



## Performance measurement framework

The Victorian Pharmacy Authority's performance measurement framework includes information on its activities and intended outcomes.

### Defining outcomes

#### Legislative context

The Victorian Pharmacy Authority (**VPA**) is established under section 81 of the *Pharmacy Regulation Act 2010 (Act)* to regulate the ownership and operation of pharmacy businesses, pharmacy departments and pharmacy depots through the functions specified in section 82 of the Act. These functions include (inter alia):

- a) to license persons to carry on pharmacy businesses or pharmacy departments;
- b) to register the premises of pharmacy businesses, pharmacy departments and pharmacy depots;
- c) to issue standards in relation to the operation of pharmacies, pharmacy businesses, pharmacy departments and pharmacy depots.

The objectives of these activities are specified in section 85 of the Act. They are the need to:

- a) control who may own and operate pharmacy businesses in Victoria and
- b) maintain standards relating to
  - the licensing of persons to carry on pharmacy businesses and pharmacy departments and
  - the registration of pharmacy premises, pharmacy departments and pharmacy depots.

The Act recognises that pharmacists play an important role in protecting the public, especially many of the more vulnerable members of our community, and that they are often a first port of call for people seeking health care.

#### Vision

A safe pharmacy system that is responsive to and satisfies community needs and interests.

#### Strategic priorities

1. Licensees better supported to engage in good governance and regulatory practice
2. A sustainable, connected and evidence-driven authority
3. A leading pharmacy regulator advocating for best practice approaches to regulation

For more information, the VPA Strategic Plan 2021-2024 is available at [www.pharmacy.vic.gov.au](http://www.pharmacy.vic.gov.au).

## Performance targets

The VPA's Statement of Expectations issued by the Minister for Health currently has the following performance targets:

### *VPA Standards*

- Further refine the VPA inspection program to make compliance with VPA Standards and other high-risk areas the primary focus of inspections by 30 September 2023
- Host or deliver further stakeholder forums or presentations on the VPA Standards by 30 June 2024, including
  - a forum on the VPA inspection program & risk-based approach for pharmacies
  - a presentation for directors of hospital pharmacy departments on the VPA Standards
- Further refine self-auditing processes by 31 March 2024 to distinguish key requirements relating to the VPA Standards and other high-risk areas which will form the focus of forthcoming inspections
- Update application and notification forms to clarify requirements under relevant standards by 31 December 2023.

### *VPA Guidelines*

- Following stakeholder consultation, publish new/revised VPA Guidelines by 30 June 2024, including
  - new guidelines to support standards where the VPA has not previously issued guidelines
  - revised guidelines in other areas as required.

### *Stakeholder consultation and engagement*

- Update the existing information on the VPA's role and processes for receiving and managing complaints on the VPA website by 31 December 2023 (further to previous update 31 Dec 2022)
- Building on existing feedback processes, introduce an improved, targeted process to proactively obtain feedback from pharmacists on VPA inspections by 30 June 2024
- Develop and implement by 31 March 2024 a revised stakeholder engagement strategy that includes engaging with stakeholders, including other regulators and pharmacy stakeholder organisations, to better understand emerging risks and industry developments and develop an appropriate regulatory response
- Participate during 2023 in a regulator health check facilitated by Better Regulation Victoria to identify opportunities for improvement to regulatory approaches and efficiency; and
- Develop and implement a new risk-based regulatory strategy by 30 June 2024.

### *Emerging risks*

- The VPA will commit to and action the alignment of its activities to these priorities wherever possible:
  - Contributing to health, wellbeing, and safety outcomes for Aboriginal people and the advancement of Aboriginal self-determination
  - Climate change adaption and enhancing health system resilience through the improvement of environmental sustainability.

## Outcomes statements

The outcomes the Victorian Pharmacy Authority is seeking to achieve are:

- The Victorian community has ready access to a safe pharmacy service through the administration of a licensing and registration scheme and guidelines for pharmacy businesses, pharmacy departments and pharmacy depots; and
- Pharmacy owners and operators are aware of and comply with their legislative and regulatory obligations through engagement with the VPA, primarily via the VPA's inspection and communications programs.

