

ASX Release

16 June 2020

Industry funding agreement

Sigma Healthcare Limited (Sigma) advises that agreement has now been reached with Government and the Department of Health regarding industry funding for the distribution of Pharmaceutical Benefits Scheme (PBS) medicines for the next five years.

Further details are provided in the attached media release from the industry body, the National Pharmaceutical Services Association (NPSA), of which Sigma is a member.

This announcement is authorised by order of the Board.

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16 JUNE 2020

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**

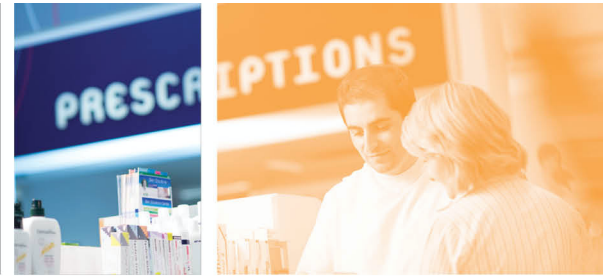
The National Pharmaceutical Services Association (NPSA) has welcomed increased Government funding for Australia's network of medicine wholesalers which will provide ongoing certainty for the nation's health infrastructure and medicine supply chain.

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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