CHAPTER 1

THE PROTAGONISTS IN THE DEVELOPMENT OF A RESTRUCTURING STRATEGY

1.1 Restructuring of the retail pharmacy industry is the outcome of more than forty years' partnership between the Government and the pharmacy retail industry in the running of the Pharmaceutical Benefits Scheme (PBS). As negotiator for owner pharmacists on remuneration matters[1], the Pharmacy Guild of Australia has been an intrinsic part of that partnership. Over this period, a number of developments have taken place which left their imprint on relations between the parties involved and partly account for the course of the restructuring to date. An examination of developments to 1990 will put the rationalisation of the pharmacy retail industry – the objective of the restructuring measures under consideration – and the role of the Pharmacy Guild in perspective.

1.2 The restructuring measures considered in this Report are primarily those referred to in the Minister for Aged, Family and Health Services' media releases of 24 July and 8 August 1990 which relate to the rationalisation of the pharmacy industry. These measures were part of a wider reform of the PBS undertaken by the Government in 1990.[2]

1.3 The thrust of the 24 July 1990 media release was to publicise a joint announcement by Ministers in the Community Services and Health portfolio and the Pharmacy Guild of Australia on the broad terms of an Agreement to restructure the pharmacy industry. The major points of the media release were that:

> The in principle agreement [would] produce improvements in the structure of the industry through rationalisation of the numbers of pharmacies.
>
> . . . the Government was willing to accept the Guild's proposals for a major restructuring of community pharmacy.
>
> The Guild welcomed the Government's confirmation that the restructuring would be voluntary with pharmacists wishing to amalgamate or close being assisted to do so.

---

1. *Transcript of Evidence* (Pharmacy Guild of Australia), 15 November 1991, p. 778: 'The Pharmacy Guild of Australia is the registered industrial organisation, under the Industrial Relations Act, to which proprietor pharmacists can only belong'.

2. *Transcript of Evidence* (Department of Health, Housing and Community Services – DHH&CS), 23 August 1991, p. 9.

In addition, the media release indicated that the Government and the Guild would jointly develop procedures to effect the restructuring so as to:

> ensure that community needs are met including most importantly continuing access to the Pharmaceutical Benefits Scheme in less populated areas.[3]

1.4 Coming after some twenty years' concern about the manner in which the retail pharmacy industry was developing, and at the end of a bitter dispute between the Guild and the Government, the Agreement:

> would [according to the then President of the Guild, Mr J. Matthews] restore confidence and stability within the industry and the pharmaceutical profession.[4]

1.5 The Minister's media release of 8 August 1990 was more specific about the rationalisation of the retail pharmacy industry. Essentially the Minister announced that as from the following day, 9 August 1990, applications lodged by pharmacists for approval to dispense PBS drugs would be subject to restrictions. Although 'any applications for approval to dispense PBS prescriptions [were to] be issued in accordance with criteria presently being established', pharmacists who had entered into 'commitments with the expectations that approvals would be issued' were to be treated 'on a case by case basis'. Applications already lodged were not to be affected by the new restrictions.[5]

1.6 Thus, the stated aims of the restructuring were to rationalise the number and distribution of pharmacies throughout Australia through the offer of financial incentives to voluntarily close or amalgamate existing pharmacies, the payment of an essential pharmacy allowance to pharmacists operating in remote areas and the imposition of strict criteria for new approvals to dispense pharmaceutical benefits.

Objectives of the restructuring

1.7 The wording of the Minister's media release of 24 August 1990 makes it clear that both the Government and the Pharmacy Guild agreed to cooperate on the formulation of new designs for the operation of the PBS. Rationalisation in the number and distribution of pharmacies was not an end in itself but a means whereby pharmacists and the Government alike expected to achieve:

---

3. Minister for Aged, Family and Health Services, Media Release, 24 July 1990. The full text is at Appendix 4.

4. *ibid.*

5. Minister for Aged, Family and Health Services, Media Release, 8 August 1990. The full text is at Appendix 4.

a more efficient structure for the distribution of pharmaceuticals within the framework of community pharmacies, while ensuring a balance between efficiency and access.[6]

1.8 In Australia, the supply to the community of pharmaceutical benefits is a complex process affected by the Government's unique position to exert influence on the wholesale price of prescribed drugs; the prescribing habits of medical practitioners; the prescribing of generic drugs; the dispensing habits of pharmacists; the rigid control over pharmacists exercised under State or Territory legislation; and the expectations of pharmacists and consumers.

