



Media Statement - From the Fields Pharmaceutical

Pharmacies don't need to go out of business – they need to reinvent!

The Federal Government's decision to allow Australians to purchase two-months' worth of medicine for the price of a single prescription, is the latest driver of change for local pharmacies, that without pivoting, will see inevitable closures of many local pharmacy outlets.

From the Fields Pharmaceutical, a leading independent manufacturer of Australian Standard nicotine vaping products (NVPs), said the experiences of both the UK and New Zealand under these common prescription changes, needed to be fully absorbed by Australia's community pharmacy sector.

Already implemented prescription model changes and post COVID pandemic impacts in the UK and New Zealand, has contributed towards many pharmacy closures in both countries. Most recently 1100 individual closures in the UK and 70 in New Zealand based on World Pharmacy Council data.

From the Fields Pharmaceutical CEO, Wilhelm David, said the community health benefit to be driven from the Federal Government's common prescription medicine reforms were clear.

Mr David said the pharmacy sector comprising 5700 outlets across Australia will be increasingly flat footed if not prepared to expand their product and service offering as a result of the Government's independent pharmaceutical benefits advisory backed, prescription medicine changes.

An industry estimated range of Australian pharmacy revenue loss through fully implemented common prescription medicine reforms is somewhere between \$450m and \$700 million per annum.

"One pathway for local pharmacy sustainability would be better, more proactive support and proper adoption of the prescription model for medically prescribed vaping products (NVPs)," Mr David said.

"We believe this will particularly be the case across peri urban, regional and rural centres, where the new common medicine prescription changes are likely to have greatest impact on normal retail pharmacy foot traffic and commercial turnover in these areas.

"Australia's GP prescribed, pharmacy distributed NVPs, legitimately support improved smoking cessation practices and our nation continues to have around 2.6 million adult smokers.

"Too many Australians continue to smoke. Vaping, ideally offered through a prescription model, can produce better individual health, as well as improved community health outcomes longer term.

"Medically prescribed vaping product, retailed in volume through pharmacies, would make counter-cyclical commercial sense for community pharmacy as common prescription purchase volumes fall.

"By example, one monthly lost script for a blood pressure medication, at a dispensing cost of \$10, could be replaced with one smoker purchasing a monthly legal NVP script with a margin up to \$45!

"Comparatively GP prescribed NVP sales at a pharmacy could deliver between an estimated \$56 and \$140 in cashflow per month for each smoking cessation customer."

Mr David said the Federal Government had clear intent to address the \$1 billion plus vaping industry in Australia, one currently fuelled by a black market, and supported the need for its future reform.

“We argue bolder thinking by both the Pharmacy Guild and individual local community pharmacy to capitalise on the \$300 million in estimated retail margin on offer through vaping today in Australia.

“Well over 90 per cent of vape product now consumed across Australia remains unregulated in both its purchase and use, along with too many young people accessing this product.

“Meanwhile, smoking remains the leading cause of preventable death and disease in Australia, claiming the lives of around 15,000 Australians every year.

“Through controlled use, vapes have a clear purpose and role in helping Australians stop smoking cigarettes and other tobacco products, which continue to cause major health and financial harm.

“Community pharmacy can achieve positive health outcomes and improved commercial by supporting GP prescribed vapes provided to people wanting to stop smoking,” Mr David concluded.

In Australia, nicotine e-cigarettes and e-liquids remain illegal to sell, buy, or use, except for those who have a valid vaping prescription through a GP.