

Victorian Pharmacy Authority

Annual Report 2024–25



VICTORIAN PHARMACY AUTHORITY

ANNUAL REPORT 2024-25

Issued by the Victorian Pharmacy Authority

Chair

David McConville BPharm MPS GAICD

Registrar

Aaron Bawden BPharm BPharmSci(Hons) GAICD MPS

The Victorian Pharmacy Authority proudly acknowledges Victoria’s Aboriginal communities and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia’s first peoples and as the Traditional Owners and custodians of the land and water on which we rely.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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The publication of the VPA Annual Report 2024–25 complies with requirements under the Financial Reporting Direction 30 *Standard requirements for the publication of annual reports* regarding its design, use of colour and images, standard sizing, paper stocks and other publishing requirements.

This document is also available in PDF format at www.pharmacy.vic.gov.au.

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Responsible bodies declaration

The Hon Mary-Anne Thomas
Minister for Health
Minister for Ambulance Services

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Victorian Pharmacy Authority for the year ending 30 June 2025.



David McConville
Chair
Victorian Pharmacy Authority
25 September 2025

About the VPA

Establishment

The Victorian Pharmacy Authority (**VPA** or **Authority**) was established in 2010 pursuant to section 81 of the *Pharmacy Regulation Act 2010 (Act)*.

The responsible Minister is the Minister for Health:

Minister for Health

The Hon Mary-Anne Thomas

1 July 2024 to 30 June 2025

Overview of role and functions

The VPA is responsible for:

- The regulation of pharmacy businesses, pharmacy departments and pharmacy depots.
- Ensuring that all Victorian pharmacies are owned, operated and controlled only by registered pharmacists in accordance with the Act.
- Ensuring that registered premises meet and are operated in accordance with the requirements of the Act, including standards issued by the VPA (the VPA Standards), and guidelines which support the Standards and the requirements of the Act (the VPA Guidelines and good pharmacy practice).

The VPA has the following main functions under the Act:

- *Licensing*: The VPA licenses individuals, companies and other types of legal entities to carry on a pharmacy business or a pharmacy department.
- *Registration*: The VPA registers the premises of a pharmacy business, pharmacy department or pharmacy depot.
- *Inspections*: The VPA inspects registered premises and other facilities where pharmacists supply, compound or dispense medicines to monitor compliance with the Act and to support licensees to understand and comply with the Act, the VPA Standards and good pharmacy practice.
- *Standards*: The VPA issues standards in relation to the operation of pharmacies, pharmacy businesses, pharmacy departments and pharmacy depots.
- *Advice and information*: The VPA advises the Minister on any matters relating to the VPA's functions and provides relevant information to the Minister.
- *Public register*: The VPA keeps a public register of all licensees and registered premises.

While the VPA regulates the ownership and operation of pharmacy businesses, other regulators also have a role in the pharmacy sector. The VPA works collaboratively with the Victorian Department of Health, the Pharmacy Board of Australia, the Australian Health Practitioner Regulation Agency (AHPRA) and pharmacy peak bodies.

Objectives and outcomes

Vision

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

Objectives

In line with this vision, VPA seeks to reduce the risk of harm and protect consumers and the public at large by ensuring that:

- pharmacy businesses are owned, controlled and operated only by registered pharmacists
- pharmacy premises meet minimum standards and are fit for purpose.

Outcomes

The specific outcomes the VPA is seeking to achieve through its regulatory activities are:

- the Victorian community has ready access to a safe pharmacy service
- pharmacy owners and operators are aware of and comply with their legislative and regulatory obligations through engagement with the VPA.

Approach

Guiding principle and values

The VPA's guiding principle is to act in the public interest.

The VPA's values underpin everything we do and are aligned with the Victorian Public Sector Values of:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights.

Risk-based approach

The VPA applies a risk-based approach. This means that the VPA focuses its regulatory activities and resources on compliance areas and regulated entities where the likelihood and consequence of non-compliance with the regulatory framework are the greatest.

This risk-based approach also helps the VPA to identify the appropriate regulatory response. Generally, the higher the risk associated with non-compliance, the more serious, resource-intensive and timely the regulatory response by the VPA. Comparatively less time, effort and resources are dedicated to regulated entities and compliance areas where the compliance risks are lower.

Strategic priorities

The VPA's overarching strategic objectives and actions are detailed in its 2024–27 Strategic Plan.

The strategic objectives in the Strategic Plan are to:

1. Provide consistent, effective regulation
2. Position the VPA as a leading, best practice pharmacy regulator
3. Operate an efficient and effective Authority that is adaptive to changing circumstances.

The VPA's current strategic priorities include:

1. Adopting best practice regulatory approaches and continuously improving our risk-based approach
2. Improving regulatory efficiency – streamlining processes and interactions with entities to reduce regulatory burden and ensure efficient use of resources
3. Promoting voluntary compliance – fostering a culture where entities voluntarily comply with their obligations
4. Targeting high-risk issues and entities – focusing resources and regulatory activity on issues and entities that pose the greatest risk of harm
5. Enhancing intelligence – collaborating with co-regulators and other stakeholders to enhance identification and assessment of emerging risks
6. Developing an agile approach – developing regulatory capability to ensure that the VPA responds to changing circumstances in an agile, efficient and effective manner.

Chairperson and Registrar report

We are pleased to present the Annual Report of the Victorian Pharmacy Authority for the 2024–25 financial year.

A range of projects and activities began to deliver the VPA's 2024–27 Strategic Plan. This plan prioritises best-practice risk-based regulatory approaches and stronger stakeholder engagement. Through this plan, we want to improve regulatory efficiency, reduce regulatory burden and promote voluntary compliance.

Highlights from the past year include hosting stakeholders at monthly board meetings to discuss emerging risks and industry developments. Insights from these engagements inform the VPA's proactive regulatory activities, enabling targeted resource allocation and early intervention to prevent harm.

We started developing a new communication strategy aimed at improving compliance, and we look forward to finalising and implementing this during 2025–26.

Foundational work was undertaken to identify key harms covered by the regulatory framework and assess the tools available to address them. This enables the VPA to focus its regulatory efforts and resources on the issues that pose the greatest risk.

We made improvements to our board governance based on recommendations from a comprehensive external review. These included formalising the terms of reference for the Remuneration and Performance Committee, streamlining board reports to focus on strategic issues and implications, and enhancing governance capability through a refined board skills matrix and improved induction program for new members.

As a self-funded statutory authority, the VPA continues to maintain a stable financial position and sets its fees to cover the costs of administering the Act. While the VPA is very mindful of keeping fees to a minimum, in May 2025 the VPA increased its fees for 2025–26 largely to fund the planned digital transformation of its core functions. This is expected to help make VPA more efficient and effective and make it easier for licensees and applicants to interact with us.

The VPA has undertaken a range of activities to prepare for digital transformation. Application and related processes were streamlined to support digital readiness and operational efficiency. These improvements will also reduce the regulatory burden on applicants and regulated entities. Work on developing a contemporary information management framework also started this year.

Inspections continued to play a critical role in promoting and monitoring compliance with the regulatory framework. Where significant non-compliance or risk to the public was identified, regulatory action was taken, such as imposing conditions and revoking a licence or premises registration. VPA also worked collaboratively with state and federal regulators to conduct targeted inspections or otherwise respond to significant risks associated with pharmacy premises.

We acknowledge the contributions of the VPA members during 2024–25. In particular, in June, the VPA farewelled Divesh Sangvi following 5 years of dedicated service as a board member. His insightful contributions and commitment to the Authority's work are sincerely appreciated.

In July 2024, Jane Hill was appointed by Governor in Council as a community member of the VPA for a 3-year term. Jane is an accomplished leader in health and community services and currently serves as Non-Executive Director of the World Ovarian Cancer Coalition.

We also farewelled Neil Marshall as Chair of the Audit and Risk Committee, and we thank Neil for his many years of service to the VPA, for his support in many different areas and for his contributions to governance and risk initiatives across the organisation. We welcome Michael Shatter to this important role. Michael brings extensive public and private sector experience in governance, risk, privacy and cyber security to the organisation.

The VPA acknowledges the ongoing support of the Minister for Health, the Hon Mary-Anne Thomas, and expresses gratitude to the Victorian Department of Health for its assistance across key functions, including board appointments and collaborative regulatory initiatives.

We thank the Victorian Department of Treasury and Finance and Better Regulation Victoria for assisting the VPA with initiatives relating to regulatory best practice. The VPA also values the continued partnership and shared learning fostered through its network of small regulators.

On behalf of the VPA, we would like to recognise the VPA staff for their professionalism and sustained efforts in delivering strategic initiatives throughout the year. The VPA looks forward to progressing its strategic priorities in 2025–26 to uphold a safe pharmacy system for all Victorians.



David McConville
Chair



Aaron Bawden
Registrar



Organisational details

Structure

The VPA consists of a board of members supported by a Registrar and other staff.

VPA organisational structure

As at 30 June 2025



Membership

Pursuant to section 87 of the Act, the VPA consists of members appointed by the Governor in Council on the nomination of the Minister. The VPA must include 3 registered pharmacists, an Australian lawyer, and a person who is not a registered pharmacist.

Members of the VPA are appointed for a period not exceeding 3 years but are eligible for re-appointment upon the expiry of their term of office.

Membership of the VPA to 30 June 2025 was as follows:

Chair and registered pharmacist member



David McConville BPharm MPS GAICD

- Initially appointed: 1 July 2018
- Present term of appointment: until 30 June 2027

VPA Chairperson and pharmacist member David McConville graduated from the Victorian College of Pharmacy in 1990 and is a partner in 2 community pharmacies in Balwyn North and Cranbourne. Specialty areas of pharmacy of interest to David include pharmacotherapy, pain management and aged care. David is a member of the Clinical Advisory Committee for the Area 4 Pharmacotherapy Network and was a foundation member of the Victorian Clinical Council, established to advise and provide guidance to the Victorian Government and health agencies to provide safer, better care to all Victorians.