The Pharmaceutical Benefits Scheme (PBS)

1.9 The PBS had a rather stormy beginning in the immediate post-war years. A *Pharmaceutical Benefits Act* aiming at making 'every person ordinarily resident in the Commonwealth . . . entitled to receive pharmaceutical benefits' was passed in March 1944 but was challenged by the Australian Branch of the British Medical Association on constitutional grounds. Following a High Court decision that the Act was void, in September 1946 the Chifley Government sought, and obtained by means of a referendum, the powers to legislate on social services matters. A new *Pharmaceutical Benefits Act* was passed in 1947 but was not wholly supported by the medical profession. First Government expenditure in respect of the Scheme was drawn from the National Welfare Fund in the financial year 1948-49.[7] The Scheme was redesigned in 1950 by the new Menzies Government which reduced its applicability to 139 'life-saving and disease preventing' drugs.

1.10 The Act defined 'pharmaceutical benefits'[8] and also included provisions covering Commonwealth approval of pharmaceutical chemists registered under a law of a State or Territory to dispense PBS prescriptions; payment for the supply of pharmaceutical benefits to approved pharmacists from the National Welfare Fund; and special arrangements for persons living in isolated areas.[9]

---

6. *Transcript of Evidence* (DHH&CS), 23 August 1991, p. 18.

7. *Commonwealth Year Book*, No. 38, 1951, p. 780.

8. These were:

   (a) uncompounded medicines the names of which, and medicinal compounds the formulae of which, are contained in a prescribed formulary to be known as the Commonwealth Pharmaceutical Formulary; and

   (b) material and appliances (not being uncompounded medicines or medicinal compounds) the names of which are contained in a prescribed addendum to the Commonwealth Pharmaceutical Formulary.

9. *Pharmaceutical Benefits Act 1947*, sections 9, 14 and 15.

1.11 Since 1953, the Scheme has been administered under the provisions of Part VII of the *National Health Act 1953*. This legislation, which repealed previous Pharmaceutical Benefits Acts and relevant Regulations and replaced them, also provided for consultation between the Minister for Health and the Federated Pharmaceutical Service Guild of Australia to:

> determine the rates at which and the conditions subject to which, payments shall be made in respect of the supply of pharmaceutical benefits.[10]

1.12 The continuing role of the Pharmacy Guild in negotiations with the Government to determine the rates of pharmacists' remuneration is examined in detail in paragraphs 1.30 to 1.38 below.

1.13 The framework within which the Scheme has been maintained as an instrument of government social welfare policy has been altered significantly over the years. Aspects of particular relevance to the current restructuring include a significant increase in the number of PBS items: from 139 in 1949, to 436 in 1961 and 620 in 1980.[11] In 1990 the Minister for Social Security, introducing the Social Welfare Legislation (Pharmaceutical Benefits) Amendment Bill 1990, told the Senate that:

> more than 1,100 drug products are listed on the scheme, ranging from basic medications for common illnesses to the latest advances in drug therapy fcr cancer, high blood cholesterols and heart disease.[12]

1.14 Increase in the number of PBS drugs has meant a sustained increase to the Government of the cost of maintaining the Scheme. Over the years the Government has adopted a number of measures aimed at containing these rising costs: non-pensioners' contributions were introduced in 1959 and have been regularly increased since then to be now $15.70 per prescription. Even pensioners were required to make a co-payment (now $2.60) as part of the PBS reforms introduced in 1990. Since 1986, there have been different categories of concessions for PBS which have significantly added to the administrative tasks required of pharmacists in dispensing pharmaceutical benefits. As successive governments sought to contain the cost of the Scheme, the Pharmacy Guild sought to preserve the remuneration base of pharmacists. The interplay between these formed the basis for the planning and administration of the restructuring measures under consideration in this Report.

---

10. The *National Health Act 1953*, section 99.

11. The Parliament of the Commonwealth of Australia - Joint Committee of Public Accounts:*One hundred and eighty-second Report - Pharmaceutical Benefits Scheme – Chemists Remuneration. Parliamentary Paper No 233/1980* (henceforth PP 233/1980), p. 5.