### Regulation benefits

These outcomes are realised in several areas as indicated by the potential consequences if the VPA did not exist, which include:

- the risk that pharmacies are owned and operated by persons other than registered pharmacists and pharmacy services are not provided in accordance with professional standards and by adequately trained personnel;
- increased risk of dispensing errors and adverse drug events due to lack of suitable equipment and/or poor pharmacy practice, layout, operational procedures and management;
- harm to members of the community or pharmacy staff due to poor quality medicines;
- exposure to hazardous substances in pharmacies that are not adequately designed, equipped or managed;
- increased risk of misappropriation and unlawful access to drugs of dependence due to lack of security, supervision or poor monitoring and recording;
- greater risk of privacy breaches arising from inadvertent release of patient medicine information due to inadequate privacy control within pharmacies;
- increased levels of criminal activity involving prescription drugs due to poor compliance with standards for security and management of pharmacy premises and compliance with good pharmacy practice.

## Quarterly performance report

The following information is included in the VPA's quarterly performance report attached to this document.

### Applications received

The table lists the number of applications *received* by category during the period.

### Service standards – approval in principle<sup>1</sup>

The VPA aims to carry out an initial assessment within five business days of receipt of a complete application. For applications within the delegation of VPA officers, processing should be completed within a further five business days of receipt of any outstanding information. For applications outside delegation, processing should be completed within five business days following a decision of the next monthly meeting of VPA members or receipt of any further required information. The table shows the total number of applications *finalised* followed by the number of these that (i) received an initial assessment within five business days, and (ii) were processed within five working days of a decision of VPA members or receipt of outstanding information.

### Approvals issued

The table lists the number of licences issued, premises registered and other approvals granted by category.

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<sup>1</sup> Service standards refer to in-principle approvals. The Authority agrees in principle to applications for registration and approves licence applications in principle when applications are assessed as compliant. The actual registration/licence is not granted until a pharmacy is completed/settlement of purchase finalised.

## Registered premises

Registered premises statistics at the end of the quarter.

## Risk-based focus of inspections

The current risk-based focus of VPA inspections is compliance with the VPA Standards and other high-risk areas.

## Inspections conducted

The graph shows the numbers of inspections conducted and includes a breakdown by inspection type. New inspection categories were introduced from July 2023.

## Investigations

The VPA may investigate a matter relating to a licence or a registration based on a notification (complaint) or without notification (usually following a premises inspection). Complaints which fall outside the VPA's jurisdiction are referred to other agencies. The table lists the total number of complaints received, the number of complaints that were treated as notifications under the Act (investigations with notification), and the number of investigations without notification for the period.

## Panel hearings

The VPA may convene a panel to hear a matter which has been the subject of an investigation. The graph shows the total number of panel hearings *conducted* during the period and panel decisions which may include cautioning or reprimanding licensees, placing conditions on a licence or registration and revocation of a licence or registration.

## Pharmacy ownership audit program

The audit program involves pharmacy ownership audits and financial audits. Ownership audits are conducted by VPA staff to determine if pharmacy ownership and commercial arrangements are consistent with VPA records/stated arrangements, and that they comply with the ownership and undue influence provisions of the Act. Additionally, the financial records of a subset of pharmacies selected for ownership audit are examined by an external accounting firm to confirm the stated ownership arrangements and determine if there are undeclared arrangements in place (financial audit).

The tables provide a summary of audits undertaken including outcomes for the period.

The ownership audit outcomes are described by the categories below.

### *Compliant*

Ownership arrangements consistent with stated arrangements and compliant with the Act.

### *Compliant (noting review of established commercial agreement pending)*

Ownership arrangements consistent with stated arrangements. No evidence of non-compliance but formal legal review of established commercial arrangements for compliance with Act still pending. Commercial arrangement condition imposed or to be imposed.

