



**The Hon Tanya Plibersek MP  
Minister for Health**

744-1191

The Hon John Murphy MP  
Chair  
Standing Committee on Petitions  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Mr Murphy

Thank you for your letter of 11 February 2013 regarding a petition recently submitted for the consideration of the Standing Committee on Petitions requesting the approval of a pharmacy at Shortland Building, University of Newcastle, Callaghan, under subsection 90A(2) of the *National Health Act 1953* (the Act).

I would like to take this opportunity to explain the approval process for new pharmacies under the Pharmacy Location Rules (the Rules). Before a pharmacist can be approved to supply Pharmaceutical Benefits Scheme (PBS) medicines at particular pharmacy premises, certain criteria must be met. These criteria are detailed in the Rules which aim to ensure access for all Australians to a well distributed network of community pharmacies, including in rural and remote areas.

Under the Act, the Australian Community Pharmacy Authority (the Authority) considers applications against the requirements of the Rules. If the Authority does not recommend a pharmacist to be approved to supply PBS medicines at the proposed premises and the application is rejected, the pharmacist may request me to exercise my discretionary power to approve the application.

Ministerial Discretion is designed to address exceptional circumstances where there are unintended consequences of the Rules. I can only exercise my discretionary power to approve a pharmacist under the Act if I am satisfied that a decision to not approve a pharmacist will result in a community being left without reasonable access to PBS medicines, and it is in the public interest to do so.

Attached is a fact sheet on the process of the Authority, the Rules and Ministerial Discretion, for your information.

Once again, thank you for writing.

Yours sincerely

  
**Tanya Plibersek**

Encl 7.3.13

# **Fact Sheet - Australian Community Pharmacy Authority, the Pharmacy Location Rules and the Ministerial Discretion power**

## **Australian Community Pharmacy Authority**

All applications to supply Pharmaceutical Benefits Scheme (PBS) medicines at particular pharmacy premises made under section 90 of the *National Health Act 1953* (the Act) are considered by the Australian Community Pharmacy Authority (the Authority).

The Authority is an independent statutory authority established under s99J of the Act.

The Authority meets monthly to assess applications against the requirements of the Pharmacy Location Rules (the Rules) and recommends whether or not an applicant should be approved to supply PBS medicines.

Applications must be made to Medicare (within the Department of Human Services), before being referred to the Authority.

There are three types of decisions the Authority can make in relation to each application – recommend approval, not recommend approval or defer a decision on the application to the next meeting subject to further evidence being provided.

Following each meeting, the Authority's Secretariat informs Medicare in writing of the decision made by the Authority in respect of each application. Medicare in turn advises the applicant of the outcome. If the Authority has recommended that an application not be approved, the Authority will also advise the applicant and include reasons for the decision.

## **The Pharmacy Location Rules**

The Rules have been established under the *National Health (Australian Community Pharmacy Authority Rules) Determination 2011*.

The Rules allow pharmacists to make application for approval to establish a new or relocate an existing approved pharmacy.

The Rules set out strict location-based criteria that must be satisfied before the Authority can recommend that the pharmacist can be approved.

There are 11 Rules, each applicable to certain circumstances, including the establishment of pharmacies in large medical centres, shopping centres and rules for additional pharmacies in rural and urban contexts. Applicants choose to apply under the Rule which best suits their circumstances.

The specific overall objectives of the Rules are to ensure:

- All Australians have access to PBS medicines;
- A commercially viable and sustainable network of community pharmacies dispensing PBS medicines;
- Improved efficiency through increased competition between pharmacies;
- Improved flexibility to respond to the community need for pharmacy services;
- Increased local access to community pharmacies for persons in rural and remote regions of Australia; and