



Hon Jill Hennessy MP

Minister for Health
Minister for Ambulance Services

GPO Box 4057
Melbourne Victoria 3001
DX: 210081
Telephone: 03 9096 8561
www.dhhs.vic.gov.au

e3740576

Michael Scavone
Chair
Victorian Pharmacy Authority
Level 6, 369 Royal Parade
PARKVILLE VIC 3052

Dear Mr Scavone

I would like to begin by acknowledging the excellent work of the Authority with respect to the regulation of Victoria's pharmacy system and congratulate the Authority on having a range of practices in place which serve to improve the efficiency and effectiveness of its regulatory activity.

STATEMENT OF EXPECTATIONS FOR THE VICTORIAN PHARMACY AUTHORITY

I am pleased to provide you with this Statement of Expectations for the Victorian Pharmacy Authority (the Authority) in its role of protecting the public through the licensing of pharmacy owners and the registration of pharmacy premises, pharmacy departments and pharmacy depots. This Statement of Expectations applies for the period 2014-15 and 2015-16, or until otherwise amended.

Improving the administration and enforcement of regulation

This Statement of Expectations sets out my expectations of the Authority's contribution to the Government's program to promote greater efficiency and effectiveness in the administration and enforcement of regulation.

As Minister for Health, I am the responsible Minister for the *Pharmacy Regulation Act 2010* that affects businesses and the broader Victorian community. This Statement of Expectations should be read within the context of the objectives, obligations and functions outlined in this Act.

This Statement of Expectations outlines key governance and performance objectives and targets aimed at improving the administration and enforcement of regulation.

Improvements and targets

The Authority is a self-funded statutory authority that requires no public monies in order to ensure a safe pharmacy system and protect the public.

Based on consultation between the Department of Health & Human Services and the Authority, I have identified some key areas of governance and operational performance where there are

opportunities for the Authority to make further improvements that would reduce cost impacts on business.

The Authority is expected to identify activities it will undertake to achieve the following performance improvements and targets:

Better stakeholder consultation and engagement

- Revise the current stakeholder communication plan to establish a process for systematic engagement with stakeholders and to respond to feedback from those affected by regulation.
- Establish written protocols to facilitate the two-way sharing of information for the mutual benefit of regulators and stakeholders (including Drugs and Poisons Regulation within the Department of Health & Human Services and the Pharmacy Board of Australia).

Increased accountability and transparency

- Review the performance measurement systems put in place by equivalent pharmacy regulators operating interstate and identify opportunities for continuous improvement.
- Establish service standards for the processing of applications and report against them in the Authority's annual report.
- Develop standard processes, streamline reporting and establish baseline data for the Authority's enforcement actions.
- Increase accountability and transparency through the regular provision of information to licensees regarding regulatory activities and enforcement actions.

Clearer and more consistent regulation

- Develop and publish further information on the Authority's website about the Authority's regulatory approach to assist stakeholders.
- Increase the proportion of registration applications completed online by 50% to reduce the regulatory burden on licensees.
- Conduct periodic liaison with the Pharmacy Board of Australia and Drugs and Poisons Regulation within the Department of Health and Human Services to determine ways to reduce the burden for regulated entities within the sector.

Risk-based strategies

- Review the Authority's inspection protocols and guidelines on an annual basis.
- Ensure that the risk database maintained by the Authority focuses on regulatory risks, as well as organisational risks and contains an assessment of the consequences and likelihood of these regulatory risks materialising.
- Use the statistics obtained from inspection reports to ensure that the education provided by the Authority targets areas of significant non-compliance and high-risk deficiencies.

Compliance related assistance and advice

- Increase the accessibility of the self-audit tool on the Authority's website and promote its use to licensees.
- Respond to requests for assistance or advice relating to compliance within 24 hours (on working days) or within 72 hours in the case of written requests.

In developing actions to achieve these improvements and targets, I expect the Victorian Pharmacy Authority to consult with business and the broader community as appropriate.

Reporting

Reporting on your progress to achieve these Statement of Expectations performance targets should be undertaken in the context of annual financial reporting to avoid dual reporting streams. As part of annual reporting, the Authority is expected to report on:

- current baseline levels for performance targets set in this Statement of Expectations; and
- activities to be undertaken to reach the performance targets and improvements set out in this Statement of Expectations.

I also expect that the Statement of Expectations performance targets will be incorporated into the Authority's Corporate Plan, and that the Statement of Expectations will be published on the Authority's website upon receipt.

I expect that the Authority will respond to this Statement of Expectations, outlining how it intends to achieve the performance improvements and targets set in this Statement of Expectations. This response should include details of the specific activities that will be undertaken by the Authority.

I look forward to seeing the Victorian Pharmacy Authority continuously working towards achieving best practice in the administration and enforcement of regulation.

Yours sincerely



Hon Jill Hennessy MP
Minister for Health
Minister for Ambulance Services

50 / 5 / 2015

