



The Hon. Greg Hunt MP

Minister for Health

TRANSCRIPT

07 March 2019

REMARKS GOLD COAST

GREG HUNT:

To Trent.

To George Tambassis, for his real vision and passion and focus for community pharmacy.

To David Quilty – six years officially but six years in guild time I think is the equivalent of 12 years in real human time. Thank you for all of your amazing work.

And to Catherine, to all of our international visitors, to our pharmacists and pharmacy assistants from around Australia and especially to our winners in the categories and to (inaudible) from Forbes today, congratulations to all of you.

Now, I saw some of that same energy and enthusiasm and passion last night.

I visited one of the dinners and spoke at one of the dinners – I won't name the particular chains involved but if you unscramble the words and – which might sound like 'I am Californian' or 'a guard named Ian'; you can guess which group I was visiting last night.

But we saw the energy and the excitement that their particular winners had and the pride of being real community pharmacists and what they do. And this is part of the incredible work of over 5500 community pharmacies, over 31,000 pharmacists around the country, and over 71,000 people who are working in community pharmacy in a one way, shape or form.

And I've seen in just in recent days with my local work visiting pharmacies in Sorrento, run by Mark Claybourne who I understand is here today; in Mount Martha run by Terry Bateman who's here today; in Tyabb and in Somerville.

And to see that work, but also to see the fact it's very interesting profession because 62 per cent of the pharmacists in Australia are women and I think that's a tremendously important thing.

One of the earliest women, as I mentioned last year, who was a pharmacist in Australia was Phyllis Grant.

And Phyllis was my grandmother and she was one of the early trainees through the Victorian College of Pharmacy and her message to me as I was growing up was that there's pharmacy and there's community pharmacy.

Authorised by Greg Hunt MP, Liberal Party of Australia, Somerville, Victoria.

And pharmacy is about the medical needs; community pharmacy is about the holistic needs, about the services – all of the things that you are focusing on and expanding now.

Now, she passed two decades ago so she hasn't sent me any new messages in the last year.

But what she would have said to me, and I am absolutely certain about this, is: so you're my grandson and you now have a certain responsibility in this space; there will not be on your watch vending machines replacing pharmacists and there will not be federal licences granted for pharmacy in supermarkets.

And so I can say to my grandmother and to all of you that on our watch, in our time, on my watch in my time, no vending machines and no supermarket licences; that's a commitment now and through the seventh CPA and as long as we are involved in leadership in this space.

Then that brings me to the real focus today which is the forward agenda of looking at what we achieved in partnership; the vision for community pharmacy and the roadmap.

In terms of what we've achieved over recent years, we start with the heart of your work, which is the dispensing of medicines and the fact that we've together been able to list over 2000 new medicines in the last few years: \$10.5 billion worth of new medicines listed on the Pharmaceutical Benefits Scheme.

And incredibly important medicines, whether it's in terms of cystic fibrosis or spinal muscular atrophy or so many other conditions, but high volume medicines which the pharmacists themselves are dispensing such as the statins for cardiac conditions, medicines for asthma and for arthritis.

And these are so fundamental to the public benefit and the fact that we can now guarantee that if the Pharmaceutical Benefits Advisory Committee recommends them, we will list them, gives you certainty and you security that new medicines will be coming on board all of the time.

And I think that's a really fundamental part of the Australian health care system that our guests from overseas will look at and hopefully will rightfully envy and judge as a real feature of what we do here in Australia.

Beyond that though, the sixth CPA delivered some fundamentally important things. But in many ways the most important was to put a floor under the AHI fee for the lower cost medicines.

And to have that floor guaranteed the base income so as that you were not being short changed by changes in the price of those medicines, I think that that is a very important development to which we remain fundamentally committed.

But coming into the role, along with George and Trent and David and others, we developed very quickly the compact to the agreement.

And that compact had two fundamental elements: one, we are able to release \$800 million of funding for community pharmacy.

\$600 million of that went to new programs, dose administration programs which, for example, we launched at Wilkinson's Pharmacy in Burnie, that was one of our category winners today.

We were able to look at meds check, at pain meds check, at work with diabetes, things that you've all played such an important role in.

And an additional \$200 million, which went to a higher and expanded AHI fee, which underpins much of your income in relation to the dispensing of PBS medicines.

Authorised by Greg Hunt MP, Liberal Party of Australia, Somerville, Victoria.

So very important steps. But I think even more important was the once in a generation change in the location rules.

We said we would abolish the sunset clause on the location rules. We have done that. We have legislated that, and it will not be coming back on our watch.

And in our discussions with the leadership of the guild, this was fundamental.

And somebody said to me last night, it has provided bankable certainty over your asset.

And without that, it would have been a very different environment.

But in addition to that, we have also put in place statutory protections against bunny-hopping and also against backfilling in supermarkets and shopping centres.

And I think that both of those provide balanced protections for your businesses against undue actions which are anti-competitive. And I think that they are a very important part.

So then as we go forward, what is the vision? And the vision which George has talked about, which Trent has talk about, which our pharmacy category winners have talked about, is of the community in community pharmacy.

And the essence of that community is a combination of the listening and the staff, but also the expanded services.

So as you become much more than retail, you become a healthcare service centre, which so many of you are doing. At the heart of that: first, there's the role in terms of vaccinations.

Now, in 2013, the power was given to pharmacies to provide vaccinations.

