



Generic Medicines Industry
Association Pty Ltd

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NSW 2073

7 October 2010

Dr Richard Chadwick
General Manager
Adjudications Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Dr Chadwick

Re: Provision of additional data

The current level of non-price benefits as a proportion of total benefits provided to pharmacy by each member of the Generic Medicines Industry Association (GMiA) is less than 1%, as presented in Table 1.

Table 1: Non-price benefit as a proportion of total benefit provided to pharmacy by member

Manufacturer	Non-price benefit as a proportion of total benefit provided to pharmacy*	PBS script volume (million)#	PBS sales ex-manufacturer (\$ million)#
Alphapharm	< 1%	26.3	270.0
Sigma@	< 1%	17.3	186.6
Apotex	< 1%	6.8	95.5
Hospira	< 1%	2.2	66.9
Ascent	< 1%	Not reported	Not reported

* Source: Member declaration

Source: Pharmaceutical Benefits Pricing Authority Annual Report for year ended 30 June 2009

@ Includes activities of the generics business of Sigma Pharmaceuticals Australia Pty Ltd only

Non-price benefits provided by members of GMiA are of immaterial financial value and directed at the enhancement of pharmacy services and / or building a business relationship between the supplier and the pharmacist. As such this is not a major factor in a pharmacy's decision to use a particular brand of product. Just as importantly, the relationship between the supplier and the pharmacy does not influence or change the type of generic medicine dispensed and therefore there is little or no impact on the patient.

Types of non-price benefits provided by members of GMiA to pharmacists are:

- Stock replacements for expired items
- Quality use of medicine programmes
- Access to programs and software tools designed to increase generic substitution
- Training and educational events for pharmacists / pharmacy assistants
- Pharmacy aids e.g. prescription holders, patient information sheets
- Co-operative merchandising e.g. signage, calendars, mail-outs, T-shirts
- Conference sponsorship
- Dinner / lunch / breakfast meetings
- Small value coupons / vouchers / movie tickets

In the Draft Determination the ACCC proposes the imposition of a condition in the GMiA Code of Conduct requiring GMiA members to report educational events for pharmacists. In subsequent discussions between GMiA and the ACCC, the ACCC has justified this condition on the basis it would enhance "transparency" and is supported by various stakeholders.

GMiA has expressed a number of valid concerns about this condition to the ACCC in its submission dated August 2010 and its meeting with the ACCC on 2 September 2010. In particular, GMiA pointed out that, in its Draft Determination, the ACCC had failed to identify any detriment which could possibly arise from GMiA members making such educational events available to pharmacists.

GMiA strongly believes it is incumbent on the ACCC to address the concerns raised by the GMiA about the absence of any public detriment arising from the provision of educational events to pharmacists. It is unacceptable for the ACCC, in exercising its statutory duty under the TPA, to ignore the valid and highly relevant arguments which GMiA have made to the ACCC about this issue. In GMiA's view the ACCC must specifically and directly address GMiA's arguments in relation to the lack of any public detriment arising from educational events to pharmacists, rather than falling back on the tired refrain of "transparency" as the sole justification for an unnecessary and onerous condition.

Kind regards,



Kate Lynch
Chief Executive Officer
Generic Medicines Industry Association Pty Ltd