

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 – 2 June 2015

Ref No: SQ15-000343

OUTCOME: 2 - Access to Pharmaceutical Services

Topic: Pharmacy Agreement

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

a) On 1 March 2014, DoH transferred all programs previously administered by itself and Human Services to the Guild. This resulted in the Guild administering \$259 million worth of programs under a single “Contract for Services”. Under what authority was the \$259 million of programs consolidated under a single contract for services? Who signed off on this? Was former Secretary, Jane Halton, advised of this transfer of funds to the Guild and if so, when and how was this advice conveyed?

b) Was the transfer of \$259 million authorised by the Minister, given that the sole recipients were the Pharmacy Guild?

c) How was this \$259 million ‘contract for services’ expended – who received it and what it was used for?

Answer:

a) and b) The Australian National Audit Office (ANAO) Report No.25 of 2014-15 identifies that on 29 November 2013 the Minister for Health 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. The brief seeking the Minister’s authority for these changes was signed by/cleared through, the Secretary of the Department of Health.

c) The contract for services includes the programs formerly administered by DHS, in addition to the programs previously administered by the Guild. An overview of the programs administered by the Guild under this contract for services is shown at Figures 5.2 of the ANAO Report No.25 of 2014-15, with the previous arrangements shown at Figure 5.1.