Registered pharmacist members



Brendon Moar BPharm MPS

- Initially appointed: 1 July 2018
- Present term of appointment: until 30 June 2027

Brendon Moar is a community pharmacist in East Gippsland, where he has lived and practised since 2004 as both a pharmacist and pharmacy owner-operator. With more than 2 decades of experience, he has developed strong interests in aged care, integrated healthcare, Indigenous and public health, and improving health literacy in regional communities. Brendon brings extensive governance experience, having served for 10 years as a board member of Bairnsdale Regional Health Service and as a long-standing member of the East Gippsland Primary Health Care Network's Clinical Advisory Committee, and previously contributing to the Pharmacy Board of Australia's Notifications Committee. He has a keen focus on pharmacy regulation and risk management, and remains committed to advancing safe, high-quality pharmacy practice and supporting the sustainability of community pharmacy, particularly in rural and regional settings.



Divesh Sanghvi BPharm MPS

- Initially appointed: 28 April 2020
- Present term of appointment: until 30 June 2025 (not re-appointed)

Divesh Sanghvi is a second-generation pharmacist and pharmacy owner. Divesh has a fundamental interest in community safety and how best community pharmacy can deliver this while maintaining optimal health outcomes. Throughout his career Divesh has enjoyed working collaboratively with numerous leaders in the pharmacy sector, including wholesalers, banner groups, hospitals, manufacturers and other key stakeholders, for the betterment of the community. Divesh is passionate about the role of technology in innovating the profession while maintaining pharmacy integrity and patient safety as non-negotiables.



Regina Cowie BPharm (Hons) BSSc (Exercise & Sports Science) AACPA MAICD

- Initially appointed: 1 July 2022
- Present term of appointment: until 30 June 2025 (since re-appointed)

Regina Cowie has a Bachelor of Sports Science (Exercise Physiologist) and is a qualified accredited pharmacist with over 20 years' experience in community (metro, rural and remote), industry and corporate pharmacy. Regina developed the first intern training program for the Northern Territory and Pharmaceutical Society of Australia. Regina has a passion for innovation, health care service delivery and the use of technology to provide equality of health care. Regina is heavily involved in the electronic prescription roll out for community and hospitals, electronic medication charts and increasing the uptake of the active script list. Regina is currently on the Pharmaceutical Society of Australia Academic Advisory Board. Regina is the Partnerships Manager across eHealth for the Fred IT Group.

Australian lawyer member



Ms Elizabeth Kennedy BA LLB (Hons) LLM (Melb) Grad Dip Health & Med Law FAICD

- Initially appointed: 1 July 2019
- Present term of appointment: until 30 June 2025 (since re-appointed)

Elizabeth Kennedy has had a 40-year legal career specialising in health law. She is Adjunct Professor, Monash University Department of Epidemiology and Preventative Medicine and a board member of North West Melbourne Primary Health Care Network, Western Health and the Australian Psychological Society. She has held several not-for-profit board appointments throughout her career, including Director Monash Medical Centre, Alzheimer's Victoria, Family Planning Victoria, Royal Women's Hospital Foundation Ltd and the Victorian Cytology Service.

Member who is not a registered pharmacist



Ms Jane Hill BA/LLB Grad Dip Mktg MBA Grad Dip Comp Sec Prac FAICD

- Initially appointed: 1 July 2024
- Present term of appointment: until 30 June 2027

Jane is an accomplished leader in health and community services with a commitment to advancing Australia's healthcare system and amplifying patient voices on a global scale. She currently serves as Non-Executive Director of the World Ovarian Cancer Coalition, an organisation focused on improving survival rates for individuals with ovarian cancer around the world. From 2015 to 2023, Jane was the CEO of Ovarian Cancer Australia, where her exceptional efforts in addressing the challenges of gynaecological cancers earned her the prestigious Cancer Australia Jeannie Ferris Award. Jane's contributions also extend into the pharmacy sector. Earlier in her career, as Executive Manager of the Society of Hospital Pharmacists of Australia, Jane gained an appreciation of the vital role of pharmacy practice and its various specialties. More recently, her experience includes serving on the Medicines Australia Advisory Council and as Board Member of the Cancer Drugs Alliance, as well as a range of other Board and Committee roles.

Meetings

During the period 1 July 2024 to 30 June 2025, 11 VPA meetings were held with attendance by VPA members as follows:

Member	VPA Meetings	Leave of Absence
David McConville	10 of 11	1
Brendon Moar	11 of 11	0
Jane Hill	9 of 11	2
Elizabeth Kennedy	10 of 11	1
Divesh Sanghvi	7 of 11	4
Regina Cowie	11 of 11	0

Audit and Risk Committee

The VPA has an Audit and Risk Committee comprising an independent external chairperson with accounting qualifications, Michael Shatter (replacing Neil Marshall from February 2025), and 3 VPA members: David McConville, Divesh Sanghvi and Elizabeth Kennedy at 30 June 2025. A quorum comprises the chairperson and 2 other members. The Committee met 4 times during the reporting period.

Staffing

The VPA had a staff of 11 at 30 June 2025, with a Full Time Equivalent (FTE) of 9.0 (unchanged from 30 June 2024). These comprised the Registrar who is the Chief Executive Officer, a Chief Financial Officer, a Senior Pharmacist whose responsibilities include overseeing the premises inspection program, a Governance and Risk Officer (who is also the Secretary of the Audit and Risk Committee), a Project and Engagement Officer, an Administration Officer, a Licensing and Registration Officer and 4 pharmacists who are authorised officers.

Registrar:	Aaron Bawden
Chief Financial Officer:	Koshala Nadanakumar
Senior Pharmacist:	Jessica Webster
Governance and Risk Officer:	Jill Snell

The VPA's values align with public sector values as detailed in the *Public Administration Act 2004*, and all staff were employed pursuant to merit and equity principles and compliance with the Code of Conduct for Victorian Public Sector Employees.

The VPA is committed to ensuring staff health, safety and wellbeing. The VPA has the following health and safety objectives:

- Zero Lost Time Injuries
- Zero enforcement action from health, safety and environmental regulatory bodies
- Introduction of an integrated approach to create and maintain a mentally healthy workplace (protection, promotion and support)
- Incorporate environmental considerations into work practices. This includes minimising
 - Energy and water consumption
 - Air and noise emissions
 - Paper waste production

There were Zero Lost Time Injuries during the year.

Fees

The VPA is required to be self-funded, ensuring that the amount of money collected in fees covers its costs.

The VPA set the fees for the 12-month period commencing 1 May 2025 on 8 April 2025. As required by the Act, the fees were published in the Victorian Government Gazette No. G17/25 dated 24 April 2025. The [Schedule of Fees](#) is published on the VPA website.

Fees fixed by the VPA are exempt from GST (Division 81 of *GST Act*).

Year in review

Board governance review

An external review of the VPA board's performance is conducted regularly.

During the reporting period, an external consultant was engaged to conduct a comprehensive audit of board processes, compliance responsibilities and operational issues that directly affect the governance of the VPA.

The audit was undertaken during July 2024, and the Authority considered the final report covering aspects of governance, relevant operational activities, and recommendations for improvement at a monthly meeting of its members on 13 August 2024.

The following table provides a summary of the review's key recommendations, which were actioned during the reporting period.

Recommendation	Action
<i>Meetings and Reports</i> Provide succinct reports that address outcome measures, strategic issues and implications to facilitate members to ask key questions.	Board papers and reports have been modified in line with the recommendations. Dashboard summaries are being developed where appropriate.
<i>Strategy and Risk</i> Regular Board reports to include how top risks are being managed or could be better managed to extract strategic advantage or identify emergent risks the Board should be aware of.	
<i>Accountability</i> Refine the existing Board skills matrix and further develop the Board induction program. Formalise terms of reference for the Remuneration and Performance Committee.	The board induction program was revised in preparation for the induction of the new member starting in July. A charter for the Remuneration and Performance Committee was developed and approved.
<i>Financial Reporting</i> Enhance to the Financial Reports	Finance summary report includes commentary on cause of significant change(s) and any impact on strategic priorities (positive and negative) and/or service performance as appropriate.

Licensing and premises registration

Licensing and premises registration are core VPA functions.

Owners of pharmacy businesses and pharmacy departments must hold a licence, and the premises of pharmacy businesses, pharmacy departments and pharmacy depots must be registered.

The Act provides for the VPA to approve registered pharmacists to supply, compound or dispense medicines other than at registered premises in special circumstances.

Applications for licences and registration

The VPA applies a risk-based approach to the assessment of applications for a licence, registration of premises and approval to supply, compound or dispense medicines in special circumstances.

The VPA has delegated the power to issue approvals of low-risk applications to certain VPA officers. Applications for pharmacy business licences, premises registration and other approvals are considered low risk when they clearly meet the requirements of the Act and the VPA Standards and guidelines.

High-risk applications are referred to the next monthly meeting of VPA members for a decision.

Licence applications

Prior to granting a licence, the VPA must be satisfied that the requirements in the Act have been met.

The applicant must be eligible to be granted a licence. Among other requirements, the proposed ownership structure and commercial agreements must not give a third party a proprietary interest in the pharmacy business. Proposed commercial agreements should also not provide for third parties to exert undue influence over a pharmacy business.

These requirements mean that ownership structures and proposed commercial arrangements such as franchise agreements may be scrutinised by the VPA and referred for legal advice to ensure compliance.

Registration applications

Registration of premises can only occur if the requirements of the Act have been met.

The premises must be suitable for the provision of pharmacy services. An assessment of suitability is based on compliance with the requirements with the Schedule to the Act, the VPA Standards, relevant VPA Guidelines and requirements of good pharmacy practice.

Applicants are also required to declare that premises conform or will conform with regulatory requirements.

Applications data

Number of applications

The following table summarises the numbers of applications received for the reporting period and includes comparative data.

