



cate'schemist
Caring for you...

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Committee Secretary
HCDSDFVPC
Parliament House
George Street
Brisbane, QLD 4000

Dear Mr Hansen

RE: Inquiry into the establishment of a Pharmacy Council and transfer of Pharmacy Ownership in Queensland

I have been made aware of an inquiry into pharmacy and write to submit my views on issues within the terms of reference of this inquiry.

I am the General Manager of a small group of (three) community pharmacies in Townsville, regional North Queensland. I am not a pharmacist. I am a retired army officer who has been trained and educated in the 'mainstream' management style of business through undergraduate level education to the Company Directors Course of the Australian Institute of Company Directors.

The Queensland Consumer is very well served by pharmacists owning pharmacies. I am reminded of my pharmacy owners commitment to health care on a regular (at least weekly) basis. I often propose plans to create efficiencies in the business model and have them vetoed by pharmacist owners putting patient before profit. From a business perspective:

- It is smart business to employ younger, less qualified, less experienced people for less money. My pharmacist owners insist on a higher proportion of experienced and qualified pharmacists to maximise health outcomes and quality of service.
- It is smart business to assign targets for script counts and reward volume. My pharmacist owners insist on monitoring health outcomes over targets to ensure our patients are safe and healthy
- It is smart business to discard high maintenance, low profit and expensive services such as delivery, medication packing, and medication checks and tailor the businesses to high volume and high profit categories. My pharmacist owners insist on providing a range of health services to patients. Delivery is provided to most patients for free, because otherwise they would go without medicine. Medication packing is provided for free or below cost to all patients, because otherwise at-risk patients would reject the clear benefits from Quality Use of Medicine. They take pharmacists off more profitable duties such as dispensing and assign them to MedsChecks and Vaccinations in support of public health objectives (objectives that keep patients out of our pharmacies!). These services are priced and funded by government on a cost recovery basis only. The opportunity cost is not covered by government funding or any copayment we could reasonably claim from the patient (in competition with bulk billing doctors 'free services').
- It is smart business to exploit government funding and tailor towards a CTG, PBS or DVA niche. Instead, my pharmacist owners provide care on an equal opportunity basis, putting them in direct competition with the low margin goliaths like Chemist Warehouse and Chemist Outlet.

A lot of what happens in community pharmacy every day is not everyday practice in normal corporate business. Pharmacist owners continue to set aside profitable opportunities and choose 'inefficient' paths to favour patient and community outcomes. They are setting aside profitable, legal and acceptable business practice for health.

The corporate threat to health outcomes is compounded by the risk of illegal and unethical conduct. This risk is very fresh in recent history, especially the banking sector, and repetitive (HIH, 7 Eleven, and VW).

The pharmacy board, associations and code of conduct are an insurance not mirrored in corporate equivalents. This will be strengthened by establishing a Pharmacy Council in Queensland.

I do not believe the interest of the patient and community are served by the laws of supply and demand or profit motive; else the public hospital health system would not be required. The sector needs regulation to continue to provide equitable and accessible health care.

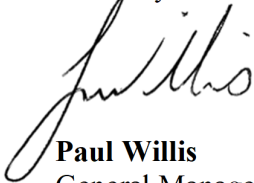
I have a professional interest in monitoring examples in the UK, US, NZ and Canada. I can see far more efficient and profitable models overseas, but all are at the expense of equitable access to medicine. The Australian systems of regulation and subsidy are designed for world class standards of care, not profitability.

In our own country we see the effects of profit motive on other health professionals that are not regulated. A recent article in the Sydney Morning Herald¹ cites pressure from (deregulated) clinics, practices and centres to maximise throughput and turn away high maintenance, low profit patients.

The profit motive of corporates is especially evident in Townsville, and rural and remote North Queensland. Coles and Woolworths have concentrated out of the community centres, into the larger shopping centres. Accessible community centres and strip shops are deteriorating, creating vacant tenancies. Aldi don't even think it is profitable enough to come to North Queensland. Ramsay also can't get the profitability to service Townsville. Each of these corporates however, has the buying power and historical business practice to put deregulated independents out of business.

I understand there are other matters before the inquiry, but my main concern is ensuring that state government continue to support community pharmacies putting the community before profit. I therefore request that the committee consider the important role of pharmacist owners and recommend against deregulation.

Sincerely



Paul Willis
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9 July 2018

¹ <https://www.smh.com.au/national/bulk-billing-clinics-turning-away-complex-patients-20180704-p4zpij.html>