

## Health Legislation Amendment Bill (No. 2) 2025

<b>Submission No:</b>	3
<b>Submitted by:</b>	The Pharmacy Guild of Australia
<b>Publication:</b>	Making the submission and your name public
<b>Attachments:</b>	See attachment
<b>Submitter Comments:</b>	



The Pharmacy  
Guild of Australia

## **SUBMISSION**

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### **Parliamentary Committees Health, Environment and Innovation Committee Inquiry into Health Legislation Amendment Bill (No.2) 2025**

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<b>Date</b>	9 June 2025
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## BACKGROUND

- The Pharmacy Guild of Australia (the Guild) is the national peak organisation representing and supporting community pharmacy in its role of delivering quality health outcomes for all Australians. It strives to promote, maintain, and support community pharmacies as the appropriate providers of primary health care to the community through optimum therapeutic use of medicines, medicines management, and related services.
- Community pharmacies, of which there are approximately 6,000 across Australia (and over 1,250 in Queensland<sup>1</sup>) are the key to providing timely and accessible primary health care to all Queenslanders.
- Despite the corporate influences that have significantly and, often negatively, impacted many other primary healthcare businesses, the community pharmacy sector has been able to remain relatively robust and extensively distributed throughout Queensland, thanks to the strong state and federal legislation regulating pharmacy business ownership and pharmacy business location. This has been to the benefit of Queensland communities and patients.
- Over the past twenty years, several health professions have undergone ownership deregulation (such as dentistry and optometry) or have not been subject to ownership regulation at all, and patients have suffered the consequences. As corporate ownership increases the interests of the corporate owner and the patient continue to diverge. Health professionals who practise under a corporate entity, naturally, lose their capacity to direct their attention to the needs of the patient, and their capacity to act in the best interests of the profession.
- To allow large corporations and supermarkets like Coles and Woolworths avenues through which they may control and influence pharmacy businesses would reduce competition and increases upward pressure on the cost of living of Queenslanders, as we have seen in the grocery sector. It would be remiss to expect that the pharmacy profession would be exempt from the price setting practices and market power exerted by the major corporate entities currently within the industry.

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<sup>1</sup> Customer Relationship Management Data, Pharmacy Guild of Australia; Accessed 29 May 2025

## EXECUTIVE SUMMARY

The *Pharmacy Business Ownership Act 2024* (the Act) received Royal Assent in March 2024 following many years of collaboration between The Pharmacy Guild of Australia, Queensland (the Guild), Queensland Health, and the former Labor Government. The Guild is pleased that this positive working relationship has continued under the leadership of the Crisafulli Government as final amendments to the Act are made in preparation for full implementation in November 2025.

Throughout the drafting process of the *Pharmacy Business Ownership Bill 2023*, the Guild identified and provided feedback on a range of issues that would negatively impact on the effective implementation of the Act. The Guild believes that the majority of the issues have now been addressed and fully supports the recent amendments proposed through the *Health Legislation Amendment Bill (No.2) 2025*.

In particular, the Guild warmly welcomes the amendments to:

- Clarify that shareholders may only hold shares on trust for other eligible persons, that is, practising pharmacists or close adult relatives of practising pharmacists.
- Ensure that the register of licensed pharmacy businesses contains the names of the licence holders and require the Pharmacy Business Ownership Council (the Council) to publish the register on the Council's website.
- Add to the definition of *core pharmacy services* so that it now includes businesses that sell medicines.
- Clarify that a *close adult relative of a practising pharmacist* may only hold a material interest in which the practising pharmacist holds an interest in the same pharmacy business.

These amendments are all critical to ensuring that Queensland communities and patients are protected from the increasing corporatisation of health care. By taking steps to ensure that health care professionals are responsible for the decisions of the business, they remain accountable to their communities and patients and are not conflicted by the mandate to prioritise the interests of shareholders.

However, in its current form, the Act is not yet in a position to achieve its main purposes which are:

- To promote the professional, safe and competent provision of pharmacy services by pharmacy businesses; and
- To maintain public confidence in the pharmacy profession.

The Guild strongly believes that there continues to be ambiguity about the following three key areas:

1. **What constitutes a *pharmacy business*** through the lack of consideration for the scope of contemporary pharmacy practice beyond the physical acts of dispensing, compounding, and selling medicines. This is an issue that can be solved through amendment to the definition of *core pharmacy services*.
2. **What is a *material interest*** in a pharmacy business. Without refinement, the Act is vulnerable to exploitation where an *interest* is not captured by the limitations of the

wording currently used in section 13 of the Act. This issue can be solved through minor amendments to the section.