Applications	2022–23	2023–24	2024–25
Licence to carry on a pharmacy business	224	224	271
Registration of premises	123	164	173
Approval of pharmacists to supply, compound or dispense medicines other than at a pharmacy or pharmacy department	60	57	52

Breakdown of applications

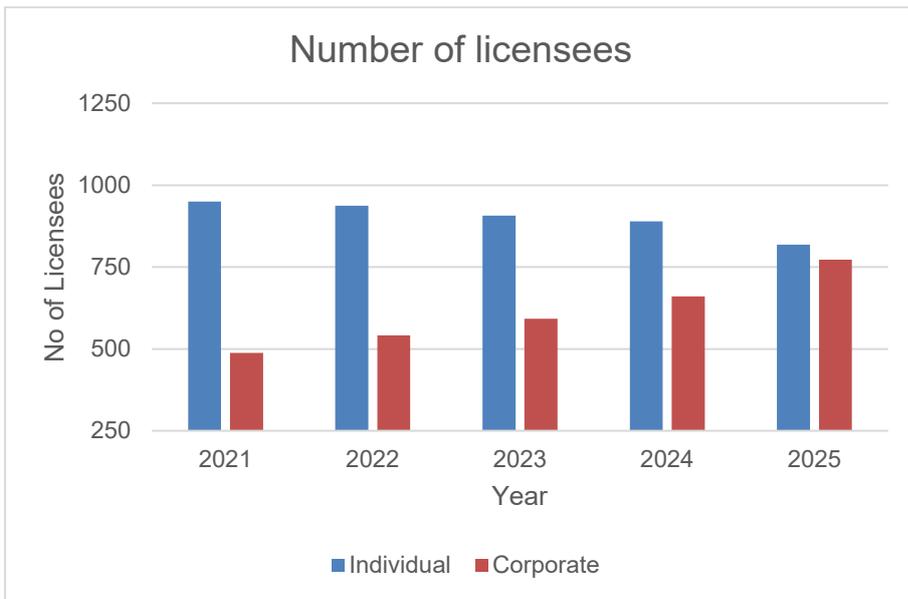
Applications	2024–25
Licence to carry on a pharmacy business	
Pharmacist	28
Pharmacist (complex)*	52
Company	44
Company (complex)*	139
Friendly society	8
Registration of premises	
New/relocated pharmacies	65
Alterations	102
Pharmacy department	6

*Complex applications involve the review of certain commercial arrangements as specified in relevant application forms.

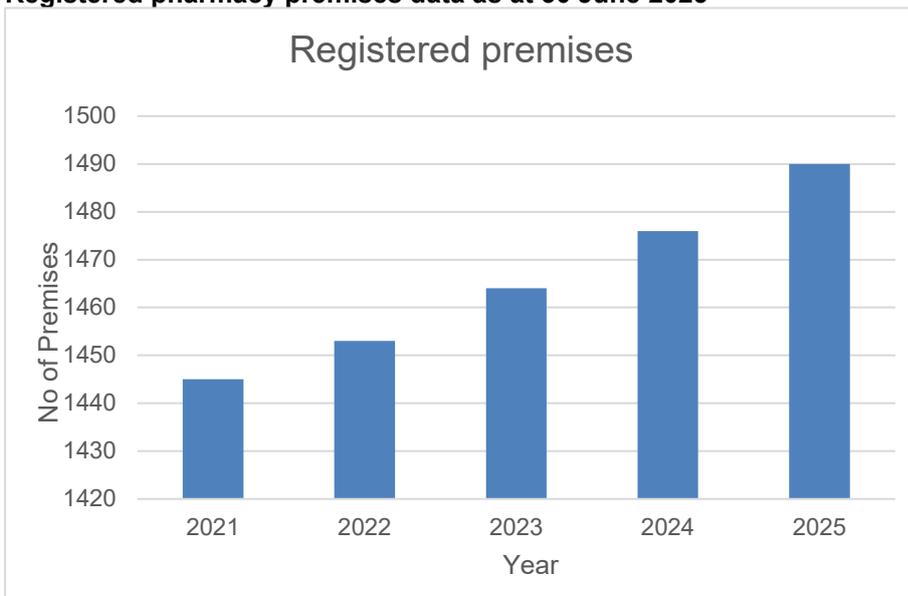
Applications refused

During the reporting period, 2 applications were refused (one licence application and one application to register pharmacy premises).

Pharmacy licensing data as at 30 June 2025



Registered pharmacy premises data as at 30 June 2025



The following table includes the breakdown of all registered premises as at 30 June 2025.

Registered premises	At 30 June 2024	At 30 June 2025
Pharmacies	1,476	1,490
Pharmacy Departments	79	79
Pharmacy Depots	15	15

Public register

In accordance with the Act, details of all licensees and registered premises, including any conditions on a licence or registration, are available in [the public register](#) on the VPA website.

Renewal

Under the Act, licences and registration of premises must be renewed annually, with applications required to be made before 1 July each year.

Notices from the VPA prompting entities to apply for renewal are typically emailed in May of each year. Applicants must declare that relevant regulatory requirements have and will continue to be met before renewal can occur.

The VPA sends reminders prior to and during the late period to inform entities that late renewal applications may be submitted with payment of the late lodgement fee from 1 July until 28 July.

A total of 130 late renewal applications were received during the reporting period.

Revocation of licence or registration

Under the Act, the VPA may revoke a licence or registration if certain grounds exist.

The VPA revoked 2 licences and 3 premises registrations during the reporting period. Pursuant to the Act, [a list of persons who have had a licence or registration revoked](#) is published on the VPA website.

Improvements

During the reporting period, improvements were made to the Application for Registration of Pharmacy Premises (VP21) form and related notification forms to better reflect requirements of the VPA Standards. The updated and reformatted application form includes a new comprehensive checklist to help applicants complete applications and submit the required information, which avoids delays caused by incomplete applications.

Regulatory requirements

Entities must comply with obligations contained in the regulatory framework administered by the VPA which comprises:

- the Act
- the VPA Standards
- the VPA Guidelines.

Schedule to the Act

The Schedule to the Act includes requirements that must be met by licensees and registered premises.

VPA Standards

The VPA Standards are issued by the Authority under section 86 of the Act. They include mandatory requirements for Victorian pharmacies, pharmacy businesses and pharmacy departments. They specify responsibilities of proprietors and premises-related requirements that significantly impact public safety.

The VPA Standards are published on the [VPA's website](#).

VPA Guidelines

The Victorian Pharmacy Authority Guidelines (VPA Guidelines) support the VPA Standards and requirements of the Act.

They represent the current policies of the VPA in relation to matters covered by the VPA Standards and other premises requirements. They should be read in conjunction with the VPA Standards as well as guidelines issued by the Pharmacy Board of Australia, and standards and guidelines issued by pharmacy professional organisations.

The VPA Guidelines are published on the [VPA website](#).

Regulatory activity

Set out below is an overview of the proactive and reactive regulatory activities undertaken by the VPA to ensure compliance with the above regulatory requirements. More detail about some of these activities is contained later in this report.

Overview of proactive regulatory activity

The VPA uses proactive regulatory activities to encourage voluntary compliance and to monitor, detect and prevent non-compliance.

The main types of proactive regulatory activity undertaken by VPA are:

- Education about compliance with regulatory requirements
- Engagement with stakeholders to support compliance with regulatory requirements and to identify new or emerging compliance risks
- Issuing circulars (newsletters) to licensees and registered premises
- Inspections to monitor compliance with regulatory requirements
- Audits of pharmacy ownership and commercial arrangements.

The following main proactive regulatory activities were undertaken by the VPA during the reporting period:

- *Education and engagement:* VPA officers delivered presentations and participated in panels on pharmacy regulation for pharmacy students at La Trobe University, RMIT University and Monash University. This proactive engagement and education focused on pharmacy ownership requirements, pharmacy premises standards and risk management.
- *Communications:* Four circulars covering VPA activities and regulatory matters were distributed to stakeholders and published on the VPA website.
- *VPA Guidelines:* Amendments to draft revised VPA Guidelines were completed in response to feedback received in June 2024 following a stakeholder consultation process. Revised VPA Guidelines were published in September 2024. They include new guidelines to support licensees to comply with standards for which guidance had not previously been provided (including guidance about policies and procedures, risk management, hygiene and infection prevention, and equipment).
- *Inspections:* Inspections are used to detect non-compliance and also to support compliance:
 - Frequently asked questions and updated information about VPA inspections were published in the VPA's April 2025 circular to licensees to better prepare licensees for inspections and support compliance.
 - Refresher training on the VPA Statement of Regulatory Approach (Inspections) and its risk-based approach to inspections was conducted for the VPA's authorised officers in December 2024.
- *Collaboration with co-regulators:* The VPA continued to work collaboratively with the Victorian Department of Health, the Pharmacy Board of Australia, AHPRA and other regulatory agencies in response to notifications and intelligence about possible non-compliance and regulatory matters involving shared or emerging risks.

Overview of reactive regulatory activity

The VPA undertakes reactive regulatory activity to respond to instances of actual or possible non-compliance with regulatory requirements so that harm can be avoided or at least mitigated.

In relation to non-compliance with the Act or VPA Standards, the VPA may:

- have regard to an applicant's compliance with the Act and VPA Standards in determining whether to grant a licence or register premises
- investigate compliance of a licensee or registered premises with the Act or VPA Standards (investigations may be undertaken in response to a notification or an inspection).
- convene a panel hearing in respect of matters that have been the subject of an investigation
- revoke a licence or a registration if
 - the licensee has contravened certain requirements of the Act
 - the licensee has contravened a VPA Standard on one or more occasions and the VPA believes it is against the public interest for that person to continue carrying on a pharmacy business or pharmacy department
 - a breach of the VPA Standards presents a serious risk to public safety.

The following main reactive regulatory activities were undertaken by the VPA during the reporting period:

- *Prioritised inspections:*
 - A series of targeted inspections relating to medicinal cannabis were conducted. Some of these were conducted jointly with officers of the Department of Health and focused on indirect supply arrangements.
 - Targeted inspections were also undertaken in relation to wholesale businesses or activities associated with pharmacy premises to investigate their impact on pharmacy services and any emerging risks.
- *Investigations:* The VPA carries out investigations on the basis of notifications (complaints) and without notification (usually in relation to inspections).
 - VPA conducted 58 investigations without notification during the reporting period.
 - An additional 14 investigations were undertaken with notification.
- *Panel hearings:* Thirty-one panel hearings were conducted to hear matters relating to alleged non-compliance with the Act and VPA Standards.
- *Conditions as a result of investigations:* Conditions were imposed on the registration of 2 pharmacies undertaking complex compounding following investigations identifying failures of good pharmacy practice relating to the compounding¹ of medicines. In one case the compounding involved an infant colic mixture and in the other case sterile medicines.

¹ Compounding is when a trained health professional, usually a pharmacist, makes a medicine using raw ingredients.

Inspections, audits and reviews

Inspection program

The VPA's inspection program plays a critical role in promoting and ensuring compliance with the regulatory requirements.

