



## PRIME MINISTER

Dear Pharmacist

I appreciate the valuable role that you have in supporting people across Australia with their health care needs, from prevention through to helping people manage their chronic illness.

The Coalition is proud Australia's community pharmacy sector is considered world-leading. It is a truly public-private partnership that is underwritten by the capital investments made by small business pharmacy owners around Australia and the commitment and hard work of their staff.

My Government is committed to supporting hardworking pharmacies through much needed measures to support small business. These measures are part of our plan to drive jobs and growth and to ensure communities have the essential health services they need. I have attached a fact sheet to give you details on our reforms.

The Coalition continues to support the model of pharmacies being owned by pharmacists to ensure community pharmacy remains focused on the needs of patients. The established community pharmacy model continues to serve Australians well.

A major achievement this term has been the Sixth Community Pharmacy Agreement (Agreement) and we appreciate the constructive work we have done together on this. The Agreement is a sound blueprint for the pharmacy sector for the next five years and provides a platform for the sector to further strengthen its effective and efficient delivery of health services to consumers.

The Agreement constitutes an investment of \$18.9 billion working in partnership with community pharmacies to continue a sustainable supply of medicines to the community. As you would be aware, it provides pharmacies with a guaranteed level of remuneration for dispensing medicines, as well as nearly doubling the funding for professional pharmacy programmes.

The fact is we made this financial commitment in spite of the very difficult fiscal circumstances we inherited from Labor. Our commitment to you is testament to our ongoing support for community pharmacies and to the millions of Australians who rely on their local pharmacies.

We have also welcomed the commitment by the broader medicines sector to reforms that are ensuring that the PBS remains fiscally sustainable.

A returned Turnbull Government will ensure that the \$50 million in the Pharmacy Trial Program and the \$600 million in the Agreement for new and expanded professional services deliver the very best evidence-based health outcomes for patients through the community pharmacy network.

The Coalition supports reforms that allow expansion of the role of pharmacists as a key member of a patient's 'medical team' and looks forward to working with the sector to develop new and innovative trials which will realise the full potential of community pharmacy to manage a patient's health care needs.

As part of the Agreement, the Coalition and the Pharmacy Guild agreed to an independent review of Pharmacy Remuneration and Regulation. This is underway and will report to the Minister for Health in March 2017. The Review upholds the clear commitment the Coalition made during negotiations of the Sixth Community Pharmacy Agreement to ensure dollars invested in pharmacies reflect 'value-for-money' and that the sector is working efficiently, effectively and remains viable to meet the needs of consumers.

The Review is an opportunity to identify ways in which community pharmacies and their professional staff can contribute to a more integrated and patient-focused approach to health care. In particular, the Coalition sees an integral role for pharmacists in the broader primary care reforms currently underway in the health portfolio.

The independent Review will make its recommendations, but any policy changes are always a matter for Government.

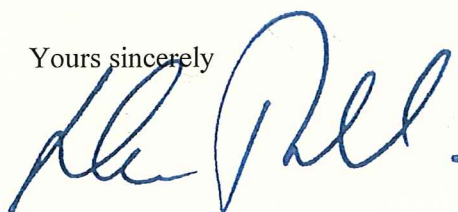
The Coalition encourages community pharmacies to engage closely as these reforms progress to ensure that pharmacies are a key player in delivering new and improved health outcomes for consumers.

During this term, the Coalition made a landmark \$1 billion listing for Hepatitis C medicines on the PBS. This listing has the potential to eradicate Hepatitis C as a public health concern within a generation. The Coalition appreciates the commitment you have shown to helping patients access these life-changing treatments and we will continue to work with community pharmacists to create a sustainable regulatory framework which supports the dispensing of these and other high-cost medicines under the PBS.

A re-elected Coalition will also continue to work with the Pharmacy Guild to identify a solution to improve the Quality Use of Medicines under the RAAHS program and ensure appropriate remuneration by reallocating funding under the Sixth Community Pharmacy Agreement.

As you would be aware, there are many challenges facing us in health care with an ageing population, increasing rates of chronic disease, and the cost of life changing medications and new technology. With a common goal to improve the health of Australians, much can be achieved by working together. Should my Government be returned in July, we look forward to continuing to value and build upon our successful partnership.

Yours sincerely



Malcolm Turnbull



## **SMALL BUSINESS**

The Turnbull Government is committed to supporting hardworking pharmacies through much needed small business reforms. Unlike Labor which neglected small business. We are fixing competition laws to help small businesses compete with large businesses; have extended consumer unfair contract term protections to small businesses; established the first Australian Small Business and Family Enterprise Ombudsman; and continue to reduce red tape and Government regulation.

The Coalition's support for small business continues, with the 2016-17 Budget cutting the small business company tax rate to 27.5 per cent and extending it to all small companies with an annual turnover of less than \$10 million from 1 July 2016. Over the next decade, the lower tax rate will be extended to all companies and then progressively reduce to 25 per cent by 1 July 2026.

But the Coalition understands that not all pharmacies are companies. That is why the Coalition will increase the unincorporated tax discount from 5% to 8%, capped at \$1,000 for entities with turnover less than \$5 million. The tax discount will be increased to 16% in stages.

The Coalition will help pharmacies to grow by increasing access to a range of small business tax concessions from 1 July 2016, for businesses with an annual turnover of less than \$10 million:

- simplified depreciation rules, including the ability to claim an immediate deduction for each and every asset purchased costing less than \$20,000 until 30 June 2017;
- simplified trading stock rules, giving businesses the option to avoid an end of year stocktake if the value of their stock has changed by less than \$5,000;
- the option to account for GST on a cash basis and pay GST instalments as calculated by the Australian Taxation Office (ATO);
- a simplified method of paying PAYG instalments calculated by the ATO; and
- other tax concessions available to small business, including fringe benefits tax (FBT) exemptions (FBT changes from 1 April 2017) and immediate deductibility of professional expenses.

Pharmacies will save on compliance costs from changes to simplify BAS reporting requirements. From 1 July 2017, for GST purposes small businesses with less than \$10 million turnover will only report against the GST on Sales, GST on purchases and total sales labels. Small businesses will no longer need to report against four other labels.