

# NAB/PHARMACY GUILD PRACTITIONER SURVEY 2020

## INSIGHTS INTO AUSTRALIA'S PHARMACY SECTOR POST COVID-19 THROUGH THE EYES OF PHARMACISTS



*NAB Behavioural & Industry Economics*

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The 2020 NAB/Pharmacy Guild Practitioner Survey provides a unique insight into Australia's pharmacy industry through the eyes of around 200 pharmacists across the country. Amidst the ongoing challenges of COVID-19, this timely report shares views across a range of issues including the new 7th Community Pharmacy Agreement, current and expected business conditions, challenges and opportunities, as well as the personal wellbeing of pharmacists themselves. The survey was conducted between 4-23 August.

COVID-19 is overwhelmingly the greatest business concern and driver of change for Australian pharmacists today, with 2 in 3 expecting to restructure their service or product offering to meet changing consumer needs. Around 1 in 4 are also planning to cut staff, with that number noticeably higher in VIC and in capital cities. Not surprisingly, around 8 in 10 pharmacists also reported increasing their hygiene practices for both customers and staff.

Other key concerns include: the Australian economic environment (particularly in NSW and in capital cities); pressure on profitability (particularly in VIC); finding suitable staff (particularly in rural areas); Government regulations; cashflow (particularly in QLD); cost of premises; and day to day business running costs.

Against the backdrop of COVID-19 pressures, over 1 in 4 pharmacists rated their anxiety levels 'high'. The ability to cope with anxiety appears to improve the longer a pharmacist has been in business, and by the size of business. Concerns over health and safety due to COVID-19 (both for themselves and their staff) have shown little signs of easing in recent months, and in VIC, have continued to rise.

Of concern, 2 in 3 pharmacists report an increase in harassment post-COVID (with almost 1 in 5 saying it had risen 'considerably'). Disappointingly, over 8 in 10 pharmacists in NSW and 6 in 10 in VIC report an increase in harassment. Pharmacists are also less likely to recommend their profession to their children or family than they would have 10 years ago.

What emerges is a sector clearly under strain, but resilient and high performing. Many believe the role community pharmacy plays in primary health care is not well understood or appreciated outside the industry. Pharmacists spoke of frequently going well beyond community expectations to improve the physical, social or mental wellbeing of their patients.

Examples include: personally delivering medications (and even groceries) to the vulnerable and isolated; visiting the sick in their homes; providing unpaid counselling (on issues ranging from drug addiction to workplace bullying and loneliness); providing "handyman" skills to repair broken wheelchairs; offering discounts to those in financial difficulty; making beds for elderly patients and feeding their pets; calling ambulances, organising and driving patients to appointments, correcting medication errors; continuing to provide medication after bushfires destroyed their businesses; frequently staying back late or opening early to accommodate patient needs; driving 200km to source supplies to provide free hand sanitiser for patients; offering deferred repayment plans for those who have lost employment; and calling over 200 patients to check on their welfare.

Pharmacists also report strong business conditions - and well above a comparable measure of economy-wide conditions. Conditions were supported by strong trading conditions and profitability, despite weak employment. Overall sales margins have also increased and across all states.

By state, conditions were strongest in QLD, marginally ahead of VIC. Trading conditions were strong in all states. Profitability was also strong, but noticeably better in VIC, but employment conditions were weakest in that state by some margin. QLD was the only state with positive employment conditions. Sales margins were also strongest in QLD.

By region, conditions were much stronger in regional cities and rural areas than in the capitals. Pharmacists in capital cities reported weaker trading and profitability conditions than in other areas (although still positive), and much tougher employment conditions.

Pharmacies are an essential service during COVID-19, so it is not surprising that 7 in 10 pharmacists reported “business as usual” over the past 3 months. But for 1 in 4, their business hours have reduced. Of those pharmacists that reported fewer hours, the greatest number were in VIC, while those in capital cities were also much more likely to have experienced reduced hours.

Looking ahead, overall fewer pharmacists expect to reduce their business hours in the next 3 months. By state however, almost 1 in 3 pharmacists in VIC continue to expect to work less hours. In contrast, fewer than 1 in 20 pharmacists in QLD and 1 in 10 in NSW/ACT, expect to reduce their business hours.

Pharmacists also reported mixed results over non-dispensing service volumes. While 37% reported less volumes over the past 3 months, 39% said they had increased.

Of those whose volumes had increased, around 1 in 3, said the key area of growth was deliveries, followed by consulting services, testing or assessments, vaccinations, MedChecks, medication reviews or packing, COVID-19 related goods such as PPE, masks and sanitiser, and personal goods such as cosmetics. Other growth areas include aids, over the counter lines (such as gifts and snacks), supplies to nursing homes, sleep apnoea testing, medical certificates and household domestic products.

Pharmacists are also noticeably more confident than the broader economy, albeit conditions are expected to weaken a little over coming months. That said, pharmacists in newer businesses are significantly less optimistic about forward conditions compared to those in more established business. Sales margins are also expected to increase in the next 3 months, but slightly less so than in the previous quarter. By state, margins are expected to increase significantly in QLD, but tighten in VIC.

Confidence is strongest in QLD, supported by large expected improvements in trading conditions and profitability. In contrast, confidence is lowest in VIC with expectations well below current conditions.

Overall, pharmacists reported their capital expenditure was unchanged over the last 3 months, with expectations a little stronger in the coming months, driven largely by NSW/ACT. In contrast, amid current lockdown and future economic uncertainty, expectations for capital expenditure in VIC is negative.

Of those pharmacists who indicated they had invested (or plan to), over 4 in 10 said they were renovating, refitting or expanding their current premises. Around 1 in 3 were investing in equipment such as the Best Med Packaging System, the Robopharma dispensing robot, drug safes, vaccine fridges and deblisters machines. Just over 1 in 4 were investing more in IT/Software/Computers.

Many pharmacies are innovating to adapt and thrive in a post-COVID world. Pharmacists spoke of setting up triage desks at the entrance of their pharmacy, home deliveries, home and car park vaccinations, mobile EFTPOS and click and collect, more marketing, and forming closer relationships with other health care, especially medical specialists and community care organisations.

When asked the extent to which they supported a move toward more electronic prescriptions, pharmacists were largely positive scoring 7.1 points out of 10 in terms of their level of support. Pharmacists were in stronger agreement over the issue of administering a wider range of vaccinations (8.6 points out of 10).

Pharmacists are also broadly united around the 7th Community Pharmacy Agreement, with 8 in 10 expecting positive upside for their businesses as a result. The Agreement has also largely met expectations with pharmacists scoring it on average 7.7 points out of a possible 10.

For those that felt the agreement fell somewhat short, some areas of concern include: a lack of adequate compensation for non-dispensing services (i.e. the industry remains largely sales based with too many services expected by the public to be free of charge); remuneration failing to keep pace with the cost of doing business (with calls to swipe Medicare cards in areas such as vaccinations and an increase in per script fees); and, the ongoing \$1 discount on PBS claimable scripts.

Other concerns raised include: a one size fits all approach with the Agreement framed around the “average pharmacy” rather than more specialist/niche operations; insufficient remuneration for Dosage Administration Aids; a lack of funding for clinical services (particularly for aged care and private hospital patients); insufficient opportunity for pharmacists to have input into medicines management; and, too much emphasis (and payments) going to services that require multiple pharmacists on site.

Finally, pharmacists were asked to imagine themselves walking into a “typical community pharmacy” 10 years from now and to describe what they expected to see.

For many, this vision includes; much more technology (AI, paperless prescriptions, robotic automation, electronic shelf stripping and payments automatically deducted from customer accounts/credit cards upon leaving, etc) with some expecting fully digital pharmacies; a true health destination with a greater range of prescribing options; multiple pharmacists working across (and in some cases specialising in), a range of health solutions; pharmacies resembling cosmetic counters in department stores, with a pharmacist behind each counter; more focus and space for disease prevention; a much smaller shop footprint (a much smaller dispensary, less range, less vitamins, less gifts and fragrance, less staff and more contactless sales); resembling a doctor’s office with multiple consultation rooms staffed by pharmacists and other health professionals including nurse practitioners; all items pre-ordered, ready for collection any time, including after hours; fewer staff instore with most working remotely; paid health checks a key service offering (e.g. blood glucose, blood pressure, cholesterol, DNA testing, saliva tests etc); a pathologist instore with pharmacists delivering recommendations based on diagnosis, testing, genomics etc.; and fewer independents and more big discounters.

# KEY SURVEY FINDINGS

## PART 1: The 7<sup>th</sup> Community Pharmacy Agreement (7PCA)

**How has the 7PCA been received?** Generally, well - on average pharmacists scoring it 7.7 points out of a possible 10. Those on the Eastern seaboard were more satisfied. There was broader consensus by region and time in business. By employment size, however, expectations fell somewhat shorter for those in firms employing over 20 people (compared to mid-sized firms employing 10-19 people and smaller firms with less than 10 people).

**Where specifically did the agreement fall short of expectations?** For pharmacists who believed it fell short, around 3 in 10 highlighted no fee for non-dispensing services or reimbursement for services, remuneration or funding, and almost 1 in 5 to non-removal of the \$1 discount on PBS claimable scripts.

**What impact do you expect 7PCA to have on your business?** Pharmacists believe the 7PCA will have a 'moderately' positive impact on their business, scoring 2.4 points out of a possible 5. Moreover, around 8 in 10 pharmacists expect the impact of 7PCA to be positive for their business. Only 1 in 10 said it would have no impact and 1 in 20 a negative impact. Pharmacists in NSW/ACT and VIC are by far the most positive, as are those in rural areas. Opinion is less divided by time in business and employment size.

## PART 2: Business Conditions, Confidence & Operations

**How are business conditions holding up?** Pharmacists reported strong business conditions in the past 3 months (+17), and well above average economy wide conditions reported in NAB's Monthly Business Surveys for June-July (-4). Conditions were supported by strong trading conditions (+32) and profitability (+31), which were much stronger than the economy average (-4 and -3 respectively for June-July). Employment conditions however were weak (-12) and under-performed the economy average (-7). By state, conditions were strongest in QLD (+20) and VIC (+18), and weakest in the Other states (+14) and NSW/ACT (+15). Regional cities (+38) and rural areas (+35) also reported much better conditions than capital cities (+5). Conditions were comparatively very weak according to those employing over 20 people (+1).

**What about business confidence?** Confidence (derived from expected conditions in the next 3 months) was positive (+14), but below current conditions (+17), signalling conditions could weaken a little in the next 3 months. Going forward, conditions are expected to be supported by relatively strong trading conditions (+29) and profitability (+29), albeit a little less so than over the past 3 months. Employment conditions are also expected to weaken a little more (-16) as more pharmacists on balance continue to reduce staffing levels. By state, confidence is highest in QLD (+30) and lowest in VIC (+8), likely reflecting the impact of lockdown conditions which are expected to result in a significant weakening in trading conditions and profitability from current levels, and a further deterioration in employment.

