

## WOOLWORTHS ASKS GOVERNMENT TO ALLOW TRIAL OF PHARMACIES IN SUPERMARKETS

### “Let Australians Decide” says CEO Roger Corbett

**EMBARGO UNTIL 8<sup>th</sup> May 2005**

Woolworths has asked the Federal Government for permission to place pharmacists in a limited number of supermarkets in an eighteen month, fully transparent trial, in which the customer would be the ultimate judge.

Announcing the offer, Woolworths CEO Roger Corbett said: “Australia has the chance to save billions of dollars by ending the closed shop operated by the Pharmacy Guild.

“An ACIL Tasman report has shown that the protection of the Pharmacy Guild under current government regulations is haemorrhaging taxpayers’ money at a rate of \$500 million per annum.

“This has become more than a political issue, it’s now an issue that every Australian needs to understand because, whether they are consumers or taxpayers, it’s their money that’s being wasted.

“Deregulation will submit pharmacies to the same competitive forces as any other retail operation. This will increase job opportunities for pharmacists; will create enormous cost savings; and will significantly broaden the community’s access to expert, professional pharmacist advice.

“We have put forward to the Federal Government a positive and reasonable plan to trial a more open, fair system by allowing a limited number of pharmacists to work within a handful of Woolworths supermarkets.” Mr Corbett said.

“We have also asked that any agreement between the Federal Government and the Pharmacy Guild be limited to one year instead of five and that the Productivity Commission or the ACCC be asked to carry out a review of the distribution of pharmacy products at both retail and wholesale levels.”

#### **The Woolworths Offer**

- To set up and operate five trial in-store pharmacies for the next eighteen months entirely at Woolworths’ expense.
- To create dedicated pharmaceutical dispensing areas within the supermarket -- separate from the food and general merchandise areas -- where all required pharmacy standards would be enforced. (see attachments for details of how they would look/operate)
- To employ fully qualified and experienced pharmacists who would be available to dispense medicines and free advice during the supermarket’s extended opening hours. (including late nights and Sundays, depending on the store)

- To invite the Australian Medical Association (AMA), the Australian Consumers Association (ACA), the Government, and the Australian GP Society to monitor the trial and establish a benchmark criteria for its success or failure.
- To allow consumers to be the ultimate judge as to the success of the trial.

Mr Corbett continued, "It should be noted that only about 20% of qualified pharmacists are Pharmacy Guild members- those who can afford the now prohibitive costs of buying their own pharmacy.

"The Pharmacy Guild has fought hard to retain the costly protection it receives from Government by engaging in misleading campaigns aimed at preventing PBS drugs from being dispensed within supermarkets. These campaigns have been criticised by the AMA and the ACA as inaccurate and misleading. Under our trial proposal, trained pharmacists will dispense prescription medications and provide advice in exactly the same way as they currently do, to exactly the same professional and ethical standards, but without the additional distraction of having to run a retail business.

"This is a real, no risk opportunity for the Government to test a concept that has been proven to be successful overseas. If the trial is a success, then the customer and the taxpayer are the winners," Mr Corbett concluded.



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**We have asked the Federal Government to allow us to establish a trial of in-store pharmacies as follows:**

- To run in five supermarkets – locations to be determined
- To be operational for no less than one year
- To invite independent parties, such as the Government, the Australian Medical Association, the Australian Consumers Association and the GP Society of Australia to monitor the trial with full transparency
- To ultimately provide a genuine test as to whether the concept was popular with customers on the basis of greater cost savings, better service and increased convenience

**Woolworths in-store pharmacies will have the following features:**

- They will employ fully accredited, professional, experienced pharmacists, on-duty at all times during opening hours
- The pharmacists will provide the same range of services as they do in any other pharmacy – e.g. dispensing, provision of specialist advice, medication management etc.
- They will be in a clearly defined space within the supermarket, with a secure prescription area with privacy screen and shelves for over the counter products
- They will have separate checkout tills, manned by trained pharmacy assistants
- They will have a full range of PBS and over the counter medicines available
- The opening times, including prescription dispensing times, would be in line with the supermarket opening hours. Depending on the store, this could include late nights and Sundays