12. Hansard, Senate, 10 October 1990, p. 2753.

– pharmacists' remuneration

1.15 Pharmacists could claim remuneration for dispensing PBS prescriptions according to a formula which included:

- the wholesale cost of ingredients or of manufactured products;
- a markup on wholesale cost calculated at different percentages for ready prepared and extemporaneously prepared medications;
- a container allowance where applicable;
- a dispensing fee; and
- miscellaneous allowances.[13]

1.16 This formula remained the basis for pharmacists' remuneration until 1989. It was integral not only to the intrinsic cost of the PBS to the Government but also to agitation by both protagonists: the Government eager to negotiate with wholesalers on the cost of pharmaceuticals, the Guild equally eager to prevent any erosion in returns from the markup. Dissension between the two parties also arose about the calculation of the dispensing fee as a component of pharmacists' labour costs. The significance of this debate to the rationalisation of the pharmacy industry will be examined later in this chapter.

Escalation of costs

1.17 Given the formula adopted for remunerating pharmacists, any movement in the wholesale cost of pharmaceutical products and in the number of items covered by the Scheme inevitably affected government expenditure. Between 1979 and 1990, the annual cost of the PBS rose from $275 million[14] to $1,219,341 million.[15]

1.18 This rise cannot be attributed simply to an increase in the number of drugs covered by the PBS. The advent of more refined and often more costly drugs, the promotional efforts of the pharmaceutical manufacturing industry, changes in prescribing habits of medical practitioners and increase in the number of practitioners, ageing of the population requiring larger amount of medications, changes in the dispensing habits of pharmacists and in patients' expectations, increase in medical litigations, all added to the effects of a natural increase in population and intensified the scope and cost of the PBS.

---

13. PP 233/1980, *op.cit.*, p. 8.

14. *ibid*, p. 6.

15. *Program Performance Statements 1991-92 – Health, Housing and Community Services Portfolio* (Department of Health, Housing and Community Services) Budget Related Paper No 8.4A, p. 203.

– increase in the number of pharmacies

1.19 Another element considered to have contributed to the ever-rising cost of maintaining the PBS has been the proliferation of pharmacies. Between 1960 and 1972, the number rose from 4,696 to 5,912, but over the following fifteen years had stabilised at around 5,600[16]. This development was firstly a natural sequel to the population growth of Australia in the post war years. There has, however, been a disconcerting aspect to this increase which has been marked by a concentration of pharmacies in certain areas, with wide variations in the number of prescriptions dispensed and ensuing fluctuations in PBS related costs.

– economies of scale

1.20 An Inquiry into Pharmacy Earnings, Costs and Profits conducted in 1977 by the Joint Committee on Pharmaceutical Benefits Pricing Arrangements found that pharmacies with lower dispensing rates – which constituted 70 per cent of all pharmacies – dispensed half of the total prescription volume; the other half was dispensed by the remaining 30 per cent of total pharmacies. The Joint Committee concluded that:

> the average cost of dispensing a PBS prescription declines as the size (as measured by the number of prescriptions handled) of the pharmacy increases.[17]

1.21 The Joint Committee found that the average cost of dispensing a PBS prescription was 161.1 cents, with costs ranging between 214.8 cents for the smallest pharmacies and 123 cents for the largest.[18]

1.22 The findings of this Committee were referred to by the Joint Committee of Public Accounts (JCPA) when it inquired into pharmacists' remuneration in 1980. Although the initial reference to the JCPA was concerned with alleged excess payments made under the PBS[19], the Committee adopted further terms of reference and made recommendations on the future of the retail pharmacy industry. The question of economies of scale associated with dispensing large volumes of PBS prescriptions led to the conclusion that there was a need to rationalise the retail pharmacy industry – the linchpin of the current restructuring measures.

1.23 Although the number of pharmacies has decreased since 1972, Deloitte Consulting Services found in 1987, in the course of a survey it undertook on behalf of the Pharmaceutical Benefits Remuneration Tribunal, 'that 25 percent of pharmacies had a competitor within 100 metres and 62 percent had a competitor

---

16. PP 233/1980, *op.cit.*, p. 77.

17. *ibid.*, p. 80.

18. *ibid.*, p. 80.

19. PP 233/1980, *op. cit.*, p. 1.

within 1 kilometre'.[20] There seems to have been a consensus both at Government level and within the pharmacy industry that this situation was far from satisfactory. Consequently, the pharmaceutical measures are aiming at rationalisation in the distribution of pharmacies to ensure that both accessibility and efficiency become hallmarks of the industry.

