

INQUIRY INTO PENALTY RATES AND FAIR PAY

19 May 2017

Introduction

Professional Pharmacists Australia is a Division of Professionals Australia (formally the Association of Professional Engineers, Scientists and Managers Australia). We represent employee pharmacists in community pharmacies across Australia, including Victoria.

We welcome the opportunity to make a submission to this Inquiry into Penalty Rates and Fair Pay.

The decision to cut the take home pay of pharmacists is a devastating blow to a group of workers largely seen as Australia's most accessible health care professionals.

Our short submission this inquiry covers a snapshot of the pharmacy sector, and draws on our submissions made to the Fair Work Commission during the penalty rates case. We would welcome the opportunity to provide further evidence at any scheduled committee hearings.

Community pharmacy: a snapshot

Community pharmacists play an important role in maximising the usefulness of medications while minimising side effects.

- 94% of Victorians visit a pharmacy each year.
- In Victoria, there are currently 7532 registered pharmacists and 61% of Victoria's pharmacists are women.
- Those pharmacists who work on weekends and public holidays routinely provide advice and care that keeps people from presenting unnecessarily to emergency departments, which in turn generates significant savings to governments.
- An aging population, and the government's focus on improving the health of the community and chronic diseases like diabetes and asthma will see new and increased demand of services provided by community pharmacists.
- Changes in the broader health sector (such as early discharging from hospitals) have placed an increase expectation on community pharmacists. One of the key roles of the pharmacist is a medications coordinator (ensuring prescriptions don't negatively interact with each other) and this will become even more important in the future.

- Community pharmacists play a significant role as a primary health care providers and health consumers expect high levels of product knowledge and tailored support services to be provided by employees.
- Increasing numbers of community pharmacists provide dispensing and review support to Victoria's aged care facilities.

The industrial relations landscape in community pharmacy

- Many employees in pharmacy are either Award reliant or have common law contracts underpinned by the Pharmacy Industry Award 2010. At present, there are only two enterprise agreements in community pharmacy, at National Pharmacies, and HPS – both employers have sites in Victoria.
- Australia's model of community pharmacy makes it difficult for employees to collectively bargain. Ownership and locations rules place restrictions on who can own a pharmacy and where it can be located. The combination of these regulations frustrates employee efforts to collective bargain for higher wages.
- Despite the Federal government's current review of the pharmacy sector, it is unlikely that any changes to the sector would dramatically alter the collective bargaining power of pharmacy employees. The Award will continue to play a role in underpinning the wages of thousands of pharmacy workers.
- Professional Pharmacists Australia regularly assists members in dealing with cases of underpayment, a feature generally unheard of in other areas that employ health professionals requiring years of training and ongoing development.
- In 2016, a high-profile case of underpayment was witnessed at Chemist Warehouse, when it was found to have not paid many of its staff for training they have required them to undertake. ¹The total underpayment was estimated at more than \$3 million.

Victoria's lowest paid health professionals.

Community pharmacists are essential health professionals – and the majority are employees.

- Even with four years of tertiary education, and an ongoing requirement for professional development, community pharmacists are among the lowest paid health professions in Victoria.
- Several remuneration surveys conducted by Professional Pharmacists Australia confirm the low pay rates in the community pharmacy sector. ² A further cut to take home pay in these circumstances will make the profession even less attractive to young professionals.
- The annual salary for a graduate pharmacist is \$42,000 compared to \$65,000 for medicine and \$80,000 for dentistry.³

¹ <http://www.smh.com.au/national/australias-cheapest-chemist-watchdog-probes-chemist-warehouse-pay-20161107-gsjsjgy.html>

² 2015 Community Pharmacists' Remuneration Survey Report: <http://www.professionalpharmacists.com.au/2015-community-pharmacists-remuneration-survey-report/>

³ Grad Stats, Graduates Australia (2015) http://www.graduatecareers.com.au/wp-content/uploads/2015/12/GCA_GradStats_2015_FINAL.pdf

- In recent years, much of the growth in community pharmacy has been led by Chemist Warehouse which now controls more than 20% of the market.
- PPA remuneration surveys show that it is groups within the discount segment of the market which generally pay either at or very close to Award wages (about \$5 less per hour than the rest of the market).
- Given the nature of the growth in community pharmacy, newly created jobs are often lower paying. The impact of the cuts to penalty rates will simply mean these jobs will be paid even less – there is little evidence to suggest that more jobs will be created in the sector.
- For the profession overall, a reduction in penalty rates in the Pharmacy Industry Award will act as a further drag on extremely sluggish wages growth in the sector. Professional Pharmacists Australia’s wage salaries point to an almost growth since 2009.
- Cuts to take home pay will put pressure on many younger pharmacists’ capacity to repay considerable student debts – let alone save for a deposit for a first home.

The Pharmacy Guild of Australia

- The Pharmacy Guild of Australia is an employer organisation – representing the interests of pharmacy owners.
- Whilst on one hand has been successful in arguing to decision makers that pharmacists are Australia’s most accessible health professions to– the PGA also sought amendments *Pharmacy Industry Award 2010* to the Sunday, Saturday, public holiday and the morning and night shift penalty rates of pharmacists, and other pharmacy support staff.
- At a time when governments are creating policy settings for pharmacists to play a greater role managing chronic diseases, managing medications, and keeping the community healthy it seems absurd that any group that proports to represent health professionals would support cutting their take home pay.
- Of those pharmacy owners who provided evidence on behalf of the PGA, analysis by Professional Pharmacists Australia reveals that more than 80% are currently open seven days a week.
- The PGA has an Agreement with the federal government relating to the funding of the industry. This Agreement, the Sixth Community Pharmacy Agreement, provides details of the payments the government makes community pharmacies for dispensing of prescription medicines under the Pharmaceutical Benefits Scheme and for the provision of other pharmacy services to the Australian – including the Victorian community.

Conclusion

Penalty rates form part of the minimum safety net of pharmacy workers' terms and conditions of employment. Pharmacy workers are some of the lowest paid workers in Australia with some of the highest rates of Award reliance.

The penalty rates currently contained in the current *Pharmacy Industry Award* provide a fair and relevant minimum safety net of terms and conditions and that they should be retained.

The clear majority of community pharmacy employees are 'award reliant'. Professional Pharmacists Australia encourages this committee to take all necessary steps to ensure that the Victorian government protects the interests of both pharmacists and the patients they serve.

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References:

APESMA – Final submission 4 yearly review of modern awards – Penalty rates

<https://www.fwc.gov.au/documents/sites/awardsmodernfouryr/am2014305-sub-apesma-210316.pdf>

2015 Community Pharmacists' Remuneration Survey Report: <http://www.professionalpharmacists.com.au/2015-community-pharmacists-remuneration-survey-report/>