VPA officers are authorised to undertake inspections of registered premises for the purpose of assessing compliance and supporting licensees to understand and comply with the requirements of the regulatory framework.

While inspections are used to determine whether or not registered premises comply with the regulatory requirements, the primary purpose of inspections is to inform and support licensees and pharmacists to understand and comply with the requirements of the regulatory framework.

For certain inspection outcomes, licensees are given the opportunity to report back to the VPA providing evidence of steps taken to address non-compliances. A comprehensive and satisfactory response may result in inspection reports being handled administratively and not referred to a meeting of VPA members for consideration of further action, which could include being requested to attend an interview or panel hearing.

Inspections data

There are 3 main types of inspections that are undertaken by the VPA:

- *Proactive inspections*: Proactive inspections are planned and routine inspections for a known cohort of registered premises that are identified using the VPA's risk-based approach. Proactive inspections are used to ensure that each registered premises is inspected at least every 3 years, upon commencement or a change in ownership.
- *Reactive inspections*: Reactive inspections are triggered by complaints or notifications that are made under the Act, or reviews following previously identified non-compliance. Where necessary, the VPA uses its risk-based approach to triage and prioritise its reactive inspections.
- *Targeted inspections*: Targeted inspections are reserved for systemic or emerging risks, which may be undertaken in collaboration with other regulatory bodies.

The following inspections were conducted during the reporting period, with previous years' figures included for comparison:

Inspection category	2020-21	2021-22	2022-23	2023-24	2024-25
<i>PROACTIVE</i>					
Routine inspection – pharmacy	345	498	516	546	439
Routine inspection – pharmacy department	12	35	39	27	27
New/altered premises – pharmacy	96	98	99	103	120
New/altered premises – pharmacy department	-	-	3	4	15
Change of ownership	73	88	95	108	140
<i>REACTIVE</i>	-	-	-	48	59
<i>TARGETED</i>	-	-	-	9	4
Total inspections	526	719	752	845	804

Recent improvements to the inspection program

Building on the *Statement of Regulatory Approach: Risk-Based Approach to Inspections of Registered Premises* published in June 2024 on the [VPA website](#), the following significant improvements to the VPA inspection program were implemented or consolidated during 2024-25:

- a focus on compliance with regulatory requirements that pose a relatively high-risk of harm
- new inspection checklists and decision tools for inspectors to support efficient and effective inspections
- clearer inspection reports, which categorise types of non-compliance that have been identified

The increased focus on high-risk compliance issues during inspections is expected to result in more efficient inspections and greater opportunities for licensees to self-audit compliance in low-risk areas.

Covering letters to inspection reports sent to licensees from January 2025 were presented in an updated, improved format to provide licensees with clear information on their compliance with the VPA Standards.

Feedback on inspections

The VPA welcomes feedback and provides a link in covering letters to inspection reports for licensees to provide feedback on inspection processes. Feedback received may be used to review inspection processes and for internal training purposes.

Pharmacy ownership audit program

The VPA is committed to ensuring that all pharmacies in Victoria are owned, operated and controlled only by registered pharmacists in accordance with the Act.

To support this objective, a program of risk-based pharmacy ownership audits is undertaken. The purpose of these audits is to confirm that the ownership and proprietary interests held in a pharmacy business, and the commercial arrangements pursuant to which the pharmacy business is conducted, do not contravene the Act.

The ownership audit program is specifically targeted at identifying undeclared interests in pharmacy businesses.

The program involves 'ownership audits' and 'financial audits'.

Ownership audits

Ownership audits are conducted by VPA officers to determine if pharmacy ownership and commercial arrangements comply with the Act.

Financial audits

Financial audits are conducted by an external accountancy firm for a subset of ownership audits. The accountant typically reviews the financial statements and general ledger of the pharmacy and other relevant financial documents to confirm the veracity of the declared ownership and commercial arrangements.

The financial audit is specifically targeted at determining whether there are undeclared interests in the pharmacy business which may not be apparent in an ownership audit. Financial audits are undertaken on a risk basis, often for complex pharmacy structures or where findings from an ownership audit warrants further investigation.

Audit data

The VPA commenced 3 new ownership and 3 corresponding financial audits during the reporting period. Other audit activities included the resolution of matters arising from audits undertaken during previous years.

Reviews of pharmacy franchise agreements

Requirements under the Act

Section 11 of the Act (*Undue influence*) makes void any provision of a commercial arrangement concerning a pharmacy that gives any person other than the person licensed to carry on the pharmacy business:

- a) the right to control the manner in which the pharmacy business is carried on; or
- b) the right to access books of accounts or records kept in respect of that business, otherwise than for the purpose of determining whether or not the conditions of the relevant document are being complied with; or
- c) the right to receive any consideration that varies according to the profits or takings of the business.

Regulatory approach

The VPA will not issue a licence to a person to carry on a pharmacy business if a proposed franchise or related agreement contravenes the Act.

All agreements are reviewed for compliance with the Act. Applications for licences that involve agreements which are new to the VPA (i.e., where a detailed review has not previously been undertaken) and complex agreements or ownership structures may be referred to the VPA's external lawyers for a detailed assessment of compliance with the Act.

These reviews have identified several cases where franchise or similar agreements gave a third party the right to control aspects of the operation of the pharmacy business. The VPA engages with franchisors and licensees/applicants in such cases to seek amendments to ensure compliance with the Act.

The VPA has also imposed a standard condition on all licences requiring notification of changes to pharmacy business commercial arrangements prior to the changes taking effect. This enables the VPA to review whether proposed changes to commercial arrangements are compliant with the Act.

In addition, the VPA publishes guidance about commercial arrangement on its [website](#) to assist stakeholders to ensure that pharmacy business commercial arrangements comply with the Act. The VPA's guidance on franchising provides examples of the types of clauses that pharmacists should be wary of and avoid.

The VPA continues to update its overall regulatory approach to one that is more targeted and risk-based, with a focus on identifying and addressing key harms.

The VPA is committed to:

- developing improved guidance documents to better inform licensees and franchisors of the role of the ownership and undue influence provisions of the Act, and better equip applicants and licensees to identify provisions in agreements which may be unenforceable
- engaging and consulting with key stakeholders in relation to the risk-based approach to ownership and undue influence
- considering further improvements aimed at strengthening licence application processes.

Complaints, Investigations and Panel hearings

Complaints and investigations with notification

Complaints about licensees and registered premises

The VPA may receive complaints about licensees and registered premises.

Section 53 of the Act provides for the VPA to receive 'notifications' about certain matters, including allegations concerning:

- a) a licensee's character or ability to carry on a pharmacy business;
- b) a licensee contravening the requirements regarding ownership of pharmacies or if the licensee is no longer eligible to hold a licence;
- c) a licensee contravening an Authority standard or the Act, or a licence or registration being improperly obtained;
- d) registered premises that do not meet the requirements of the Act or of an Authority standard;
or
- e) the contravention of a condition of a licence or registration.

Upon receiving a complaint, the VPA assesses the complaint to determine whether it is within the VPA's jurisdiction – that is, the matters raised in the complaint are matters the VPA can investigate under the Act.

Complainants will be referred to the appropriate agency if the matter does not fall within the VPA's jurisdiction. The VPA provides information to direct complainants to the appropriate agency depending on the nature of the complaint on the [Complaints page](#) of its website.

Complaints data

The VPA received a total of 92 complaints during the reporting period. Of the 92 complaints received, 14 complaints were treated as notifications under the Act and investigated ('investigations with notification').

Complaints about pharmacists

The registration of pharmacists and the handling of complaints about the conduct, health or performance of a pharmacist is the responsibility of the Pharmacy Board of Australia, which is administered by AHPRA. Visit [AHPRA's website](#) for further information.

Investigations without notification

Under section 54 of the Act, the VPA may investigate a matter relating to a licence or premises registration, even in the absence of a notification. Such investigations usually relate to serious non-compliances with the regulatory framework identified during inspections.

In the context of an investigation, a licensee is typically given the opportunity to respond to any adverse findings by the VPA, to provide an explanation, and to detail the steps taken to rectify deficiencies before any further action is taken by the VPA.

Following an investigation, the VPA may take any of these actions:

- accept that the licensee has satisfactorily addressed any compliance issues and take no further action
- request the licensee(s) attend a meeting of VPA members to discuss the compliance issues
- convene a panel at which the compliance issues will be heard.

Investigations data

During the reporting period, 58 investigations were undertaken without notification.

Panels

A panel convened to hear a matter which has been the subject of an investigation may result in various outcomes, including:

- a condition(s) being placed on a licence and/or premises registration
- cautioning or reprimanding a licensee or registration holder
- a licence and/or premises registration being revoked.

Panel hearings are generally reserved for matters involving serious non-compliances, including alleged breaches of the Act.

Panel hearing data

The VPA conducted 31 panel hearings during the reporting period.

The hearings considered matters arising from investigations relating to the Act and the VPA Standards.

Determinations of the panels were as follows:

- 22 hearings resulted in licensees being reprimanded
- 9 hearings resulted in licensees being cautioned
- 18 hearings resulted in conditions being imposed on a licence or premises registration (in these cases, the conditions required the licensee(s) to undergo a reinspection of the pharmacy)

The VPA includes deidentified details of panel hearings in regular circulars distributed to licensees/registered premises. These are available on the [VPA website](#).

Stakeholder engagement

The VPA Strategic Plan has a strong focus on proactive stakeholder engagement including the following strategic objectives:

- Use communication and stakeholder engagement proactively to drive improvements in compliance with the regulatory framework
- Leverage stakeholder relationships to better understand emerging risks and industry developments

The VPA has a Stakeholder Engagement Plan to implement these objectives.

The following sections summarise key stakeholder engagement activities undertaken by the VPA in this reporting period.

Emerging risks and industry developments

External stakeholders may be invited to attend VPA meetings to discuss emerging risks and industry developments. During the reporting period, 5 external stakeholders attended meetings to discuss relevant topics and help inform the VPA's regulatory approach.

The VPA also supported a graduate learning team project undertaken by a team of graduate economists from the Department of Treasury and Finance about emerging risks associated with 'online pharmacies'.