Containment of costs

1.24 Whilst the current restructuring of the retail pharmacy is the latest step in cost containment, attention is here focused on the impact of the pre-1990 measures.

– the community

1.25 The first of the measures taken by the Government in an attempt to contain costs, while at the same time ensuring the community had some degree of protection from onerous pharmaceutical expenses, dates from 1959. The introduction of a contribution by non-pensioners heralded the slow erosion of the initial concept of the Scheme – that it be free. By 1986, even holders of certain Health Benefits cards were required to make a contribution towards the cost of each prescription they obtained. By 1990, the Government introduced a co-payment of $2.50 for pensioners, but adjusted the pension rate. All these measures have tended to shift the cost of the Scheme to the community rather than reduce it and have contributed to increasing confusion among the community not only in terms of the Government's social welfare policies, but also in terms of individual eligibility for one or another concession.

– the retail pharmacy industry

1.26 Some of the measures adopted by the Government have produced difficulties for the retail pharmacy industry, quite apart from the widely different views held in respect of the PBS. As the largest buyer of pharmaceutical products, the Government has always been in a negotiating position with manufacturers and has 'continuously exerted downwards pressure on all prices'.[21] This had the effect of pushing a number of manufacturers to operate offshore, and also affected relations between the Government and the Guild. As the markup paid to pharmacists as part of their remuneration package was a percentage of the wholesale cost of drugs, any attempt by the Government to keep the price of manufactured products down impacted on the returns to the retail pharmacy industry. This conflict of interest between the two parties led to antagonism and the holding of opposite viewpoints over the determination of the dispensing fee, the Government favouring a flat dispensing fee, a move long opposed by the Guild. The abandonment of the markup

---

20. As cited in Pharmaceutical Benefits Remuneration Tribunal, *Data Base Inquiry – Final Report*, 28 August 1989 - **Decision**, p. 18.

21. The Parliament of the Commonwealth of Australia, *Pharmaceutical Benefits – Report from the House of Representatives Select Committee*, 1972 – Parliamentary Paper No. 73 (henceforth PP 73/1972), p. 23.

as a component of pharmacists' remuneration was part of the Pharmaceutical Benefits Remuneration Tribunal's 1989 decision regarding a new fee structure.

1.27 The Guild increasingly argued that participation in the Scheme was an onerous burden for pharmacists: the greater the number of PBS prescriptions to handle, the greater the demands the Scheme made on pharmacists, for counselling, checking, as well as lodging claims with the Department of Health, (later the Department of Community Services and Health, and then Health, Housing and Community Services). However, as the responsibilities of pharmacists are well defined by legislation, both at the Federal and State level, as well as by their professional bodies, they cannot be disregarded.

1.28 The introduction of non-pensioner contributions and of different categories of concessions has complicated the task of dispensing and associated administrative procedures for pharmacists. The increasing complexity of the Scheme from a patient's point of view called for greater need to explain and counsel on the part of pharmacists.[22] The Pharmacy Guild has continually argued that in view of the changes made to the Scheme, there should be no erosion of the profitability margins associated with dispensing PBS prescriptions.

1.29 Another side effect of the broadening scope of the PBS has been the pharmacists' increasing reliance for their profits on the remuneration levels determined under the Scheme.[23] The greater the number of drugs on the PBS Schedule, the fewer could be dispensed on the private market. It has been estimated that the private dispensing market dropped from 50 percent prior to 1959 to less than 10 percent after the expansion of the Scheme.[24]

The Pharmacy Guild and the Government: from co-operation to confrontation – The 1988-89 dispute

– the role of the Pharmacy Guild

1.30 Between 1953 and 1976, the role of the Pharmacy Guild of Australia in relations with the Government regarding the PBS was enshrined in subsection 99(1) of the *National Health Act 1953* which provided that the Minister [for Health] consult with the Guild prior to determining rates of remuneration for pharmacists.

1.31 The Guild's position as negotiator on behalf of pharmacists was confirmed when a Joint Committee on Pharmaceutical Benefits Pricing Arrangements was

22. For an overview of the changes in non-pensioner contributions and categorisation of beneficiaries, see P. Mackey, *Pharmaceutical Benefits Scheme and the Pharmaceutical Industry – 1990 Update,* Department of the Parliamentary Library, 1990, pp. 3 and 4.