### *Compliant (noting potential non-compliance with s11)*

Ownership arrangements consistent with stated arrangements. Pharmacy operated pursuant to commercial arrangements that have been subject to a formal legal review for compliance with the Act and required amendment. Potential non-compliance with control and undue influence provisions identified due to documents not being agreed precedent versions. [Process requiring licensees/franchisors to update pre-existing arrangements ongoing]

### *Compliant (noting potential non-compliant clauses in the trust deed)*

Ownership arrangements consistent with stated arrangements. No evidence of non-compliance but noting potential non-compliant clauses in the trust deed.

### *Non-compliant*

Ownership arrangements not consistent with stated arrangements (e.g. undeclared interests) or otherwise not compliant with the Act.

For further information on the pharmacy ownership audit program, including program changes, see the Year 1 and Year 2 Evaluation Reports available at [www.pharmacy.vic.gov.au](http://www.pharmacy.vic.gov.au) (click on Resources, then VPA Pharmacy Ownership Audit Program).

Updated 7 December 2023

Approvals Issued April to June 2023

	2023	2022
Licence to carry on a pharmacy business – Individual	31	41
Licence to carry on a pharmacy business- Company	21	21
Licence to carry on a pharmacy business – Friendly Societies	0	0
Licence to carry on a pharmacy department	0	0
Registration of a pharmacy premises	13	15
Registration of a pharmacy department	0	0
Registration of a pharmacy depot	0	0
Approval To Supply, Compound Or Dispense In Special Circumstances Pursuant To Section 29(1)(b)	9	16
Approval Of A Person To Carry On Another Business Or Activity In Registered Pharmacy Premises. Section 24	6	4



Service Standards – approval in principle April to June 2023

	2023		2022	
	Number	Percentage	Number	Percentage
Total number of applications processed (finalised)	90		93	
Number receiving initial assessment within 5 working days	85	94%	92	99%
Number processed within five working days of VPA decision or receipt of outstanding information	83	92%	90	98%
Applications withdrawn	3		4	
Applications denied	1		0	

Investigations with notification

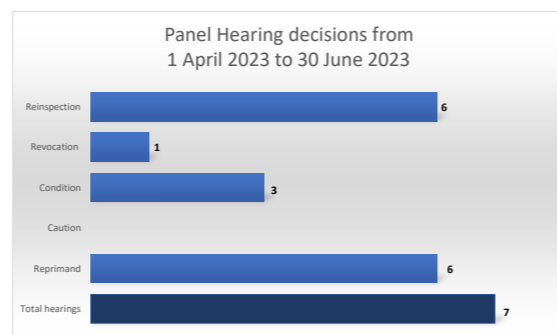
Total complaints received	21
Complaints treated as notifications under <i>Pharmacy Regulation Act 2010</i>	4

Investigations without notification

Number of investigations	22
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Applications received April to June 2023

	2023	2022
Licence to carry on a pharmacy business – Individual	2	6
Licence to carry on a pharmacy business- Company	11	8
Licence to carry on a pharmacy business – Complex Individual	29	29
Licence to carry on a pharmacy business- Complex Company	23	16
Licence to carry on a pharmacy business – Friendly Societies	0	0
Licence to carry on a pharmacy department	0	0
Registration of a pharmacy premises (include Alterations)	31	28
Registration of a pharmacy department	3	0
Registration of a pharmacy depot	0	0
Approval To Supply, Compound Or Dispense In Special Circumstances Pursuant To Section 29(1)(b)	9	18
Approval Of A Person To Carry On Another Business Or Activity In Registered Pharmacy Premises. Section 24	6	5



Risk-based focus of inspections in July – September 2023

The current risk-based focus of VPA inspections is compliance with the VPA Standards

Pharmacy ownership audits

Number of ownership audits commenced	0
Number of ownership audits completed	1
Number of financial audits completed	0