The VPA routinely engages with the following bodies in relation to emerging risks and industry developments and regulatory matters:

- Pharmacy peak bodies such as the Pharmacy Board of Australia, Pharmacy Guild of Australia – Victoria, Pharmaceutical Society of Australia – Victoria, Pharmaceutical Defence Limited, and Advanced Pharmacy Australian (formerly Society of Hospital Pharmacists of Australia)
- The Victorian Department of Health. These engagements also involve discussions on matters relating to medicines and poisons regulation, immunisation, pharmacotherapy and collaboration on regulatory matters.
- AHPRA, including its Rapid Regulatory Response Unit to discuss regulatory priorities, emerging risks and opportunities for collaboration.

Engagement with other bodies

The VPA regularly engages and collaborates with other bodies:

- The Pharmacy Premises Registering Authorities of Australia (PPRAA) forum. PPRAA brings together state and territory pharmacy premises registering authorities/bodies whose responsibility it is to protect the public in registering/approving pharmacy premises. The forum provides for information sharing and collaboration in relation to pharmacy regulation and promotes the development of nationally consistent approaches.
- The Victorian Health Building Authority in relation to applications for hospital pharmacy departments.
- The VPA Registrar co-chairs a forum of small regulators to share information and resources.

Education and advisory

The VPA regularly delivers presentations on pharmacy regulation to pharmacy students from Victorian educational institutions.

In this reporting period the VPA also:

- Participated in a Pharmaceutical Society of Australia (PSA) webinar on regulatory matters commonly encountered by pharmacists when dispensing medicinal cannabis
- Presented to Victorian Directors of Pharmacy Departments on the topic of Supporting Compliance – VPA Inspection Program and VPA Standards.

The VPA is an advisory member of the Community Pharmacist Statewide Pilot Advisory Group.

Review of VPA Guidelines

The VPA invited 23 stakeholders to participate in the review of the VPA Guidelines. The draft revised VPA Guidelines were also available on the VPA website for public consultation. A high level of feedback was received and the revised VPA Guidelines were published on 5 September 2024.

VPA Circulars

The VPA communicates with licensees, registered premises and other stakeholders by issuing circulars, or official newsletters, about its activities. These are typically emailed to stakeholders on a quarterly basis.

VPA Circulars include information on its regulatory activities, statistics and performance, important changes, application guidance, information to support compliance with the ownership provisions of the Act and resources to support good pharmacy practice.

The VPA published 4 Circulars during 2024–25. Information covered in VPA Circulars during the reporting period included:

- The VPA's Statement of Regulatory Approach: *Risk-based approach to inspection of registered premises* (published in June 2024)
- A summary of the improvements to the VPA inspection program, including a focus on high-risk areas and areas routinely covered to better prepare licensees for inspections
- A summary of the Inspection Program Information Evening held in June 2024 which included a discussion of the improvements and the improved pharmacy self-audit form
- FAQs relating to the inspection program
- Details of the revised VPA Guidelines (published September 2024)
- Information about applications, including processing times, service standards, and examples of common issues and omissions which may result extended assessment times
- Changes to pharmacy business commercial arrangements and notification obligations
- Information from the inspectors relating to common issues observed during inspections
- A summary of recent panel hearings and case studies.

Circulars are also published on the [VPA website](#). Non-owner pharmacists may receive the communications directly by request.

Ministerial Statement of Expectations

Expectations

The Minister for Health issued a Statement of Expectations (SOE) to the VPA on 22 December 2024.

These expectations, which are consistent with actions under the VPA’s Strategic Plan, were incorporated into the VPA’s existing business planning processes.

Progress

The VPA’s progress towards meeting the expectations to 30 June 2025 is summarised in the following table.

Ministerial expectation	VPA progress to meet Ministerial expectation
<p>Review and clarify the key harms the VPA is trying to minimise along with the regulatory tools available.</p>	<p>The VPA has undertaken foundational work to identify and assess key harms covered by the regulatory framework and the regulatory tools available to minimise those harms.</p> <p>The VPA will continue to progress this work by consulting with other relevant regulators and other jurisdictions.</p> <p>This work will enable VPA to strategically focus its regulatory efforts and resources on problems or issues that pose the greatest harm.</p>
<p>Develop new tools to support consistent regulatory decision making.</p>	<p>The VPA developed and implemented a number of risk-based tools during the reporting period to support consistent regulatory decision making and approaches.</p> <p>These included:</p> <ul style="list-style-type: none"> • A tool to support consistent referral of matters from investigations to the VPA Board, and its decisions about regulatory outcomes • A tool to assess requests for extensions to permit an executor or administrator to continue to carry on a pharmacy business beyond the statutory period under section 6 of the Act.
<p>Develop a contemporary information management framework to support improved business processes and compliance with legislative requirements and standards.</p>	<p>The VPA is working with an external consultant to develop a new information management framework.</p> <p>This framework will help ensure that information gathered by the VPA as it undertakes its regulatory activities is:</p> <ul style="list-style-type: none"> • managed compliance with the records management requirements set out by the Public Record Office Victoria • collected, stored, used and shared in a way that meets VPA’s legal obligations (e.g. privacy and confidentiality), and enables sound, evidence-based regulatory decisions. <p>The framework will also support transparency, accountability, and efficiency in the VPA’s operations.</p>

Ministerial expectation	VPA progress to meet Ministerial expectation
<p>Review all standard licence and registration conditions and implement new conditions as required to address specific harms.</p>	<p>The VPA is developing a consolidated suite of standard licence and registration conditions that collectively address the main risks of harm.</p> <p>This approach will enhance the efficiency and effectiveness of monitoring and enforcement by the VPA. It will also provide transparency about the VPA's standard requirements associated with the granting of a licence or registration of premises. It will establish clear, consistent and fair baseline requirements for all regulated entities, which will help drive compliance.</p> <p>The standard conditions could be supplemented with other conditions to address specific risks or circumstances, as required.</p> <p>The focus of activities during the reporting period included:</p> <ul style="list-style-type: none"> • reviewing existing conditions relating to 'special circumstances' approvals granted by the VPA pursuant to section 29(1)(b) of the Act; conditions have been amended and added as necessary to mitigate risks associated with these approvals • drafting proposed conditions for registered premises engaging in complex compounding (including sterile compounding) and indirect supply of medicines (including medicinal cannabis).
<p>Develop a new communication strategy to drive compliance improvement.</p>	<p>The VPA is working with an external consultant to help develop a new communication strategy to plan and coordinate how it engages with its stakeholders, particularly the entities that it regulates.</p> <p>This work aims to build understanding of the VPA's objectives and expectations, as well as share important outcomes from the VPA's regulatory activities.</p> <p>The communication strategy will enhance understanding of regulatory requirements, promote voluntary compliance, and foster trust and confidence in the VPA among stakeholders.</p>
<p>Develop an improved risk-based approach to undue influence in pharmacy commercial arrangements, and publish improved guidelines for stakeholders on pharmacy ownership, proprietary interests and undue influence.</p>	<p>Given that undue influence in pharmacy commercial arrangements can undermine the objectives of the Act, the VPA is developing an improved risk-based approach to identifying and responding to instances where undue influence exists or may exist.</p> <p>The VPA will publish new guidance regarding pharmacy ownership, proprietary interests and undue influence to support compliance with the Act's requirements.</p>
<p>Leverage stakeholder relations to better understand emerging risks and industry developments.</p>	<p>Through its work on priority harms, the VPA proposes to engage with relevant stakeholders, particularly regulatory agencies including comparable regulators in other jurisdictions and pharmacy peak bodies, to share insights and obtain intelligence about industry developments and emerging risks in the pharmacy sector.</p>

Ministerial expectation	VPA progress to meet Ministerial expectation
	<p>This information will be used to support the VPA's proactive regulatory activities, which are designed to pre-empt and prevent harm, and focus resources where they are most needed.</p> <p>The VPA has continued to invite stakeholders to attend its monthly meetings periodically to discuss emerging risks and industry developments to inform its regulatory approach.</p> <p>The VPA has also actively engaged and collaborated with AHPRA, including its Rapid Regulatory Response Unit, and the Victorian Department of Health in responding to specific emerging risks and to obtain feedback on priority harms.</p>
<p>Streamline application and related processes to support digital readiness and improve efficiency and effectiveness.</p>	<p>The VPA is undertaking various activities that are designed to support its digital transformation.</p> <p>These activities include revision of:</p> <ul style="list-style-type: none"> • application forms for licences and registration of premises • cover letters used to communicate with applicants and regulated entities about regulated process. <p>These activities are identifying opportunities to streamline application and approval processes to reduce regulatory burden on applicants and regulated entities.</p>
<p>I expect all regulators in the health portfolio to commit to and action:</p> <ul style="list-style-type: none"> • 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. 	<p>All VPA staff participated in the Museums Victoria First Peoples' Cultural Competency Program on 26 August and 14 October 2024.</p> <p>Officers of the VPA met with a pharmacist representative of the Victorian Aboriginal Health Services to discuss barriers Indigenous people face when accessing pharmacy services in Victoria.</p> <p>The VPA's social procurement commitment includes supporting:</p> <ul style="list-style-type: none"> • Environmentally sustainable business practices • Sustainable Victorian social enterprises, Aboriginal businesses and other social benefit suppliers. <p>The VPA is committed to supporting environmental sustainability and incorporates environmental considerations into its work practices.</p> <p>VPA officers also routinely offer support to pharmacies affected by natural disasters, and climate change adaption is considered in the VPA's inspection activities.</p>

Service charter, enquiries and complaints

The VPA's values and service standards are detailed in its [Service Charter](#), which was updated in February 2025.

The VPA aims to respond to enquiries in a timely manner, by the next working day in the case of verbal enquiries, and within 5 working days in the case of written enquiries.

Initial assessment and feedback on applications should be provided within 10 business days of receipt of a complete application. This assessment includes identification of further information which may be required by the VPA to determine the application.

For low-risk applications within the delegation of VPA officers, processing is typically completed within 5 business days from receipt of any outstanding information. For high-risk applications that are outside delegation, processing is usually completed within 5 business days following a decision of the VPA members at the relevant monthly meeting or receipt of any further required information.

The increase in 'initial assessment' time from 5 to 10 days was made to reflect the increasing complexity of applications, which has seen more complex licence applications and corporate licence applications over recent years.

Service standard data

Applications

During the financial year, 491 applications were assessed. Of these, 91% (448) received an initial assessment within the specified number of days from receipt, and 93% (455) were processed within the specified number of days following either decision of VPA members or receipt of outstanding information. Applicants withdrew 12 applications.