23. Bureau of Industry Economics, Research Report 17: *Retail Pharmacy in Australia – An Economic Appraisal,* Canberra 1985, p. 32.

24. *ibid.*, p. 32.

constituted in 1964. The Joint Committee was equally constituted of Commonwealth Public Service and Pharmacy Guild representatives.[25] The Guild's dominant position remained entrenched when the legislation was amended in 1976 to provide for the Chairman of the Joint Committee on Pharmaceutical Benefits Pricing Arrangements to take over from the Minister the responsibility determine the rate of remuneration of pharmacists dispensing pharmaceutical benefits. The Guild remained the pharmacists' representative in the negotiations.

1.32 This seemingly privileged position was largely due to the lack of other pharmacists' organisations: the Pharmaceutical Society of Australia, now representing a larger number of pharmacists that the Guild, was founded in 1977.[26] Despite the formation of this organisation, the Guild remained the negotiating body on behalf of pharmacists until the establishment of the Pharmaceutical Benefits Remuneration Tribunal (PBRT) in 1980.

1.33 Throughout the 1970s, the Guild and the Government were frequently engaged in acrimonious negotiations over the manner in which remuneration for pharmacists supplying pharmaceutical benefits should be calculated. As a Joint Committee of Public Accounts commented in 1980:

> The Guild has largely based its claims for higher remuneration on arguments that average costs of dispensing in the industry have risen . . . Governments on the other hand have been reluctant to accept any formulations of existing costs as a basis for fee setting, although attention has been directed to the costs of best-practice pharmacies.[27]

1.34 With the responsibility for determining pharmacists' fees in the hands of an independent Tribunal from 1981, the Guild's former position was eclipsed somewhat. The Tribunal immediately consulted with:

> a number of other parties, who, as a consequence of the legislation [amendment of the *National Health Act 1953* to provide for the establishment of the PBRT] had, for the first time, become entitled to participate in the fee setting procedures.[28]

1.35 The Friendly Societies Pharmacies Association of Australia, the Pharmaceutical Society of Australia and the Extended Hours Pharmacy Association, as well as a number of individual pharmacists, availed themselves of the opportunity of presenting submissions to the PBRT.[29]

---

25. PP 233/1980, p. 10.

26. *Transcript of Evidence* (Pharmaceutical Society of Australia), 23 August 1991, p. 276.

27. Bureau of Industry Economics, *op. cit.*, p. 33.

28. Pharmaceutical Benefits Remuneration Tribunal, *op. cit.*, Decision, p. 4.

29. *ibid*, Appendix 6, Attachment II.

1.36 Until 1987, the Tribunal proceeded to determine the pharmacists' fee in line with procedures required by the legislation. By 1987, however, the Tribunal 'considered the appropriateness and accuracy of the data base' on which it had made its determinations to date, and the Commonwealth submitted that '. . . the data currently available to the Tribunal is outdated and a major review is required urgently in order to determine if the current level of remuneration paid is correct'.[30] It is then that the Guild's dominant role resurfaced: when the Tribunal made arrangements for a survey to be conducted and went ahead with its plans, the Guild objected strongly and recommended to its members not to respond.[31]

1.37 Notwithstanding, the Tribunal proceeded with the survey, complemented with material from the then Department of Community Services and Health and the Australian Bureau of Statistics. On 26 April 1989 the Tribunal made its findings public, inviting comments and preparing a public hearing for the following 2 June. On 28 August 1989, the Tribunal issued a determination announcing the new fee, its rate and structure and date of commencement.

1.38 The new fee, as proposed by the Tribunal, should be phased-in in three stages, was based on labour and non-labour costs and would have resulted in a reduction of the fee then paid. The determination was to take effect on 1 October 1989.

1.39 The decision of the Tribunal to arrive at a new formula on the basis of a survey which had been sabotaged by the Pharmacy Guild was challenged by the Guild. Following the Tribunal's release of its determination, there ensued a severe breakdown in communications between Guild and Government. It is during this period that the rationalisation of the pharmacy industry, as set out in the pharmacy restructuring measures which are the subject of this Inquiry, emerged from the obscurity to which it had been relegated for nearly twenty years.

