PARLIAMENT OF AUSTRALIA
THE PARLIAMENTARY LIBRARY
NATIONAL HEALTH AMENDMENT BILL (NO. 4) 1976

Date introduced: 18 November 1976
House: House of Representatives
Presented by: The Minister for Health, Hon. R.J.D. Hunt M.P.

SHORT DIGEST OF BILL

Purpose
The purpose of the Bill is to amend the National Health Act 1953 to establish, as a separate entity, a Joint Committee on Pharmaceutical Benefits Pricing Arrangements whose function will be to determine the manner of ascertaining the price paid by the Commonwealth to pharmacists for the supply of Pharmaceutical Benefits to the public.

Background
At present, the Act provides that the Minister, after consultation with the Pharmacy Guild, shall determine rates by reference to which and the manner in which the price paid to pharmacists is to be ascertained.

Disputes between the Government and the Pharmacy Guild over remuneration for providing Pharmaceutical Benefits to the public have been the rule rather than the exception since the 1950s. The most common criticism made by the Guild has been that the increases granted by the Minister have been inadequate and/or tardy. The current fee dispute which this Bill is intended to resolve permanently has continued more or less since 1965 and culminated in April 1976, when the Guild lodged a High Court writ in order to determine the legality of an agreement concerning remuneration which the Guild and the Commonwealth entered into in 1972. The Guild has agreed to withdraw that writ if this Bill is passed into law.

Provisions
The Bill establishes the Joint Committee which is to consist of:

(a) a Chairman who shall be a Deputy President of the Australian Conciliation and Arbitration Commission;
(b) Four Members nominated by the Pharmacy Guild of Australia;
(c) Four Members who shall be officers of the Public Service.

The Chairman determines the manner in which prices are to be ascertained; either an “agreed price” determined by the Minister and manufacturers, or a “basic wholesale price” determined by the Minister and the Guild, is to be used as a basis in the manner of ascertaining the price. The Committee considers each matter and unanimous recommendations by the Committee must be accepted by the Chairman; if the members disagree the Chairman may, after considering their deliberations, inform himself as he sees fit and then finally determine the matter.
The Minister will retain the power to set conditions which are to be met before the Commonwealth will make payments in respect of the supply of Pharmaceutical Benefits. The Minister, may, if he desires, request a report from the Chairman on any such matter.

Education and Welfare Group

LEGISLATIVE RESEARCH SERVICE

24 November 1976