**Have pharmacists invested in the last 3 months, and what are their short-term plans?** Capex in the last 3 months was unchanged (0). It rose slightly in NSW/ACT (+3) and VIC (+2) but decreased in Other states (-5) and QLD (-7). By region, it was strongest in rural areas (+11), and weakest in capital cities (-5). The outlook in the next 3 months is a little stronger (+2), driven mainly by expectations for higher spending in NSW/ACT (+14), rural areas (+22) and regional cities (+16), and in mid-sized firms employing 10-19 people (+12). Amid current lockdown conditions and ongoing economic uncertainty, expectations in VIC are negative (-2). Capex intentions are also negative in capital cities (-8) and in firms employing over 20 people (-9).

**What types of capital investments have pharmacists made or plan to undertake?** Over 4 in 10 pharmacists who had invested or planned to invest were investing in renovating, refitting or expanding their current premises. Around 1 in 3 were investing in equipment such as Best Med Packaging System, Robopharma dispensing robot, new drug safe, new vaccine fridge and deblister machines. Just over 1 in 4 were investing in IT/Software/Computers and 15% in vehicles (delivery cars). Around 1 in 10 were investing in 'other' things, such as more stock and making permanent some of the more temporary COVID-Safe arrangements.

**How are sales margins tracking?** Overall, they increased (+14). Margins rose in all states, led by QLD (+22) and were tightest in NSW/ACT (+3). Regional cities also out-performed (+18), with more modest rises reported in rural areas (+11). Expectations are for sales margins to increase in the next 3 months (+12), but slightly less so than in the last 3 months. They are expected to rise significantly in QLD (+38) and Other states (+19) but tighten in VIC (+5). Relative to current levels, margins are expected to increase noticeably in regional cities (+25) but tighten in firms employing 10-19 people (+2).

**How has COVID-19 affected business hours and what do you expect in the next 3 months?** While pharmacies remain open as an essential service during COVID-19, restrictions and lockdowns have impacted business hours for some, with 1 in 4 pharmacists pointing to a reduction over the last 3 months. Only 1 in 25 said they increased. In VIC, around 3 in 10 pharmacists had reduced their hours, compared to only 17% in Other states. In capital cities, around 1 in 3 (1 in 10 in rural areas), while almost 4 in 10 in larger firms employing over 20 people (twice as many than in smaller firms with less than 10 people). Looking ahead, 18% of all pharmacists expect to reduce hours in the next 3 months, but that climbs to 31% in VIC, 24% in capital cities and 27% in pharmacies with over 20 people.

**Has the volume of your non-dispensing services changed and what do you expect in the next 3 months?**

Pharmacists reported mixed results over the last 3 months. Overall, 37% said volumes had fallen, 39% increased and 23% unchanged. The overall number reporting lower volumes was broadly similar across states. Reduced volumes were most apparent in capital cities (40%) and increased most in regional cities (53%). Volume growth was higher in firms operating less than 5 years (47%) or employing less than 10 people (40%). Around 36% of all pharmacists expect volumes to fall in the next 3 months against 35% that expect an increase. Volumes are expected to fall most in VIC (41%), capital cities (41%) and in firms with over 20 employees (41%), and increase most in QLD (45%), regional cities (48%), and in firms with less than 10 employees (40%).

**In what areas are non-dispensing service volumes growing?** Among pharmacists who indicated volumes were growing, around 1 in 3 said they the key area of growth was deliveries, followed by consulting services, testing or assessments (28%), vaccinations (23%), MedChecks, medication reviews or packing (17%), COVID-19 related goods such as PPE, masks and sanitiser (16%) and personal goods like cosmetics (13%). Around 4 in 10 also identified 'other' areas, such as aids, over the counter lines (like gifts and snacks), supplies to nursing homes, sleep apnoea testing, medical certificates and household domestic products.

### PART 3: Business Concerns & Challenges

**What are currently your greatest concerns for your organisation?** Around 2 in 3 of all pharmacists cited the impact on their business from COVID-19 (but surprisingly VIC was equal lowest of all states). Around 4 in 10 overall cited the domestic economy, but this was of greatest concern in NSW and in capital cities. Pressure on profitability was a concern for 1 in 5 pharmacists overall but weighed more heavily in VIC and in firms operating more than 15 years, than in comparable groups. Next was finding suitable staff (17%), but a greater concern in Other states, rural areas, firms operating over 15 years or employing 10-19 people. Government regulation was highlighted by 16% overall, but its impact was more pronounced in regional cities.

**What strategies are you planning to remain viable during COVID-19 in the next 12 months?** Around 8 in 10 are increasing hygiene practices for customers and staff, and 2 in 3 are likely to restructure service or product offerings to meet changing consumer needs. Around 1 in 4 are planning to cut staff, with that number noticeably higher in VIC, capital cities and in larger firms employing over 20 people.

**Do pharmacists support a move to more electronic prescriptions, and do they believe Community pharmacies should be allowed to administer a wider range of vaccinations?** Agreement on both issues is strong. When asked to rate the extent they agreed, electronic prescriptions scored on average 7.1 points. But agreement was much stronger in NSW/ACT than in QLD and VIC, in firms 5-15 years old than less than 5 years old and increased by employment size. Agreement around administering a wider range of vaccinations was even stronger (8.6 points), and strong across all states. It was somewhat stronger among pharmacists in capital cities, businesses operating between 5-15 years and in firms with more than 10 employees.

### PART 4: Wellbeing

**How anxious are pharmacists?** Moderately - scoring on average just 4.6 points out of 10 (compared to 4.2 points for the average Australian in NAB's most recent Wellbeing Survey for Q2 2020). Not surprisingly, with much of the state currently in stage 4 lockdown, anxiety levels in VIC are higher than in all other states. Anxiety levels are also somewhat higher in capital cities, firms operating less than 5 years, or employing more than 20 people. Looking beyond the averages, however, it is some concern that over 1 in 4 pharmacists rated their anxiety levels 'high' (i.e. 7 points and above), with that number highest in NSW/ACT (29%) and VIC (27%).

**How well are pharmacists coping with their anxiety?** Highly anxious pharmacists (7 points or higher) are coping quite well (6.2 points) and better than the average 'highly' anxious Australian (5.7 points). Despite having the highest overall levels of anxiety, it is encouraging highly anxious pharmacists in VIC are also coping best, but those in NSW/ACT are not coping as well and are faring much worse than in any other part of the country. It also seems pharmacists in rural areas are coping much better than in regional cities. Their ability to cope also seems to rise the longer they are in business, and as the number of employees grows.

**Have their worries about their health and safety because of COVID-19 eased?** No. Overall, pharmacists were highly concerned 3 months ago (7.6 points) and that level of concern today remains elevated and unchanged at 7.6 points today. But there are differences by state. Pharmacists in Other states were the most worried 3 months ago, but they are now least worried. Pharmacists in NSW/ACT are now most concerned (unchanged from 3 months ago). But in VIC, where COVID-19 has been most widespread, concern has risen. Pharmacists in regional cities remain most concerned, and those in rural areas least concerned.

**Are pharmacists (or their staff) experiencing more harassment from their customers?** Of concern, 2 in 3 said it has - 48% 'marginally' and (disappointingly) almost 1 in 5 (18%) 'considerably'. An overall increase in harassment was most apparent in NSW/ACT (85%) and least so in VIC (60%) and Other states (61%). That said, more pharmacists in Other states also said it was up 'considerably' than in any other state. Overall harassment levels were broadly similar by area, although noticeably more pharmacists in capital cities - over 1 in 5 - said it was up 'considerably' than in other areas. Significantly more pharmacists in bigger firms employing over 20 people also reported an increase harassment than in smaller firms employing less than 10 people.

**Would you recommend your profession to your children or family?** Pharmacists are less likely to recommend their profession now than 10 years' ago. On average, they scored 5.4 points when asked if they would recommend it as a career choice today - much lower than when asked if they would 10 years' ago (6.4 points). Pharmacists in Other states are the most positive today and VIC least positive, but enthusiasm for their profession over this period fell most in QLD. By region, pharmacists in rural areas and regional cities are most enthusiastic today. While enthusiasm was broadly unchanged in rural areas, relative to 10 years ago it fell sharply in regional and capital cities. Pharmacists in business operating less than 5 years are most positive (both now and 10 years' ago), with enthusiasm among pharmacists falling the longer the business has been operating.



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# PART 1: THE NEW 7th COMMUNITY PHARMACY AGREEMENT

Community Pharmacy Agreements between the Commonwealth Government and the Pharmacy Guild of Australia have been in place since 1991. The intent of Community Pharmacy Agreements has been to ensure all Australians have access to PBS-listed medications, no matter where they live.

The new 7th Community Pharmacy Agreement (which commenced on July 1, 2020) provides approximately \$18.3 billion to over 6,000 community pharmacies for dispensing PBS medicines, providing pharmacy programs and services and for the Community Service Obligation arrangements with pharmaceutical wholesalers.

The 7th Community Pharmacy Agreement (7CPA) was generally well received by pharmacists.

When asked to rate the extent 7CPA met their expectations, on average they scored 7.7 points out of 10 (where 10 = completely).

Pharmacists in the Eastern seaboard states were more satisfied with the outcomes from the agreement (ranging from 7.9 points in NSW/ACT to 7.7 points in QLD), than those in Other states\* (7.2 points).

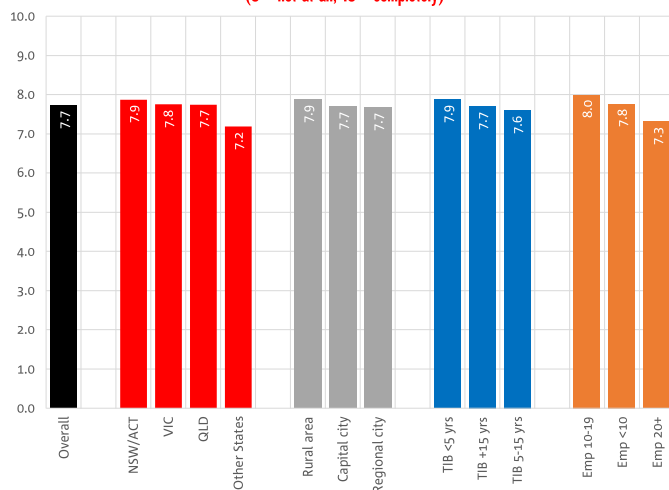
Consensus was ranged from 7.9 points in rural areas to 7.7 points in capital and regional cities.

The agreement was also well-received by all pharmacists irrespective of the time they have been in business (TIB). Scores ranged from 7.9 points for those that had been operating for less than 5 years to 7.6 points for those in business between 5-15 years.

