

**From:** [Schweizer, Chris](#)  
**To:** s 22  
**Subject:** Re: Pharmacy remaining save [SEC=PROTECTED]  
**Date:** Friday, 26 May 2023 8:43:22 AM

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We will have a look at the numbers but it would appear that they are counting something else. If possible remind them all numbers need to be cleared by Finance.  
Chris

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**From:** s 22 @finance.gov.au>  
**Sent:** Friday, May 26, 2023 7:45:49 AM  
**To:** s 22 @finance.gov.au>; s 22 @finance.gov.au>; s 22 @finance.gov.au>  
**Cc:** Schweizer, Chris <Chris.Schweizer@finance.gov.au>  
**Subject:** Pharmacy remaining save [SEC=PROTECTED]

**PROTECTED**

Hi all

Further to the quick chat I had with s 22 yesterday about what was remaining from the save (\$148 million as I understand) – s47C

Just wondering what's all being counted for this!

Regards

s 22  
Senior Adviser  
Minister for Finance  
p: s 22

**Classification:**  
**Classified by:** s22 @finance.gov.au on: 26/05/2023 7:45:47 AM

**From:** [Roddam, Mark](#)  
**To:** s 22; [Schweizer, Chris](#); s 22  
**Subject:** RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]  
**Date:** Monday, 29 May 2023 5:20:00 PM

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Hi s 22 – I'll follow up with the team tomorrow but I don't think we've had any contact from Health on this.

We'll get back with more detail tomorrow.

Thanks  
Mark

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**From:** s 22 @finance.gov.au>  
**Sent:** Sunday, May 28, 2023 7:13 PM  
**To:** Roddam, Mark <Mark.Roddam1@finance.gov.au>; Schweizer, Chris <Chris.Schweizer@finance.gov.au>; s 22 @finance.gov.au>; s 22 @finance.gov.au>; s 22 @finance.gov.au>; s 22 @finance.gov.au>  
**Subject:** Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Hello – for Tuesday.

s 47C



Regards

s 22

Senior Adviser  
Minister for Finance  
P: s22

**Classification:** PROTECTED//CABINET  
**Classified by:** s 22 @finance.gov.au on: 28/05/2023 7:12:56 PM

s22

**From:** s 22  
**Sent:** Tuesday, 30 May 2023 4:26 PM  
**To:** Roddam, Mark  
**Cc:** Schweizer, Chris; s 22; Patterson, Cath  
**Subject:** RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Hi Mark

Thanks for the advice, it is most appreciated.

Regards

s 22

**Classification:** PROTECTED//CABINET

**Classified by:** mark.roddam1@finance.gov.au on: 30/05/2023 4:23:30 PM

**From:** Roddam, Mark <Mark.Roddam1@finance.gov.au>

**Sent:** Tuesday, May 30, 2023 4:24 PM

**To:** s22 @finance.gov.au

**Cc:** Schweizer, Chris <Chris.Schweizer@finance.gov.au>; s 22

Patterson, Cath

<Cath.Patterson@finance.gov.au>

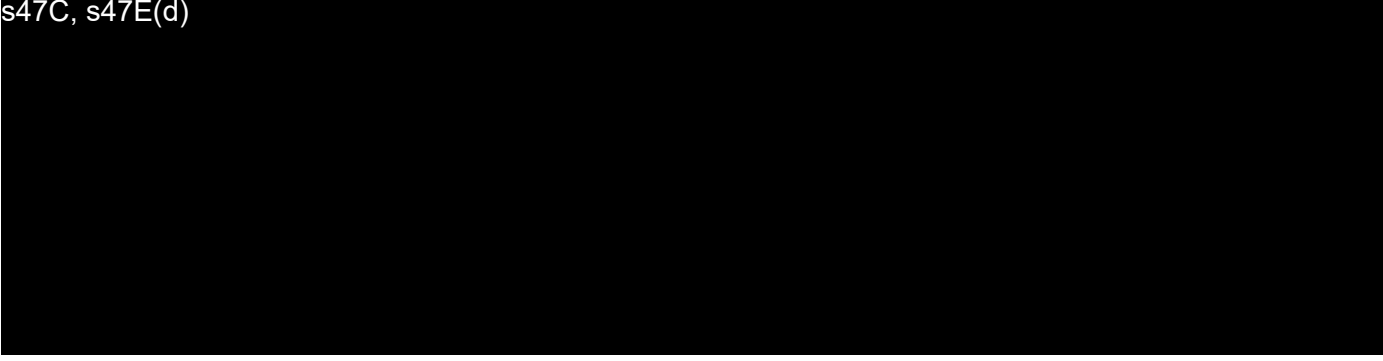
**Subject:** RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Hi s 22

