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# THE PHARMACY COUNCIL



The Pharmacy Council is the responsible authority appointed by the Minister of Health to regulate the profession of pharmacy under the Health Practitioners Competence Assurance Act 2003 (HPCAA).

## VISION

The Pharmacy Council is instrumental in pharmacy practitioners being recognised as the trusted experts in medicines.

## MISSION

To set the standard for the safe, modern practice of pharmacy in New Zealand while building community confidence.

## DUTIES AND FUNCTIONS OF THE PHARMACY COUNCIL

The Pharmacy Council has a duty to strive to ensure the highest standards of excellence in the practice of pharmacy are met; to acknowledge the principles of the Treaty of Waitangi, and to ensure that proper standards of integrity, conduct, and concern for the public good are maintained.

The functions of the Pharmacy Council under section 118 of the HPCAA are:

- a) to prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor educational institutions and degrees, courses of studies, or programmes;
- b) to authorise the registration of health practitioners under the Act and to maintain registers;
- c) to consider applications for annual practising certificates;
- d) to review and promote the competence of health practitioners;
- e) to recognise, accredit and set programmes to ensure the ongoing competence of health practitioners
- f) to receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners;
- g) to notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public.
- h) to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession;
- i) to set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession;
- j) to liaise with other authorities appointed under the Act about matters of common interest
- k) to promote education and training in the profession;
- l) to promote public awareness of the responsibilities of the authority
- m) to exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under this Act or any other enactment.





## PHARMACY COUNCIL MEMBERS

AT 30 JUNE 2006



There have been some changes to the Pharmacy Council membership since 30 June 2005. Eleanor Hawthorn retired from Council in February 2006. Eleanor was appointed to the Council on 18 December 2003. Carolyn Oakley-Brown was appointed as the new Chair in February 2006. Robert Fleming resigned in September 2005. Dr Andrew Bary and Jo Mickleson were appointed as members in March 2006.

### Standing from left:

**Andi Shirtcliffe** B.Pharm, PG Cert Pharm, MNZCP, MPS (Deputy Chair) is a former pharmacy proprietor who currently works in the Wellington area as a consulting pharmacist. Andi is a previous Pharmaceutical Society of New Zealand Councillor.

**Dr Andrew Bary** PhD, BPharm (Hons), MPS is a pharmacist based in Queenstown. He has wide experience in community pharmacy, as a pharmacy proprietor and in pharmacy education.

**Jo Mickleson** BPharm, Diploma in Management is a pharmacist from Nelson with wide experience in both community and hospital pharmacy. She is currently a member of the Hospital Advisory Committee to the Nelson-Marlborough District Health Board and has held roles as a clinical pharmacist as well as positions in the areas of policy and management.

**Darryn Russell** is Māori Affairs Advisor in the Office of the Vice Chancellor at the University of Otago. He is also a director of Te Runanga o Otakou Incorporated (a local Ngai Tahu Marae Council), Ngai Tahu Seafood Ltd and Araiteuru Whare Haurua (a Māori health provider in Dunedin City).

**Professor John Shaw** BSc, Dip ClinPharm, PhD, FNZCP, FRPharmS, FPS is Head of the School of Pharmacy at the University of Auckland. John is actively involved in current pharmacy practice and brings an academic perspective to the Pharmacy Council.

### Seated from left:

**Dr Judith Johnston** BA (Hons), MA, PhD is a management consultant with many years of experience in the public and private sectors, including a term as Deputy Director General of Health.

**Carolyn Oakley-Brown** BPharm (Chair) is a Christchurch pharmacist and has been a member of the Council since its inception. She has wide experience as both a community pharmacist and pharmacy proprietor and is actively involved in medicines management programmes.

**Brian Irvine** Dip HA, DipClinPharm, FNZHPA, ANZIM, FPS of New Plymouth is involved in a Taranaki PHO through First Health. He is a Council member of the Commonwealth Pharmacists' Association and a past president of the Pharmaceutical Society of New Zealand.

### Inset:

**Robert Fleming** Dip Pharm, MClInPharm, ANZCP, MPS (Council Member for period July to September 2005) is a Christchurch pharmacist and a past member of the Council of the Pharmaceutical Society of New Zealand.

**Eleanor Hawthorn** ONZM, FPS (Chair July-February 2006) is an Auckland pharmacy proprietor and a past president of the Pharmaceutical Society of New Zealand.



The 2006 Annual Report is the first report covering a full year of operation for the Pharmacy Council.

There have been some changes in leadership during the year with Eleanor Hawthorn, the inaugural Chair of the Pharmacy Council, retiring early in 2006. The Council has been fortunate to have Eleanor's considerable professional expertise and wise guidance to lead us through the initial heavy workload involving setting standards of practice and establishing a competence and complaints structure.

I have been a member of Council since its inception, and my role as Chair began in February 2006. Like Eleanor, I have wide experience as a practising community pharmacist and pharmacy proprietor, and I have had a leading role in development of medicines management services in Christchurch.

There have been other changes in the composition of the Council during the year. Robert Fleming resigned from Council to travel to Ireland. Two South Island pharmacy proprietors, Andrew Bary and Jo Mickelson, were appointed to replace the retiring councillors.

Reflecting on this year, the Council has continued to develop and apply policies and procedures to fulfill its obligations in terms of the HPCAA.

In particular, the Council has been able to undertake and begin implementation of a number of longer term strategic objectives as follows:

- By March 2006 Council required all practising pharmacists to participate in a recertification programme in order to gain an annual practising certificate. The requirements of the recertification programme set by the Council are practical, sensible, achievable and reasonable in cost. The programme gives the public the assurance that pharmacists are competent to practice, and are keeping up to date;
- Implementation of the Māori Health Strategy is now well underway. The Pharmacy Reference group for the Implementation of the Strategy for Māori Health, PRISM and the Māori Pharmacists' Association, will play a vital role in advising the Council as it prepares to draw up cultural competence standards for the profession;
- Council has recognised the need to set competence standards for the range of medicines management services developing around New Zealand. The aim is to achieve clarity in describing the competencies and the medicines management services to which they apply. At this stage, consultation on competence standards for medicines management services has been carried out with pharmacists and health sector stakeholders, with the feedback being comprehensive, useful and generally positive;
- In preparation for the requirement to conduct competence reviews, full development of the competence review programme has been completed.

The Council staff has been working hard in the constantly changing health profession that we are part of in New Zealand. There are an increased number of migrants seeking employment and registration in New Zealand, there are increasing compliance costs in the health industry, and there are pharmacists seeking more flexibility in the way they work to enable them to achieve better work-life balances.

A number of relevant practical policies in these areas have been developed or revised, to ensure public safety. Examples are as follows:

- New revised English language requirements for registration of pharmacists;
- Draft guidelines for a healthy pharmacy workplace developed for consultation;
- A policy for pharmacy owners who need an annual practising certificate.

I am happy to report that the Pharmacy Council's financial performance in its first full year of operations was pleasing, with a positive result against budget. The Council is now in a stronger financial position to continue to meet its obligations under the HPCAA and any future commitments.

I would like to sincerely thank the Council members for their balanced approach, their diverse views and the energy they bring to the Council table. The Council focuses on the three main jobs of any good board which are to:

- Set strategic vision;
- Ensure prudent financial management and;
- Support the CEO/Registrar.

A big thank you to the CEO/Registrar and her staff for all their hard work, teamwork, good will and dedication to serving the best interests of the pharmacy profession and the public that they serve. It is the supportive partnership of a common sense of purpose which we have that strengthens our collective success.