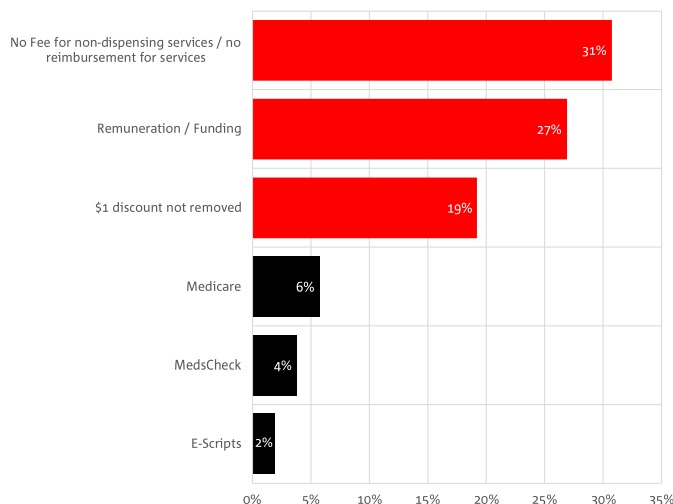
By employment size, expectations fell somewhat shorter for pharmacists in firms employing over 20 people (7.3 points), compared to mid-sized firms employing 10-19 people (8.0 points) and smaller firms employing less than 10 people (7.8 points).

**\*NOTE:** Due to limited survey sample sizes in SA/NT, WA and TAS, they have been combined throughout this report and classified as “Other” states.

**EXTENT 7th COMMUNITY PHARMACY AGREEMENT HAS MET EXPECTATIONS?**  
(0 = not at all; 10 = completely)



**WHERE SPECIFICALLY DID THE 7CPA FALL SHORT OF YOUR EXPECTATIONS?**



Pharmacists who rated their expectations of the 7CPA below 7 points were asked where specifically they thought the latest agreement fell short.

Around 3 in 10 (31%) said their expectations had not been met in relation to no fee for non-dispensing services or no reimbursement for services.

Around 27% also pointed to issues with remuneration or funding and almost 1 in 5 (19%) to non-removal of the \$1 discount on PBS claimable scripts.

Almost 6 in 10 (56%) pharmacists highlighted “other” reasons. A selection of these responses are highlighted in the table on the following page.

## WHERE SPECIFICALLY DID THE 7CPA FALL SHORT OF YOUR EXPECTATIONS?

“Would like to see per script fees increasing as the last 10 years has seen major profit declines and with that goes customer service and possibly limits counselling time.”

*“We should have been given Medicare numbers to claim flu vaccinations and other vaccinations like doctors and nurses, also for claiming the many professional services we offer.”*

“We should be encouraging pharmacist direct input into medicines management, rather than mostly a supply function.”

*“There are still far too many roles we are expected to undertake by the public, and free of charge.”*

“RPMA and switch to MMM classification was not well thought through. The amount of dollars increased 9% but the number of eligible pharmacies and programs increased by 20%.”

*“Remuneration has not kept up with the cost of doing business. This impacts the ability for pharmacy to be able to adequately compensate pharmacists and staff. Fee for service has been only partly addressed.”*

“Provide a better way of moving forward for pharmacy as a profession. There’s no innovative way of delivering our service which is still primarily sales based.”

*“Pharmacists need reimbursement for service provision not just supply. We need to be able to swipe Medicare cards like other health care providers.”*

“Other than scrapping CI’s and the money coming back through dispensing, not much has changed. Would have liked to see a more definite acknowledgment in any way of the \$1 co-payment. Being that it was implemented during the pandemic, it seems to have played a secondary role at a practical level as we have not done a MedCheck in some months now due to the unpredictable trading days and customer focus that is not what it was.”

*“New agreement did not include funding for clinical services both for aged care and private hospital patients. Detailed medication profiles are time consuming and important to prevent medication errors and re-admission to hospitals.”*

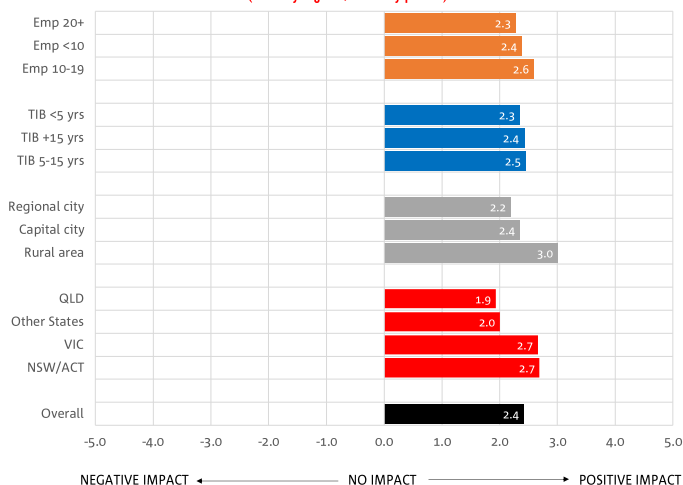
“Increased caps on DAA’s should have started from day 1 when CI’s stopped, embedding delivery reimbursements for elderly and terminally ill patients should be ongoing post COVID. Whilst not necessarily part of 7CPA, I’m concerned electronic scripts may be funnelled directly to certain pharmacies a little like what occurs with nursing home patients.”

*“I’m yet to see substantial increase in remuneration for DAAs from the last agreement.”*

“I believe we should be paid without any form of Guild accreditation. The guild gets large membership fees. Accreditation limits smaller pharmacies from accessing these payments for services which have come out of our dispensing remuneration anyway. For my practice, there is too much emphasis and payments going to services that require multiple pharmacists to be on site. I am therefore unable to access these payments as I am a small one pharmacist pharmacy.”

*“As usual, the CPA has been negotiated with average pharmacies as the focus, and those in specialist niches as second thoughts.”*

**IMPACT OF 7th COMMUNITY PHARMACY AGREEMENT ON BUSINESS**  
(-5 = very negative; +5 = very positive)



Despite some disappointments, on average pharmacists believe the 7PCA will have a ‘moderately’ positive impact on their business.

When asked to rate how the agreement would impact their business, on average they scored 2.4 points out of a possible 5 (where 5 = very positive impact).

Moreover, around 8 in 10 survey respondents said the impact would be overall positive. Only 1 in 10 said it would have no impact and 1 in 20 expect the impact to be negative (with the rest unsure).

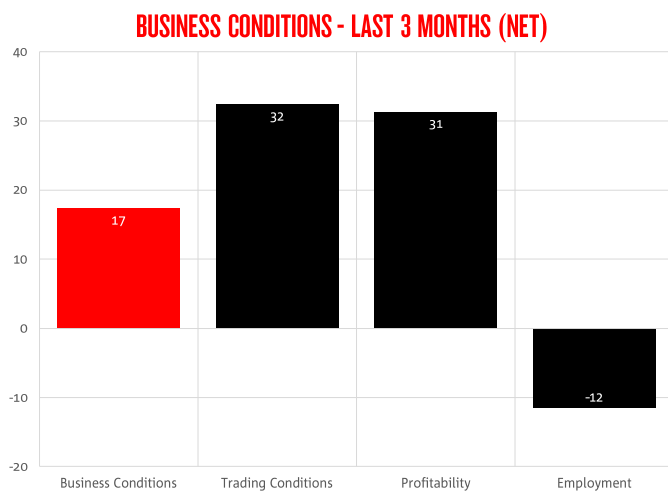
By state, pharmacists in NSW/ACT and VIC (2.7 points) expect the impact to be more positive than those in Other states (2.0 points) and QLD (1.9 points).

Pharmacists operating in rural areas also expect to see a bigger positive impact (3.0 points) than those in capital (2.4 points) and regional cities (2.2 points).

Opinion was less divided by time in business and by employment size.



## PART 2: BUSINESS CONDITIONS, CONFIDENCE & OPERATIONS



Australian pharmacists reported strong business conditions in the past 3 months, with conditions (an average of trading conditions/sales, profitability and employment) at a healthy +17.

While not strictly comparable because of timing issues (survey conducted August 3-24), this was well above average economy wide business conditions reported in NAB’s Monthly Business Surveys for June-July (-4).

Overall business conditions were supported by strong trading conditions (+32) and profitability (+31), which were also much stronger than the general economy average of -4 and -3 respectively for June-July.

Employment conditions however were weak (-12), signalling more Pharmacists had cut back staffing levels over the last 3 months than increased them. Employment conditions in Pharmacies also under-performed relative to the broader economy average for June-July (-7).

### BUSINESS CONDITIONS - LAST 3 MONTHS: STATE, REGION, TIME IN BUSINESS & EMPLOYMENT SIZE

	Business Conditions	Trading Conditions	Profitability	Employment
<b>Overall</b>	<b>17</b>	<b>32</b>	<b>31</b>	<b>-12</b>
NSW/ACT	15	31	25	-11
VIC	18	34	43	-23
QLD	20	33	24	2
Other States	14	31	16	-3
Capital city	5	20	20	-24
Regional city	38	48	45	20
Rural area	35	59	56	-11
TIB <5 yrs	22	37	31	-3
TIB 5-15 yrs	21	43	40	-20
TIB +15 yrs	15	28	29	-11
Emp <10	29	45	39	2
Emp 10-19	12	29	31	-24
Emp 20+	1	11	16	-25

By state, conditions were strongest in QLD (+20), marginally ahead of VIC (+18), with Other states (+14) reporting the weakest conditions followed by NSW/ACT (+15). Trading conditions were strong in all states. Profitability was also strong, but noticeably better in VIC (+43), where employment conditions were however weakest (-23) by some margin. QLD was the only state with positive employment conditions (+2).

Business conditions by region were much stronger in regional cities (+38) and rural areas (+35) than in capital cities (+5). Pharmacists in capital cities also reported weaker trading and profitability conditions than in other areas (although still positive), and much tougher employment conditions (-24). Employment conditions in regional cities (+20) out-performed by a significant margin.

Pharmacists operating for more than 15 years reported the weakest business conditions (+15) and across all measures except employment, where businesses in operation between 5-15 years fared worst (-20), and by some margin.

By employment size, pharmacists employing over 20 people had by far the weakest business conditions (+1), particularly around trading conditions (+11) and profitability (+16). Their employment conditions were also among the worst (-25) along with firms with 10-19 employees (-24).

**BUSINESS CONDITIONS - NEXT 3 MONTHS (NET)**



Business confidence - derived from expected business conditions in the next 3 months - is positive (+14), but below current conditions, suggesting pharmacists are anticipating future conditions to be a little weaker than in the past 3 months.

Going forward, business conditions are expected to continue being supported by relatively strong trading conditions (+29) and profitability (+29), albeit a little weaker than over the past 3 months.

Employment conditions are also expected to weaken a little more (-16) as more pharmacists on balance continue to reduce staffing levels.

