

22 November 2019

The Hon. Jenny Mikakos MLC
Minister for Health
GPO Box 4057
MELBOURNE VIC 3001

Dear Minister

**STATEMENT OF EXPECTATIONS 1 JANUARY 2018 TO 30 JUNE 2019 – VICTORIAN
PHARMACY AUTHORITY**

The Victorian Pharmacy Authority (the Authority) is pleased to report on improvements implemented in response to your Statement of Expectations for the period 1 January 2018 to 30 June 2019.

The Authority met all performance improvement targets by 30 June 2019.

The attached report outlines the implementation status of initiatives as at 30 June 2019. The Authority will publish this report on its website.

The Authority is committed to identifying opportunities to improve its regulatory performance and will continue to review and streamline its processes.

Yours sincerely



David McConville
Chair

Encl.

Victorian Pharmacy Authority Statement of Expectations initiatives: 1 January 2018 to 30 June 2019 and status update as at 30 June 2019.

The table below outlines the implementation status of initiatives in the Authority's Ministerial Statements of Expectations 1 January 2018 to 30 June 2019 as at 30 June 2019. The Authority met all performance improvement targets by 30 June 2019.

Performance Improvement	Actions	Performance Targets	Status and impact as at 30 June 2019
<p><i>Risk-based strategies</i></p> <p>Develop for introduction during 2018 a program of risk-based audits of pharmacy ownership and commercial arrangements (following costing and funding of options) as recommended in the 2017 Review of the Pharmacy Business Licensing Application and Renewal Processes in Victoria (the Licensing Review).</p>	<ul style="list-style-type: none"> The Authority will introduce during 2018 an audit program of pharmacy business ownership and commercial arrangements. 	<ul style="list-style-type: none"> Pilot audit program of pharmacy business ownership and commercial arrangements to commence with preliminary findings available by 30 June 2018. 	<ul style="list-style-type: none"> The Authority commenced implementation of the pilot program in April 2018. Preliminary findings were published in communiqué no. 6 available at www.pharmacy.vic.gov.au.
<p><i>Timeliness</i></p> <p>Implement pharmacy licensing process improvements recommended by the Licensing Review (as adopted by the Authority), to ensure compliance with legislated pharmacy ownership requirements, while maintaining efficient and timely assessment of applications.</p>	<ul style="list-style-type: none"> The Authority will introduce new service standards commensurate with the new application process and report on its performance against these in its quarterly performance report. The Authority will seek feedback from stakeholders on its revised service standards and continue to keep stakeholders informed of changes to its processes. 	<ul style="list-style-type: none"> Service standards for processing applications to be reviewed and revised by 30 June 2018. 	<ul style="list-style-type: none"> The Authority reviewed and revised its service standards in May 2018 and published the revised standards on the Authority's website (refer communiqué no. 5 available at www.pharmacy.vic.gov.au). The Authority consulted further on the revised service standards with selected stakeholders in October 2018 and plans to undertake wider consultation later in 2019.

Performance Improvement	Actions	Performance Targets	Status and impact as at 30 June 2019
<p><i>Compliance related assistance and advice</i></p> <p>Provide informative advice to stakeholders including regular communiques to assist in ensuring compliance with pharmacy ownership legislation, and review information where necessary based on feedback from stakeholders.</p>	<ul style="list-style-type: none"> Guidance on pharmacy business commercial arrangements is currently being rolled out to assist applicants and stakeholders to understand the requirements of the Act. Guidance will cover service agreements, franchise and licence agreements, sale agreements, partnership agreements and leases. This will facilitate both the lodgement of compliant applications and the possible future introduction of certification requirements. Communiqués and circulars will include information on process changes, publication of guidance documents and general information on compliance with the ownership provisions of the Act on an ongoing basis. 	<ul style="list-style-type: none"> Publication of further guidance on pharmacy business commercial arrangements (i.e. service agreements, franchise and licence agreements, sale agreements, partnership agreements and leases) is expected to be completed by 31 December 2018. 	<ul style="list-style-type: none"> Publication of guidance documents commenced with pharmacy trusts in February 2018 The complete set of guidance was published in December 2018 – refer communiqué no. 10 available at www.pharmacy.vic.gov.au. Communiqués and circulars have and will continue to include information on process changes, publication of guidance documents and general information on compliance with the ownership provisions of the Act on an ongoing basis.

Performance Improvement	Actions	Performance Targets	Status and impact as at 30 June 2019
<p><i>Transparency and accountability</i></p> <p>Building on the Performance Measurement Framework and Quarterly Performance Report developed by the Authority during 2017, develop and publish three to five key performance indicators against which the performance of the Authority can be measured. Report on progress in achieving published key performance indicators annually, on the Authority's website or through the annual reporting arrangements.</p> <p>Explore the experience, if any, of other pharmacy business/relevant regulators' efforts to detect and deal with undeclared ownership as recommended by the Licensing Review.</p>	<ul style="list-style-type: none"> • The Authority will publish its performance against the following key performance indicators annually in its Performance Measurement Framework (refer to performance targets). • The Authority has and will continue to consult with its interstate counterparts to explore their experience and share information on detecting and dealing with undeclared ownership. 	<ul style="list-style-type: none"> • Pilot audit program of pharmacy business ownership and commercial arrangements to commence with preliminary findings available by 30 June 2018 • Full audit program of pharmacy business ownership and commercial arrangements to commence by 31 December 2018 • Service standards for processing applications to be reviewed and revised by 30 June 2018. • Publication of further guidance on pharmacy business commercial arrangements will be completed by 31 December 2018. 	<ul style="list-style-type: none"> • The Authority commenced implementation of a pilot program in April 2018. As stated above, the Authority reported preliminary findings to 30 June 2018 in its July communiqué and 2017-18 Annual Report. • The Authority commenced a full audit program in December 2018 with the first questionnaires sent out February 2019. • The Authority reviewed and revised its service standards in May 2018 and reports on its performance against these in its quarterly performance report. • The Authority published further guidance on pharmacy business commercial arrangements in December 2018. • The Authority continues to discuss the issue of undeclared ownership through the Pharmacy Premises Registering Authorities of Australia (PPRAA) group.