s47C, s47E(d)

s47C, s47E(d)



Further background information about the 7CPA is included below:

### **Seventh Community Pharmacy Agreement (7CPA)**

The 7CPA is an agreement made between the Minister for Health and Aged Care, the Pharmacy Guild of Australia and the Pharmaceutical Society of Australia. The 7CPA ends on 30 June 2025 and sets out how pharmacists are reimbursed for:

- dispensing Pharmaceutical Benefits Scheme (PBS) medicines; and
- administering Community Pharmacy Programs.

The Pharmacy Guild has indicated its willingness to enter into an Eighth CPA.

### **Dispensing PBS medicines**

Dispensing fees and mark-ups for wholesalers and pharmacists account for the majority of remuneration to pharmacists under the 7CPA. The savings generated by the 2023-24 Budget measure, changing the maximum dispensed quantity for PBS medicines, are highly dependent on the current fee and mark-up structure.

### **Community Pharmacy Programs**

The 7CPA includes an agreement to provide \$1.2 billion over five years from 2020-21 in funding for Community Pharmacy Programs. **s 47C** In the 2023-24 Budget, the Government provided funding to meet projected overspends, noting the uptake of the Community Pharmacy Programs has been greater than anticipated, with the 7CPA funding package of \$1.2 billion for Community Pharmacy Programs likely to be exhausted by July 2024.

Data on the use of Community Pharmacy Programs is published on the Department of Health website at: [Pharmacy programs data | Australian Government Department of Health and Aged Care](#) and confirms an increase in demand.

s 47C



### **Pharmacy location rules**

The 7CPA continued the Location Rules, which restrict who can own a pharmacy and where these pharmacies can be located. The [Interim Report](#) on the effect of red tape on pharmacy rules found that red tape continues to unnecessarily and adversely affect the efficient operation of community pharmacies, to the ultimate detriment of consumers and contrary to the National Medicines Policy.

Happy to clarify anything or provide more info as required.

Thanks  
Mark



**Mark Roddam** | First Assistant Secretary  
Social Policy Division

Budget Group

Department of Finance

T: 02 6215 3283 | M: s 22

E: [mark.roddam1@finance.gov.au](mailto:mark.roddam1@finance.gov.au)

EA: s 22 email s 22 ([s 22@finance.gov.au](mailto:s 22@finance.gov.au))

Classification: PROTECTED//CABINET

Classified by: s 22 [s 22@finance.gov.au](mailto:s 22@finance.gov.au) on: 28/05/2023 7:12:56 PM

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s22

**From:** s 22  
**Sent:** Monday, 5 June 2023 8:12 AM  
**To:** Roddam, Mark  
**Cc:** Schweizer, Chris; s 22; Patterson, Cath  
**Subject:** RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Great – thanks Mark.

**Classification:** PROTECTED//CABINET

**Classified by:** mark.roddam1@finance.gov.au on: 4/06/2023 9:48:26 PM

**From:** Roddam, Mark <Mark.Roddam1@finance.gov.au>

**Sent:** Sunday, June 4, 2023 9:48 PM

**To:** s 22

**Cc:** Schweizer, Chris <Chris.Schweizer@finance.gov.au>; s 22

Patterson, Cath

<Cath.Patterson@finance.gov.au>

**Subject:** RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

H s 22 – Health has now been in touch. s 47C. We will liaise more with Health this week.

