



12 May 2022

Professor Trent Twomey  
National President  
The Pharmacy Guild of Australia  
Level 2, 15 National Circuit  
BARTON ACT 2600  
By email: [guild.nat@guild.org.au](mailto:guild.nat@guild.org.au)

Dear Professor Twomey,

I write in response to your letter of 30 April to Anthony Albanese MP about Support for Community Pharmacy. Anthony has asked me to respond on his behalf.

Labor has a long history of support and cooperation with the Community Pharmacy sector and the Pharmacy Guild of Australia since the Hawke Government concluded including the first Community Pharmacy Agreement with the Guild in 1990.

Labor's approach has not changed. Labor remains committed to the central place that community pharmacy plays in the primary healthcare sector. Pharmacy represents a crucial pillar of the broader health system and is not and should not be seen as part of the broader retail sector. There was no better demonstration of this fact than through the COVID pandemic, and in particular the vaccine rollout. After being initially sidelined by the Morrison Government representing another aspect of the mismanagement of the vaccine rollout program, Community Pharmacy demonstrated it was extremely well placed to deliver vaccines in a safe, effective and very timely manner, across the whole country.

Labor remains committed to existing rules governing pharmacy location and ownership as reflected in the 7<sup>th</sup> Community Pharmacy Agreement and related delegated legislation, including at the state level. This includes continued support for the long-standing bipartisan position that pharmacies be owned by pharmacists.

Labor accepts and welcomes the central role that community pharmacies play in providing medicines to government funded residential aged care facilities. As such, Labor will work with the Guild on the implementation of the recently announced additional funding to improve the administration of medication management for residential aged care residents.

Labor acknowledges the work the Guild has done in advocating for affordable medicines reform. Labor agrees with the Guild that all Australians deserve access to universal, prompt, and world class medical care, and no one should be missing out on the medicines they need due to cost. As you are aware, on 1 May Labor Leader Anthony Albanese announced that a Labor Government will cut the maximum co-payment under the Pharmaceutical Benefits Scheme (PBS) from the current maximum of \$42.50 to \$30.00. This represents a saving of \$12.50 or 29 per cent. The changes to the PBS will take effect from 1 January 2023 and will save Australians more than \$190 million a year in out-of-pocket costs.

As part of this reform, Labor has pledged that no patient will be made worse off. Labor looks forward to working with the Guild on implementing this guarantee to ensure it is done in a fair and effective manner that avoids unintended consequences.

Labor also looks forward to working with the Guild to explore further opportunities to lower drug prices in a budget neutral way that do not adversely affect the viability of community pharmacies.

Labor also looks forward to working with the Guild to ensure the implementation of the current community pharmacy agreement includes reforms that do not negatively impact on either the viability of community pharmacies or patient's access to community pharmacy services.

Should Labor be elected to Government on 21 May, I look forward to continuing to work closely with yourself and the Guild on the many challenges our nation faces, especially as we continue to manage the global COVID pandemic and beyond. Labor looks forward to the negotiation of the Eighth Community Pharmacy Agreement with the Guild no later than January 2025.

Thank you again for your constructive and cooperative approach towards representing your members and the interests of the vital community pharmacy sector. I look forward to an ongoing cooperative relationship between the Pharmacy Guild of Australia and Labor.

Kind regards,

Mark Butler MP