I look forward to another successful year of operation of the Pharmacy Council in the 2006 – 2007 year.

Kei te tari atu au ki tētahi tau tino momoho i ngā mahi o te Runanga Taiwhaka Pūtaiao o Aotearoa mō te tau nei.



Carolyn Oakley-Brown B.Pharm, MNZCP, RegPharmNZ  
Chair

## CHIEF EXECUTIVE AND REGISTRAR'S REPORT



In the 2005-2006 year the Pharmacy Council broadened its efforts to achieve recognition by the public, the profession and health sector stakeholders as the regulatory and standard-setting organisation for pharmacy. Our aim is not only to regulate the profession, but to support and lead best practice. During the year we have further developed policies and procedures in terms of the HPCAA to ensure that pharmacists are competent and fit to practise. To be effective we recognise that consultation and communication on all aspects of the HPCAA is important.

We ensure that practitioners are regularly informed of new requirements and changes by way of newsletters sent out three times this year, a regularly updated website, conference participation, and frequent articles in the pharmacy sector media on relevant topics. In particular, the requirement for a practising pharmacist to be participating in an approved recertification programme in order to gain an annual practicing certificate was an important initiative this year. Pharmacists who did not indicate participation in recertification were contacted and encouraged to participate. This process of education was successful in achieving compliance.

The Council's user friendly website assists the public to understand the responsibilities of the Pharmacy Council. To promote public awareness the Council consulted with pharmacists, and then adopted the designation RegPharmNZ to show that pharmacists are registered with the Pharmacy Council of New Zealand.

Liaison and building effective relationships with health sector stakeholders assists the Pharmacy Council to keep abreast of change in the health and regulatory environment, as well as to lead change for the pharmacy sector where that is appropriate. To this end, I have attended joint registrar's meetings for all registering authorities, Health Regulatory Authority of New Zealand (HRANZ) meetings with the Chair, plus informal meetings particularly with staff of the Medical, Dental, Physiotherapy and Occupational Therapy authorities. I have developed and fostered open relationships with the Ministry Medsafe Compliance Team Leader, Medsafe Medicines Control team regarding auditing and licensing of pharmacies, Ministry Senior Analysts regarding both the Trans Tasman Joint Agency for therapeutics goods, and Ministry policy for prescribing. Ongoing dialogue with representatives of the pharmacy sector has included meetings with NZHPA executive, PSNZ (Inc), Radius Pharmacy group, Pharmacy Defence Association and the Pharmacy Guild. Relationships with pharmacy organisations in Australia has included dialogue with Council of Pharmacy Registering Authorities (COPRA) and associated committees, plus informal dialogue with individual pharmacy registrars. In conjunction with the Australians, we attempted to influence the policy changes in the UK regarding reciprocal recognition between the UK and Australia and New Zealand pharmacists.

In terms of numbers of registered pharmacists, it is encouraging that there has been a net increase of fourteen practising pharmacists registered with the Pharmacy Council of New Zealand in the twelve month period to 30 June 2006. This has occurred despite the fact that in the same period 274 Certificates of Identity were issued to pharmacists registering with registration boards outside New Zealand. The majority were seeking registration in the UK and Ireland under the reciprocal registration arrangements with the UK and Ireland. These arrangements were terminated in the UK on 30 June 2006. We anticipate that a number of these pharmacists will return to practise in New Zealand over the next few years.

I wish to thank the staff of the Pharmacy Council for their dedicated, loyal and cheerful approach to all their work throughout the year. The staff ensures that issues are followed up, quality and consistent decisions are made, and processing of applications, registrations and practising certificates is done in a timely and efficient manner. It is their hard work that underpins the achievements of the Council and I thank them for that.



Bronwyn Clark MCLinPharm, MPS, RegPharmNZ  
Chief Executive and Registrar

## SIGNIFICANT ACTIVITIES



### COMPETENCE AND FITNESS TO PRACTISE

#### Recertification Requirements

By March 2006, Council had procedures in place to ensure that all practising pharmacists were competent and fit to practise. As outlined in the Chair's report, all practising pharmacists were required to be participating in the Council approved recertification programme in order to receive an annual practising certificate. Those pharmacists who were identified as not participating in recertification were contacted, and their assurance gained that they would participate in the programme.

Council reviewed the recertification requirement for all practising pharmacists who provide primary healthcare to hold a current first aid certificate. They considered whether pharmacies that operate within a medical centre, as well as those pharmacists who are practising in a rural setting who have difficulty attending first aid training courses, would be exempt from the requirement. Council resolved to keep the first aid certificate requirement for all pharmacists.

#### Competence Review Programme

During the 2005-2006 year Council identified three pharmacists who required a review of their competence to practise. All three reviews resulted in competence programmes being undertaken by the pharmacists, with follow-up re-assessments undertaken on the completion of the competence programme.

At the July 2005 Council meeting, fifteen pharmacists were appointed as competence reviewers. A training day was held on 31 October 2005 at the Pharmacy Council. The following assessment tools have been developed for use during the competence review:

##### Professional Conversation

Professional conversation is a form of assessment that allows pharmacists to demonstrate their understanding and give examples of their knowledge, skills and attitudes. It is an exchange between two peers, led by the pharmacist and supported by other evidence that has been collected by the pharmacist.

##### Communication Skills Tools

This tool assesses the pharmacist's communication skills and attitudes to patients through the use of:

- *Patient satisfaction questionnaire* – a standardised questionnaire that is completed by patients, using a rating form;
- *Observation of consultations* – where a reviewer observes the pharmacist's interaction with the patients during a consultation, using a rating form.

##### Dispensing Quality Assurance Tool

- *Dispensing and Checking Accuracy Log* – this quality assurance tool assesses the accuracy of dispensing and checking practices of pharmacists.
- *Dispensing Procedure Checklist* – this quality assurance tool assesses the consistency with which the pharmacist is following and understanding the correct procedures for dispensing.

### Professional Peer Reference

A standardised tool in the form of a questionnaire that is sent to professional peers of the pharmacist. These peers include pharmacists, pharmacy technicians and prescribers the pharmacist is currently working with.

Common requirements of a competence programme include:

- The pharmacist working in association with a Council approved supervisor for a specified period;
- Specific attention to those activities and elements of the Pharmacy Council Competence Standards identified as being below the required standard of competence during the course of the review; and
- Specific courses of learning being required to be undertaken to address identified gaps. The courses required are available through the New Zealand College of Pharmacists.

### Competence Standards for Medicines Management

As outlined in the Chair's report, Council has undertaken to set standards for medicines management services. Following consultation, Council agreed on the fundamentals of a Medicines Management Framework, and they ratified the service description and the boundary determinants for the Medicines Use Review. Work will continue on the development and definition of the framework, boundary determinants and standards within each level.

### Policy Set on Pharmacy Owners who need an Annual Practising Certificate

The Council has been asked by some pharmacists and Medsafe to set guidance on which pharmacy owners are required to hold an Annual Practising Certificate. As the scope of practice of a pharmacist includes pharmacists who are managing pharmacies, whether or not they have direct patient contact, all such owners (license holders) are required to hold APCs. Clarity has been sought as to whether those who do not have any influence on the management of the pharmacy, but are merely license holders, need to still hold an APC.

The Council policy, set in September 2005, is the following:

- All pharmacists who are deemed "responsible persons" for the purpose of obtaining a license to operate a pharmacy must hold an Annual Practising Certificate;
- All pharmacists who hold a license to operate a pharmacy must hold an Annual Practising Certificate, unless they can demonstrate that they do not manage the pharmacy, and that no activity that they undertake as a license-holder directly or indirectly influences clinical practice and/or public safety.