**BUSINESS CONDITIONS - NEXT 3 MONTHS: STATE, REGION, TIME IN BUSINESS & EMPLOYMENT SIZE**

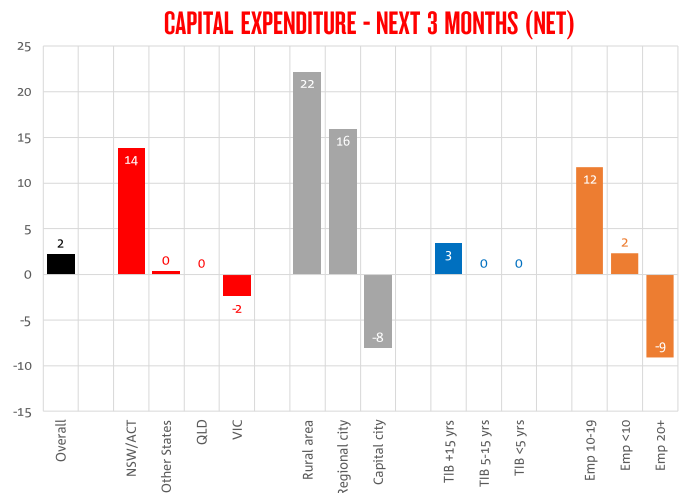
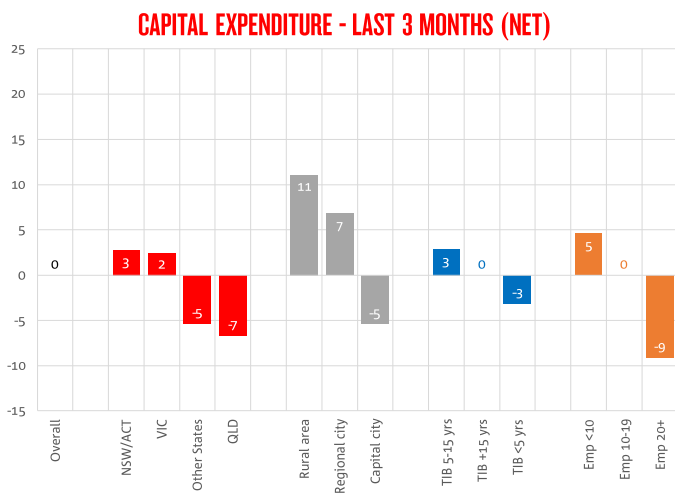
	Business Confidence	Trading Conditions	Profitability	Employment
<b>Overall</b>	<b>14</b>	<b>29</b>	<b>29</b>	<b>-16</b>
NSW/ACT	12	28	28	-19
VIC	8	22	28	-25
QLD	30	44	38	7
Other States	15	34	27	-16
Capital city	3	17	16	-24
Regional city	28	45	41	-2
Rural area	36	52	59	-4
TIB <5 yrs	11	19	28	-12
TIB 5-15 yrs	14	31	29	-17
TIB +15 yrs	14	31	29	-17
Emp <10	18	25	33	-6
Emp 10-19	18	45	33	-24
Emp 20+	2	18	14	-27

By state, business confidence is strongest in QLD (+30) and much higher than current conditions (+18), supported by large expected improvements in trading conditions and profitability. In contrast, confidence is lowest in VIC (+8) and well below current conditions. Likely reflecting the impact of lockdown conditions in the state, pharmacists are expecting a significant weakening in trading conditions and profitability from current levels, and a further weakening in employment conditions from current levels.

Regional business conditions in the next 3 months are expected to be broadly unchanged from current levels in both rural areas (+36) and capital cities (+3). Business conditions are expected to be somewhat weaker than current conditions in regional cities at +28 (+38 now), where employment conditions are expected to weaken significantly to -24 (+20 in the last 3 months).

Pharmacists in relatively new businesses operating for less than 5 years expect their business conditions to weaken in 3 months' time (+11) compared to current levels (+22). Pharmacists in mid-aged businesses operating 5-15 years are also somewhat less upbeat, with expected conditions falling to +14 from +21 now. Pharmacists in businesses in both these age ranges anticipate much softer trading conditions, with firms in less than 5 years old also signalling weaker profitability and those 5-15 years old employment conditions relative the last 3 months. Expectations for overall business conditions in firms over 15 years old are broadly unchanged (+14), with a slight improvement in trading conditions offset by somewhat weaker employment conditions.

By employment size, pharmacists employing less than 10 people expect business conditions in the next 3 months to be lower than current conditions, with softer trading, profitability and employment conditions. Firms employing 10-19 people are more confident, supported mainly by stronger trading conditions. Firms employing over 20 people, expect their overall business conditions to remain unchanged, with stronger trading conditions offset by somewhat weaker profitability and employment conditions.



Overall, pharmacists estimate their capital expenditure in the last 3 months was unchanged (0).

By state, it increased marginally in NSW/ACT (+3) and VIC (+2), but fell in Other states (-5) and QLD (-7). By region, capital expenditure was strongest in rural areas (+11), and weakest in capital cities (-5).

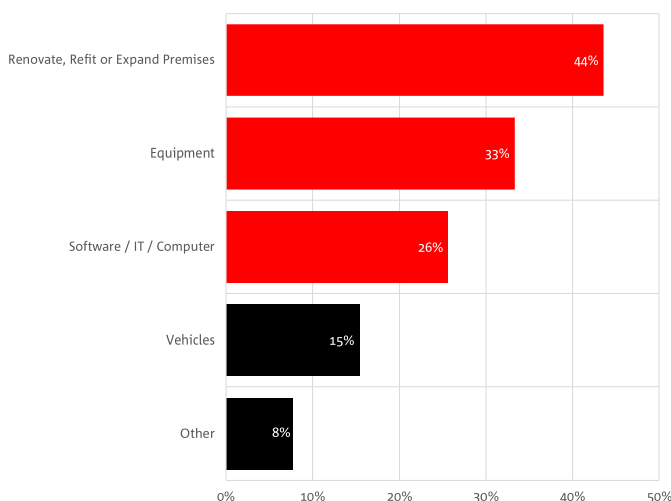
Capital expenditure among mid-aged firms in business 5-15 years increased marginally (+3). It was flat in firms operating over 15 years (0) and fell slightly in firms operating less than 5 years (-3).

Larger firms employing more than 20 people cut back on capital expenditure most (-9) in the last 3 months, while it increased in small firms employing less than 10 people (+5). Capital expenditure was unchanged in mid-sized firms employing between 10-19 people (0)

The overall outlook for capital expenditure in the next 3 months is a little stronger (+2), driven largely by expectations for much higher expenditure among pharmacists in NSW/ACT (+14), in rural areas (+22) and regional cities (+16), and in mid-sized firms employing 10-19 people (+12).

In contrast, amid current lockdown conditions and future economic uncertainty, expectations for capital expenditure in VIC turned negative (-2). Capital expenditure expectations for the next 3 months are also negative capital cities (-8) and in firms employing more than 20 people (-9).

### WHAT CAPITAL ITEMS DO YOU INTEND TO PURCHASE?



Pharmacists who indicated they had invested or planned to spend more capital in the next 3 months were asked to describe what specific capital items they were planning to purchase.

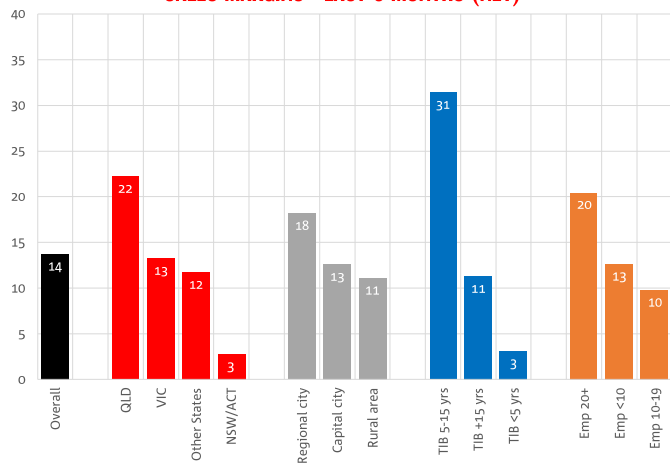
Over 4 in 10 (44%) said they were investing in renovating, refitting or expanding their current premises - for example to allow for additional consultation and meeting rooms to provide additional services as they are rolled out under 6/7CPA, or for a complete store refresh and new external signage.

One in 3 (33%) were investing in equipment such as Best Med Packaging System, Robopharma dispensing robot, new drug safe, new vaccine fridge and deblister machines.

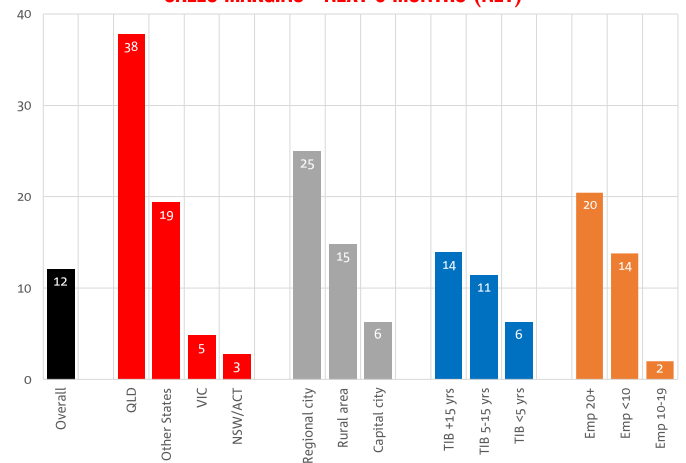
Just over 1 in 4 (26%) were investing more in IT/Software/Computers and 15% in vehicles (delivery cars).

Around 8% were investing in 'other' things, such as more stock and making permanent some of the more temporary COVID-Safe arrangements.

**SALES MARGINS - LAST 3 MONTHS (NET)**



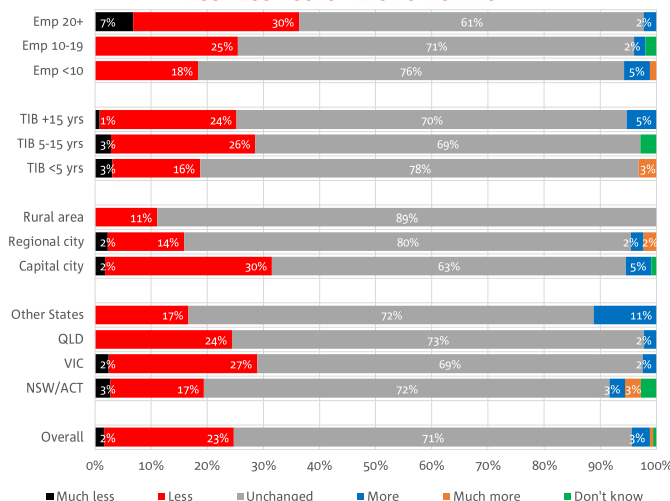
**SALES MARGINS - NEXT 3 MONTHS (NET)**



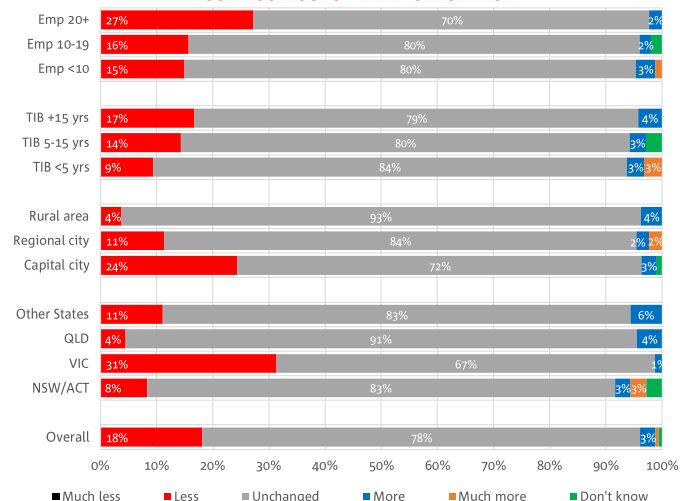
Overall sales margins increased over the past 3 months (+14). Margins increased in all states, led by QLD (+22), and were tightest in NSW/ACT (+3). Regional cities also out-performed (+18), with margins increasing least in rural areas (+11). Sales margins increased in noticeably more firms that have been operating 5-15 years (+31) than in firms less than 5 years old (+3), and in firms employing over 20 people (+20) than those employing between 10-19 (+10).

