



Tuesday, 16 June 2020

API welcomes new Government agreement supporting sustainable medicine supply

Leading pharmaceutical wholesaler, Australian Pharmaceutical Industries (API), today welcomed increased Government funding for Australia's network of medicine wholesalers. API is one of four members of the National Pharmaceutical Services Association ('NPSA') that will benefit from this commitment of additional funding over the next five years, commencing 1 July 2020. The funding will underpin critical national infrastructure and ensure equality of access to vital medicines for all Australians.

"I congratulate everyone involved in the negotiations that led to this outcome. I would particularly like to thank Greg Hunt, the Federal Minister for Health, his advisors and my colleagues at our industry association, the NPSA," API's CEO and Managing Director, Mr Richard Vincent said.

Attached is today's announcement by the NPSA in relation to this new funding agreement.

Announcement authorised by Richard Vincent, CEO and Managing Director

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MEDIA RELEASE

NPSA WELCOMES NEW GOVERNMENT AGREEMENT SUPPORTING SUSTAINABLE MEDICINE SUPPLY

- **Vital role of wholesalers recognised in new agreement**
- **Maintains high standards, supports timely and equitable access to medicines**

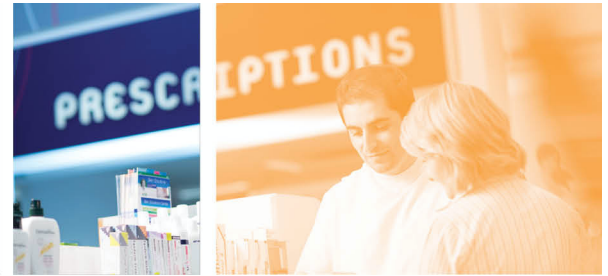
The National Pharmaceutical Services Association (NPSA) has welcomed increased Government funding for Australia's network of medicine wholesalers which will provide ongoing certainty for the nation's health infrastructure and medicine supply chain.

Effective from 1st July 2020, the Government has committed an additional \$92 million in funding through the Community Service Obligation (CSO) and introduced a floor price to continue to support medicine supply through the wholesaler network over the next five years. The investment is necessary to help offset years of funding erosion and ongoing Pharmaceutical Benefits Scheme (PBS) reform and cost increases.

Wholesalers stock and distribute more than 300 million medicines each year to Australians, providing a daily delivery service to pharmacies in metropolitan, rural and remote locations, generally within 24 hours of orders being placed. This includes stocking and supplying specialist low volume, high-care medicines to the small numbers of patients who rely on them.

NPSA is the peak industry body for medicine wholesalers API, National Pharmacies, Sigma and Symbion, which operate 34 national distribution centres nationally and employ a workforce of more than 3,400 people in their operations.

NPSA Chairman Mark Hooper said, "We are pleased to have reached agreement with government on funding to support Australians with timely and equitable access to medicines. After a decade of declining funding due to the ongoing impact of PBS reform, it has never been more important to invest in the logistics network that is relied upon to deliver medicines to all parts of the country.



“We are very proud of our role in the health system, particularly in recent months as we have overcome the dual challenges of the New Year bushfires and COVID-19 restrictions which placed extraordinary and sustained pressure on our systems. Our distribution centre network is on the Attorney-General’s critical national infrastructure list for good reason.

“Implicit in this new agreement is recognition of the capability and value that the wholesalers provide in supporting government, Australia’s PBS, medicine manufacturers and community pharmacy. New government funding will allow investment with confidence in things such as distribution centre infrastructure, automation, technology solutions and jobs.

“We are very grateful for the extensive work and careful consideration provided by the Minister for Health Greg Hunt, his advisors and Department during discussions leading to this agreement.

“The NPSA also acknowledges the important work of community pharmacy, which has been recognised in the Seventh Community Pharmacy Agreement (7CPA) signed on 12 June.

“Ultimately, it was the collaboration between Government, manufacturers, wholesalers and community pharmacy that enabled critical services to be delivered to the community during the bushfire crisis and COVID-19 pandemic and these new agreements recognise this work,” Mr Hooper said.

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