act, but certainly the ownership structure is not what was intended when the Act was written.*

*We also believe there is also several other large groups of pharmacies (40+ stores) within QLD that are hiding the common ownership from the authorities.*

- 8) Are the offences prescribed in the Act necessary and sufficient to ensure the objectives and intent of the legislation are being met, and are the maximum offences that apply appropriate?

*We do not believe that the maximum offences are enough to deter people from breaching the Act, as it is currently occurring. The main concern is that the legislation is not being imposed by any authority. Therefore, the risk of actually being caught and having anything imposed on oneself is minimal.*

- 9) Do you think there should be restrictions on the number of pharmacies a pharmacist may own in Queensland? Are the current restrictions under the *Pharmacy Business ownership Act 2001 (Qld)* appropriate?

*We believe that restrictions are required, as it is important to ensure that the pharmacist owner is aware of what is occurring in their business and can be certain of staying on top of what is happening. However we do believe that the number could be increased slightly, due to the advances in technology that allow an owner to be able to monitor store more efficiently.*

- 11) Has pharmacy ownership regulation in other Australian jurisdictions improved community outcomes (relative to Queensland)? If so, how?

*No, because the laws are not being imposed. This is meaning that small business operators are being impacted. One such example is our pharmacy in Toowong.*

*We had been in our location within Toowong for several years. A major competitor, who has grown very large because of potential lack of imposing of these laws, was able to buy the building we were in and kick us out. Had we not been able to find a location to move to we would have been forced to close down.*

*The business was offering services that this competitor was not, and still does not, offer. Therefore if we had of been forced to shut our doors this would have been a loss of services to the community. The allowance of the disregard for the ownership laws has made it hard for those that are focused on servicing their local community, as the power balance is definitely unfairly tipped away from the small business owner.*

- 12) What functions might a pharmacy council perform in Queensland? How could these functions differ from the current functions performed by Queensland Health?

*The formation of a council would bring Queensland into line with other states within Australia. It would also be able to look more closely at areas such as scope of practice, and standards of pharmacy premises. The Victorian legislation and the Council make the maintenance of standards mandatory and we believe this leads to a better delivery of the services the community needs.*

*Currently the process with QLD Health is disjointed and inefficient, at times costing small businesses financially. A recent example would be only a few months ago we were trying to get approval to open a new pharmacy in Toowong. We were obviously reliant on bank finance to do this, and in order to get this bank finance we required a letter of approval from QLD Health.*

*Medicare had provided us in a very timely manner the required paperwork for QLD Health to be able to move forward. However, QLD Health took several weeks to sort*

*out the approval which resulted in us opening the store a month late. We therefore had to wear a month's worth of expenses (rent, utilities etc) without being able to be open. It also impacted our ability to hire staff, as without a certainty on when we could open we couldn't send out letters of offer.*

*During this time it was very hard to get hold of anybody within QLD Health to understand where the process was at. Many times we rang and left messages, never to hear back. The cost to us for not opening on time was in the vicinity of \$40,000+, something that 2 of the young pharmacist business partners, who are trying to invest in their future, found hard to comprehend.*

13) How would the establishment of the pharmacy council in Queensland improve community outcomes?

*By being able to assess the standards of community pharmacy in QLD, a more standardized and specialized manner will benefit community. This would be by ensuring that the environment they are receiving health services is of a sufficient nature.*

*Also being able to assess and make recommendations on pharmacists scope of practice in a timely manner will benefit the community. An example of this in recent times was the flu vaccination service. While the initial trials for pharmacist led vaccinations in Australia were done in QLD, it was in fact QLD that was one of the last states to make the legislative changes. It was several months after the other states had made changes on the back the success that was the QLD trial. This service has done a lot to help the community, by increasing awareness of flu vaccinations and increasing the communities' accessibility. Yet QLD was far more reactive than proactive in this area.*

- 16) If a pharmacy council was established in Queensland, what issues would need to be considered in its interaction with other agencies or individuals involved in regulating pharmacy businesses and practice? What legislation would need to be changed?

*A council would need to work closely with Medicare and other pharmacy councils to ensure a consistent standard through the country.*

- 17) What effect would relaxing pharmacy ownership restrictions have on community outcomes (such as protecting consumers and delivering accessible and affordable medicines and services) in Queensland? What are the potential risks to consumers?

*The risks are the corporate owners will not provide the valuable, but unpaid services community pharmacies now deliver. This would lead to a deterioration of standards of health services to the community.*

- 18) Should the scope of practice of pharmacists and pharmacy assistants in Queensland be extended? If so, in what areas of practice

*Yes, the scope of practice in vaccinations is one area. Another area would be continued dispensing, a practice that has been legislated in other states & has been occurring in other countries for years.*

*We think it is disappointing that often pharmacists are overlooked when discussions around primary care occur. Pharmacists have a lot to offer and are a crucial part of consumer's health and wellbeing. By being able to have more of a voice in the primary care space it would be beneficial to the community.*



19) What additional training for pharmacists/pharmacy assistants, or other risk reduction measures, should be implemented to ensure patient safety?

*We believe the current Guild training program for pharmacy assistants sets a great standard for what pharmacy assistants should be trained in. This type of training program should be something that all stores are required to have their staff put through in order to work in a pharmacy.*

*Consideration should be given to the legislation around what pharmacy assistants & dispensary technicians can do, based on them having received training, There is current limitations on their roles does not help with being able to improve workflow efficiencies within a pharmacy. Given their skill set and training a possible increase in their scope of responsibilities should be considered.*

Warm regards,

Casey Clark & John Clark  
Pharmacy Owners