



# Bayview Pharmacy

Committee Secretary  
HCDSDFVPC  
Parliament House  
George St  
Brisbane, QLD 400

To the Committee Chair,

I would like to take this opportunity to briefly provide a submission in relation to the Parliamentary Inquiry about the potential establishment of a Pharmacy Council. In particular one of the terms of reference which is 'review of the current laws governing pharmacy ownership'.

In interest of disclosure, I am a community pharmacist having been the managing partner at Bayview Pharmacy Mount Cotton since 2009. I use the term partner loosely as it's just a junior share representing 5% of the partnership.

I am concerned about the constant and growing push to corporatize the community pharmacy sector. The rise of the discount pharmacy big box model has made a mockery of the current ownership laws. It has done a lot of damage to the pharmacy profession, damage that was once thought only capable at the hands of supermarket chains should ownership laws be relaxed and the need for a pharmacist to own a pharmacy be removed.

Should there be any inquiry into the ownership laws, I would like to see a tightening rather than a relaxing of these laws. I fear a deregulation will lead to situations where the owner's interests are inevitably aligned with bottom line profit as opposed to being tied to moral ethics that a pharmacist is regulated by.

A clear example already occurring in the sector today is with the discount chain Chemist Warehouse. The market power it has established and the influence it has over the community does not align itself with the health needs of the community. Ultimately for this model to be successful, they need high foot traffic and high turnover. This volume driven business model encourages the patient, or consumer in their eyes, to actively buy more and more often. In contrast to this, in running a traditional service based pharmacy, I often find myself in situations where I actively recommend against the use of products a patient may have self-selected and instead will recommend a visit to the doctor or non-pharmacological treatment. I do this because in my professional opinion, it will yield the best outcome for the patient. This is not something you see regularly at discount pharmacy chains. In particular, I believe the Chemist Warehouse group has circumvented the ownership laws and in doing so has skewed community perception because they find it hard to look past the price on a box and appreciate the expertise behind the recommendation. We have experienced the view that health care providers who are

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providing high quality services are ripping them off I am constantly finding myself having to justify to my local community why 'I charge too much'. Yet, it is these same patients who look to me when they have a problem with a bag full of cheap warehouse medicines, or who come to us post hospital discharge with no idea what they do next. The reality is, we see a loss of our local patients to these discount chains. Patients can't receive the same quality of healthcare service from a high volume business model. With this threatening our viability, there is a real risk of large scale closures of traditional pharmacies that have served the community so well for many years. If we let that occur, it will be massive step backwards in the overall health management of the wider community.

I believe relaxing the ownership laws would see a greater consolidation of the pharmacy space and a greater move toward high turnover, low service and poor quality use of medicine offerings. There are good examples of this overseas with Boots one notable one. Some would argue that because this is beginning to already occur within the pharmacist environment, then there is no reason to hold back competition and market forces that drive economic outcomes. I believe however that market forces is not something that health professionals should be exposed to. The community pharmacy sector should not be fighting for space and market share based on cut throat business practices with profit being the driving force. They should be judged on the service they offer and the outcomes they provide to a community and rewarded accordingly. In a perfect world, I'd love to see price standardised across the sector to ensure competition is fought on patient satisfaction based on their health outcomes and experience, not the price they paid irrespective of the health outcome. Just because a group can deliver a product cheaply, doesn't mean that the product will be used effectively. Outside the scope of this review I know, however I do believe that with a tightening of the ownership laws and stronger enforcement of these laws, the community will benefit from the protection against the corporatisation and commoditisation of community pharmacy. In my view that ultimately yield the greatest benefit in community health outcomes and reductions in overall health expenditure.

I have tried to keep this brief, but if you would like any further details or clarifications made in any of the points raised above, I would more than happy to provide them.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'P. Cotugno', written in a cursive style.

Paul Cotugno  
Managing Partner  
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