We're progressively expanding that and you've played a critical role, and the NIP is being adopted by some states, but I will be leaving here today – and I apologise, I'll have to leave early – but the reason is because I'll be going to Adelaide to the Council of Australian Government's meeting with health ministers, where one of the matters that I will be raising is urging those states that have not provided NIP access for vaccination to pharmacists to do so.

And what I'm delighted to announce and acknowledge is in the last year, we went from 8.6 million flu vaccinations to 11 million vaccinations.

You have played a critical role in helping to expand those offerings. And what does it actually mean?

It means that in 2017, sadly, 1150 people lost their lives. In 2018, where there was the dramatic expansion of herd immunity through your programs and the programs of others, that dropped by 90 per cent to just over 100 people.

So when we say that you are saving lives and protecting lives, you really are. The facts are there and the outcomes are recognised and measured in lives saved and lives protected.

To go on from there though, in terms of services, whether it's the \$30 million health care homes trial, the \$50 million pharmacy trials program, you're playing a very important role in expanding your services. And each of you doing that in your own ways.

Authorised by Greg Hunt MP, Liberal Party of Australia, Somerville, Victoria.

Today, I am delighted to announce the first stage of what I hope will be a national roll-out across three states in- states and territories initially, we will establish a \$5 million pharmacy mental health trial program. And what that program mean?

It means that you will be given support to provide greater adherence to those patients who are managing medications for their mental health challenges. And we know in any one year, 4 million Australians will face those challenges.

And so this will give you more information and more capacity to help those patients at their time of greatest need.

And my belief is that this trial will be successful and that my guarantee is that presuming that is the case we will then roll it out nationally and make it available to every pharmacy in Australia.

The next frontier though, of course, is digital health. And your role already in the My Health Record system is that 84 per cent of pharmacies around Australia have registered to do that. And so you are leading the way in adoption of digital health.

Right now though we've got \$28 million investment which is working on the software and the legislation for e-prescribing and that e-prescribing is now thoroughly well developed and on the way, and we look to have that achieved over the course of the coming months and to roll it out nationally.

And then at the same time, to work on real time prescription monitoring which is so fundamental to dealing with the challenge you face of those who might be shopping around across doctors and pharmacies for opioids and who are battling addictions.

And this will provide us with the real time prescription monitoring protection for you and for the patients to make sure that more lives are saved and protected.

We have already built the national railroad for e-prescribing. Victoria is leading the way amongst the states. Some others have to be brought along and again, that's something we'll be raising in the next 24 hours. But it will give you the power to protect lives and save lives and work with patients for their benefit.

So then that brings me to the roadmap as we travel forward to the pharmacy of the future, of which so many of you have talked about.

The first thing is you're all small businesses and as small businesses the tax you pay affects your ability to be able to deliver those services. So we're moving from a 30 per cent tax rate now to 27.5 per cent and within two years to 25 per cent, and that I think will make it easier for you to conduct your business.

At the same time, we've expanded the instant asset write-off from \$20,000 to \$25,000 and taken it out to 2020. And we saw a magnificent example of the robotic stock picking and that's one sort of material and type of equipment which could qualify under the instant asset write-off.

The payment schedules is something which the guild and the leadership in particular have raised.

They've asked us to review what has been the nine to 16 day Commonwealth payment schedule and we have done that.

And I am delighted to announce today that the Australian Government will move to change that payment schedule for Commonwealth payments from nine to 16 days down to two to nine days.

Authorised by Greg Hunt MP, Liberal Party of Australia, Somerville, Victoria.

Very simply that means better cash flow and the Commonwealth ensuring that your payments arrive earlier.

The other critical thing that we were asked about was security over the AHI and we were able to invest in the AHI as part of the Compact.

Today, I am so delighted to announce that the Commonwealth will invest a further \$200 million over the course of what's called the forward estimates, the full period of the budget, out to mid-2023, to guarantee the higher rate of AHI.

So you now have security for four years and the \$200 million additional investment in the AHI fee which will underpin your revenues going forward.

It's not technically a pre-budget leak, it's an authorised announcement. And then finally, the last thing I want to address is the Seventh Community Pharmacy Agreement.

We look forward to going into that if we're entrusted with government after the election. It will be one of our first priorities.

As part of that, we have to deal with location and as I said at the outset in reference to my grandmother, we guarantee that the location rules which we have put in place in law and through statutory arrangements will be maintained and that there will not be any move in the 7th CPA on our watch, in our time for vending machines or for opening up supermarkets and large shopping centres.

More than that though, more than that, what we also want to do is ensure that there are ways of taking pressure off patients. And as part of those discussions, we will include the dollar discount.

I know that that is a very important issue to many of you; it's been raised with me in the strongest possible way by the guild leadership and individuals.

And we will do this as part of negotiations which will begin on 1 July and we seek to have it concluded within six months, before the end of 2019 to ensure that you have security six months before the next community pharmacy agreement begins.

And in the meantime we'll continue working on the dollar discount with the guild leadership. So those are the things that we're looking at doing (inaudible).

Finally, I want to thank you. I want to thank you for what you do to help people have better health.

I've seen it in the pharmacies in my electorate, I see it in what you do around the country and we've seen it in the flu statistics for the last year. You change large, you protect lives and with your vaccinations you save lives. I am delighted to officially declare open APP 2019.

(ENDS)