### Fitness to Practise

The Health Committee of Council has responsibility for dealing with pharmacists where questions of their fitness to practise arise. The Health Committee has delegated authority by the Pharmacy Council to make orders in respect of a pharmacist who is suspected and/or is found to be unable to perform his or her functions due to a mental or physical condition, as per sections 38-51 and notified under section 45 of the HPCAA. Five new referrals of pharmacists were received during the year, with one of the referrals being in relation to an applicant seeking registration as a pharmacist in New Zealand. Three pharmacists continued to be monitored by the Health Committee. One pharmacist was suspended from practising pharmacy under section 50 (3) (a) of the HPCAA, with the Committee continuing to work with the pharmacist towards his rehabilitation.

## ACCREDITATION OF QUALIFICATIONS

The HPCAA requires the Council to monitor every New Zealand educational institution that provides a prescribed qualification, with the added endorsement that the Council may also monitor overseas institutions. The Council is an associate member of the Council of Pharmacy Registering Authorities of Australia and New Zealand (COPRA), which has an accreditation function with the New Zealand and Australian Pharmacy Schools Accreditation Committee (NAPSAC). This committee has the responsibility of accrediting and monitoring New Zealand and Australian pharmacy degree programmes, and they use this mechanism for assuring the quality of the degree programmes. Council has a member on this committee. In 2005 the Bachelor of Pharmacy degree from the University of Auckland was granted provisional accreditation by NAPSAC. As part of the process, full accreditation from the committee cannot be conferred until the first graduates have been working as registered pharmacists for a year, at which time feedback will be gathered from employers and graduates. The University of Otago B.Pharm course received full accreditation in 2004.



## REGISTRATIONS & PRACTISING CERTIFICATES

### Registration Statistics

A total of 2801 pharmacists were registered as practising at 30 June 2006. Following movements on and off both the practising and non practising registers throughout the APC year there was a net increase of 14 practising pharmacists since 30 June 2005.

<i>As at 30 June</i>	2006	2005	Increase/ decrease
Total registered in the pharmacist scope of practice	3823	3770	+53
Practising pharmacists	2801	2787	+14
Non practising pharmacists	1022	983	+39
Total registered in the intern scope of practice	189	168	+21
Total additions to the register	318	208	+110
NZ Graduates registered in pharmacist scope of practice	156	139	+17
Australian pharmacists registered in NZ under Trans Tasman Mutual Recognition Agreement	13	9	+4
UK/Ireland pharmacists registered in NZ through Reciprocal Agreement	53	44	+9
Registrations from other overseas pharmacists	11	15	-4
Certificates of Identity Issued	274	106	+168
Removals from the register (removal requested and/or non payment of annual fee)	226	206	+20

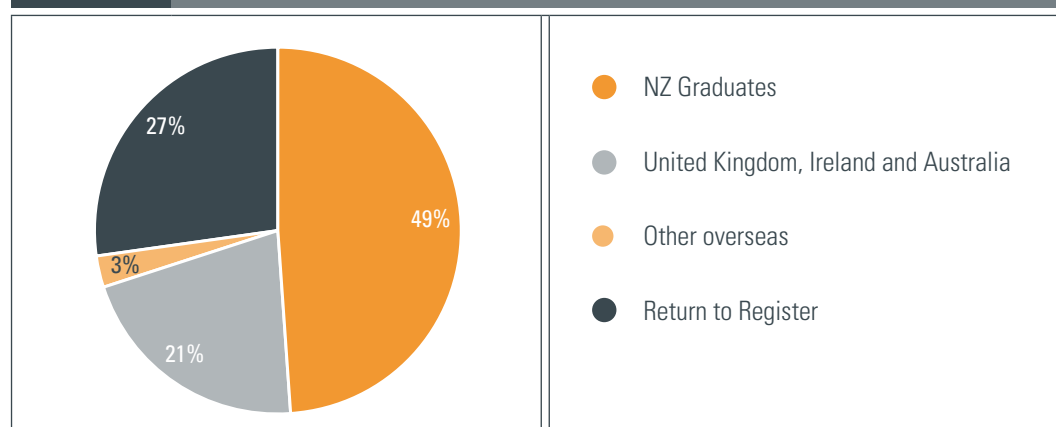
### Additions to the practising section of the register

A total of 318 additions were made to the register in the period 1 July 2005-30 June 2006. 36 of those pharmacists added to the register during this period subsequently either moved to the non practising section of the register or requested removal during the same period.

<i>Additions to the Register in the Pharmacist Scope of Practice</i>	1 July 2005-30 June 2006
NZ Graduates	156
UK, Ireland & Australia qualified/registered pharmacists	66
Other overseas qualified/registered pharmacists	11
Return to Practice	85
<b>TOTAL</b>	<b>318</b>

*Figure 01*

Additions to the Register 1 July 2005-30 June 2006



### Registrations in the Intern pharmacist scope of practice

156 NZ Graduates transferred from the intern scope of practice to the pharmacist scope of practice during the period 1 July 2005-30 June 2006.

<i>NZ Graduates Registered as Pharmacists</i>		1 July 2005-30 June 2006
University	Number of pharmacists	
Auckland	63	
Otago	93	
<b>TOTAL</b>	<b>156</b>	

### Non practising pharmacists

1022 pharmacists had registered as not practising at 30 June 2006.

### Certificates of Identity issued

In the 12 months prior to 30 June 2006, 274 Certificates of Identity were issued to pharmacists registering with Registration Boards outside of New Zealand. The majority were seeking registration in the UK and Ireland.

<i>Certificates of Identity Issued</i>		1 July 2005-30 June 2006
Australia	44	
UK	160	
Ireland	66	
Northern Ireland	1	
Hong Kong	1	
USA	2	
<b>TOTAL</b>	<b>274</b>	

### Certificates of Identity Issued – Comparison with year 1 July 2004-30 June 2005

There has been an 83% increase in the number of Certificates of Identity issued over this 12 month period. This significant increase can be attributed to the changes in regulations for New Zealand applicants wishing to register in the UK and Ireland. It does not necessarily indicate the net loss to the New Zealand workforce as many of these applicants hold registration in more than one country and/or may work in both countries for part of the APC year.

### Removals from the register

A net total of 226 pharmacists either transferred to the Non Practising Section of the register or requested removal.

## COMPLAINTS AND DISCIPLINE

### Complaints

The Complaints Screening Committee, with delegated authority from the Pharmacy Council, considers complaints and matters of concern brought to the Council's attention, as well as those complaints referred pursuant to section 34 (1) (a) of the Health and Disability Commissioner Act 1994 by the Commissioner. The Committee assesses these complaints and determines what, if any action should be taken, in light of the nature and circumstances of a complaint, and further determines the most appropriate route by which that the matter should be considered. The Committee discharges the Council's obligations pursuant to sections 65 and 68 of the Health Practitioners Competence Assurance Act 2003 (HPCAA) by referring complaints, concerns, and notices of convictions to a Professional Conduct Committee (PCC) for investigation. All complaints received by the Pharmacy Council where the practice or conduct of a pharmacist has allegedly affected a health consumer were sent to the Health and Disability Commissioner as required by section 64 (1) (a) of the HPCAA.

Six complaints were received by the Council from 1 July 2005 to 30 June 2006, and forwarded to the Commissioner. Fifteen complaints were received back from the Commissioner. Three matters were referred by the Commissioner for further action by the Pharmacy Council, including an anonymous complaint raising public safety concerns, and a request for a review of the pharmacy's Standard Operating Procedures (SOPs).

