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## Media release

### New Agreement to deliver certainty for community pharmacy

The Pharmacy Guild of Australia and the Federal Government have reached an in principle agreement on the funding envelope and structural elements of community pharmacy through to 2015.

The National President of Guild, Kos Sclavos, said: "The agreed terms will ensure the viability of our highly valued community pharmacy model, while also delivering savings to the Government and to taxpayers."

Over five years, the cut to predicted spending attributable to community pharmacy will total around \$1 billion.

- The current dispensing fee has been preserved. However, there will be a freeze on the fee for the first two years of the agreement (i.e. no indexation increases).
- The 40 cent per prescription PBS Online incentive payment will cease from July 2010.
- The Government has agreed to retain community pharmacy location rules which ensure fair and equitable access by consumers to pharmacy products and services across Australia.
- The wholesaler Community Service Obligation has been retained.
- The number of patient focussed services delivered through the Agreement will increase.

Details regarding Professional Programs, Quality Assurance, Rural Programs and eHealth will be negotiated and announced in the New Year. These initiatives will be designed so as to link into the Government's health reform agenda, particularly to assist in strengthening the role of community pharmacy in primary health care.

"The Global Financial Crisis and the unprecedented Federal Budget deficit have left the Government with no alternative but to cut sharply into many existing programs - 2010 will be a tough year across many sectors," Mr Sclavos said.

In that context, the Federal Government approached the Guild earlier this year to advise us that it would demand significant savings from community pharmacy in the Fifth Community Pharmacy Agreement which takes effect from July 2010. While the Government's target savings were extremely large, the Minister for Health and Ageing, Nicola Roxon, also indicated her preparedness to work with the Guild to achieve a funding envelope which would maintain the viability of the community pharmacy sector.

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“After extremely tough and confidential discussions, the Guild and the Government have reached a position which community pharmacy can accept, in difficult circumstances,” Mr Sclavos said.

Members of the Guild across Australia have been advised of this outcome at the earliest opportunity – albeit so very close to Christmas – to ensure they are given the earliest possible advice of a matter crucial to their viability over the coming five years.

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