Thanks

Mark

**Classification:** PROTECTED//CABINET

**Classified by:** s 22 @finance.gov.au on: 31/05/2023 10:11:54 AM

**From:** s 22 @finance.gov.au

**Sent:** Wednesday, May 31, 2023 10:12 AM

**To:** Roddam, Mark <Mark.Roddam1@finance.gov.au>

**Cc:** Schweizer, Chris <Chris.Schweizer@finance.gov.au>; s 22

Patterson, Cath

<Cath.Patterson@finance.gov.au>

**Subject:** RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Thanks again for sending this information through.

s 47C

Regards

s 22

**Classification:** PROTECTED//CABINET

**Classified by:** mark.roddam1@finance.gov.au on: 30/05/2023 4:23:30 PM

**From:** Roddam, Mark <Mark.Roddam1@finance.gov.au>

**Sent:** Tuesday, May 30, 2023 4:24 PM

**To:** s 22 @finance.gov.au

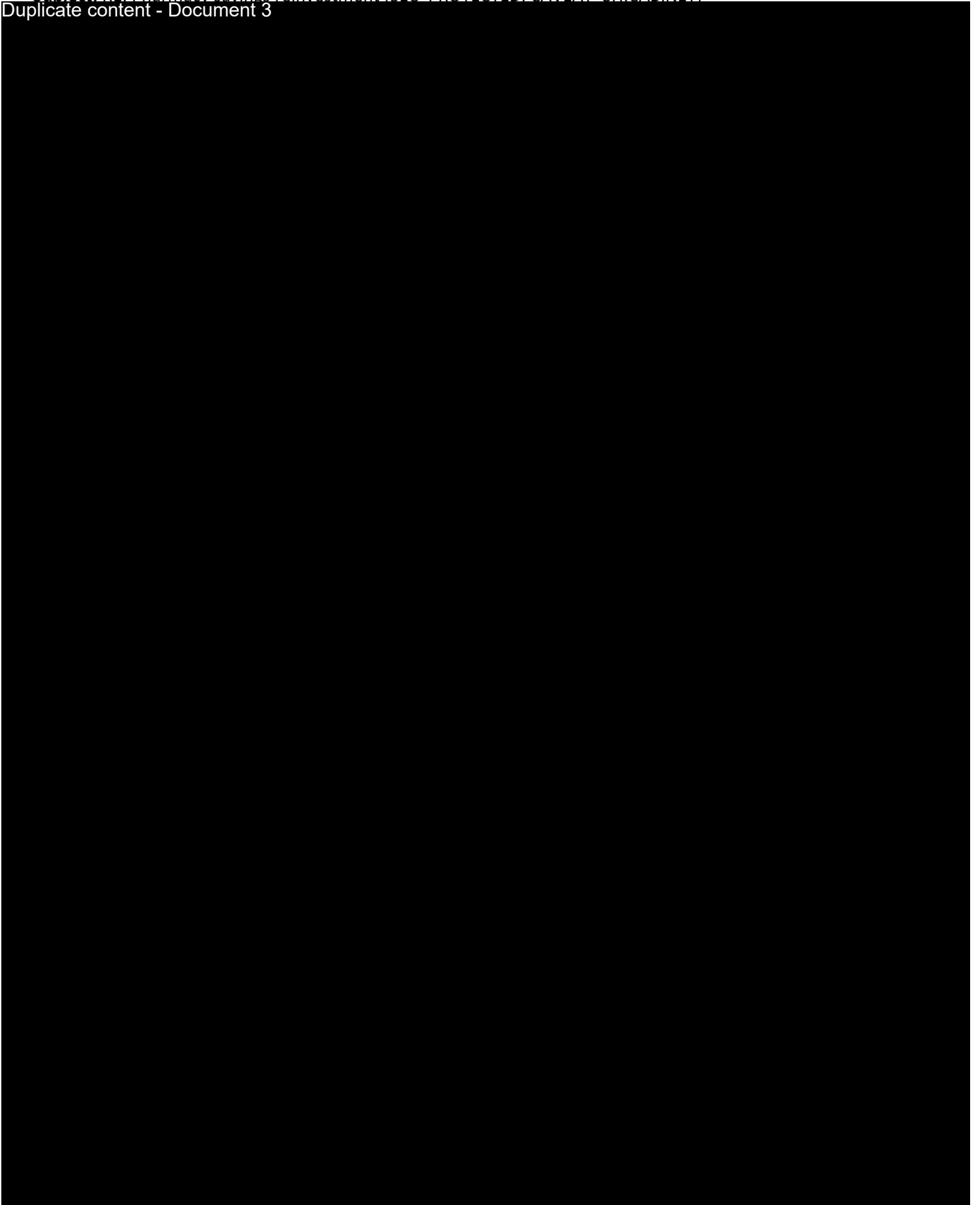
Cc: Schweizer, Chris <[Chris.Schweizer@finance.gov.au](mailto:Chris.Schweizer@finance.gov.au)>; s 22

