

Committee Secretary
HCDSDFVPC
Parliament House
George Street
Brisbane Qld 4000
pharmacy@parliament.qld.gov.au

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

Dear Mr Hansen,

I write this submission as I am a pharmacy owner in QLD. I currently work and am a partner in 3 pharmacies in QLD. I employ 8 pharmacists and more than 50 staff. I've been involved in Pharmacy since 1996 when I first worked for Michael Farrell, Andrew McMurtrie and partners in Mackay. Pharmacy has been my life ever since and I have devoted countless hours to the community pharmacies that I have worked for or have owned.

The main reason for a submission from me is to outline the current problems regarding pharmacy ownership and the structures being used to hide corporate ownership and multiple ownerships above those numbers legislated. Simply put there are pharmacy entities such as Chemist Warehouse and Ramsey that are acquiring pharmacies that contravenes state legislation. This needs to be investigated and hence the need for the formation of a pharmacy council. An investigation into the transfer of ownership of the past two to three years of transactions will help to unravel the convoluted schemes used to hide the pecuniary interests involved. They include dodgy franchise agreements, unit trusts, head leasing and subleasing to name a few.

The current system of transfer of ownership does not include the correct check and balances and hence the big companies are slipping through legislation hoops. The council needs to have the right to enforce the legislation regarding ownership and to impose penalties relating to the offences. The council will also need the correct level of jurisdiction to investigate the companies at fault and have the ability to drill down and find the true owners of pharmacies that have been acquired incorrectly.

It is very disappointing that big business has been allowed to run rife and not be held accountable for clear breaches of legislation that is designed to bully small business and push them to the brink of breaking.

There are clearly owners now such as Gance/Verrochi that have pecuniary interests in more than the allowed number of pharmacies and use a multitude of schemes to hide that. The rebate schemes they have with pharmaceutical companies goes straight into their pockets. They also regularly use the fact that they are owners in all of their pharmacies to put extreme pressure on suppliers to give them access to anti-competitive deals which they use to price gouge the market.

There are other examples of owners that own many more pharmacies using complicated trust schemes, business loans and leasing agreements to circumnavigate the ownership rules. Ramsey is a corporation that has purchased a large group of pharmacies that has never been properly investigated. They cannot legally own pharmacies and this should not have occurred but no one has investigated. Franchise agreements issued are used to funnel profits away from listed owners to the corporations.

Pharmacy ownership rules are in place to ensure that patients receive the best healthcare outcomes. Big business does not care for this. Small business owners will always put the health and welfare of the patient first.

There is also plenty of talk of deregulating pharmacy to improve access and reduced cost of medicines. Deregulation has not provided reduced electricity. It has never improved access to services, especially in rural areas. The major supermarkets would love to own more of the consumer dollar at any expense and this has been seen clearly with grocery, petrol, alcohol, hotels, and hardware. In all cases prices have risen substantially higher than inflation after the major have gained a majority share of the business they have taken over. This is chemist warehouse plan.

It is imperative to set up a pharmacy council and properly administer the Act now.

Thanks
Matthew Doherty BPharm