

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 - 2 June 2015

Ref No: SQ15-000338

OUTCOME: 2 - Access to Pharmaceutical Services

Topic: Pharmacy Agreement

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

The 5CPA didn't clearly document expected net savings under the agreement and the ANAO states that there is no straightforward means for Parliament to know the expected or actual costs of the Agreement – so precisely what net savings were delivered under the 5CPA?

Answer:

The Portfolio Budget Statements 2010-11 for the Health Portfolio and the 2010-11 Budget Paper No.2, both from 11 May 2010, estimated that the agreement would deliver gross savings of \$1 billion and net savings of \$0.6 billion over the forward estimates.

The Australian National Audit Office (ANAO) Report No.25 of 2014-15 noted that the ANAO estimated the net savings of the proposed 5CPA measures were closer to \$0.4 billion.