[finance.gov.au](mailto:finance.gov.au); Patterson, Cath

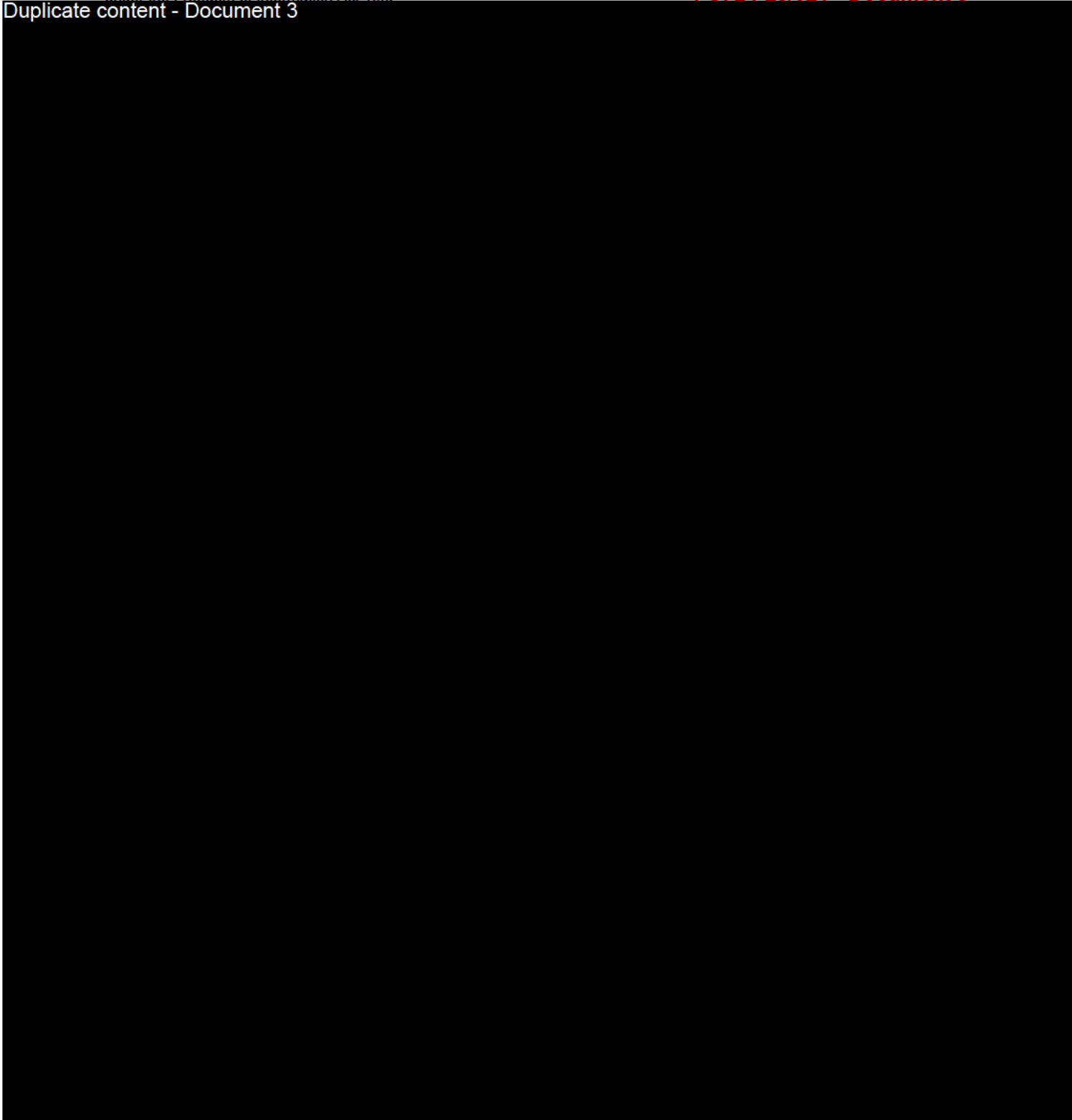
<[Cath.Patterson@finance.gov.au](mailto:Cath.Patterson@finance.gov.au)>