3. **What defines a *supermarket*.** The current definition does not allow the Act to capture pharmacy businesses that may operate under the corporate control of an online supermarket. This could be remedied by amending the definition of *supermarket* to include reference to online businesses.

As previously submitted through consultation responses and committee inquiries, the Guild firmly believes that the new Act can only achieve its purposes if it includes robust legal definitions, closing the legislative loopholes which have the potential for corporate exploitation and flow on impacts to communities and patients.

# GUILD RESPONSE

## Key Issues of Concern Requiring Further Amendment

### ISSUE 1 – Core Pharmacy Services

**The limited definition of core pharmacy services which directly impacts the ability of the Act to capture the range of businesses that are pharmacy businesses.**

The Guild strongly supports the inclusion of *selling* of medicines to the definition of *core pharmacy services*. We agree that this is a vast improvement on the original definition, however, it remains limited to defining a pharmacy business based solely on pharmacy services that directly relate to the physical handling of medicines.

Pharmacist scope of practice is rapidly evolving to the benefit of both pharmacists and their patients, however, in its current form, the Act will be unable to adequately respond to this evolution. By failing to include reference to the cognitive functions that patients commonly understand are the domain of pharmacists, such as the provision of clinical service and advice particularly as it relates to medicines, there is a real risk that novel pharmacist owned and operated businesses will emerge (for example telehealth services), and will not be subject to regulation through this Act. This leaves the door open to large corporate entities holding an interest in such businesses. This is an unacceptable risk that leaves patients vulnerable to subpar health care that prioritises profits of shareholders.

The Guild acknowledges the original policy intent to not inadvertently capture other business types when defining *core pharmacy services*. We agree that it would not be appropriate to regulate pharmacists employed, for example, by general practices (GP), Aboriginal Community Controlled Health Organisations (ACHHOs) or residential aged care facilities (RACFs) as pharmacy businesses. We believe that employee pharmacists in certain practice settings could be stated as exceptions to the definition in section 8(3) of the Act.

By making it clear which pharmacists should not be regulated by the Act, the definition of *core pharmacy services* is free to be broadened to better reflect the services commonly understood to be provided by community pharmacies – which should therefore be deemed pharmacy businesses. By broadening the definition, subsequent sections such as section 22 will have greater application so that the prohibition of control of pharmacy services will extend to how pharmacists provide medicines advice even if they are not involved in the dispensing, compounding, or selling of that medicine.

### **Recommendation**

1. To section 8(3), add to the definition of *core pharmacy services* words to the effect of:
  - *prescribing, administering, possessing, and disposing of medicines by or under the supervision of a practising pharmacist, to members of the public.*
  - *provision of clinical advice by a practising pharmacist except when the pharmacist is employed in either a government owned entity (e.g. Australian Defence Force), public or private hospital, Residential Aged Care Facility, or General Practice or in the course of undertaking Home Medicines Reviews or Residential Medication Management Reviews.*

## ISSUE 2 – Material Interest

### The definition of *material interest* is limited in its application to the breadth of interests potentially held in pharmacy businesses.

The current definition of a *material interest* in a pharmacy business is worded in such a way that it excludes any application of the term to an interest that does not vary according to the profits or takings of the business.

The Guild acknowledges the original policy intent to include a definition of *material interest* in the Act as a way to differentiate between an owner of a pharmacy business and someone who holds a lesser interest. However, in doing so, the definition of *material interest* no longer has the scope to apply to a range of interests that may unduly influence the operation of the business.

Within the pharmacy sector, it is common knowledge that business agreements and contracts exist in which parties other than the practising pharmacy owner are given inappropriate degrees of control. These interests in the pharmacy business cannot be captured by the definition of *material interest* as they may not vary according to the profits and takings of the business and contracts that contain such provisions will only be open to voiding under section 22, in appropriate cases.

The Guild believes that there is significant benefit in making some minor amendments to the definition of *material interest* to ensure that it is sufficiently broad to capture the varied types of interests that may need to be disclosed as part of the licensing scheme. This change legally compels disclosure of all types of interest in the business and makes for a transparent and proactive licence application process.

The language proposed by the Guild is consistent with that used in other jurisdictions.

#### **Recommendation**

1. Amend section 13(1)(c) as follows:

(c) *any other interest, **legal or beneficial in the business**, other than an interest of an owner of the business.*

(2) ***to remove any doubt, an interest includes but is not limited to, having a right to receive consideration directly or indirectly that varies according to the profits or takings of the pharmacy business.***

The existing section 13(2) would be renumbered 13(3).

