



POSITION STATEMENT

Pharmacies Not Approved to Supply Pharmaceutical Benefits (Non-PBS Approved Pharmacies)

Position

The Pharmacy Guild of Australia (the Guild) uses the term non-PBS approved pharmacy to refer to pharmacies that are not approved under section 90 of the *National Health Act 1953* (the 'Act')¹ to supply medicines under the Pharmaceutical Benefits Scheme (PBS). Approval to supply PBS medicines is a Commonwealth matter and is distinct from the licensing and regulation of pharmacies, which is determined at the state and territory level. Non-PBS approved pharmacies should operate only in areas of practice that are not related to the supply of PBS medicines.

Some non-PBS approved pharmacies operate in niche areas of practice, such as compounding or diabetes services, which can meet a genuine community need where those services are not otherwise readily available. The Guild's concerns relate to models that operate in ways that intersect with, or duplicate, the supply of PBS medicines.

The Guild believes that any involvement of a non-PBS approved pharmacy in the supply of pharmaceutical benefits is inconsistent with, and undermines, the objectives of the Location Rules. These Rules are given legislative effect through the *National Health (Australian Community Pharmacy Authority Rules) Determination 2018 (PB 46 of 2018)*, which establishes the criteria governing the approval and location of community pharmacies².

The community pharmacy sector operates within a framework of regulations to deliver medicines to the Australian community in a safe, timely, convenient, affordable, and equitable manner. This is consistent with the central objective of the National Medicines Policy, intended to achieve the distinct Government aim of delivering the PBS in a way that ensures guaranteed availability, the quality use of medicines and the viability of the sector.

The Guild supports the notion that non-PBS approved pharmacies cannot supply or collect payment from the Australian Government for any medicines supplied through a non-PBS approved pharmacy and that wrongfully obtaining payment for the supply of a pharmaceutical benefit may constitute unsatisfactory professional conduct or professional misconduct under the *Health Practitioner Regulation National Law Act 2009* (Cth)³.

The Guild notes the *National Health Amendment (Pharmaceutical Benefits) Act 2017* (the Amending Act)⁴ provided clarity that approved pharmacists can only claim for PBS medicines supplied at premises which have been approved by the Department of Health, Ageing and Disability (the Department). The Department may grant permission for an approved pharmacist to temporarily supply PBS medicines at alternative premises due to a disaster, e.g. fire or flood, or exceptional circumstances, per disaster provisions introduced in the Amending Act.

National Secretariat

Level 2, 15 National Circuit, Barton ACT 2600
PO Box 310, Fyshwick ACT 2609
P: +61 2 6270 1888 • F: +61 2 6270 1800 • E: guild.nat@guild.org.au

www.guild.org.au



Ref: [SP1000-901805690-395](https://www.guild.org.au/SP1000-901805690-395)

This clarification is an important support for pharmacists who may have been affected by a small number of pharmacists who claimed payment for PBS medicines where the supply occurred at non-PBS approved pharmacy premises.

The Guild supports this reinforcement of the law because approved pharmacies have invested in their businesses on the basis that PBS medicines will only be supplied by approved pharmacies. Claiming payments on behalf of non-PBS approved pharmacies undermines the integrity of the network and the viability of the model which provides timely access to PBS medicines for all Australian patients.

The Guild also supports the compliance measures as outlined in the Unapproved Pharmacies fact sheet by the Department of Health and Aged Care.⁵

The sharing of patient prescription information from a non-PBS approved pharmacy to an approved pharmacy may constitute a breach of the *Privacy Act 1988* (Cth)⁶ if the patient is unaware of or has not consented to such a transfer of information. In addition, any arrangement in which an approved pharmacy dispenses or claims PBS medicines on behalf of a non-PBS approved pharmacy may contravene the relevant requirements under the Act and associated legislative instruments.

The Guild supports the Pharmacy Board of Australia's requirement that proprietors of non-PBS approved pharmacies must ensure patients are fully aware and understand that the pharmacy cannot supply PBS medicines and the implications for their Safety Net benefits.⁷

Background

The PBS gives all Australian residents and eligible overseas visitors access to prescription medicines in a way that is affordable, reliable and timely. Through the PBS, the Australian Government subsidises the cost of prescription medicines to ensure they remain accessible to all Australians.

The Act, Regulations and instruments require that PBS supply be made at approved premises. As such:

- If a prescription is dispensed at a non-PBS approved pharmacy ('switching' to a private prescription) at any stage, any subsequent repeats cannot be supplied under the PBS, which may disadvantage the patient;
- If the original supply is made through an approved pharmacy, the consumer retains the choice for all subsequent supplies to be dispensed as either PBS or non-PBS (private) items;
- Non-PBS approved pharmacies cannot issue Prescription Record Form (PRF) records or PBS Safety Net cards or issue receipts for the purpose of obtaining a refund under the PBS;

National Health (Pharmaceutical Benefits) (Conditions of approval for approved pharmacists) Determination 2017

The Act allows for payment of a claim for the supply of a pharmaceutical benefit where the supply has been made at or from premises for which a pharmacist is approved under the Act. An approved pharmacist is a pharmacist who is approved under Part VII of the Act to supply pharmaceutical benefits at particular premises (approved premises).

The Act sets out the conditions under which a claim for payment from the Australian Government in relation to the supply of a pharmaceutical benefit must not be made, to emphasise the importance of making a correct claim. It reinforces that an approved pharmacist must not make a claim for payment for

the supply of a pharmaceutical benefit unless the pharmaceutical benefit was supplied at, or from, the pharmacist's approved premises.

A breach of the conditions of approval can be deemed an 'abuse' of approval and may lead to an investigation by a Pharmaceutical Services Federal Committee of Inquiry. Such an investigation may result in the suspension or revocation of the pharmacist's approval.

Anyone who has concerns about a potential breach of the Conditions of Approval for approved pharmacists, or any other compliance matter, can report their concerns to the Australian Government Provider Benefits Integrity Hotline by calling 1800 314 808 or filling out the 'Health Provider Tip-off' form at <https://www.health.gov.au/topics/about-the-department/corporate-reporting/report-to-us/report-suspected-fraud/online-form>.

Related Statements

Cannabis Use

Pharmacy Ownership

Authority

Endorsed

National Council – August 2026

National Council – August 2022

National Council – March 2015

National Council – November 2011

National Council – November 1997

Reviewed

Policy and Regulation Sub-Committee – August 2026

Policy and Regulation Sub-Committee – August 2022

Policy and Regulation Sub-Committee – January 2015

Government Relations & Policy Committee – October 2011

Health Economics Division – October 2003

References

¹ [National Health Act 1953](#)

² [National Health \(Australian Community Pharmacy Authority Rules\) Determination 2018 \(PB 46 of 2018\)](#)

³ [Health Practitioner Regulation National Law](#)

⁴ [National Health Amendment \(Pharmaceutical Benefits\) Act 2017](#)

⁵ [Unapproved pharmacies fact sheet](#)

⁶ [Privacy Act 1988](#)

⁷ [Pharmacy Board guidelines for proprietor pharmacists](#)