Subject: RE: Pharmacy savings reinvestment [SEC=PROTECTED, CAVEAT=SH:CABINET]

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Duplicate content - Document 2





Duplicate content - Document 2



s22

**From:** s 22  
**Sent:** Thursday, 24 August 2023 3:35 PM  
**To:** s 22  
**Cc:**  
**Subject:** RE: Funding for 8CPA in the estimates [SEC=PROTECTED]

**PROTECTED**

Love a good mystery, thank you

**Classification:** PROTECTED

**Classified by:** s 22 @finance.gov.au on: 24/08/2023 3:09:09 PM

**From:** s 22 @finance.gov.au>  
**Sent:** Thursday, August 24, 2023 3:09 PM  
**To:** s 22  
**Cc:**  
**Subject:** RE: Funding for 8CPA in the estimates [SEC=PROTECTED]

SEC=PROTECTED

**PROTECTED**

HS 22

Whilst no one in the team was around for the drafting of this measure text, we can provide our interpretation.

The figure in the measure text below (\$18.3 billion) demonstrates the total quantum of the 7CPA. This includes previous decisions (including funding within the Contingency Reserve that was made public by merging into the Health line), fees and mark-ups to pharmacies and wholesalers, community pharmacy programs and also patient contributions.

It's likely the table only includes funding released from the Contingency Reserve and some new expenditure such as increased fees and mark-up expenditure over and above what would have occurred if the 6CPA continued.

In terms of the funding being referred to as new *and existing*, our interpretation is *existing funding* refers to the PBS Special Appropriation which would have continued on the basis of the 6CPA, if the 7CPA was not agreed.

The quantum of *existing funding* in the PBS Special Appropriation which would continue under the 7CPA if the 8CPA is not agreed by 1 July 2025 is not yet known. This is the modelling Health is working on at the moment.

Thanks

s 22

**Classification:** PROTECTED

**Classified by:** s 22 @finance.gov.au on: 24/08/2023 1:44:23 PM

**From:** s 22 @finance.gov.au>  
**Sent:** Thursday, August 24, 2023 1:44 PM  
**To:** s 22  
**Cc:**  
**Subject:** RE: Funding for 8CPA in the estimates [SEC=PROTECTED]

**PROTECTED**

Great – thank you.