Five complaints were received that did not involve a health consumer. These included issues concerning HealthPac investigations of fraudulent claiming for prescription payments, and the dispensing of an Exceptional Circumstances (EC) medication.

Of the twenty complaints considered by the Complaints Screening Committee, two complaints were referred to a Professional Conduct Committee, with one of these matters being a notice of conviction, requiring referral to a PCC under section 68 of the HPCAA. All other complaints were dealt with in one or more of the following ways:

1. An educative letter to the pharmacist drawing their attention to some or all of the following, in order to minimise the occurrence of dispensing errors:
  - The need to be continually reviewing all procedures with a timely documentation of all such reviews;
  - The need to ensure that staff are kept up to date with any changes in procedures;
  - The importance of a "clinical check" as part of your dispensing procedure (this should be added to your SOP);
  - To review SOPs annually;
  - To provide locums with a copy of the pharmacy's Standard Operating Procedures (SOPs) for all dispensing and related procedures on commencement of their employment at the pharmacy;
  - The need to be continually reviewing your own checking and dispensing procedures;
  - The need to ensure that you are familiar with all procedures, including any changes, in the pharmacy in which you are employed as a locum;
  - To take extra care and to be vigilant when dispensing medicines to children;
  - The part that counselling of patients plays in reducing the incidence of errors.
2. The inclusion in the Council's Newsletter of educative information for the profession as a whole; and
3. A review of the pharmacy's relevant Standard Operating Procedures with recommendations for improvements.

### Professional Conduct Committees

Two Professional Conduct Committees were held in the period 1 July 2005 to 30 June 2006. Professional Conduct Committees consider and investigate professional conduct issues and notices of conviction. Of the two matters investigated by Professional Conduct Committees, one resulted from a notice of conviction with the Committee determining that a charge be laid before the Health Practitioners Disciplinary Tribunal as per section 80 (3) (b) of the HPCAA, and the other matter concerned a breach of professional ethics with the Committee determining that no further steps be taken under the HPCAA as per section 80 (3) (a).

### Health Practitioners Disciplinary Tribunal

The Health Practitioners Disciplinary Tribunal is a separate body set up under the Health Practitioners Competence Assurance Act 2003 to hear and determine disciplinary proceedings brought against all health practitioners.

A charge laid against a pharmacist in 2005 was heard by the Tribunal on 28 April 2006. During the year another charge was laid by a Pharmacy Council Professional Conduct Committee, with the hearing set down for later in 2006.

## PROFESSIONAL STANDARDS

### Safe Practice

The Professional Standards Advisor had the opportunity to advise many individual pharmacists and members of the public on issues relating to safe practice and highlighted some of these in the Council Newsletters. Topics covered were: lessons from dispensing errors, patient rights and referral to advocacy services, how to improve safety systems, ethical considerations and standards of behaviour and communication. Standard Operating Procedures for pharmacies that had been investigated by the Health and Disability Commissioner were also reviewed and recommendations for improvement made where necessary.

### Pseudoephedrine protocol

Pharmacies in New Zealand generally manage sales of cold and flu remedies very well to prevent inappropriate sales; however it is increasingly difficult for pharmacists to determine whether customers are genuine and a standard sales procedure is believed essential to discourage "pill shoppers". The Council worked with the National Drug Intelligence Bureau, the Pharmaceutical Society and the Guild to develop draft guidelines for the sale of pseudoephedrine based medicines (used to manufacture methamphetamine or 'P'). The Council arranged for a representative from the Queensland Pharmacy Guild to demonstrate Project STOP, an electronic monitoring system that allows pharmacists in different retail locations to track individual purchasers in real time to ensure that sales are appropriate. The Council hopes to pass the protocol in 2007 after seeking comment from the profession and interested parties; this will be a mandatory procedure that all pharmacies will follow under Obligation 1.12 of the Council's Code of Ethics. It is hoped that the Memorandum of Understanding between the Police and the Pharmaceutical Society that was mooted in 2001 will be resurrected and signed in the near future to form the basis of pharmacy's agreement to assist the Police to prevent the illegal conversion of pseudoephedrine to "P". It is also hoped that the government will look at funding Project STOP for New Zealand pharmacies and the Council has been conducting talks with the Associate Minister of Health and senior health ministry officials.

### Party Pills

The Council endorsed the recommendations of the Health Select Committee and the resultant new law passed with respect to the proposed new legislation covering the sale and promotion of "Party Pills" (benzylpiperazine) and this was communicated to the profession in the December 2005 Council Newsletter. Pharmacists were also reminded of their responsibilities in relation to the promotion of potentially harmful substances and the ethics of selling Slimfast® and other products containing benzylpiperazine.

### Revised English Policy

Following the Council survey of preceptors and other stakeholders in April 2005, the English Policy for registration was reviewed. Some changes to the policy were made to align with other regulatory bodies and others were made in response to the overall tenor of the replies that the standard of English should not be compromised. For NZ B. Pharm graduates, the policy now centres on whether the graduate learned English as a first language, and no English test is required if this is the case, regardless of the country of origin. Graduates who have not learned English as a first language have a choice of sitting an IELTS test or providing the testimonies of two referees from the pharmacy arena who can testify to their English proficiency. All graduates sign a statement agreeing that during the preregistration year if a preceptor, other health professional or member of the public finds they are not communicating effectively in English that they will accept the decision of the Council as to their eligibility to practise in New Zealand. Overseas pharmacists from non-reciprocal countries must provide either an IELTS certificate or pass the OET, and may be awarded an exemption based on evidence of completion of a pharmacy undergraduate degree in English, continuous work in pharmacy for two out of the previous five years where English is the prime language spoken and the testimony of two referees who speak English as a first language. The English policy will be reviewed again in 2007.



## **Māori Health Strategy**

The implementation phase is now well under way. A highly successful meeting with representatives from the main pharmacy organisations was held in mid 2006, ably led by Darryn Russell, lay member of the Pharmacy Council. The group devised the mnemonic, “PRISM” – Pharmacy Reference group for the Implementation of the Strategy for Māori health. PRISM members have agreed to the terms of reference and minor changes to the strategy document. In addition, each participant has described the activities and plans that contribute to the strategy in the short term. Participants also agree that an important benefit of PRISM membership is coordination of activities and plans in various parts of the sector. The Māori Pharmacists’ Association, in conjunction with PRISM will play a vital role in advising the Council as it prepares to draw up cultural competence standards for the profession.

## **Healthy Pharmacy Workplace**

In mid 2006 the Pharmacy Council developed draft New Zealand Guidelines for a Healthy Pharmacy Workplace after members of the profession sought guidance on pharmacists’ workloads. The Council was cognisant that staffing levels and pharmacist workloads were underlying factors in previous complaints made to the Health and Disability Commissioner and also pharmacist notifications to the Council’s Health Committee. The Council took the opportunity to look at a range of factors that influence the psychosocial “health” of pharmacy workplaces, and this was timely because the Health Workforce Advisory Committee (HWAC) had in April 2006 published its National Guidelines for the Promotion of Healthy Working Environments document. The Council’s aim in developing the NZ Guidelines for a Healthy Pharmacy Workplace is to facilitate positive pharmacy environments for pharmacists in which they are valued and which support them to work in an effective manner. The guidelines are for all pharmacists, employers and funders. After feedback from the sector has been incorporated, the guidelines will be issued in 2007.

