

**Senate Community Affairs Committee**

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

**Supplementary Budget Estimates 17 & 19 October 2012**

**Question: E12-202**

**OUTCOME 2:** Access to Pharmaceutical Services

**Topic:** FIFTH COMMUNITY PHARMACY AGREEMENT

**Type of Question:** Written Question on Notice

**Number of pages:** 2

**Senator:** Senator Di Natale

**Question:**

Can you provide a breakdown, by financial year, on how the approximately \$3.08 billion per annum in Community Pharmacy Agreement money is spent, including dispensary fees, payments to the Pharmacy Guild, payment directly to pharmacy owners, and payments to wholesalers?

**Answer:**

The breakdown over the life of the Fifth Community Pharmacy Agreement is as follows:

Table 1

<b>Element</b>	<b>\$m</b>
<b>Pharmacy remuneration (paid to pharmacies)</b> (includes dispensing fee, pharmacy and wholesale mark-up, extemporaneously prepared and dangerous drug fees, premium free dispensing incentive and electronic prescription fee)	13,997.7*
Programs and services (see Table 2 below)	386.4
Additional Programs to support patient services (see Table 2 below)	277.0
Community Service Obligation (paid to wholesalers)	949.5
<b>Total</b>	<b>15,610.6</b>

\*(Includes \$0.8m in support activity funding to the Guild in 2011/12).

Table 2

<b>Programs and Services Funding Recipients</b>	<b>2010-2011 \$m</b>	<b>2011-2012 \$m</b>
Program payments paid to pharmacists	15.010	20.310
Program payments paid to pharmacy owners	79.164	117.457
Payments to Guild	3.931	6.157
Payments to PSA	0.440	0.591
<b>Total</b>	<b>98.545</b>	<b>144.515</b>

Table 3

<b>Remuneration by Element *</b>	<b>Expenditure 2010-2011 \$m</b>	<b>Expenditure 2011-2012 \$m</b>
Electronic Prescription Fee (Payments to pharmacy owners)	1.189	1.795
Premium Free Dispensing Initiative (Payments to pharmacy owners)	135.9	147.2
Community Service Obligation (Payments to wholesalers)	182.492	186.142
<b>Total</b>	<b>319.581</b>	<b>335.137</b>

\*All Ready Prepared Dispensing Fee, Extemporaneously Prepared Dispensing Fee, Retail markup, Wholesale mark up, Dangerous Drugs fee are not separately reported and comprise part of the overall PBS expenditure reported in Outcome 2.2.