On the issue of estimates – are you able to shed some light on how \$18.3 billion for the 7CPA (noting the measure description describes it as ‘new and existing’ funding) fits into this budget measure description (from the 2020-21 Budget):

### Seventh Community Pharmacy Agreement

Payment (\$m)

	2019-20	2020-21	2021-22	2022-23	2023-24
Department of Health	-	171.0	110.0	55.1	55.2
Department of Veterans' Affairs	-	4.7	3.0	1.4	1.2
Services Australia	-	1.0	0.1	0.1	0.1
Total – Payment	-	176.7	113.1	56.6	56.5

The Government will provide \$18.3 billion in new and existing funding for pharmacy and wholesaler remuneration under the Seventh Community Pharmacy Agreement over five years from 2020-21 for the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme.

Further information can be found in the press release of 12 June 2020 issued by the Minister for Health.

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Classified by: s 22 @finance.gov.au on: 24/08/2023 12:23:56 PM

From: s 22 @finance.gov.au>

Sent: Thursday, August 24, 2023 12:24 PM

To: s 22 @finance.gov.au>

Cc: s 22 @finance.gov.au>; s 22 @finance.gov.au>

Subject: RE: Funding for 8CPA in the estimates [SEC=PROTECTED]

SEC=PROTECTED

**PROTECTED**

Thanks s 22 yes that's correct that the funding is \$168.4 million per year ongoing.

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Classified by: s 22 @finance.gov.au on: 24/08/2023 12:22:26 PM

SEC=PROTECTED

From: s 22 @finance.gov.au>

Sent: Thursday, August 24, 2023 12:22 PM

To: s 22 @finance.gov.au>

Cc: s 22 @finance.gov.au>; s 22 @finance.gov.au>

Subject: RE: Funding for 8CPA in the estimates [SEC=PROTECTED]

**PROTECTED**

Ah great – thanks.

So that 7CPA thing has programs that equal \$168.4 million per year ongoing?

s 47C

Classification: PROTECTED

Classified by: s 22 @finance.gov.au on: 24/08/2023 12:15:53 PM

From: s 22 @finance.gov.au>

Sent: Thursday, August 24, 2023 12:16 PM

To: s 22 @finance.gov.au>

Cc: s 22 @finance.gov.au>; s 22 @finance.gov.au>

Subject: RE: Funding for 8CPA in the estimates [SEC=PROTECTED]