1.40 The seeming truce which characterised relations between the Government and the Guild in the early 1980s was replaced by open confrontation, the question of pharmacists' remuneration eventually becoming embroiled in the pre-1990 election campaign. Negotiations are said to have come to a halt on 31 August 1989.[32]

Rationalisation of the pharmacy retail industry

1.41 As the Pharmaceutical Benefits Scheme broadened in scope, increased in costs and resulted in embittered relations between the Pharmacy Guild and the Government, as survey after survey and inquiry after inquiry examined the Scheme and all related matters, the question of the relative efficiency of pharmacies gained momentum. It seems to have first been raised by the Pharmacy Guild itself in 1972

---

30. *ibid.*, **Decision**, p. 9.

31. *ibid.*, **Report**, p. 6.

32. Mackey, *op. cit.*, p. 26.

when it appeared before the House of Representatives Select Committee. It then suggested that the Government:

> establish a committee to regulate the number of pharmacies by refusing approvals of new pharmacies to participate in the Scheme in areas where adequate service is already available.[33]

1.42 In 1971, the number of pharmacies had risen from 4696 (1960) to 5912, the highest it was to reach, and the ratio of pharmacies to population was high by world standards, i.e. one pharmacy for 2,211 persons, the lowest overseas ratio being around one to 4,000.[34] Having heard that the lower 30 percent of pharmacies accounted for only 17 percent of total sales, the House of Representatives Committee concluded:

> that the number of pharmacies in Australia is excessive. This prevents optimum economies of scale, reflected in higher costs to the Scheme . . .[35]

1.43 In 1980 and again in 1985, rationalisation of the retail pharmacy industry was mentioned in various reports.[36] The recommendation that an inquiry be set up to consider 'the structure of pharmacies, particularly their size and location'[37] was again taken up in 1989. The rift which ensued between the Government and the Guild provided the medium on which rationalisation of the pharmacy retail industry was finally to mature.

1.44 Within two days of the Tribunal's determination of 28 August 1989, the Minister made a public announcement on the Government's fruitless efforts to reach an agreement with the Pharmacy Guild on remuneration for pharmacists, and on the Guild's rejection of 'a compromise offer which included a $50,000 bonus to pharmacies willing to voluntarily amalgamate'.[38]

1.45 A fortnight later, warning that 'it was not in the interest of individual pharmacists or the community to allow the Pharmacy Guild to continue to delay progress'[39], the Minister announced the formation of a panel of experts to advise the Government on:

---

33. PP 73/1972, *op. cit.*, p. 35.

34. PP 233/1980, *op. cit.*, pp. 77, 78.

35. PP 73/1972, *op. cit.*, p. 36.

36. See PP 233/1980, *op. cit.*, and Bureau of Industry Economics, *op. cit.*

37. Pharmaceutical Benefits Remuneration Tribunal, *Report*, *op. cit.*, Decision, p. 19.

38. Minister for Housing and Aged Care, Media Release, 28 August 1989.

39. Minister for Housing and Aged Care, Media Release, 12 September 1989.

- the development of eligibility criteria for the essential pharmacy allowance (EPA)
- the appropriate means of enhancing the professional role of pharmacists and community pharmacy and appropriate remuneration
- restructuring of the retail pharmacy industry including the need for financial incentives.[40]

1.46 The panel reported within a week and criteria for EPA were announced. Finally on 2 November 1989, the Minister announced the establishment of a $60 million Trust to finance both PBS functions and restructuring.[41]

1.47 All the elements underpinning the current restructuring of the pharmacy retail industry, some of which had first been suggested in 1972, were thus known by late 1989. Under the pressure of a variety of forces, not least the complete breakdown of negotiations between Guild and Government in the second part of 1989, the formulation of a rationalisation of the industry gained momentum. The pharmacists' essential role in the supply of pharmaceutical benefits could not be ignored.

1.48 When the PBRT announced its readiness to undertake a new survey on the understanding that pharmacists would cooperate, the Guild had little choice but to adopt a more conciliatory attitude. On 4 December 1989, the Tribunal announced that the proposed new fee would be deferred until the results of the new survey were available, thus removing any ground for the Guild's continued antagonism. The path was clear for reconciliation between the Government and the Guild and the formulation of a new framework within which the PBS and the retail pharmacy industry could continue to underpin the Government's social justice policies.

---

40. *ibid.*

41. Minister for Housing and Aged Care, Media Release, 2 November 1989.