Financial and other information

Five-year summary of financial results

	2025	2024	2023	2022	2021
	\$000	\$000	\$000	\$000	\$000
Total revenue	2,408	2,234	2,068	1,661	1,565
Total expenses	2,316	2,091	1,898	1,748	1,579
Net result from transactions	92	143	170	(87)	(14)
Total other economic flows	(1)	(7)	(7)	49	20
Net result	91	136	163	(38)	6
Total assets	4,615	4,013	3,895	3,600	3,601
Total liabilities	2,740	2,230	2,248	2,117	2,079
Net assets/Total equity	1,875	1,783	1,647	1,483	1,522

Financial operations

The following matters are noted with respect to the VPA's financial operations:

- The VPA recorded a surplus of \$91,967 this financial year.
- Total revenue and income from transactions increased by 8%. This followed an overall fee increase of 2.0% in May 2024 and increase in number of applications received.
- The total expenses incurred in delivery of services increased by 11.0% due to IT consulting and other consulting related to a digital transformation project.
- The total revenue and income from transactions of \$2,270,071 was 1.35% higher than the budget estimate of \$2,239,804.
- The total expenses from transactions of \$2,316,304 was 5.49% higher than the budget estimate of \$2,195,818.
- As a self-funded entity, the VPA is required to ensure that the amount of money collected in fees is sufficient to cover the cost of administering the Act.
- The VPA is planning to upgrade its information technology and information management systems, and this is expected to require significant expenditure during 2025–26.
- Fees collected increased by approximately 15.0% from 1 May 2025 (see Fees, page 13).
- The VPA's financial position is demonstrated by net assets which increased by \$541,850 in 2024–25 and which includes cash and cash equivalent of \$4,484,861.
- Overall, the aim of the VPA is to maintain a positive financial position. In 2024–25 a net surplus of \$91,967 was achieved, and at 30 June 2025 the balance of the VPA's equity was \$1,875,348.
- The VPA has accumulated surplus funds from the current (and previous) financial year to fund a digital transformation project.
- There were no events occurring after 30 June 2025 which may significantly affect the VPA's operations in the subsequent reporting period.

Consultancies information

Details of consultancies (under \$10,000)

In 2024–25, there were 8 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2024–25 in relation to these consultancies is \$59,143 (excl. GST).

Details of consultancies (valued at \$10,000 or greater)

In 2024–25 there were 3 consultancies where the total fees payable to the consultants was \$10,000 or greater. The total expenditure incurred during 2024–25 in relation to this consultancy is \$133,062. (excl. GST). Details of these consultancies can be viewed on [the VPA website](#).

Government advertising campaign

The VPA's expenditure on government campaigns did not exceed \$100,000 in the 2024–25 reporting period.

Information and communication technology (ICT) expenditure

The VPA's total ICT business as usual expenditure (excluding GST) for the reporting period was \$97,397.

Asset Management Accountability Framework (AMAF)

The VPA complies with the mandatory requirements of the AMAF and has continued implementing improvements and processes for ongoing monitoring identified by undertaking the AMAF maturity assessment.

Social procurement activities under the Social Procurement Framework

The VPA's social procurement commitment includes supporting:

- Environmentally sustainable business practices
- Sustainable Victorian social enterprises, Aboriginal businesses and other social benefit suppliers
- Supporting Safe and Fair Workplaces

Key achievements included participation of staff in a Museums Victoria First Peoples' Cultural Competency Program, minimising the use of paper, using sustainably sourced paper and separately disposing of recyclable waste. The direct social procurement spend was approximately 1% of total expenditure for the 2024–25 reporting period.

Procurement complaints

The VPA did not receive any procurement complaints during the reporting period.

Freedom of Information (FOI)

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by the VPA.

Pursuant to Part II of the FOI Act, the VPA publishes on its website details regarding its functions and documents held by the VPA including those available for inspection and/or purchase through an [FOI request](#).

Making a FOI request

FOI requests can be lodged by completing the request form available on [the VPA website](#). Requests may be emailed to the Registrar: enquiries@pharmacy.vic.gov.au or mailed to the Registrar, Victorian Pharmacy Authority, Level 2, 15-31 Pelham Street, CARLTON, VIC 3053. An application fee of \$33.60 applies from 1 July 2025.

When applying, the applicant must clearly describe the documents and materials to which they want access. Assistance can be provided to applicants to help them determine the types of documents being requested. Information regarding FOI requests, including details of applicable fees, is available on the [VPA website](#) or by contacting the VPA office.

Freedom of Information statistics/timeliness

During 2024–25, the VPA received zero FOI applications.

During 2023–24, one request was subject to an internal review by Office of the Victorian Information Commissioner. That application for review of a FOI decision made by the VPA was withdrawn by the applicant during 2024–25.

Further information

Further information regarding the operation and scope of FOI can be obtained from the FOI Act, regulations made under the FOI Act, and [the Office of the Victorian Information Commissioner's website](#).

Availability of other information

All records of the former Pharmacy Board of Victoria's operations relating to premises registration and business licensing have been retained and maintained, along with all records created by the VPA since its inception, in accordance with the *Public Records Act 1973*.

Building Act 1993

The VPA does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Public Interest Disclosures

The *Public Interest Disclosures Act 2012* (formerly *Protected Disclosure Act 2012*) encourages and facilitates disclosures of improper conduct by public officers, public bodies and other persons, and provides protection from detrimental action taken against a person making a disclosure, witnesses and persons subject to an investigation. Information regarding public interest disclosures is available on the [VPA website](#).

The VPA has a zero-tolerance stance on fraud and corruption and is committed to appropriate control activities. The VPA will take all reasonable steps to protect people who make disclosures in accordance with the *Public Interest Disclosures Act 2012* from any detrimental action in reprisal for making the disclosure.

The VPA is not aware of any disclosures being made during the reporting period. Disclosures must be made to the Independent Broad-based Anti-corruption Commission (IBAC).

The procedures established by the VPA under Part 9 of the *Public Interest Disclosures Act 2012* may be accessed by contacting the Registrar by email: registrar@pharmacy.vic.gov.au.

Statement on National Competition Policy

The VPA does not provide any business activities or goods and services that compete with the private sector.

Environmental performance

The VPA leases an office in a multi-tenanted building in Carlton. This means the VPA has limited ability to pursue environmental initiatives relating to energy use and waste disposal, however the VPA is committed to supporting environmental sustainability and incorporating environmental considerations into its work practices.

This includes:

- encouraging staff to minimise paper consumption by minimising printing, maintaining electronic records and printing double-sided when paper is necessary
- encouraging applicants to submit applications electronically
- using of recycled paper
- minimising energy and water consumption
- distributing all papers for meetings electronically
- reducing the amount of waste and separately disposing of recyclable waste.

The VPA is required to disclose aspects of energy and resource consumption and environmental performance. As a tier 4 public entity for the purpose of FRD 24 *Reporting of environmental data by government entities*, indicators include:

- Total electricity consumption
- Total electricity offsets
- Number and proportion of fleet vehicles, and
- NABERS energy ratings.

The VPA’s electricity use is represented in the following table:

ELECTRICITY USE	2024–25	2023–24	2022–23
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	4.880	4.543	3.689
Total electricity consumption	4.880	4.543	3.689

The electricity use in the above table relates to electricity directly consumed by the VPA office and does not include electricity use relating to building common areas towards which VPA contributes through the office lease outgoings.

The remaining 3 indicators are not applicable to the VPA. The VPA does not maintain fleet vehicles. The VPA has rented its current office space since 2017 and has not undergone any substantial tenancy fit-outs.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the VPA and are available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the FOI Act.

- (a) a statement that declares that the declaration of pecuniary interests has been duly completed by all relevant officers;
- (b) details of publications produced by the entity about itself, and how these can be obtained;
- (c) details of changes in prices, fees, charges, rates and levies charged by the entity;
- (d) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (e) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- (f) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- (g) details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

Activities not undertaken

The VPA did not undertake or participate in any of the following activities during 2024–25:

- major external reviews
- major research and development activities
- major promotional, public relations and marketing activities to develop community awareness
- overseas visits.

Information not applicable to VPA

- details of overseas visits undertaken (no overseas visits have been undertaken)
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.

Local Jobs First Act 2003

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy and Major Project Skills Guarantee policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Job first policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

No project undertaken by the VPA during 2024–25 met the threshold for Local Jobs First Policy application. As such no local Industry Development plans were required or submitted.

Attestations

Victorian Pharmacy Authority Financial Management Compliance Attestation Statement

I, David McConville, on behalf of the Responsible Body, certify that the Victorian Pharmacy Authority has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



David McConville

Chair

Victorian Pharmacy Authority

Melbourne

25 September 2025

Conflict of Interest Declaration

I, Aaron Bawden, certify that the Victorian Pharmacy Authority has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within the Victorian Pharmacy Authority and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Aaron Bawden

Registrar

Victorian Pharmacy Authority

Melbourne

25 September 2025

Integrity, Fraud and Corruption Declaration

I, Aaron Bawden, certify that the Victorian Pharmacy Authority has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at the Victorian Pharmacy Authority during the year.



Aaron Bawden

Registrar

Victorian Pharmacy Authority

Melbourne

25 September 2025

Disclosure Index

The annual report of the Victorian Pharmacy Authority is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the VPA's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
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Legislation	Requirement	Page reference
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Disclosure of ex-gratia expenses

No ex-gratia payments were made during the period.

VICTORIAN PHARMACY AUTHORITY

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2025**

VICTORIAN PHARMACY AUTHORITY

**Financial Statements
Financial Year ended 30 June 2025**

Authority members, accountable officer's and chief finance & accounting officer's declaration

The attached financial statements for the Victorian Pharmacy Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and financial position of the Authority at 30 June 2025.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 9 September 2025.



David McConville
Chairperson
Melbourne
9 September 2025



Aaron Bawden
Registrar
Melbourne
9 September 2025



Koshala Nadanakumar
Chief Finance and Accounting Officer
Melbourne
9 September 2025

Independent Auditor's Report

To the Members of the Victorian Pharmacy Authority

Opinion I have audited the financial report of the Victorian Pharmacy Authority (the Authority) which comprises the:

- Balance sheet as at 30 June 2025
- Comprehensive operating statement for the year then ended
- Statement of changes in equity for the year then ended
- Cash flow statement for the year then ended
- Notes to the financial statements, including significant accounting policies
- Authority Chairperson's, Chief Finance and Accounting Officer's and Registrar's declaration.