Registered premises as at 30 June 2023

Pharmacies	1464
Pharmacy Departments	78
Pharmacy Depots	17

Outcome of ownership audits completed

Compliant	1
Compliant (noting review of established commercial agreement pending)	0
Compliant (noting potential non-compliance with s11)	0
Compliant (noting potential non-compliant clauses in the trust deed)	0
Compliant (noting review of established commercial agreement pending and potential non-complaint clauses in the trust deed)	0
Non-compliant	0
<b>Total</b>	<b>1</b>

Outcome of financial audits completed

Compliant	1
Non-compliant	0
<b>Total</b>	<b>1</b>

Approvals Issued July to September 2023

	2023	2022
Licence to carry on a pharmacy business – Individual	10	18
Licence to carry on a pharmacy business- Company	35	25
Licence to carry on a pharmacy business – Friendly Societies	0	1
Licence to carry on a pharmacy department	0	0
Registration of a pharmacy premises	10	9
Registration of a pharmacy department	0	0
Registration of a pharmacy depot	0	0
Approval To Supply, Compound Or Dispense In Special Circumstances Pursuant To Section 29(1)(b)	21	20
Approval Of A Person To Carry On Another Business Or Activity In Registered Pharmacy Premises. Section 24	7	10

Service Standards – approval in principle July to September 2023

	2023		2022	
	Number	Percentage	Number	Percentage
Total number of applications processed (finalised)	104		107	
Number receiving initial assessment within 5 working days	104	100%	107	100%
Number processed within five working days of VPA decision or receipt of outstanding information	103	99%	106	99%
Applications withdrawn	0		1	
Applications denied	0		1	

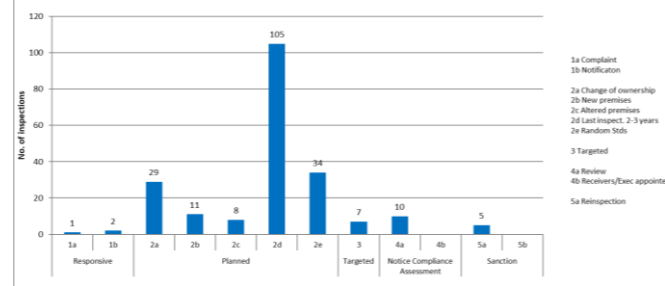
Applications received July to September 2023

	2023	2022
Licence to carry on a pharmacy business – Individual	2	8
Licence to carry on a pharmacy business- Company	8	5
Licence to carry on a pharmacy business – Complex Individual	14	12
Licence to carry on a pharmacy business- Complex Company	22	21
Licence to carry on a pharmacy business – Friendly Societies	0	0
Licence to carry on a pharmacy department	1	0
Registration of a pharmacy premises (include Alterations)	38	25
Registration of a pharmacy department	1	2
Registration of a pharmacy depot	0	0
Approval To Supply, Compound Or Dispense In Special Circumstances Pursuant To Section 29(1)(b)	21	20
Approval Of A Person To Carry On Another Business Or Activity In Registered Pharmacy Premises. Section 24	10	10

Risk-based focus of inspections in October – December 2023

The current risk-based focus of VPA inspections is compliance with the VPA Standards

Inspections Conducted 1 July to 30 September 2023



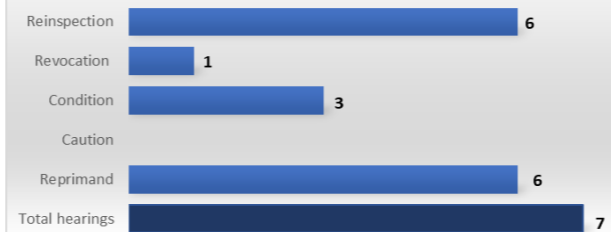
Investigations with notification

Total complaints received	25
Complaints treated as notifications under <i>Pharmacy Regulation Act 2010</i>	7

Investigations without notification

Number of investigations	23
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Panel Hearing decisions from 1 July 2023 to 30 September 2023



Registered premises as at 30 September 2023

Pharmacies	1466
Pharmacy Departments	77
Pharmacy Depots	17