SEC=PROTECTED

PROTECTED

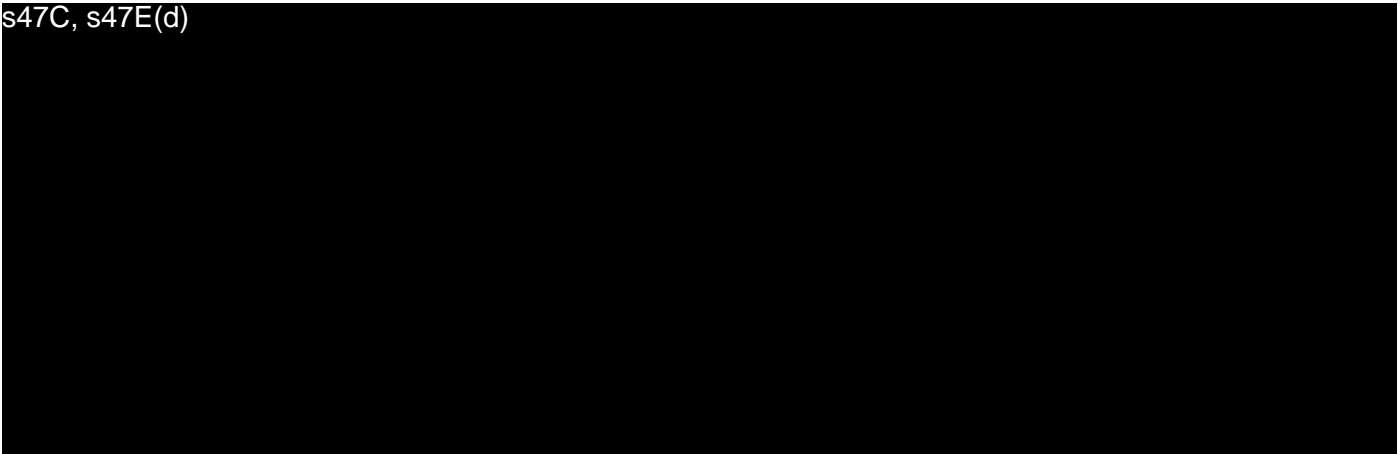
Hi s 22

There is no funding is assumed in the estimates for the 8CPA.

However, there are six Community Pharmacy Programs in the 7CPA that were made demand driven and ongoing in the 2023-24 Budget. The ongoing funding for these programs is \$168.4 million.

The 7CPA had an initial estimated cost of \$18.35 billion over five years which has since increased to s47E(d)

s47C, s47E(d)



Very happy to discuss.

Thanks

s 22

Classification: PROTECTED

Classified by: s 22 @finance.gov.au on: 24/08/2023 10:43:34 AM

SEC=PROTECTED

From: s 22 @finance.gov.au>

Sent: Thursday, August 24, 2023 10:44 AM

To: s 22 @finance.gov.au>

Subject: Funding for 8CPA in the estimates [SEC=PROTECTED]

PROTECTED

Hi s 22

Are you able to provide information on what level of funding is assumed in the estimates for the 8CPA?

Regards

s 22

Senior Adviser  
Minister for Finance  
s 22

Classification: PROTECTED

Classified by: s 22 @finance.gov.au on: 24/08/2023 10:43:34 AM

Classification: PROTECTED

Classified by: s 22 @finance.gov.au on: 24/08/2023 2:06:39 PM

SEC=PROTECTED

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**From:** Rocks, Martin <Martin.Rocks@finance.gov.au>  
**Sent:** Monday, March 4, 2024 9:34 AM  
**To:** § 22 @finance.gov.au  
**Subject:** FW: Indexation freeze option [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Final piece of follow up from MO last night

You should have the set of comings and goings

M

Martin Rocks

Assistant Secretary | Health Branch  
Department of Finance

P: 6215 1791 M: § 22 E [martin.rocks@finance.gov.au](mailto:martin.rocks@finance.gov.au) A: One Canberra Avenue, Forrest ACT 2603  
EA: [spdcoordination@finance.gov.au](mailto:spdcoordination@finance.gov.au)



The Department of Finance acknowledges  
the traditional custodians of the land on  
which we work and we pay our respects to  
Elders past, present and future.



---

**From:** Patterson, Cath <Cath.Patterson@finance.gov.au>  
**Sent:** Sunday, March 3, 2024 8:38 PM  
**To:** § 22 @finance.gov.au  
**Cc:** Rocks, Martin <Martin.Rocks@finance.gov.au>; Valenti, Donna <Donna.Valenti@finance.gov.au>  
**Subject:** Indexation freeze option [SEC=PROTECTED, CAVEAT=SH:CABINET]

**PROTECTED//CABINET**

Hi §22

Explanation below on the indexation freeze approach for dealing with the \$1 discount.  
Cath

Cath Patterson  
Deputy Secretary  
Budget Group  
Department of Finance

---

**From:** SHAKESPEARE, Penny <Penny.Shakespeare@Protected.Health.gov.au>  
**Sent:** Sunday, March 3, 2024 8:32:51 PM  
**To:** Patterson, Cath <Cath.Patterson@finance.gov.au>  
**Subject:** Fwd: RE: RAM - next steps and options.docx [SEC=PROTECTED]

Hi Cath, sending this direct to you, but understand it has been shared with your team. Blair had some questions which the team worked through today.


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Sent from [Workspace ONE Boxer](#)

----- Forwarded message -----

Hi all

s47C, s47E(d)



[SEC=PROTECTED]

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