

To Senators on the Senate Select Committee on Supply of chemotherapy drugs such as Docetaxel,

Augusta Road Capital Chemist is a community pharmacy in Hobart that provides specialist pharmacy services to two private hospitals. One of these hospitals is the only provider of private oncology services in Southern Tasmania.

To assist in the delivery of this service, the pharmacy operates a local sterile cytotoxic compounding facility. The only privately operated one of its kind in the state. This not only allows us to provide life saving chemotherapy in a timely manner, but has given us the means to treat patients with medicines that would otherwise be unavailable to private patients. New and innovative medicines that need to be compounded in a specialist facility with an expiry of less than 24 hours cannot be sourced overnight from interstate.

The provision of an adequate service to the population of southern Tasmania comes at a cost. Due to Tasmania's smaller population our facility is relatively small and has high overheads despite careful cost management. Specialist technicians are required to travel from Melbourne to service and validate the facility to National Association of Testing Authorities (NATA) specification. Interstate travel is required for staff training. Relatively small numbers of infusions mean that the average cost per unit is high.

Despite the high overheads, there is still a clear need for our facility. Sixty percent of cancer patients in Australia are treated in the private system. Should cancer services for all Tasmanians be required to be delivered by the public hospitals, it would place a significant burden on Tasmania's already strained public health system

The funding model recently introduced by the Federal government makes it unviable for community pharmacies to continue the provision of chemotherapy. The 76.2% price reduction in Docetaxel last December as a result of Price Disclosure and the imminent 87% reduction in Paclitaxel will mean that the safe compounding of cytotoxic drugs specific to the needs of cancer patients is no longer viable, i.e. the cost of managing the preparation and delivery of cytotoxic drugs for safe patient administration outweighs the remuneration received from the Federal government.

Pharmacists warned the Federal Government in 2009 that the cross subsidisation of compounding cytotoxic drugs by the trading terms on generic medicines would collapse as a result of Price Disclosure. I urge you to reinvest some of the savings made as a result of Price Disclosure and put in place a more transparent and sustainable model of funding.

I welcome this Senate enquiry. Our specialist pharmacists invest a great deal of time and energy into looking after the cancer patients of southern Tasmania. We want to continue to provide this essential service while there is hope of a sustainable model ahead. However, without an adequate remuneration model I am not sure how long we can continue to do so.