Overall sales margins are expected to increase in the next 3 months (+12), but slightly less so than in the last 3 months. By state, sales margins are expected to increase significantly in QLD (+38) and Other states (+19), but also tighten significantly in VIC (+5). Relative to current levels, sales margins are expected to increase noticeably in the next 3 months in regional cities (+25), but tighten noticeably in firms employing 10-19 people (+2).

**BUSINESS HOURS - LAST 3 MONTHS**



**BUSINESS HOURS - NEXT 3 MONTHS**



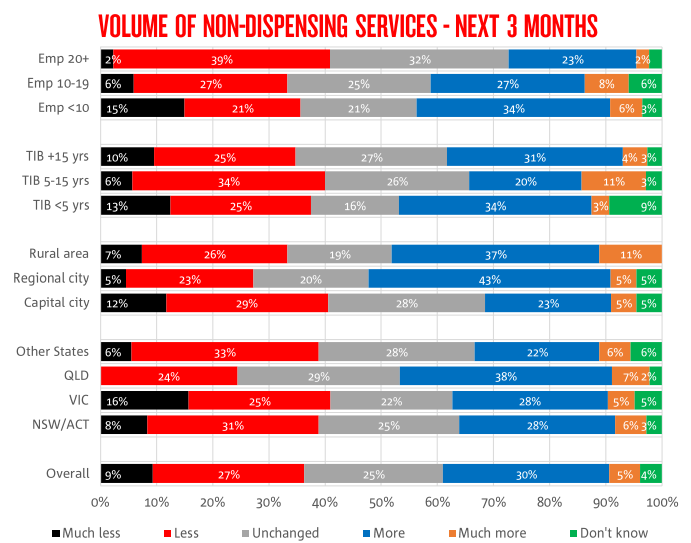
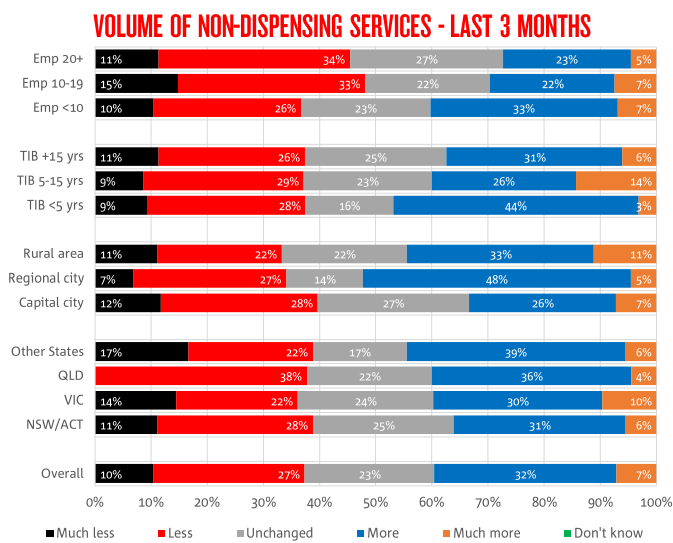
Pharmacies have remained open as an essential service during COVID-19 restrictions and lockdowns. How has this impacted operating hours in the last 3 months and what is the outlook for the next 3 months? According to survey respondents, it has been business as usual for around 7 in 10 (71%) pharmacists overall. But for 1 in 4 (25%), their business hours have been reduced - 23% 'less' and 2% 'much less'. Fewer than 1 in 25 pharmacists said their business hours had increased.

But the overall result masks some key differences by state. For example, almost 3 in 10 (29%) pharmacists in VIC said they were doing fewer business hours, compared to only 17% in Other states, where just over 1 in 10 (11%) also said they were doing more. The impact on reduced business hours was even more pronounced in capital cities relative to other areas, where around 1 in 3 (32%) pharmacists had reduced their hours (compared to only 11% in rural areas), and for larger firms employing over 20 people, where 37% reduced their business hours (compared to only 18% in firms employing less than 10 people).

Looking ahead, fewer pharmacists overall (18%) expect to reduce their business hours in the next 3 months compared to the last 3 months (25%), while 78% expect their hours to be unchanged (71% in the last 3 months). Very few expect to work more hours (4%).

By state however, 31% of pharmacists in VIC expect to work fewer hours, with lockdown measures likely playing a key role. Only 67% expect their work hours to be unchanged in VIC, compared to 91% in QLD. In contrast, only 4% in QLD and 8% in NSW/ACT expect to work less. By area, almost 1 in 4 pharmacists in capital cities expect to reduce their business hours, compared to only 11% in regional cities and 4% in rural areas.

Interestingly, a lot more pharmacies in bigger firms employing over 20 people (27%) also expect to reduce their business hours over the next 3 months, than pharmacists working in firms employing less than 10 people (15%) and between 10-9 people (16%)



Pharmacists reported mixed results over non-dispensing services volumes over the last 3 months.

Overall, 37% reported less volume (27% 'less' and 10% 'much less'), and 39% said they increased (32% 'more' and 7% 'much more'). Volumes were unchanged according to 23% of all pharmacists.

The overall number of pharmacists who saw a reduction in volumes was broadly similar across states (although the magnitude of decline was much less severe in QLD). Noticeably more pharmacists in Other states (45%) reported an overall increase in volumes, but around twice as many in VIC (10%) said they had increased 'much more' than in other states.

Reduced volumes were most apparent in capital cities (40%), while they increased most in regional cities (53%), although the highest number of pharmacists who said they increased 'much more' were in rural areas (11%).

Interestingly, a similar number of firms irrespective of time in business reported lower volumes of non-dispensing services over the last 3 months (around 36-37%), whereas noticeably more firms operating less than 5 years (47%) said volumes had increased.

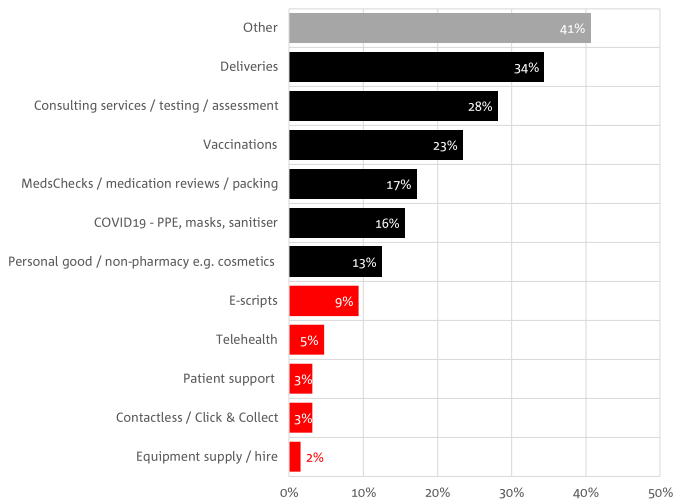
By employment size, firms employing 10-19 people saw the biggest reductions in volumes (48%), while significantly firms employing less than 10 people said they had increased (40%).

Looking ahead, around 36% of pharmacists overall expect non-dispensing service volumes to contract in the next 3 months (compared to 37% in the last 3 months) - 27% 'less' and 9% 'much less'. But 35% also expect volumes to increase.

By state, volumes are expected to fall most in VIC (41%), while those in QLD are most optimistic about volume growth in the next 3 months (45%). Reduced volumes are expected to be most noticeable in capital cities (41%), with volumes expected to rise most in regional cities (48%).

Firms operating less than 5 years are the most positive about volume growth in the next 3 months (37%), as are firms with less than 10 employees (40%), and noticeably more so than those with over 20 employees (25%).

**AREAS OF NON-DISPENSING SERVICES THAT ARE INCREASING**



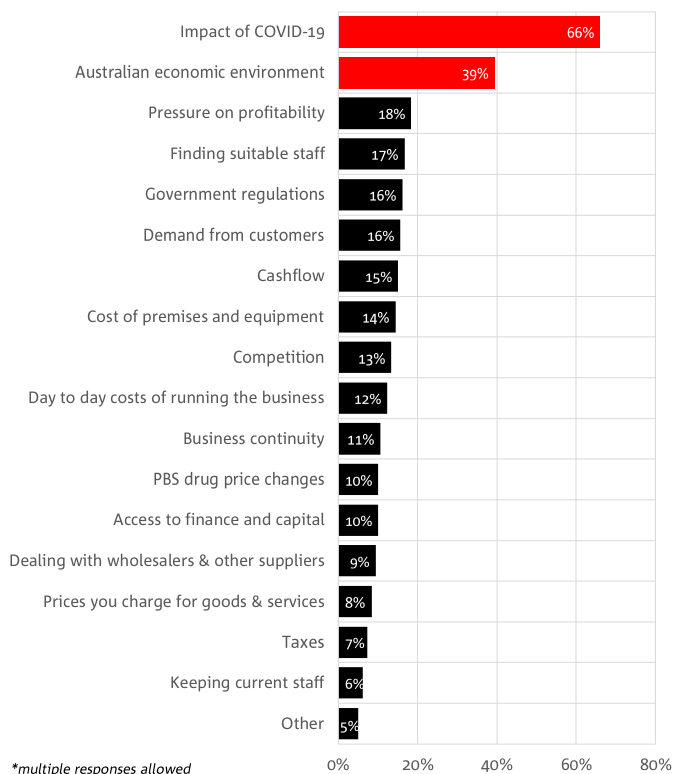
Pharmacists who said that volumes of non-dispensing services had increased were asked to identify the areas in which they had grown.

Around 1 in 3 (34%) said the key area of growth was in deliveries, followed by consulting services, testing or assessments (28%), vaccinations (23%), MedChecks, medication reviews or packing (17%), COVID-19 related goods such as PPE, masks and sanitiser (16%) and personal goods such as cosmetics (13%).

Around 4 in 10 (41%) highlighted ‘other’ areas, which included things such as aids, over the counter lines (such as gift and snacks), supplies to nursing homes, sleep apnoea testing, medical certificates and household domestic products.

