

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Budget Estimates 2015 - 2016, 1 – 2 June 2015**

**Ref No:** SQ15-000341

**OUTCOME:** 2 - Access to Pharmaceutical Services

**Topic:** Pharmacy Agreement

**Type of Question:** Written Question on Notice

**Senator:** Di Natale, Richard

**Question:**

The ANAO found that prior to March 1 2014, DoH entered into 62 contracts with the Guild, giving it \$29 million to provide advisory services and administer programs worth \$67 million over five years. The Guild's administration represented 43 per cent of the value of the actual programs - was that a good outcome for taxpayers and the Government?

**Answer:**

The Australian National Audit Office (ANAO) Report No.25 of 2014-15 identifies in figure 5.4 that the contracts with the Pharmacy Guild of Australia prior to 1 March 2014 included a broad range of activities including: to administer and make payments for a range of Fourth Community Pharmacy Agreement related contracts; to develop strategic direction and planning for Fifth Community Pharmacy Agreement (5CPA) programs; undertake programs and administer and make payments for 5CPA programs; and for the provision of accreditation data for the Pharmacy Practice Incentive Program.

Consequently the \$29 million in administrative activities undertaken by the Pharmacy Guild of Australia included varying levels of administration support to programs for which payments were administered by the Department of Human Services, in addition to the \$67 million in program payments referenced in the question.

In this context the administration activities undertaken by the Pharmacy Guild of Australia supported, with the exception of some minor programs administered by the Department of Health, a range of programs associated with the \$663.4 million 5CPA professional programs and services allocation.

It is therefore incorrect to attribute the \$29 million in question solely to the administration of the programs "worth \$67 million over five years".