## **Registered Pharmacist Designation**

After reviewing feedback from the profession the Council agreed in September 2005 to adopt the designation **RegPharmNZ** to be used voluntarily by pharmacists to signify registration.

## **Submissions**

The Council made submissions on the following consultations: The Health Regulatory Authorities of New Zealand (HRANZ) Joint Guidelines for Registered Health Care Workers on Transmissible Major Viral Infections (TMVI), a review of Medsafe’s Audit Tool, criteria for determining whether a profession should be regulated as a stand alone or blended authority, The Baby Friendly Community Initiative, the HPCA Restricted Activities Order, Internet prescribing (Ministry of Health), the pharmacy references required by Medsafe for their audit, Raranga Tupuake – Māori Health Workforce Development Plan, the regulation of anaesthetic technicians, Direct to Consumer Advertising, the May meeting of the Medicines Classification Committee, ANZTPA, and the National Drug Policy.

# CORPORATE GOVERNANCE



The Pharmacy Council is accountable to the Minister of Health and the public, and its role is to ensure the requirements of the Health Practitioners Competence Assurance Act 2003 (HPCAA) are met. In line with these requirements, and to ensure its goals are met, Council members set the organisation's strategic direction and monitor the performance of management.

## APPOINTMENTS TO COUNCIL

Pursuant to section 120 of the HPCAA, the Minister of Health, on 18 December 2003, appointed the following people to the Pharmacy Council:

**Judith Johnston** (as layperson initially for a term of office of two years, reappointed for a term of office of three years)

**Darryn Russell** (as layperson for a term of office of three years)

**Eleanor Hawthorn** (as a health practitioner for a term of office of two years)

**John Shaw and Andrea Shirtcliffe**, (as health practitioners initially for a term of office of two years reappointed for a term of office of three years)

**Robert Fleming** (as a health practitioners for a term of office of three years. Robert resigned from Council to travel to Ireland in September 2005)

**Carolyn Oakley-Brown and Brian Irvine** (as health practitioners for a term of office of three years).

On 3 March 2006 the Minister of Health appointed the following people to the Pharmacy Council to replace Eleanor Hawthorn and Robert Fleming:

**Andrew Bary and Jo Mickelson** (as health practitioners for a term of office of three years).

## COUNCIL MEETINGS

Dates for Council meetings are set in advance and are confirmed at the end of a calendar year for the following 12 months. In the period 1 July 2005 to 30 June 2006 the Council met five times.

### Finance and Audit Committee

The Finance and Audit Committee is a sub committee appointed by Council to assist them in discharging their responsibilities relating to financial reporting and regulatory conformance. Members of this Committee for the year to 30 June 2006 were Andi Shirtcliffe (Chair), Darryn Russell, and Eleanor Hawthorn. Carolyn Oakley-Brown was appointed in March 2006 to replace Eleanor Hawthorn. This Committee met four times during the period 1 July 2005 to 30 June 2006.

## STRATEGIC PLANNING

In terms of strategic planning Council followed up on a session held in April 2005 called a "Blue Skies" day. The follow-up in November 2005 allowed Council to finalise the "Blue Skies" discussion. Council established a number of goals with priorities assigned to them and a reporting plan. This provided the strategic plan for 2006.

# COMMITTEES AND APPOINTMENTS



## COMPLAINTS SCREENING COMMITTEE (CSC)

The Complaints Screening Committee assesses complaints or concerns made to the Council, and in light of the nature and circumstances of the complaint or concern, considers the most appropriate action or actions that should be taken to response. The CSC regulates its own procedure in respect of matters before it; and exercises any of the powers of the Council that are incidental or otherwise necessary for the exercise of its obligations under s65 and s68.

### Membership

Andi Shirtcliffe

Bronwyn Clark, Chief Executive & Registrar

Robert Fleming (until September 2005)

Eleanor Hawthorn (replaced Robert Fleming until February 2006)

Carolyn Oakley-Brown (replaced Eleanor Hawthorn from February 2006 to May 2006)

Jo Mickelson (replaced Carolyn Oakley-Brown from May 2006)

## PROFESSIONAL CONDUCT COMMITTEE (PCC)

The Professional Conduct Committee receives complaints referred from the Pharmacy Council with respect to professional conduct issues and notices of conviction. It adopts and follows procedures that ensure that, in relation to each matter referred to the committee, the pharmacist, the Pharmacy Council and the complainant are kept informed about progress of a complaint. The PCC may receive evidence relevant to the complaint, appoint legal advisors and / or investigators as necessary and make recommendations and determinations on completion of investigations.

A PCC is established to address individual issues and membership comprises three persons, one of whom is usually a Council member.

### Members

Robert Fleming (Councillor) (until September 2005)

Peter Pratt

Barbara Johnsen (lay)

Darryn Russell (Councillor - lay)

Tony Fisher

Patsi Davies (lay)

Chris Budgen

Eleanor Hawthorn (after February 2006)

Debbie Wallace

## HEALTH COMMITTEE

The Health Committee considers notifications concerning pharmacists who may be unable to perform the required functions of a pharmacist owing to some mental or physical condition.

This Committee comprises the Pharmacy Council Chair, the Chief Executive & Registrar and the Pharmacy Council Deputy Chair or another Councillor.

## PREREGISTRATION ASSESSMENT BOARD (PRAB)

The purpose of the Preregistration Assessment Board is to monitor the assessment methodology and tools of the preregistration programme, and to review the evidence gathered on individual intern pharmacists completing the programme. This enables the Board to determine whether intern pharmacists have successfully completed the programme, and therefore meet the standard required to register in the pharmacist scope of practice.

### Board Members

Carolyn Oakley-Brown (Chair)  
Sunita Goyal  
Therese Kairuz  
Diane Welch

### Sub Committee Members (also Board Members)

Dianne Wright  
Mary-Anne O'Rourke  
Rosemary Thompson

## COMPETENCE REVIEW TEAM

The Competence Review Team determines whether a pharmacist is practising to the required standard of competence when concerns have been raised about their competence to practise. The competence of the pharmacist being reviewed is assessed against the seven competence standards. The standards are set by the Council and are a written description of the skills, knowledge and attitudes a pharmacist must demonstrate to be deemed competent.

Fifteen pharmacists have been appointed as Competence Reviewers by the Council. Some of these pharmacists have also been appointed as Practice Counsellors.

### Practice Counsellors

Practice Counsellors oversee and provide support to a pharmacist's practice and monitor and report to the Council on their performance in the pharmacist scope of practice.

### Overseas Pharmacist Assessment Panels

Non reciprocal assessors are appointed to examine the qualifications of overseas pharmacists who apply for registration from countries other than Australia, the United Kingdom and Ireland. This process is undertaken to determine whether the qualifications and work experience of the applicant are equivalent to a current New Zealand Bachelor of Pharmacy degree.

Under the Trans Tasman Mutual Recognition Agreement, applicants who are currently registered as pharmacists in Australia are deemed to hold the equivalent of a New Zealand Bachelor of Pharmacy. Applicants are required to undertake four weeks supervision and be interviewed by an appointed assessor on completion of this period. Likewise, applicants who qualified and were first registered in the United Kingdom, Ireland or Northern Ireland have their qualifications recognised through a reciprocal agreement with these countries. These applicants are also required to undertake a period of supervision and complete the interview process.