In my opinion the financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the Financial Management Act 1994 and Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Members' responsibilities for the financial report The Members of the Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members
- conclude on the appropriateness of the Members use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
11 September 2025



Mahesh Silva
As delegate for the Auditor-General of Victoria

**Victorian Pharmacy Authority
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2025**

	Notes	2025	2024
		\$	\$
Revenue and income from transactions			
Revenue from contracts with customers	2.1	2,270,071	2,099,184
Non-operating activities		138,803	135,654
Total revenue and income from transactions		<u>2,408,874</u>	<u>2,234,838</u>
Expenses from transactions			
Employee expenses	3.1	(1,333,719)	(1,249,745)
Finance costs		(555)	(2,070)
Depreciation		(83,926)	(78,598)
Other operating expenses	3	(898,104)	(761,167)
Total expenses from transactions		<u>(2,316,304)</u>	<u>(2,091,580)</u>
Net result for transactions – net operating balance		<u>92,570</u>	<u>143,258</u>
Other economic flows included in a net result			
Net gain/(loss) from revaluation of long service leave		(603)	(6,923)
Total other economic flows included in a net result		<u>(603)</u>	<u>(6,923)</u>
Net result for the year		<u>91,967</u>	<u>136,335</u>
Comprehensive result for the year		<u><u>91,967</u></u>	<u><u>136,335</u></u>

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Victorian Pharmacy Authority
Balance Sheet
As at 30 June 2025

	Notes	2025	2024
		\$	\$
Assets			
Financial assets			
Cash and cash equivalents	6.2	4,484,861	3,863,434
Receivables		32,631	26,912
Total financial assets		<u>4,517,492</u>	<u>3,890,346</u>
Non-financial assets			
Prepayments		8,910	57,954
Property, plant and equipment		14,241	19,374
Right of use asset	4.1	14,753	45,871
Total non-financial assets		<u>37,904</u>	<u>123,199</u>
Total assets		<u>4,555,396</u>	<u>4,013,545</u>
Liabilities			
Payables	5.1	219,480	174,417
Contract liabilities	5.2	2,088,870	1,714,010
Borrowings	6.1	14,486	55,694
Employee benefits	3.1	357,212	286,043
Total liabilities		<u>2,680,048</u>	<u>2,230,164</u>
Net assets		<u>1,875,348</u>	<u>1,783,381</u>
Equity			
Contributed capital		514,490	514,490
Accumulated surplus/(deficit)		1,360,858	1,268,891
Total equity		<u>1,875,348</u>	<u>1,783,381</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

**Victorian Pharmacy Authority
Statement of Changes in Equity
For the financial year ended 30 June 2025**

	Contributed capital \$	Accumulated surplus \$	Total Equity \$
Balance as at 1 July 2023	514,490	1,132,556	1,647,046
Net result for the year	-	136,335	136,335
Balance at 30 June 2024	514,490	1,268,891	1,783,381
Net result for the year	-	91,967	91,967
Balance at 30 June 2025	514,490	1,360,858	1,875,348

The above Statement of Changes of Equity should be read in conjunction with the accompanying notes.

Victorian Pharmacy Authority
Cash Flow Statement
For the financial year ended 30 June 2025

	Notes	2025	2024
		\$	\$
Cash Flows from operating activities			
Fees from registrants		2,778,016	2,318,460
Interest received		138,803	135,654
Total receipts		2,916,819	2,454,114
Payments to employees		(1,175,781)	(1,141,621)
Payments to suppliers and consumables		(1,018,010)	(1,030,632)
Finance Cost		(555)	(2,070)
GST paid to ATO		(12,161)	(13,445)
Total payments		(2,206,507)	(2,187,768)
Net cash flows from/(used in) operating activities		710,312	266,346
Cash Flows from investing activities			
Payment for property, plant and equipment		(4,368)	(20,358)
Net cash flows used in investing activities		(4,368)	(20,358)
Cash Flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(84,517)	(80,124)
Net cash flows used in financing activities		(84,517)	(80,124)
Net increase in cash and cash equivalents		621,427	165,864
Cash and cash equivalents at beginning of the year		3,863,434	3,697,570
Cash and cash equivalents at end of the year	6.2	4,484,861	3,863,434

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Note 1 About this report

The financial statements cover the Victorian Pharmacy Authority as an individual reporting entity.

The Victorian Pharmacy Authority is a statutory body established under the *Pharmacy Regulation Act 2010*.

These financial statements represent the audited general purpose financial statements of the Victorian Pharmacy Authority (the Authority) for the year ended 30 June 2025. The purpose of the report is to provide users with information about the Authority's stewardship of the resources entrusted to it.

Note 1.1 Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

The Victorian Pharmacy Authority is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The Authority's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the Authority is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These general purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Authority.

The financial statements have been prepared on a going concern basis.

The financial statements are presented in Australian dollars.

The annual financial statements were authorised for issue by the Authority of the Victorian Pharmacy Authority on 9 September 2025.

Note 1.2 *Material accounting estimates and judgements*

Management makes estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and the best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Note 1.3 *Reporting Entity*

The financial statements include all the controlled activities of the Authority.

Victorian Pharmacy Authority's principal address is:

Level 2, 15-31 Pelham Street
Carlton Victoria 3053.

A description of the nature of the Authority's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

The Authority is established under section 81 of the *Pharmacy Regulation Act 2010* (the 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. The Authority acts in the public interest to achieve a safe pharmacy system through its licensing, registration and monitoring activities.

For the purpose of section 102 of the Act, these financial statements correspond to the financial statements of the Victorian Pharmacy Authority Fund.

Note 2 Funding delivery of our services

The Authority regulates the ownership and operation of pharmacy business, pharmacy departments and pharmacy depots. The functions include to licence a person to carry on a pharmacy business and to register the premises of a pharmacy, pharmacy department or pharmacy depots and issue standards in relation to their operation. The Authority is predominantly funded by fees for the provision of outputs.

Note 2.1 Revenue and income from transactions

	2025	2024
Note	\$	\$
Revenue from contracts with customers	2,270,071	2,099,184
Total revenue and income from transactions	2,270,071	2,099,184

Note 2.1(a) Revenue from contracts with customers

Premises registration and business licence fees	1,951,516	1,841,074
Application for licence to carry on pharmacy business	112,955	155,895
Application for registration of pharmacy pharmacies	205,600	102,215
Total revenue from contracts with customers	2,270,071	2,099,184

How we recognise revenue from contracts with customers

Annual premises registration and business licence fees

Premises registration and business licence fees runs from 1 July to 30 June, with registration and licence fees payable annually in advance. Only those registration and licence fee payments that are attributable to the current financial year are recognised as revenue. Registration and licence payments that relate to future periods are shown in the Statement of Financial Position as fees received in advance under the heading of liabilities – contract liabilities.

Application fees for a licence to carry on a pharmacy business and a registration of pharmacy premises

Application fee for registration and licence that are attributable to the current financial year are recognised as revenue at the time the fee is received.

Note 3 The cost of delivering our services

This section provides an account of the expenses incurred by the Authority in delivering services and outputs. Note 2 disclosed the funds that enable the provision of services. This Note 3 disclosed the cost associated with the provision of services.

Note 3.1 Expenses incurred in the delivery of services

		2025	2024
	Note	\$	\$
Employee expenses	3.1 (a)	1,333,719	1,249,745
Other operating expenses	3.1 (c)	898,104	761,166
Total expenses incurred in delivery of services		2,231,823	2,010,911

Note 3.1 (a) Employee expenses

Salaries and wages	1,160,391	1,032,165
Defined contribution superannuation expenses	132,174	125,507
Agency staff	30,400	82,606
Workcover payment	10,754	9,468
Total employee expenses	1,333,719	1,249,745

How we recognise employee expenses

Employee expenses include salaries and wages, leave entitlements, termination payments, WorkCover payments and agency expenses.

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Authority does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Authority accounts for contribution to these plans as if they were defined contribution plans.

Note 3.1 (b) Employee-related provisions

Current provision for employee benefits

Annual leave	121,314	76,554
Long service leave	166,219	134,315
Provision for on-costs	23,297	31,565
Total current provision for employee benefits	310,830	242,434

Non-current provisions for employee benefits

Long service leave	40,681	38,898
Provision for on-cost	5,701	4,711
Total non-current provision for employee benefits	46,382	43,609

Total provision for employee benefits	357,212	286,043
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Victorian Pharmacy Authority
Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

How we recognise employee-related provisions

Employee related provisions are accrued for employees in respect of annual leave and long service leave, for services rendered to the reporting date.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as sick leave is taken.

Annual Leave

Liabilities for annual leave are recognised in the provision for employee benefits as 'current liabilities' because the Authority does not have the unconditional right to defer the settlement of the entitlements.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- nominal value – component that the Authority expects to wholly settle within 12 months; and
- present value – component that the Authority does not expect to wholly settle within 12 months.

Long service leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL (representing 7 or more years of continuous service) is disclosed as a current liability even where the Authority does not expect to settle the liability within 12 months because the Authority does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- nominal value – component that the Authority expects to wholly settle within 12 months; and
- present value – component that the Authority does not expect to wholly settle within 12 months.

Conditional LSL (representing less than 7 years of continuous service) is disclosed as a non-current liability because there is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Provisions

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Victorian Pharmacy Authority
Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

Note 3.1 (c) Other operating expenses

	2025	2024
	\$	\$
Audit fee	21,900	21,100
Authority member fees and expenses	45,302	43,319
Bank fees	16,062	13,456
Car expenses – Inspectorial	54,487	48,147
Consultancy – Projects	72,915	89,400
Consultancy – Financial audits	30,948	30,000
Consultancy – other	32,803	21,536
Consultancy – IT related	86,487	-
Expenses related to leases of low value assets	1,836	2,293
Insurance	57,954	47,548
Legal expenses	216,351	185,646
Maintenance contracts (IT)	85,891	79,489
Occupancy expenses	30,827	36,887
Staff /member training and development	32,719	17,965
Subscription	11,627	7,550
Telephone	17,765	18,385
Travel and accommodation	25,925	18,856
Web site maintenance	3,843	10,137
Other administrative expenses	52,462	69,453
Total other operating expenses	898,104	761,167

How we recognise other operating expenses

Expenses recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Supplies and consumables

Supplies and consumable costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

The following lease payments are recognised on a straight-line basis:

- short term leases – leases with a term of twelve months or less, and
- low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations.