**PART 3: BUSINESS CONCERNS & CHALLENGES**

**MAIN CAUSES OF CONCERN FOR YOUR BUSINESS NOW (percentage of total responses)\***



Pharmacists were asked to identify their greatest concerns for their organisation currently. The overwhelming worry according to 2 in 3 (66%) was the impact on their business from COVID-19. However, this number ranged from 73% in QLD to 61% in VIC and Other states. It was also comparably higher in regional cities (73%), firms in business less than 5 years (74%), or who employed more than 20 people (70%) - see table on next page.

The Australian economic environment was the next biggest concern according to almost 4 in 10 (39%) of all pharmacists. This was highlighted as a key concern by most pharmacists in NSW/ACT (43%), compared to only 33% in Other states, with noticeably more pharmacists in capital cities (45%) also highlighting it as a concern than in other regions.

Pressure on profitability was a concern for 1 in 5 (18%) pharmacists overall. Profitability was however weighing more heavily in VIC (23%) and in firms operating for more than 15 years (23%) than in comparable groups.

Finding suitable staff was an issue for 17% overall, but a greater concern in Other states (28%), rural areas (23%), firms operating for over 15 years (20%) and in firms employing 10-19 people (24%).

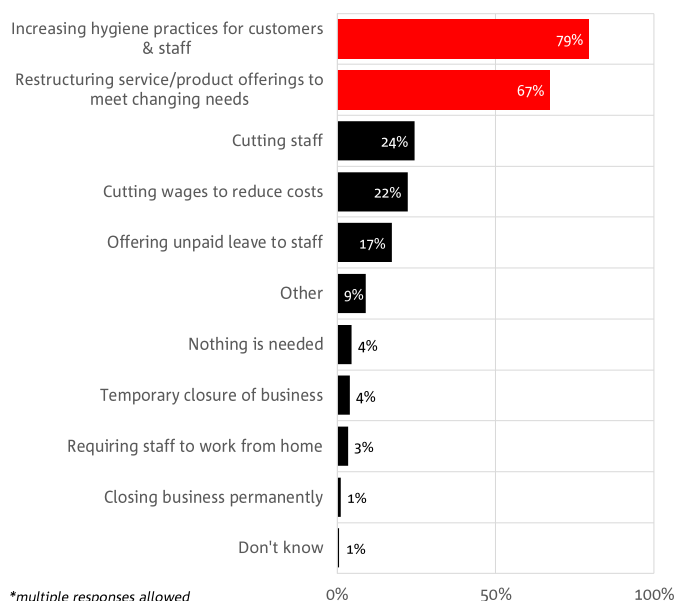
Government regulation was highlighted by 16% overall, but its impact was more pronounced in regional cities (23%) and in mid-sized firms employing 10-19 people (22%).

Among other key survey findings, cashflow was a worry for 15% overall, but for 24% of pharmacists in QLD. Cost of premises was raised by 14% of respondents overall, but by 33% in Other states and 24% in mid-sized firms by employment size. Day to day business running costs were of concern to more pharmacists in VIC (16%) and in capital cities (16%), business continuity in firms employing more than 20 people (18%), and access to finance in Other states (22%) and in rural areas (23%). Prices charged for goods and services (19%) and taxes (15%) were also of greater concern in rural areas.

## MAIN CAUSES OF CONCERN FOR YOUR BUSINESS NOW: STATE, REGION, TIME IN BUSINESS & EMPLOYMENT SIZE

	Overall	NSW/ACT	VIC	QLD	Other States	Capital city	Regional city	Rural area	TIB <5y	TIB 5-15y	TIB +15y	Emp <10	Emp 10-19	Emp 20+
Impact of COVID-19	66%	71%	61%	73%	61%	65%	73%	62%	74%	65%	64%	64%	66%	70%
Australian economic environment	39%	43%	39%	40%	33%	45%	30%	31%	45%	44%	37%	42%	34%	41%
Pressure on profitability	18%	11%	23%	13%	22%	20%	18%	12%	16%	3%	23%	21%	18%	14%
Finding suitable staff	17%	11%	15%	20%	28%	15%	18%	23%	13%	9%	20%	15%	24%	11%
Government regulations	16%	14%	18%	13%	17%	15%	23%	12%	19%	15%	16%	15%	22%	11%
Demand from customers	16%	17%	17%	11%	17%	16%	11%	19%	19%	18%	14%	12%	20%	18%
Cashflow	15%	14%	13%	24%	0%	16%	20%	0%	13%	18%	15%	17%	10%	16%
Cost of premises & equipment	14%	20%	10%	11%	33%	14%	14%	19%	10%	18%	15%	10%	24%	11%
Competition	13%	14%	13%	16%	6%	13%	16%	12%	16%	15%	12%	16%	8%	14%
Day to day costs of running business	12%	9%	16%	9%	11%	16%	7%	4%	13%	9%	13%	13%	10%	14%
Business continuity	11%	14%	7%	13%	11%	13%	7%	8%	6%	12%	11%	7%	10%	18%
Access to finance & capital	10%	6%	12%	4%	22%	8%	7%	23%	10%	6%	11%	9%	8%	14%
PBS drug price changes	10%	6%	12%	9%	11%	7%	14%	15%	10%	15%	9%	12%	8%	9%
Dealing with wholesalers & suppliers	9%	11%	9%	13%	0%	6%	14%	15%	13%	18%	6%	12%	8%	7%
Prices charged for goods & services	8%	11%	9%	7%	6%	8%	2%	19%	6%	12%	8%	10%	10%	2%
Taxes	7%	6%	10%	4%	6%	5%	9%	15%	6%	6%	8%	6%	6%	11%
Keeping current staff	6%	6%	6%	7%	6%	7%	5%	4%	3%	3%	8%	6%	4%	9%
Other	5%	9%	4%	4%	6%	5%	2%	8%	3%	9%	4%	3%	6%	7%

### STRATEGIES YOUR BUSINESS IS LIKELY TO EMPLOY TO REMAIN VIABLE BECAUSE OF THE IMPACT OF COVID-19 OVER THE NEXT 12 MONTHS (percentage of total responses)\*



COVID-19 is clearly the biggest concern for pharmacists now and in the immediate future. But how do they plan to address these concerns?

When asked what strategies they were likely to employ to remain viable over the next 12 months, overwhelmingly around 8 in 10 (79%) said they are increasing hygiene practices for customers and staff, while 2 in 3 (67%) indicated they are likely to restructure their service or product offerings to meet changing consumer needs.

Interestingly, while improved hygiene practices were top of mind for pharmacists across the country, the number employing or planning to employ such measures ranged from 89% in NSW/ACT and QLD to just 56% in Other states, from 92% in rural areas to 75% in capital cities, from 83% in firms operating over 15 years to 71% in firms 5-15 years, and by 82% in firms employing 10-19 people to 75% in those employing more than 20 - see table on next page.

While 2 in 3 pharmacists overall plan to restructure and adapt to changing needs, this number is noticeably higher for pharmacists in rural areas (77%) and employing less than 10 people (74%).

Among other key findings, noticeably more firms in VIC (33%), capital cities (32%) or employing over 20 people (34%) plan to cut staff to remain viable. More firms in capital cities (26%) and employing over 20 people (32%) however plan to cut wage costs, with firms employing over 20 people also much more likely to offer unpaid leave (27%).

## STRATEGIES LIKELY TO BE EMPLOYED TO REMAIN VIABLE BECAUSE OF COVID-19 IMPACT OVER THE NEXT 12 MONTHS: REGION, TIME IN BUSINESS & EMPLOYMENT SIZE

	Overall	NSW/ACT	VIC	QLD	Other States	Capital city	Regional city	Rural area	TIB <5y	TIB 5-15y	TIB +15y	Emp <10	Emp 10-19	Emp 20+
Increasing hygiene practices for customers & staff	79%	89%	76%	89%	56%	75%	84%	92%	77%	71%	83%	80%	82%	75%
Restructuring service/product offering to meet changing needs	67%	66%	67%	71%	61%	66%	64%	77%	65%	68%	68%	74%	64%	57%
Cutting staff	24%	26%	33%	9%	22%	32%	11%	15%	26%	21%	25%	16%	30%	34%
Cutting wages to reduce costs	22%	23%	24%	18%	22%	26%	16%	15%	19%	24%	23%	20%	18%	32%
Offering unpaid leave to staff	17%	17%	17%	16%	22%	18%	14%	19%	13%	15%	19%	15%	12%	27%
Other	9%	9%	6%	9%	22%	12%	5%	4%	3%	9%	10%	8%	6%	14%
Nothing is needed	4%	3%	6%	2%	6%	5%	2%	4%	10%	3%	3%	5%	4%	5%
Temporary closure of the business	4%	9%	4%	2%	0%	4%	0%	12%	6%	6%	3%	5%	0%	7%
Requiring staff to work from home	3%	6%	2%	2%	6%	5%	2%	0%	0%	3%	4%	1%	0%	11%
Closing business permanently	1%	0%	1%	0%	6%	2%	0%	0%	0%	0%	2%	0%	0%	5%
Don't know	1%	0%	0%	0%	6%	0%	2%	0%	0%	0%	1%	1%	0%	0%

Against this background, we asked our panel of pharmacists to describe the best example they have seen of someone in Pharmacy innovating to adapt and potentially thrive in this new world. Many described innovations around “delivery”, “Telehealth and e-scripts”, “online ordering and sales”, “COVID19 precautions”, “new product services and offerings”, “contactless, drive through and Click & Collect services” and “staffing rosters and changes”.

A selection of more detailed responses are shown below.

### EXAMPLES OF PEOPLE IN PHARMACY ADAPTIONG TO POTENTIALLY THRIVE IN NEW WORLD?

“Wrapping the EFTPOS terminal in disposable cling wrap in case a customer needs to touch it. The cling wrap is then disposed of carefully and replaced so hygiene is maintained. Simple, but effective.”

*“We set up a triage desk at the front door to the pharmacy and introduced sneeze guards to keep our staff safe at the height of the first wave of COVID in the ACT. We will reintroduce this if necessary.”*

“We saw that deliveries would be a big part of the government COVID plan and organised extra staff, mobile EFTPOS, and a car to accommodate this.”

*“We have morphed into more of a fulfilment model than a walk-in store. At first, we were heavily focused on deliveries but then we installed our COVID screen at the front and serve people through a small hatch 1950s style. Since then customers are happy to come in person. It's more work collating people's orders, but staff and customers have confidence in it. Our simple design was featured at a WHO conference. We have seen an influx of new customers and it is all going well, although our giftware and impulse buys are obviously down.”*

“Strong marketing to the public promoting vaccination and other services. Having an online store front (via Click & Collect and/or delivery services available) as well to capture clients who are self-isolating. We are also investing in technology to improve retail operational efficiencies.”

*“Purchasing Best Med Health Solutions systems to enable us to pack DAAs in the best COVID-19 free environment. This is all achieved using a digital platform that the doctor can use to prescribe from any digital device. And once e-prescriptions is running, we will be ready for it.”*

“We are in the process of setting up a hub and spoke facility to provide the DAAs for all our community clients as well as the nursing homes.”

