

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 – 2 June 2015

Ref No: SQ15-000345

OUTCOME: 2 - Access to Pharmaceutical Services

Topic: Pharmacy Agreement

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

In March 2014, DoH provided the Guild with additional administrative funding of \$1.8 million, and made provision for the Guild to make use of an additional \$7.2 million in unexpended funds for administrative purposes, a total of \$9 million. What was the reason for this change to the 5CPA, was it authorised or approved by the then Secretary of DoH and was the Minister formally advised of this \$9 million change to the Agreement?

Answer:

The contract for services in question replaced all contracts with the Guild that were active as at February 2014. The contract for services provides \$9 million for administration activities, comprising \$7.2 million of administrative funds unexpended from the prior contracts with the Guild, with the addition of \$1.8 million of administrative funding, being the associated administrative funding previously committed to the Department of Human Services (DHS).

The Australian National Audit Office (ANAO) Report No.25 of 2014-15 identifies that on 29 November 2013 the previous Minister for Health, the Hon Peter Dutton MP, agreed to the implementation of program changes, which included shifting Fifth Community Pharmacy Agreement professional programs that were processed by the Department of Human Services (DHS) to the Pharmacy Guild of Australia (Guild) through a new contract, and the transfer of associated administrative funding previously committed to DHS to the Guild.