




Speech By
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MEMBER FOR MAIWAR

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PHARMACY BUSINESS OWNERSHIP BILL

 **Mr BERKMAN** (Maiwar—Grn) (3.30 pm): Let us take a moment to try to move past consideration of rashes and hams in the same sentence. I rise to make my contribution to debate on the Pharmacy Business Ownership Bill 2023. The community pharmacy sector is absolutely vital to Queensland's health system. In the 20-plus years since the current system of pharmacy regulation was instigated, Queensland has ended up with fewer pharmacies per head of population than before and we have no guarantee that this bill is going to reverse that trend. The existing system has also seen the rise of massive supermarket style discount chemist chains like Chemist Warehouse. Are the solutions that this bill puts forward the answer to that? Time will tell.

We have an overburdened and underfunded healthcare system in Queensland. Access to primary health care is by no means guaranteed to all Queenslanders. Even here in the south-east corner, getting good care from a general practitioner is fraught with challenges. For a start, Australia is facing an unprecedented GP shortage. We will be short nearly 11,000 GPs by the time the Olympics roll around. Secondly, even if you can get an appointment with a GP, out-of-pocket expenses have soared in the past year. In most parts of Australia, finding a bulk-billing clinic is getting harder and harder every year. The reality is that in many parts of Queensland, and especially in rural, regional and remote Queensland—like the areas you represent, Mr Deputy Speaker—a pharmacist may be the only healthcare provider available when you need primary health care. Certainly, they are often the first port of call for healthcare concerns. As our GP shortage intensifies, and unless our healthcare system receives the funding it so desperately needs, pharmacies are only going to become even more important players in our health ecosystem.

The Queensland Greens want a well-funded universal healthcare system. The current system of pharmacies in Queensland is heavily corporatised, with these large Chemist Warehouse style chains dominating the landscape and threatening small businesses. We need to be clear again: the current restrictions on pharmacy ownership that have already been in place for the past two decades have done nothing to stop this sudden disruption and the advent of Chemist Warehouse. Furthermore, they have done nothing to ensure we have greater access to pharmacies in Queensland. Instead we have worse access, with fewer pharmacies per head of population than we had at the turn of the millennium. One submitter to the inquiry on this bill, Amin Javanmard, a pharmacy owner from Biggera Waters on the Gold Coast, said—

While nationalising the supply of pharmaceuticals and services provided by pharmacists through direct government ownership of pharmacies would probably be the best outcome, the present system has been a good demonstration of the role of the private sector in achieving public health aims and outcomes.

Until we get to the point of nationalising supply of pharmaceuticals, the Greens want to see a system of community pharmacy that maximises benefits for everyday people.

This bill replaces the 2001 Pharmacy Business Ownership Act with an act that largely preserves the pharmacy ownership restrictions that have been in place for 20-plus years. It retains the limit on the number of pharmacy businesses that a person or a corporation might own and clarifies the requirements

on who might own or control one. It creates a regulatory council that will exercise regulatory functions that have previously been held by Queensland Health. Interestingly, it purports to address the key shortcoming of the existing ownership restrictions by including a prohibition on third parties exercising inappropriate control over how pharmacy business owners provide pharmacy services related to medicines. I will say a little more on that shortly.

Plenty of submitters on the inquiry to this bill pointed out issues with the current restrictions on pharmacy ownership. The Queensland Aboriginal and Islander Health Council pointed out in its submission that the retention of ownership restrictions will likely restrict options for models of care desperately needed to support the provision of culturally appropriate comprehensive health care to Queensland's Aboriginal and Torres Strait Islander peoples. These include community controlled pharmacy ownership arrangements. Further, QAIHC stated that consumer safety as well as improved access should be prioritised and that the bill should not be supported.

The Queensland Productivity Commission also submitted to this inquiry. It has examined the relevant issues in detail in previous years. It submitted that the Queensland Pharmacy Business Ownership Council should not be created and that Queensland Health should retain the regulatory powers that are proposed to be transferred to the council. It does not support the retention of the existing ownership provisions and submitted that there is no credible evidence that these rules maintain access to pharmacies in outer suburban, rural and remote communities. Further it states, like QAIHC, that the removal of the restrictions would strengthen the Aboriginal community controlled sector. I note that the minister indicated in her second reading speech that the Pharmacy Business Ownership Council will be tasked with addressing this issue. It is a really important issue raised by the bill. It is important that it is resolved as soon as possible and I welcome the minister's comments on this, along with her indications around First Nations membership of the council.

The Australian College of Nurse Practitioners noted that location and ownership restrictions should be relaxed to allow other health professionals to have ownership of pharmacies. It cited experts including a Commonwealth Competition Policy Review in 2015 which stated that these restrictions do not observe the objectives of the National Medicines Policy as they limit both consumers' ability to choose where they obtain pharmacy services and suppliers' ability to meet consumers' demands.

As for our position on this bill, we will not be opposing it, but again I want to note that we are effectively reinstating the same system of regulation that has led to fewer pharmacies per head of population than when the restrictions were introduced and that has facilitated the establishment of local monopolies and large corporate entities and conglomerates. In recent years Chemist Warehouse alone has caused a massive disruption to the pharmacy sector. In fact, it is about to be publicly listed on the Australian Stock Exchange once its merger with Sigma Healthcare goes through. Our laws are designed to keep pharmacies in the hands of small business owners, and the Chemist Warehouse model has completely blown this up.

Chemist Warehouse's owners have basically found an innovative way to get around the law in the five states of Australia that limit the number of pharmacies owned by an individual pharmacist. From there their market share has exploded. As at December last year, 158 of the 578 Chemist Warehouse franchise pharmacies nationally were controlled by five key members of the Chemist Warehouse management team. Once this merger goes through, it seems we will have a full 10 per cent of our pharmacies under the control of a listed corporation whose sole goal is investor profitability. I will put it to everyone rhetorically: is this the public health outcome we want? The Queensland Greens would say no. Profit for investors should not come before maximising public health outcomes and access to cheap medicines for everyday Queenslanders. If a model like this can comfortably exist within Queensland's highly restrictive framework for pharmacy ownership, I would argue that our framework is not fit for purpose.

Clause 22 of the bill importantly proposes to prohibit a very narrow scope of conduct described as inappropriate control, presumably in an attempt to limit the expansion of this kind of chain. The Pharmacy Guild has made its submissions that the prohibition on external control should refer to control and influence, not just control. Essentially, their concern is that inappropriate control provisions in the bill will not do the job. I share those concerns, but I suppose at this point we are left with little option but to wait and see how it pans out.

Twenty years on from the implementation of this current system, we have less access to community pharmacies, less access to primary health care and an increasingly corporatised and monopolistic pharmacy sector. To the extent that the bill preserves the current framework for pharmacy ownership and introduces these minimal reforms about how we deal with inappropriate control, I am not convinced that we are necessarily lining ourselves up for the best future to tackle the issues facing the pharmacy sector in Queensland today. Given how creative large businesses such as Chemist

Warehouse have been in storming the pharmacy sector, making ownership restrictions effectively irrelevant and taking on massive shares in the market, it remains to be seen just how effective these new controls will be.