*“We vaccinated a significant proportion of our community with the 2020 influenza vaccine either in their home or in their car in the car park during the first COVID wave to ensure our most vulnerable didn't have to enter the pharmacy.”*

“Engaging with other health care professionals in a business to business relationship, especially with medical specialists and community care organisations.”



Pharmacists were also asked to imagine walking into a “typical” Community Pharmacy 10 years from now and describe how it is different. For many, this future included things such as “more consultation, professional services and testing”, “automation, robotics and AI”, “paperless (e-scripts)”, “contactless”, “smaller”, “less retail”, “less human interaction”, “payment for consultation” and “expertise”.

A selection of more detailed responses are shown below.

## WHAT IS DIFFERENT IN A “TYPICAL” COMMUNITY PHARMACY 10 YEARS FROM NOW?

“Some giant mega stores like Chemist Warehouse. Many smaller professional pharmacies.”

*“True health destination - like a cosmetic department of Myer - but each counter has a pharmacist to discuss health solutions as they will have a greater range of prescribing options with technical work completed by robots.”*

“The retail space will be more wellbeing type merchandise. Dispensary will be smaller. The focus of the business will be more on prevention of diseases.”

*“Technology will be paramount. AI will identify customers on entry, robotic automation, electronic shelf stripping, more vaccination.”*

“Technology playing even more of a role. Forward ordering via mobile phones. Paperless prescriptions. More health services available that do not necessarily involve the sale of goods.”

*“Smaller shop size, less range, less vitamins, less gifts and fragrance, less staff, more contactless sales e.g. online, telehealth, more technology at store level.”*

“Smaller premises, consulting rooms, Click & Collect, smaller range of products with a more health and organic focus.”

*“Scan own script which is dispensed by computer and robot. Pharmacist will hand over the item with advice. Several consultation rooms with pharmacists and other health professionals including nurse practitioners consulting to patients.”*

“Sanitiser is more readily available, social distancing is still encouraged, delivery is more available to minimise people within store. Staff who can work remotely are doing so.”

*“Plagued by the discount model where role of the pharmacist is just to dispense. Less service and less customer interaction. Hopefully I’m wrong!”*

“Pharmacy will be offering more paid services to consumers e.g. health checks including blood glucose, blood pressure, cholesterol, DNA testing, saliva tests etc.”

*“Part of the pharmacy will be more like a doctor’s office - scheduled consultations, increased services (maybe pathology or screening services). Reducing the health burden on the health system and increasing profitability through pharmacy to improve health outcomes.”*

“One-way entry, directed past many products to service area, all items pre-ordered are ready to be collected, all information to customer is supplied electronically, one way to exit, payment is automatically deducted from customer account/credit card upon leaving pharmacy.”

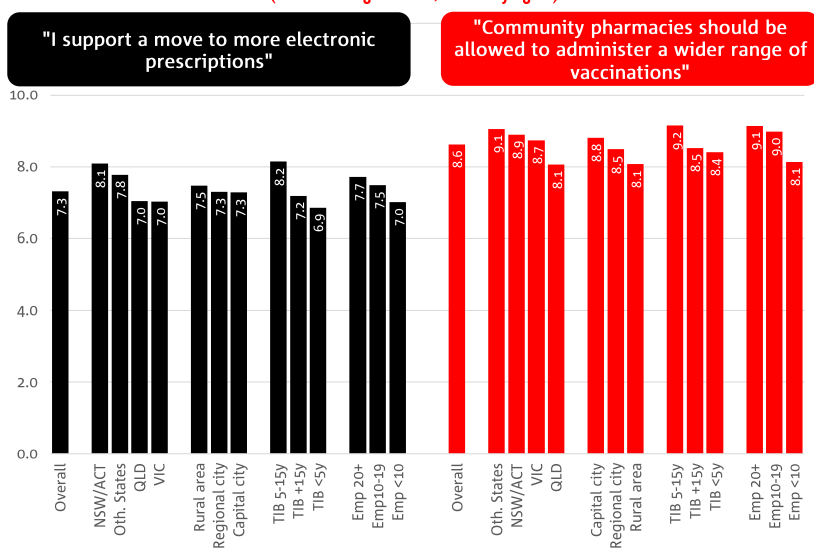
*“It has a slightly bigger floor plan. There are multiple consulting rooms, allocated to specific areas of health concern. The pharmacist regularly assists customers in the professional service area with a different pharmacist forward dispensing. Pharmacy pursues own brand strategy. Staff focus on value adding to every customer transaction. Greater alignment between staff and a business plan.”*

“Automation. Digital screen to interact with to select products that will be dispensed from a robot. More than half the business space and more consult rooms. Pharmacist prescribing, disease state education, acute care (e.g. wound care), sleep health, mental health, weight management, diabetes, respiratory and cardiovascular disease state screening. More digital technology to remove paper prescriptions, Click & Collect with perhaps infrastructure to support after hours collection. Pharmacists acknowledged for being the go to source for quality use of medicines and interacting more than now with other HCPs.”

*“Typical will be interesting. There will be the big discounter format, along with the health orientated pharmacies that are totally run on a digital basis. They will use centralised dispensing for chronic repeats, requiring less staff in the pharmacy, with ‘hole in the wall’ collections as well as delivery (much like most pharmacies in Holland). And they will probably specialise in certain conditions. Along with compounding.”*

“More health and knowledge focussed. Pharmacists delivering advice and recommendations based on diagnosis, testing, genomics etc.”

**EXTENT OF AGREEMENT WITH THESE STATEMENTS**  
(0 = do not agree at all; 10 = fully agree)



Pharmacists were asked to rate the extent they agreed about 2 key industry issues.

The first concerned the extent to which “I support a move to more electronic prescriptions.”

This statement resonated quite strongly with pharmacists, who on average scored the extent of their agreement 7.1 points out of 10 (10 = fully agree).

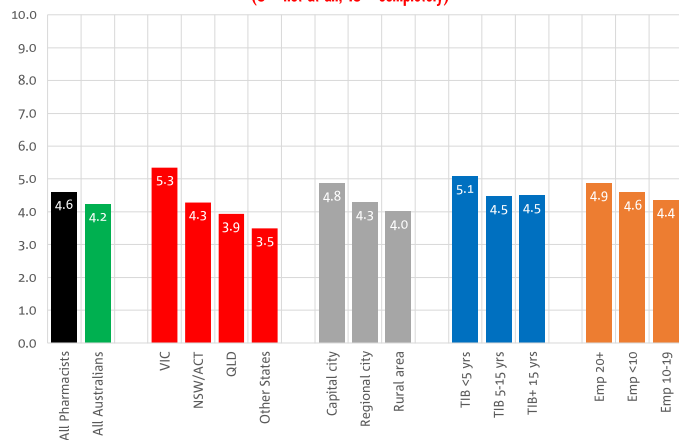
Agreement was however noticeably stronger in NSW/ACT (8.1 points) than in QLD and VIC (7.0 points). There was little difference of opinion by region.

But pharmacists in firms in business 5-15 years (8.2 points) agreed much more strongly than those in business less than 5 years (6.9 points). The extent of agreement also increased by employment size.

The second statement looked at the extent pharmacists believe “Community pharmacies should be allowed to administer a wider range of vaccinations”. Agreement on this issue was much stronger, and on average scored 8.6 points. Agreement was very strong across all states, ranging from 9.1 points in Other states to 8.1 points in QLD. It was somewhat stronger among pharmacists in capital cities (8.8 points) than in rural areas (8.1 points), in businesses that have been operating between 5-15 years (9.2 points) and in firms with over 20 employees (9.1 points) and 10-19 employees (9.0 points).

**PART 4: WELLBEING**

**HOW ANXIOUS DID YOU FEEL YESTERDAY?**  
(0 = not at all; 10 = completely)



COVID-19 has impacted anxiety levels across the country. But what has been the impact for pharmacists?

When asked to rate how anxious they felt, overall anxiety levels were ‘moderate’ scoring on average just 4.6 points out of 10 (where 10 = completely).

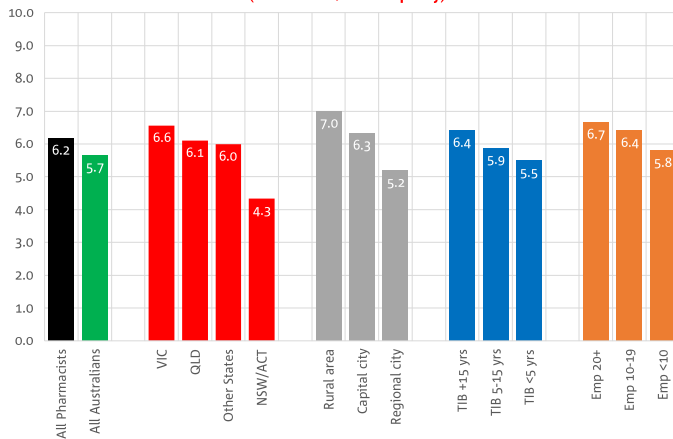
Although the timing is not comparable, the average Australian scored their anxiety slightly lower at 4.2 points in NAB’s most recent Australian Wellbeing Survey for Q2 2020.

The average does however mask some important differences by location. Not surprisingly, with much of the state currently in stage 4 restrictions, anxiety levels in VIC were much higher than in other states (5.3 points).

Anxiety levels were also rated somewhat higher by pharmacists in capital cities (4.8 points), in firms that have been operating less than 5 years (5.1 points), or employing over 20 people (4.9 points).

Looking beyond the averages, it is of some concern over 1 in 4 (27%) pharmacists rated their anxiety levels ‘high’ (i.e. 7 points and above), with that number highest in NSW/ACT (29%) and VIC (27%).

**HOW WELL ARE COPING WITH YOUR ANXIETY?**  
(0 = not at all; 10 = completely)



NAB wellbeing research shows that anxiety is the key detractor of overall personal wellbeing. But how we manage that anxiety can play a significant role in helping reduce its impact.

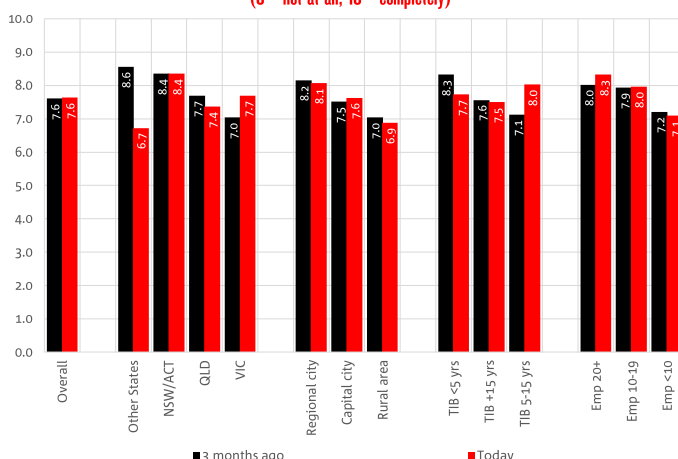
When asked how well pharmacists with ‘high’ anxiety (7.0 points or higher) were coping with their anxiety, they scored on average 6.2 points out of 10 (where 10 = completely). Again, while the timing is not comparable, they appear to be coping better than the average ‘highly’ anxious Australian, who scored only 5.7 points (NAB Wellbeing Survey Q2 2020).