### Non Reciprocal Assessors

Andi Shirtcliffe  
David Woods  
Dianne Wright  
Diane Welch  
Elizabeth Brookbanks  
Ellen McCrae  
Gordon Becket  
Julie Yee  
Linda Bryant  
Myf Fulford  
Sunita Goyal  
Janie Sheridan  
Billy Allan  
Rosemary Langham  
Jeffrey Harrison  
Raewyn Richardson

### Reciprocal Interviewers

David McFadzien  
Eleanor Hawthorn  
Jenny Cade  
Di Vicary  
Derek Lang  
Catherine Keenan  
Glen Caves  
Andi Shirtcliffe  
Amanda Stanfield  
Debbie Wallace  
Chris Budgen  
Anne Davies  
Patricia Napier  
Bernard McKone  
Daryl Sayer  
Kate Shaw  
Ross Nicholson



## REPRESENTATION ON OUTSIDE BODIES

Admissions Committee, School of Pharmacy, Otago University  
Board of Studies, School of Pharmacy, Otago University  
Pharmacy Advisory Committee, School of Pharmacy, Otago University  
(Replaced in February 2006 by)  
Board of Studies, School of Pharmacy, University of Auckland  
Council of Pharmacy Registering Authorities (Australia & New Zealand)  
(Replaced in February 2006 by)  
New Zealand and Australian Pharmacy Schools Accreditation Committee  
Pharmacy Education Accreditation Committee, COPRA  
Health Regulatory Authorities of New Zealand  
(Replaced in February 2006 by)  
Health Practitioner Index Steering Group, Ministry of Health  
ACC Pharmacy Liaison Committee  
e-Pharmacy Steering Group  
Pharmacy Industry Training Organisation (PITO)

Bronwyn Clark  
Darryn Russell  
Eleanor Hawthorn,  
Carolyn Oakley-Brown  
Bronwyn Clark  
Eleanor Hawthorn  
Carolyn Oakley-Brown  
Eleanor Hawthorn  
Bronwyn Clark  
Eleanor Hawthorn  
Carolyn Oakley-Brown  
Bronwyn Clark  
Jan Clare  
Andi Shirtcliffe  
Sandy Bhawan

## HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL (HPDT)

The HPDT hears and determines disciplinary proceedings brought against health practitioners.

Members are appointed by the Minister of Health for each hearing. Three pharmacists and one lay person is appointed for each Tribunal hearing.

### Chair

David Collins

### Deputy Chair

Kate Davenport  
Belinda Greer  
Fiona McCrimmon

### Pharmacists

Ellen McCrae  
John Dunlop  
Warren Flaunty  
Andrew Orange  
Mary-Anne O'Rourke  
David Thompson  
Lynette Lee

### Lay Members

Moana Avia  
Jenny Courtney  
Wendy Davis  
Rosemary De Luca  
Quentin Hix  
Jane Huria  
Harry Midgley  
Ivan Snook

# AUDITOR'S REPORT



## TO THE MEMBERS OF THE PHARMACY COUNCIL OF NEW ZEALAND (THE "COUNCIL")

We have audited the financial statements on pages 18 to 24. The financial statements provide information about the past financial performance of the Council and its financial position as at 30 June 2006. This information is stated in accordance with the accounting policies set out on pages 21

### Council responsibilities

The Council is responsible for the preparation of financial statements which give a true and fair view of the financial position of the Council as at 30 June 2006 and the results of its operations and cash flows for the year ended on that date.

### Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Council and report our opinion to you.

### Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgments made by the Council in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interests in the Council.

### Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the Council as far as appears from our examination of those records;
- the financial statements on pages 18 to 24
  - comply with New Zealand generally accepted accounting practice;
  - give a true and fair view of the financial position of the Council as at 30 June 2006 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 19 September 2006 and our unqualified opinion is expressed as at that date.

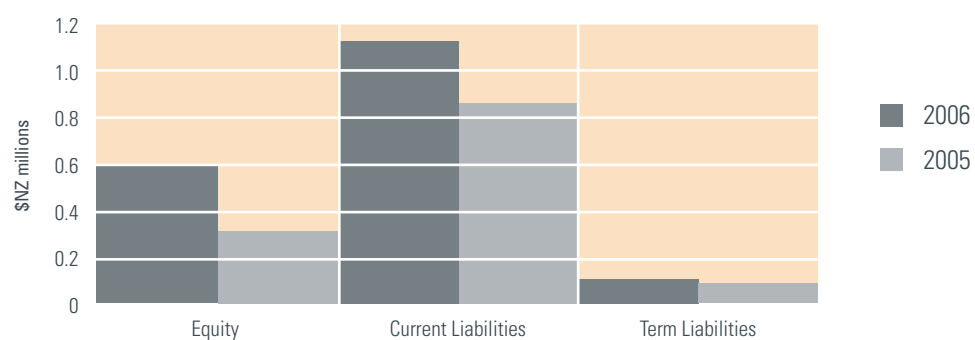
Wellington

# FINANCIAL OVERVIEW

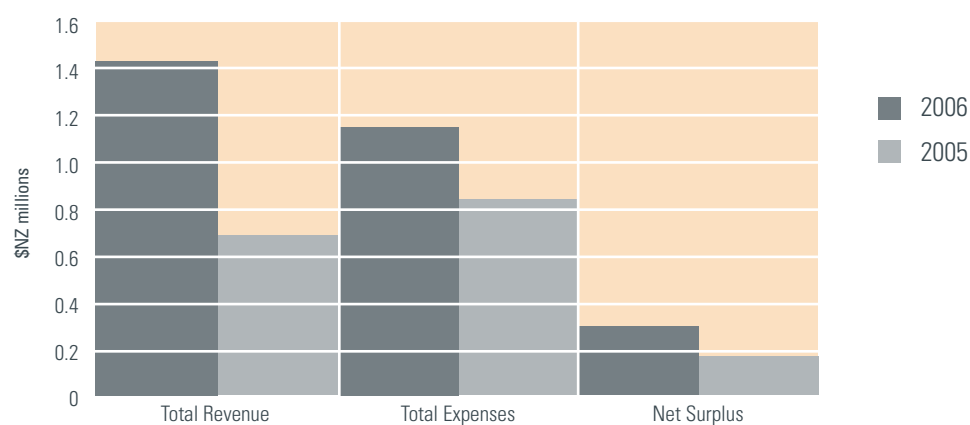


The Pharmacy Council's financial performance in its first full year of operations was very pleasing, with a positive result against budget. The Council is now in a stronger financial position to continue to meet its obligations under the HPCAA and any future commitments.

## 2006 Financial Position



## 2006 Financial Performance



# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006



<i>Statement of Financial Performance</i>		For the year ended 30 June 2006	
Revenue	Note	2006 12 months \$	2005 9 months \$
Annual Practising Certificate Fees	1	1,097,729	491,852
Non-Practising Fees		81,164	38,926
Registration Fees		57,780	33,840
Other Fees	2	80,931	39,632
Interest Income		73,427	29,418
Miscellaneous Income		13,127	1,043
Recoveries		18,449	39,215
<b>Total Revenue</b>		<b>1,422,607</b>	<b>673,926</b>
Expenditure			
Registration & Discipline	3	171,561	80,837
Projects		30,558	9,424
Governance	4	78,406	64,442
Communications & Profile		64,289	55,185
Operating & Administration	5	795,914	615,839
<b>Total Expenditure</b>		<b>1,140,728</b>	<b>825,727</b>
<b>Net surplus/ (deficit) for the period</b>		<b>281,879</b>	<b>(151,801)</b>