Note 4 Key assets to support service delivery

Property, plant and equipment are tangible items that are used by Victorian Pharmacy Authority in the supply of goods or services or for administration purposes and are expected to be used during more than one financial year.

Note 4.1(a) Right-of-use assets

The following tables are right-of-use assets included in the property, plant and equipment balance, presented by subsets of office building.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Building at fair value	445,470	402,162	(430,717)	(356,291)	14,753	45,871
Total right of use assets	445,470	402,162	(430,717)	(356,291)	14,753	45,871

	Building \$
Balance at 1 July 2024	45,871
Additions - Lease extended	43,308
Depreciation	(74,426)
Balance at 30 June 2025	14,753

How we recognise right-of-use assets

Initial recognition

When the Authority enters a contract, which provides the Authority the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Further information regarding fair value measurement is disclosed in note 7.3.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Note: 4.1(b) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of the Authority, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*.

Note 4.2 Depreciation

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset’s value, less any estimated residual value over its estimated useful life.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority anticipates exercising a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

Useful lives of non-current assets

The following table indicates the expected useful lives of non-current assets on which depreciation charges are based.

	2025	2024
Office equipment	1-3 years	1-3 years
Furniture and fittings	5-10 years	5-10 years

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Authority's operations.

Note 5.1 Payables

Current payables

	Note	2025 \$	2024 \$
Contractual			
Trade creditors		36,720	43,723
Accrued expenses		154,472	105,075
Total contractual payables		191,192	148,798
Statutory			
GST payable		28,288	25,619
Total statutory payable		28,288	25,619
Total payables		219,480	174,417
<i>(i) Financial liabilities classified as payables</i>			
Total payables		219,480	174,417
GST payable		(28,288)	(25,619)
Total financial liabilities classified as payables	7.1	191,192	148,798

How we recognise payables

Payables consist of:

Contractual payables, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid.

Statutory payables, including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually net 30 days.

Note 5.2 Contract liabilities

Current Contract Liabilities

	2025	2024
	\$	\$
Pharmacy premises registration fees	607,030	506,155
Pharmacy business licence fees	1,481,840	1,207,855
Total contract liabilities	2,088,870	1,714,010

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of pharmacy premises registration and pharmacy business licence fees relating to periods beyond the current financial year are recognised as a liability and have been disclosed as contract liabilities. Revenue is recognised following the provision of the service.

Note 6 How we Finance our operations

This section provides information on the sources of finance utilised by the Authority during its operations, along with interest expenses (the cost of borrowings) and other information related to financing the activities of the Authority.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Note 6.1 Borrowings - Lease liabilities

The Authority's lease liabilities are summarised below:

Current lease liabilities

	2025	2024
	\$	\$
Lease liability	14,486	55,694
Total current liabilities	14,486	55,694
Total lease liabilities	14,486	55,694

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting period.

Not later than one year	14,500	56,060
Minimum future lease liability	14,500	56,060
Less unexpired finance expenses	(14)	(366)
Present value of lease liability	14,486	55,694

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for the Authority to use an asset for a period of time in exchange for payment.

To apply this definition, the Authority ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority and for which the supplier does not have substantive substitution rights,
- the Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Authority has the right to direct the use of the identified asset throughout the period of use, and
- the Authority has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

The Authority's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased building	3 - 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short-term leases of less than 12 months. The Authority has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within "other operating expenses" (refer to Note 3.1 (c)).

The following low value, short term and variable lease payments are recognised in profit or loss:

	2025	2024
	\$	\$
Expenses related to low-value lease	1,836	2,293
Total amount recognised as expense	1,836	2,293

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Authority's incremental borrowing rate. Our lease liability has been discounted by rates between 1% to 2%.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Note 6.2 Cash and cash equivalents

		2025	2024
	Note	\$	\$
Cash at Bank		4,484,611	3,863,184
Petty cash		250	250
Total cash and cash equivalents	7.1	4,484,861	3,863,434

Note 6.3 Commitments for Expenditure

	Less than 1 year \$	1-5 years \$	Total \$
30 June 2025			
Operating expenditure commitments	2,020	3,197	5,217
Total commitments (inclusive of GST)			5,217
Less GST recoverable			(474)
Total commitments (exclusive of GST)			4,743

	Less than 1 year \$	1-5 years \$	Total (\$) \$
30 June 2024			
Operating expenditure commitments	2,020	5,217	7,237
Total commitments (inclusive of GST)			7,237
Less GST recoverable			(658)
Total commitments (exclusive of GST)			6,579

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

Commitments for future expenditure include operating commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Short term and low value leases

The Authority discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Note 7 Financial instruments, contingencies and valuation judgements

The Authority is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Authority is related mainly to fair value determination.

Note 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

		Carrying amount	Total interest income/ (expenses)
		\$	\$
30 June 2025	Note		
Financial assets at amortised cost			
Cash and cash equivalents	6.2	4,484,861	138,802
Total financial assets		4,484,861	138,802
Financial liabilities at amortised cost			
Payables	5.1	191,192	-
Borrowings – lease liability	6.1	14,486	555
Total financial liabilities ⁽ⁱ⁾		205,678	555
		Carrying amount	Total interest income/ (expenses)
		\$	\$
30 June 2024	Note		
Financial assets at amortised cost			
Cash and cash equivalents	6.2	3,863,434	135,655
Total financial assets		3,863,434	135,655
Financial liabilities at amortised cost			
Payables	5.1	148,798	-
Borrowings – lease liability	6.1	55,694	2,070
Total financial liabilities ⁽ⁱ⁾		204,492	2,070

(i) The carrying amount excludes statutory payables (ie GST payable).

How we categorise financial instruments

Financial assets at amortised cost

Financial assets are measured at an amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Authority solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

The Authority recognises the following assets in this category:

- Cash and cash equivalents.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The Authority recognises the following liabilities in this category:

- Payables (excluding statutory payables), and
- Borrowings.

Note 7.2 Contingent assets and contingent liabilities

At balance date, the Authority is not aware of any contingent assets or liabilities.

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority, or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Note 7.3 Fair value determination

How we measure fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets.

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Authority determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

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Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset class	Valuation technique	Significant assumption	Range (weighted average)
Plant, equipment, furniture and fittings	Current replacement cost approach	Useful life	3 – 10 years (5 years)

Note 8 Other disclosures

Note 8.1 Responsible persons disclosures

In accordance with the Directions from the Assistant Treasurer under the *Financial Management Act 1994* (FMA) the following disclosures are made for the responsible persons for the reporting period.

Responsible Ministers

The Honourable Mary-Anne Thomas MP:
 Minister for Health
 Minister for Ambulance Services
 Minister for Health Infrastructure

Period

27/06/22 – 30/06/2025
 2/10/2023 – 30/6/2025
 5/12/2024 – 19/12/2024

Authority Members

Authority Members

Mr David McConville (Chair)	01/07/24 – 30/06/25
Mr Brendon Moar	01/07/24 – 30/06/25
Ms Elizabeth Kennedy	01/07/24 – 30/06/25
Ms Regina Cowie	01/07/24 – 30/06/25
Mr Divesh Sanghvi	01/07/24 – 30/06/25
Ms Jane Hill	01/07/24 – 30/06/25

Accountable Officer

Registrar (CEO)

Mr Aaron Bawden	01/07/24 – 30/06/25
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Remuneration of Responsible Persons

The number of Responsible Persons and executives are shown in their relevant income bands:

Income Band	2025	2024
	No.	No.
\$1 - \$10,000	5	5
\$10,001 - \$20,000	1	1
\$280,001 - \$290,000	-	1
\$300,001 - \$310,000	1	-
Total number of executives and responsible persons	7	7

Total remuneration received or due and receivable by Responsible Persons and executives from the reporting entity amounted to:

\$351,052	\$333,573
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Payments made to Authority Members are for sitting fees and the reimbursement of expenses. Amounts related to Responsible Ministers are reported within the State Annual Financial Report.

Note 8.2 Remuneration of executives

The number of executive officers, other than the Responsible Minister, is one and their total remuneration during the reporting period was between \$300,001 to \$310,000 (2024 was between \$280,001 to \$290,000).

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the Authority under AASB 124 *Related Party Disclosures* and are also reported in Note 8.3 Related Parties.

Note 8.3 Related parties

Related parties of the Victorian Pharmacy Authority includes:

- all key management personnel (KMP) and their close family members and personal business interests;
- cabinet ministers (where applicable) and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Key management personnel

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Authority and its controlled entities, directly or indirectly.

The Board members and the Executive of the Authority are deemed to be KMPs. This includes the following:

Key Management Personnel	Position title
Mr David McConville	Chair of the Authority
Mr Brendon Moar	Authority member
Ms Elizabeth Kennedy	Authority member
Ms Regina Cowie	Authority member
Mr Divesh Sanghvi	Authority member
Ms Jane Hill	Authority member
Mr Aaron Bawden	Registrar (CEO)

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Remuneration of key management personnel

The compensation detail below excludes the salaries and benefits the Portfolio Minister receives and Minister's remuneration is reported within the State's Annual Financial Report.

	2025	2024
	\$	\$
Total compensation – KMPs ¹	351,052	333,573

¹KMP are also reported in note 8.1 Responsible persons disclosures.

Transactions and balances with key management personnel and other related parties

Given the nature of the Authority's statutory obligation, there was no involvement in third party related transactions. There were no related party transactions that involved key management personnel, their family members and their personal business interests. No provision has been required, nor any expenses recognised, for impairment of receivables from related parties.

There were no related party transactions required to be disclosed for the Authority Board of Directors, Chief Executive Officer and Executive Directors in 2025 (2024: none).

Note 8.4 Remuneration of auditors

	2025	2024
	\$	\$
Victorian Auditor-General's Office		
Audit for the financial statement	21,900	21,100
Total remuneration of auditors	21,900	21,100

Note 8.5 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.