Despite having the highest overall levels of anxiety, it is encouraging that highly anxious pharmacists in VIC are also coping best (6.6 points). In contrast, highly anxious pharmacists in NSW/ACT are not coping as well (4.3 points), and faring much worse than in any other part of the country.

Among highly anxious pharmacists, those in rural areas (7.0 points) are coping much better than those in capital (6.3 points) and regional cities (5.2 points).

The ability of highly anxious pharmacists to cope with anxiety also seems to rise they longer they are in business, and as the number of employees grows.

**CONCERN IN REGARDS TO HEALTH & SAFETY OF YOU & YOUR STAFF DUE TO COVID-19 - 3 MONTHS AGO & TODAY**  
(0 = not at all; 10 = completely)



Fear and anxiety over COVID-19 can be overwhelming and cause strong emotions regarding personal safety. In this survey, we asked pharmacists how concerned they were about their own health and safety and that of their staff both 3 months ago and today.

Overall, they rated their level of concern quite high at 7.6 points out of 10 (where 10 = completely). The level of concern today remains elevated and unchanged at 7.6 points.

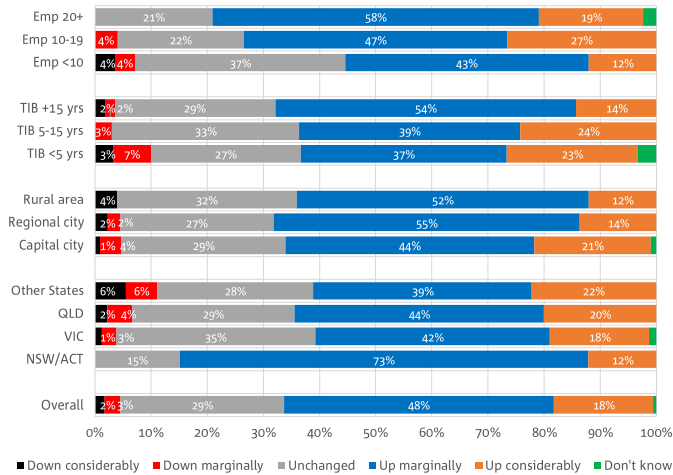
But there are fundamental differences by state. Although pharmacists in Other states were the most concerned 3 months ago (8.6 points), they are now the least worried (6.7 points). Pharmacists in NSW/ACT are now most worried (8.4 points), and their level of concern has not changed from 3 months ago. In VIC, where COVID-19 has been most widespread, concern has risen (7.0 points 3 months ago to 7.7 points now).

By area, pharmacists in regional cities are the most concerned, and those in rural areas least concerned. Interestingly, pharmacists in capital cities were the only group to rate their current concern higher than 3 months ago - albeit marginally.

By time in business, pharmacists in firms operating for less than 5 years were the most worried 3 months ago (8.3 points), but those in firms operating 5-15 years are now the most worried (8.0 points) - and much more so than 3 months earlier (7.1 points).

Pharmacists in firms employing over 20 people were the most worried 3 months ago (8.0 points) and remain the most worried today (8.3 points).

**CHANGES EXPERIENCED BY YOU & YOUR STAFF DURING COVID-19 IN TERMS OF HARASSMENT BY PATIENTS**



There have been many reports during COVID-19 of people becoming more aggressive as businesses put prevention policies and practices in place. Such issues have also been more likely to occur in retail and services firms. In this survey, we asked what changes pharmacists had experienced in terms of harassment during COVID-19.

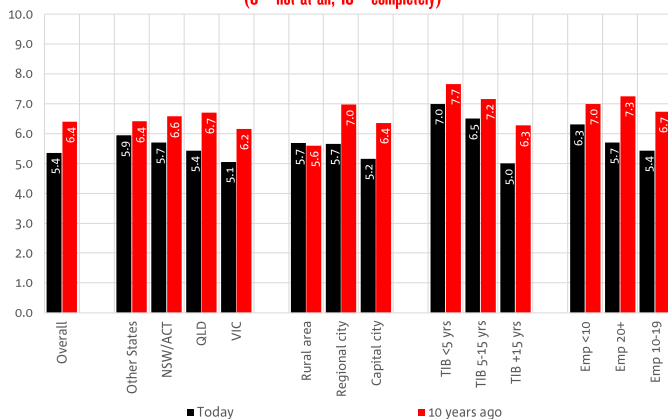
Overall, 2 in 3 (66%) said it increased - 48% said it was up 'marginally' and (disappointingly) almost 1 in 5 (18%) up 'considerably'. Around 3 in 10 (29%) said it was unchanged and only 5% down.

Harassment was more common in NSW/ACT with 85% reporting higher levels, and lowest in VIC (60%) and Other states (61%). That said, more pharmacists in Other states (22%) also said it was up 'considerably' than in any other state.

Overall harassment levels were broadly similar by region, although noticeably more pharmacists in capital cities (21%) said it was up 'considerably' than in other regions.

Pharmacists in more established business were most likely to have seen an increase in overall harassment (68%) and those in firms less than 5 years old least likely (60%). More pharmacists in bigger firms employing over 20 people reported the highest harassment (77%), and significantly more than in smaller firms employing less than 10 people (55%). But noticeably more pharmacists in mid-sized firms (27%) employing 10-19 people said it was up 'considerably' than in small and large firms.

**RECOMMENDING YOUR PROFESSION TO YOUR CHILDREN OR OTHER FAMILY MEMBERS AS A CAREER CHOICE**  
(0 = not at all; 10 = completely)



Pharmacists are less likely to recommend their profession to their children or other family members than they were 10 years' ago. On average, they scored 5.4 points out of 10 when asked the extent they would recommend it as a career choice today. This was much lower than when asked how they would have scored it 10 years' ago (6.4 points).

Pharmacists in Other states (5.9 points) are the most positive today and VIC the least positive (5.1 points). But pharmacists in QLD reported the biggest fall over this time frame, with their enthusiasm falling to 5.4 points now from 6.7 points 10 years' ago.

By region, pharmacists in rural and regional cities are most enthusiastic today (5.7 points). Enthusiasm is broadly unchanged in rural areas, but fell sharply in regional cities from 7.0 points to 5.7 points. A similar sharp fall was also noted in capital cities (5.2 points today compared to 6.4 points 10 years ago).

There is a strong relationship between time in business and recommending the profession. Pharmacists in firms operating less than 5 years are most positive (now and 10 years' ago), with enthusiasm falling the longer the business has been operating.

By employment size, small firms are the most positive today and mid-sized firms least positive (5.4 points). But the level of enthusiasm for recommending their profession has fallen most in larger firms employing over 20 people - from 7.3 points 10 years' ago to 5.7 points now.

Finally, as front-line practitioners, we asked pharmacists to think back over the past 12 months, and describe a situation where they have gone well beyond reasonable community expectations to improve the physical, social or mental wellbeing of their patients. A selection of responses are shown below.

## WHEN PHARMACISTS HAVE GONE BEYOND REASONABLE COMMUNITY EXPECTATIONS TO IMPROVE THE PHYSICAL, MENTAL OR SOCIAL WELLBEING OF PATIENTS...

“With the pharmacy’s delivery service, I make a point of delivering most medications to our most vulnerable patients (elderly, unwell or isolated). It allows me to stay in touch with them and check in on them as they are quite isolated in a lot of cases.”

*“When we evacuated for a week during the bushfires, we took computers, files, webster packs, all the existing rx to be collected and spent days delegating the work to pharmacies in other towns, who looked after our regular customers. It took a massive effort just to man the phones, deliver things and keep things going.”*

“We have personally attended the funeral of a deceased patient, visited a sick patient at their home and delivered medication on numerous occasions at no extra cost.”

*“We do this all the time. It is nothing for me to spend at least half an hour or so of my time in the consult room with patients who are worried about all sorts of issues from health, to bullying at their place of employment, to general wellbeing. It is not usually about medications specifically but more about their lives and their need to have counsel and support. It is unpaid.”*

“Personally, I have literally saved lives of patients who have presented at the pharmacy, calling ambulances, muscling into immediate visit to their GP, correcting medication errors with the prescriber. The role that community pharmacy plays in primary health care is not understood or appreciated by many outside the industry.”

*“Starting the year where my head office pharmacy was closed for several weeks due to the bush fires was very traumatic. However, my young manager, took our main computer to another of our pharmacies (where most of our customers vacated to) and continued to provide their medication over the next few weeks. Between Tumut and Wagga Wagga, we managed to keep supplies available, for residents of Batlow & Tumbarumba.”*

“Staff members going to a patient’s home to help them to repair wheelchair.”

*“Provided financial relief by giving a customer high discounts because they genuinely can’t afford.”*

“Plenty of situations, but especially with people fighting drug addiction and providing mentoring and counselling and being a friend and pillar of support to many of these struggling people. Sometimes just chatting for half an hour really providing great morale and encouragement and positive feedback to really improve their wellbeing, confidence and positivity.”

*“Patients with high levels of anxiety, with family members who are palliative, or with high level special needs have my personal mobile number so they can contact me after hours with queries. I have stayed back late or opened early to accommodate patient’s needs.”*

“Numerous times where I have delivered medications myself, after hours, in difficult situations for patients who were concerned about leaving the house. Even though we offer a courier delivery service and express post options, the times when there are gaps that need to be filled to assist a patient call for that extra service.”

*“One of my staff makes the bed for an elderly patient when we deliver her DAA packs. She also feeds her cat.”*

“I have physically driven 200km to source supplies to make hand sanitiser for my patients, and supplied this free of charge. Several hours work and at significant cost to me.”

*“I have offered a number of patients who have lost their jobs accounts with an expectation that they will repay the sum owed in 12 months’ time so that they can keep accessing medications for their families.”*

“Had an elderly patient come in feeling “unwell”. I measured his BP which was very high and promptly called an ambulance which he was reluctant to agree to. His wife comes in the next day to say the doctor said I likely saved his life as on testing was likely to have suffered a serious coronary vascular event if he’d gone home as he requested in the pharmacy.”

*“Driving patients to medical appointments when they have no transport and administering insulin to house bound patients when the nurse was unavailable.”*

“At the peak of the first wave, the patients who we saw sometimes more than once a week - stayed at home - and we were all concerned about their wellbeing. We pulled our top 200 patient list and asked the team to check it and add anyone else, then proceeded to have a pharmacist call every one of them. We asked them how they were, how was their access to the GP or other health providers, have they had their influenza vaccine? Sometimes it would result in nothing more than a massive thank you for calling. Other times, we would arrange a home delivery that included some groceries and a flu vaccine administered at home! Not only did this help look after our most vulnerable but it helped boost morale in my team to help them realise they could still make a difference even if they didn’t see these patients in the pharmacy.”

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