<i>Statement of Movements in Equity</i>		For the year ended 30 June 2006	
	Note	2006 12 months \$	2005 9 months \$
<b>Net surplus/ (deficit) for the period</b>		<b>281,879</b>	<b>(151,801)</b>
Total Recognised revenue and expenses		281,879	(151,801)
Transfer of Equity from PSNZ		0	450,000
Total Movements for the period		281,879	298,199
Equity at the start of period		298,199	0
<b>Equity at the end of year</b>		<b>580,078</b>	<b>298,199</b>



**Statement of Financial Position**

As at 30 June 2006

Assets	Note	2006 \$	2005 \$
<b>Current assets</b>			
Cash & short-term deposits	6	1,653,902	1,096,278
Accounts Receivable	7	3,956	865
Other Receivables & Prepayments		26,593	8,858
<b>Total Current assets</b>		<b>1,684,451</b>	<b>1,106,001</b>
<b>Non-Current assets</b>			
Fixed assets	8	107,804	117,626
<b>Total Assets</b>		<b>1,792,255</b>	<b>1,223,627</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts Payable		32,275	15,265
Other Payables & Accruals		33,568	34,144
Employee Entitlements		36,547	24,523
Income Received in Advance	9	1,007,725	763,518
Loan – PSNZ Ltd (current portion)	10	17,596	17,596
<b>Total Current liabilities</b>		<b>1,127,711</b>	<b>855,046</b>
<b>Non-Current liabilities</b>			
Loan – PSNZ Ltd	10	52,786	70,382
Income Received in Advance – HPI Project	11	31,680	0
<b>Equity</b>		<b>580,078</b>	<b>298,199</b>
<b>Total Liabilities and Equity</b>		<b>1,792,255</b>	<b>1,223,627</b>



 Carolyn Oakley-Brown  
Chair of Council



 Bronwyn Clark  
Chief Executive and Registrar

Date: 19 September 2006

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

Statement of Cash Flows		For the year ended 30 June 2006	
Cash flows form operating activities	Note	2006 \$	2005 \$
<b>Cash was provided from:</b>			
Statutory fees and levies		1,561,711	1,366,903
Discipline Recoveries		16,500	27,835
Interest		57,971	25,448
Other revenue		43,765	1,043
<b>Cash was disbursed to:</b>			
Suppliers and employees		(1,093,832)	(717,941)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>12</b>	<b>586,115</b>	<b>703,288</b>
<b>Cash flows from investing activities</b>			
<b>Cash was disbursed to:</b>			
Purchase of Fixed Assets		(10,895)	(57,010)
Repayment of Loan		(17,596)	0
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(28,491)</b>	<b>(57,010)</b>
<b>Cash flows from financing activities</b>			
<b>Cash was provided from:</b>			
Transfer of equity from PSNZ		0	450,000
<b>Net cash inflow/(outflow) from financing activities</b>		<b>0</b>	<b>450,000</b>
<b>Net increase in cash held</b>		<b>557,624</b>	<b>1,096,278</b>
Add opening cash and bank balances		1,096,278	0
<b>Closing cash and bank balances</b>		<b>1,653,902</b>	<b>1,096,278</b>
Represented by: Cash and bank balances		1,653,902	1,096,278

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

# STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2006



## REPORTING ENTITY

The Pharmacy Council of New Zealand (Pharmacy Council) is a statutory body constituted under the Health Practitioners Competence Assurance Act 2003 (HPCA Act 2003), and has a duty to protect the public and promote good pharmacist practice. The Pharmacy Council is responsible for registration of pharmacists; the setting of standards for pharmacists; accreditation of education programmes, and ensuring pharmacists are competent to practise.

The Pharmacy Council was established under the HPCA Act 2003 on 18 December 2003, and commenced operations on 18 September 2004. This is the Pharmacy Council's first full year of operations, and comparatives shown are for the nine-month period to 30 June 2005.

## GENERAL ACCOUNTING POLICIES

These financial statements are a general purpose financial report as defined in the New Zealand Institute of Chartered Accountants of New Zealand Statement of Concepts, and have been prepared in accordance with generally accepted accounting practice as defined in that Statement.

## MEASUREMENT BASIS

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Pharmacy Council.

## SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies that materially affect the measurement and reporting of financial performance and financial position have been applied:

### Differential Reporting

The Pharmacy Council is a qualifying entity by virtue of the fact that it has no public accountability and is small as defined by the *Framework for Differential Reporting*.

All available differential reporting exemptions allowed under the *Framework for Differential Reporting* have been adopted except for FRS-10 Statement of Cash Flows, as a statement of cash flows has been disclosed.

### Fixed Assets

Fixed assets are recorded at cost and depreciated over the estimated useful lives of the assets. Subsequent expenditure that extends or increases the asset's service potential is capitalised. For assets acquired on or after 1 April 2005 the Pharmacy Council has elected to calculate depreciation on a straight-line basis at existing rates as follows:

Leasehold Improvements	10 years	Office Equipment	5 years
Furniture & Fittings	10 years	Computer Hardware & Software	3 years

### Goods & Services Tax (GST)

The Statement of Financial Performance and Statement of Cash-flows has been prepared on a GST exclusive basis. All items in the Statement of Financial Position are stated net of GST with the exception of receivables and payables, which are stated inclusive of GST, if any.

### Receivables

Receivables are recorded at estimated net realisable value after due provision for doubtful debts.

### Taxation

The Pharmacy Council is exempt from taxation pursuant to Section CB 4 (1)(e) of the Income Tax Act 1994.

### Revenue Recognition

The Pharmacy Council's annual practising year for pharmacists is from 1 April to 31 March. Only those fees and levies that are attributable to the current financial year are recognised in the statement of financial performance. Fees and levies received in advance of their due dates are recognised in the statement of financial position.

### Operating Leases

Payments made under operating leases are recognised in the Statement of Financial Performance.

## Statement of Cash Flows

The following are the definitions used in the Statement of Cash Flows:

- cash is considered to be cash on hand, current accounts and term deposits.
- operating activities include all transactions and other events that are not investing or financing activities.
- investing activities are those activities relating to the purchase of fixed assets and loan repayment.
- financing activities are those activities which includes both equity and debt not falling within the definition of cash.
- Changes in Accounting Policies

There have been no changes in accounting policies during the period.

# NOTES TO THE FINANCIAL STATEMENTS



## 1) Annual Practising Certificate (APC) Fees

Represents APC Fees received from interns and pharmacists for the year. This fee includes an administrative component and a discipline levy. The APC pharmacist fee was increased from \$465 to \$495 for the APC year commencing 1 April 2006 to 31 March 2007.

## (2) Other Fees

	2006 12 months	2005 9 months
Overseas Pharmacist Fees	57,206	27,778
Certificates of Identity	11,643	5,066
Other Fees	12,082	6,788
	<b>80,931</b>	<b>39,632</b>

## (3) Registration and Discipline

Registration	69,372	37,267
Discipline	68,397	40,399
Competence & Health	33,792	3,171
	<b>171,561</b>	<b>80,837</b>

## (4) Governance

Councillors' fees	48,000	37,466
Councillors' expenses	30,406	26,976
	<b>78,406</b>	<b>64,442</b>

## (5) Operating & Administration

Audit Fee	11,386	11,000
Bad Debt	880	0
Doubtful Debt	(880)	11,380
Depreciation	20,310	15,012
Eftpos Fees	14,951	12,253
Information Technology costs	16,472	8,535
Insurance	18,881	14,995
Legal costs	9,566	16,807
Loss on Disposal of Fixed Assets	408	0
Premises costs	61,332	56,284
Operating Leases	28,976	28,976
Sundry costs	21,323	12,240
Personnel	554,462	391,312
Printing & Stationery	11,467	16,317
Postage & Courier	11,615	8,088
Telecommunications	14,765	12,640
	<b>795,914</b>	<b>615,839</b>