### ISSUE 3 - Supermarket

#### The definition of *supermarket* is limited in its application to physical premises.

The current definition for supermarket included in the Act is insufficient and does not reflect contemporary ways in which a large number of people access goods sold by supermarkets.

The issue lies in including the term *premises* in the definition, which is further defined in Schedule 1 as including:

- (a) *a building or other structure;*
- (b) *a part of a building or other structure;*
- (c) *a caravan or vehicle;*
- (d) *premises held under more than 1 title or by more than 1 owner.*

By tying the definition of a supermarket to physical premises, the Act cannot be easily applied to premises which operate as online businesses or marketplaces, either solely, or in conjunction with a physical store front.

Data from the recent ACCC Supermarkets Inquiry 2024-25 shows that online sales for Coles and Woolworths have grown significantly since the COVID-19 pandemic. Coles has indicated that they expect online sales to continue increasing and the strategy is to improve margins derived from online sales so that they are equivalent to bricks and mortar business. Similarly, Woolworths reported that their ecommerce business is the fastest growing part of the business, and it expects continued substantial growth in the coming years.<sup>2</sup>

It would be remiss, in the face of changing consumer behaviour, to not take measures to protect those consumers and patients from supermarket entry into health care. Woolworths, in particular, has made no secret of the fact that they aspire to move into the pharmacy space, they made serious moves to acquire the pharmacy wholesale group Australian Pharmaceutical Industries in late 2021, and in 2022 they successfully partnered with a community pharmacy chain which now comes under the name of HealthyLife.

While it remains unclear what level of control Woolworths currently exerts on the operation of the pharmacy business, the line between shopping for groceries and scheduled medicine has been blurred. The HealthyLife website can be directly accessed via the Woolworths website and app; if the website were a physical premises, it would be certainly excluded from the licensing scheme as it could not be determined to be an *authorised premises*. However, due to the problematic wording within the Act, this direct access cannot be regulated in the way it should be.

This increasing encroachment of supermarkets into the provision of pharmaceutical products and services is of great concern and should be alarming to patients, communities, and governments alike.

Medicines are not typical retail items but come with significant risks if not used correctly. Pharmacists are professionally bound to prioritise the care and wellbeing of their patients over corporate profits. As registered and practising pharmacists, pharmacy owners are responsible for the decisions and operations of their pharmacy and must adhere to strict professional obligations, regulated by the Australian Health Practitioner Regulation Agency (Ahpra) and the Pharmacy Board of Australia, including a shared Code of Conduct and a Pharmacist Code of

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<sup>2</sup> [ACCC Supermarkets Inquiry: February 2025 final report](#)

Ethics. These responsibilities cannot be delegated and should not be influenced by corporate entities or shareholders.

### ***Overseas examples of negative effects of corporate influence*** **Vertical integration and corporate control in the United States.**

Following the rapid expansion of large corporate owned pharmacies in the 1980s and 1990s, almost half of the 40,000 independent pharmacies closed by the year 2000<sup>3</sup>. Closures of both independent and corporate owned pharmacies continue as vertical integration and consolidation of the market intensifies.

Independent pharmacies make up just 35% of all community pharmacies in the US, the majority of which are in rural areas. Independent pharmacies are consistently ranked highest for overall customer satisfaction and experience.<sup>4</sup>

Vertical integration and corporate consolidation result in increased pressure on the independent pharmacy that cannot afford to be reimbursed for medicines below their cost price.

The corporate model in the US is so flawed that it does not even provide immunity to the closure of its own pharmacies, CVS closed dozens of pharmacies located within Target stores in early 2024<sup>5</sup>, and Walgreens plans to close over 1,200 underperforming stores over the next three years.<sup>6</sup>

We cannot risk this model of pharmacy getting a foothold in Queensland.

### **Mass pharmacy closures in European markets**

Following the trend of the US, thousands of pharmacies operated by large corporations such as Lloyds Pharmacy in the UK have disappeared from the community.<sup>7</sup> While the funding model for community pharmacies in the UK is in need of review, the reason cited for the voluntary administration of Lloyds Pharmacy is that the pharmacies do not yield sufficient profit. Simply, pharmacies operating under corporate control who are answerable to shareholders, have the choice of closing or reviewing their business models to pursue more profitable avenues. In the UK this means pivoting away from providing the fundamental services required of a community pharmacy, namely, dispensing of medicines.

