



# Report calls for ongoing review of new Pharmacy Agreement

Parliament's Public Accounts Committee today presented its report on Australian National Audit Office (ANAO) Report 25, (2014-15) *Administration of the Fifth Community Pharmacy Agreement*.

Committee Chair, the Honourable Mr Ian Macfarlane, said the ANAO report uncovered a number of failings within the Fifth Community Pharmacy Agreement (5CPA) implementation and administration and the Committee commends the ANAO for its excellent work.

"In particular, given the the importance of health care to Australian community, the size of the 5CPA, and the experience the Department of Health has had with the previous four Community Pharmacy Agreements, the failures of process observed in this agreement are very disappointing", Mr Macfarlane said.

"The Committee found the failure to provide suitable records for public accountability and the breach of the *Financial Management and Accountability Act* governing public expenditure were particularly egregious given the \$15 billion agreement", he said.

The Committee's report includes recommendations directed at:

- ensuring that Health report back within 6 months of tabling this report on the independent two year review of remuneration and regulation that will be conducted into the 6CPA – particularly with regard to 'value-for-money' spending;
- ensuring that Health report back on the KPIs for the 6CPA's components and how outcomes are to be achieved, monitored and measured; and
- the ANAO conducting a follow-up audit on the implementation of the 6CPA to be completed no later than 30 months into the agreement's term.

The ANAO report's eight recommendations have been agreed to by all parties, and Health has given assurances that the 6CPA has incorporated the advice proffered by ANAO. Given the size of the expenditure for the 6CPA – some \$18.9 billion over the next five years – the Committee is of the view that the implementation of the 6CPA should be closely scrutinised to ensure that the lessons learnt from the 5CPA and this ANAO report are not lost.

**Copies of the report and further information about the inquiry can be accessed via the Committee's website at: [www.aph.gov.au/jcpaa](http://www.aph.gov.au/jcpaa).**

**For media comment:** please contact Committee Chair, the Hon Ian Macfarlane MP, on (02) 6277 4988.

**For information about the inquiry and public hearing:** please contact the Committee Secretariat on (02) 6277 4615, email [jcpaa@aph.gov.au](mailto:jcpaa@aph.gov.au), or visit the Committee website <http://www.aph.gov.au/jcpaa>