<b>(6) Cash &amp; short-term deposits</b>	<b>2006</b>	<b>2005</b>
Petty Cash	200	200
ANZ – Cheque Account	27,743	45,081
ANZ – Call Account	75,069	50,997
ANZ – Term Deposit	1,550,890	1,000,000
	<b>1,653,902</b>	<b>1,096,278</b>

<b>(7) Provision for Doubtful Debt</b>		
Specific Provision		
Balance at beginning of the year	11,380	0
Recoveries	(10,500)	0
Charge to operating surplus	0	11,380
Amount written off	(880)	0
<b>Balance at the end of the year</b>	<b>0</b>	<b>11,380</b>

**(8) Fixed assets**

	Cost	Depn for year 30 June 2005	Accum. Depn 30 June 2005	Book Value 30 June 2005	Cost	Depn for year 30 June 2006	Accum. Depn 30 June 2006	Book Value 30 June 2006
Leasehold Improvements	53,220	4,879	4,879	48,341	53,220	5,322	10,201	43,019
Computer Equipment	15,000	3,150	3,150	11,850	19,875	6,218	9,368	10,507
Furniture & Fittings	51,237	4,377	4,377	46,860	55,908	5,204	9,581	46,327
Office Equipment	6,563	768	768	5,795	7,504	1,359	2,127	5,377
Website	6,618	1,838	1,838	4,780	6,618	2,206	4,044	2,574
<b>Total</b>	<b>132,638</b>	<b>15,012</b>	<b>15,012</b>	<b>117,626</b>	<b>143,125</b>	<b>20,309</b>	<b>35,321</b>	<b>107,804</b>

**9) Income Received in Advance**

Represents APC fees and levies relating to the 2006/2007 year.

**10) Loan from Pharmaceutical Society of NZ Ltd (PSNZ Ltd)**

The Pharmacy Council entered into a loan arrangement with PSNZ Ltd during the 2004/2005 financial year, and agreed to repay the loan of \$87,978 over five years. The loan is interest free for the first three years, with interest payable at 2% above base for the remaining two years. The first payment of \$17,596 was paid to PSNZ Ltd on 28 June 2006, and the second payment is due on 30 June 2007.

**11) Health Practitioners Index Project**

During the 2004/2005 financial year, the Pharmacy Council entered into a contract with the Ministry of Health to participate in the Health Practitioners Index (HPI) Project.

The Ministry of Health (MOH) is working with the health sector to introduce the Health Practitioners Index (HPI), a national database that will include information about registered health practitioners. The Pharmacy Council has agreed to supply information about its practitioners to the Ministry of Health for the purpose of establishing the HPI.

The agreed cost of the project is \$76,300 (excluding GST), and covers costs relating to database changes, consultation, project management, and ongoing provision of data to the MOH for the duration of the project. During the year, 80% of the total project cost was paid to the Pharmacy Council, and the remaining 20% will be paid in the 2006/2007 year.

In accordance with NZ IAS18 the revenue is recorded as Income in Advance in the Statement of Financial Position, and recognised as income on a straight-line basis in the Statement of Financial Performance over the duration of the project.

<b>12)</b>	<b>Operating cash flows reconciliation</b>	<b>2006 12 months</b>	<b>2005 9 months</b>
	Net operating surplus/ (deficit) for the period	281,879	(151,801)
	Add/(Deduct) non-cash items:		
	Depreciation	20,310	15,012
	Loss on Disposal of Fixed Asset	408	0
	Provision for Doubtful Debt	0	11,380
	PSNZ expense transfers	0	12,350
	Add/(Deduct) working capital items:		
	Accounts Receivable	(3,091)	(12,245)
	Other Receivables & Prepayments	(17,735)	(8,858)
	Accounts Payable	17,010	15,265
	PAYE/Withholding Tax	(1,112)	9,939
	Other Payables & Accruals	2,267	24,539
	Employee Entitlements	12,024	24,523
	Income Received in Advance	244,207	763,518
	Income Received in Advance – HPI Project	31,680	0
	GST Receivable	(1,732)	(334)
	<b>Net Cash inflow/(outflow) from operating activities</b>	<b>586,115</b>	<b>703,288</b>
<b>13)</b>	<b>Commitments – Operating Leases</b>	<b>2006 12 months</b>	<b>2005 9 months</b>
	Lease commitments under non-cancellable operating leases:		
	Not more than one year	98,050	98,050
	One to two years	74,394	86,016
	Three to five years	207,222	212,542
<b>14)</b>	<b>Capital Commitments and Contingent Liabilities</b>		
	i) <b>Capital Commitments</b>		
	As at 30 June 2006, the Pharmacy Council had accepted a quote for \$9,000 (ex GST) for capital expenditure relating to the development of the pharmacist database.		
	ii) <b>Contingent Liabilities</b>		
	As at 30 June 2006, the Health Practitioners Disciplinary Tribunal decision from the Young hearing on the 28th of April had been appealed by the pharmacist, and cross-appealed by the Pharmacy Council's Professional Conduct Committee at the High Court. A hearing is likely to be scheduled during the next financial year, and the estimated cost of this hearing is likely to be in the range of \$10,000 to \$15,000.		
<b>15)</b>	<b>Adoption of International Financial Reporting Standards</b>		
	In December 2002, the New Zealand Accounting Standards Review Board announced that New Zealand International Financial Reporting Standards ("NZ IFRS") will apply to all New Zealand reporting entities for the periods commencing on or after 1 January 2007. Entities have the option to adopt NZ IFRS for periods beginning on or after 1 January 2005. The Council intends to adopt NZ IFRS for the financial year commencing 1 July 2006.		
	The Council has not yet started a project to assess the key differences in accounting policies between NZ IFRS and current NZ GAAP with a view to determining the impacts on the financial statements that are expected to arise on transition. As the Pharmacy Council has not yet completed an analysis of the differences between existing NZ GAAP and NZ IFRS, we are unable to reliably estimate the key differences in accounting policies or quantify the impacts to the financial statements that are expected to arise on transition to NZ IFRS.		
	The Pharmacy Council intends to provide further information, including quantification of the impacts of transitioning to NZ IFRS, in the financial statements for the year ending 30 June 2007.		
<b>16)</b>	<b>Related Parties</b>		
	Council members are paid fees for attending to Council and committee business. There were no other related party transactions.		

# COUNCIL STAFF



## Chief Executive & Registrar

Bronwyn Clark

Overall responsibility for regulatory functions carried out by the Pharmacy Council and general management of the organisation.

## Deputy Registrar

Jenny Ragg

Secretary to Council. Management of Health Committee, complaints and discipline procedures.

## Administration Manager

Claire Paget-Hay

Responsible for overall management of office systems and personnel.

## Registrations Officer

Susan McKibbin

Responsible for processing New Zealand and overseas pharmacist registrations, maintenance of register and processing APC applications.

## Administrator

Maree Dawson

Provides office administration and accounts support to Council.

## Accountant

Mary Yee

Responsible for financial reporting, budgets and audit.

## Competence Policy Advisor

Sandy Bhawan

Policy development for competence and assessment of pharmacists.

## Competence Policy Co-ordinator

Sue Thompson

Provides assistance to the Competence Policy Advisor and co-ordinates competence and assessment plans.

## Professional Standards Pharmacist

Jan Clare

Policy development for professional standards for pharmacists. Provides advice for safe practice of pharmacy.

## General contact details for the Pharmacy Council:

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