While community pharmacies are businesses that must be profitable in order to serve their communities and to pay their employees, pharmacies owned and operated by registered practising pharmacists have the freedom to make business decisions that are responsive to the needs of their communities.

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<sup>3</sup> [The History of Independent Pharmacies](#), Rx Mile. Accessed 29 May 2025.

<sup>4</sup> [NCPA 2024: In Spite of Challenges, Independent Pharmacies Are Continuing to Serve Patients](#), Pharmacy Times. Accessed 29 May 2025.

<sup>5</sup> [GONE FOR GOOD Beloved pharmacy chain confirms it's set to close 271 stores in 2025 after shutting 900 locations over past three years](#), The Sun. Accessed 3 June 2025.

<sup>6</sup> [Walgreens is closing more than 20 stores across the U.S. this month: Is your local pharmacy one of them?](#) Time Out. Accessed 3 June 2025.

<sup>7</sup> [How did Lloydspharmacy quietly disappear from the high street?](#) Retail Gazette. Accessed 3 June 2025.

In Germany, the number of pharmacies has declined from around 21,500 in 2000 to just over 17,000 in 2024<sup>8</sup>, and in France, approximately 2,000 pharmacies have closed in the last 10 years.<sup>9</sup>

Finally, in Switzerland, deregulation is on the horizon and health care analysts predict that as large corporate chains acquire more pharmacies, the consolidation of physical premises will continue, reducing the overall number of pharmacies, thereby limiting patient access.<sup>10</sup>

### **Recommendation**

1. Amend clause 11(3) to:

**supermarket** means premises **and online marketplaces** used primarily for selling a range of food, beverages, groceries and other domestic goods.

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<sup>8</sup> [Number of pharmacies reaches a new low](#), Quomi. Accessed 3 June 2025.

<sup>9</sup> [Accelerating Pharmacy Closures in France: Analysis and Solutions](#), Faks. Accessed 3 June 2025.

<sup>10</sup> [Swiss pharmacies brace for shake-up as deregulation looms](#), SWI swissinfo.ch. Accessed 3 June 2025.

## CONCLUSION

The Guild has invested significant resources into providing comprehensive and constructive feedback throughout the lengthy process of developing the *Pharmacy Business Ownership Act 2024*. We have enjoyed the positive and collaborative relationship we have built with the now Pharmacy Business Ownership Implementation Unit and look forward to continuing to work with that team and the Pharmacy Business Ownership Council to support community pharmacies through the final phases of implementation over the coming months.

Effective regulation of pharmacy business ownership is critically important to a resilient and accessible community pharmacy network that remains viable and able to adapt its service offering to meet the evolving needs of Queenslanders.

Living in Australia, patients are fortunate to benefit from nationally consistent regulation of pharmacy businesses requiring them to be owned by pharmacists and restricting access between pharmacies and supermarkets. This ensures that pharmacies maintain a strong health focus, through a competitive small business sector, which is a key reason for the high level of patient satisfaction. Further, the regulation of the pharmacy sector assists in reconciling tensions between commercial imperatives and public health policy objectives, thus creating an environment conducive to upholding the National Medicines Policy.

The Guild believes that the latest round of amendments to the Act proposed through the *Health Legislation Amendment Bill (No.2) 2025* assist in strengthening the Act so that it may achieve its main purposes.

However, it must be stated that the conduct of modern-day pharmacy practices and businesses is complex and varied. As discussed throughout the above submission, the Guild has identified several areas within the Act that leave it open to the potential exploitation from large corporate entities. We acknowledge that these issues are not new and have been raised on several occasions, most recently through correspondence with the Health Minister, the Honourable Tim Nicholls MP. Further, we respectfully acknowledge the legislative and policy intent for the issues we have raised within the Act, however, we cannot agree that the wording is sufficiently robust to safeguard patient interests into the future.

The repeal and modernisation of legislative Acts is infrequent and the result of years of work, so it should be anticipated that the 2024 Act will be in force for decades to come. It is not possible to predict with certainty the way in which community pharmacy will evolve in the future, however, it is critical that every effort is made now to strengthen and future-proof the legislation. By anticipating how the Act may be exploited, and closing those loopholes, we are better positioned to protect the current successful model of community pharmacy that is the cornerstone of primary health care. With this as the outcome, community pharmacies may continue providing essential and accessible health care to all Queenslanders, free from corporate control which seeks to prioritise profits of shareholders over patients.