



2011 ANNUAL REPORT



KEY RESULTS AND ACHIEVEMENTS 2010-2011

(ALL FIGURES AS AT 30 JUNE 2011)

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- 3,223 practising pharmacists.
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- 76% of pharmacists work in the community and 12% in hospitals, with the remainder in a variety of settings.
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- The number of practising pharmacists is up 43 (1.4%) on the previous year, with numbers increasing steadily since 2005.
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- 198 new pharmacists were registered – a decrease of 27 from the previous year.
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- Of the 198 new pharmacists registered, 170 were New Zealand graduates and 28 were overseas qualified.
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- 221 Bachelor of Pharmacy (BPharm) graduates practised as intern pharmacists under the supervision of registered pharmacists.
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- 181 intern pharmacists passed the Intern Training Programme (ITP) assessment.
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- Retention rates for graduate pharmacists are improving – up 20% in the past three years.
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- 95% of pharmacists randomly audited met continuing competence requirements.
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- Five notifications about the competence of pharmacists were received by the Council – a tiny proportion of practising pharmacists.
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- Competence notification levels remained steady with the same number in 2009-2010 and 2010-2011.
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- 34 complaints about the conduct of pharmacists were received during the year. Seven were found to need no further action.
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- Three pharmacists were found guilty of professional misconduct by the Health Practitioners Disciplinary Tribunal (HPDT).
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- A Māori name for the Council was established: Te Pou Whakamana Kaimatu o Aotearoa – the backbone that supports the pharmacists of New Zealand.
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- A new strategic plan for 2010-2015 was developed and adopted.
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- Annual practising certificate fees remained stable apart from an increase in GST.
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- The approach to recertification (continuing competence) was reviewed and new proposals developed (for consultation in late 2011).
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- A new cultural competence standard was published in December 2010 (to come into force in 2012).
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- Cultural competence courses for pharmacists were endorsed.
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- A revised Code of Ethics was published.
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- The Council application for pharmacist prescribing was approved in principle by Health Workforce New Zealand (HWNZ).
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- A new scope of practice for pharmacists was proposed – the pharmacist prescriber scope of practice (to be introduced in 2012).
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- A new Law and Ethics Course for overseas-trained pharmacists was accredited.
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- New accreditation standards for Intern Training Programmes were set and approved for use in New Zealand and Australia.
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- A review of the Intern Assessment Centre was commenced and a new approach planned to be piloted in late 2011.
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- A process for endorsing Medicines Management Standards was finalised.
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- The Council made 21 submissions on a range of medicines and health policy issues.
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- The Council hosted the 9th International Conference in Life Long Learning in Pharmacy in Rotorua.
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The Pharmacy Council is pleased to submit this report for the year ended 30 June 2011 to the Minister of Health. This report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003 (HPCAA).

VISION

Safe, effective pharmacy practice.

MISSION

To protect the health, safety and wellbeing of the public by ensuring pharmacists are competent and fit to practise.

VALUES

Accountable, collaborative, consistent, effective, fair, high quality, impartial, independent, integrity, natural justice, open, patient and public centred, proportional, respectful, robust, transparent and trusted.

DUTIES AND FUNCTIONS OF THE PHARMACY COUNCIL

The Pharmacy Council has a duty to strive to ensure that the highest standards of excellence in the practice of pharmacy are met 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 study 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 (HDC) about the competence of health practitioners
- g) to notify employers, the Accident Compensation Corporation, the Director-General of Health and the HDC 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 2011



Carolyn Oakley-Brown BPharm, MNZCP, RegPharmNZ (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 medicine management programmes. Carolyn is the Pharmacy Leader for the Canterbury Clinical Network and Chair of the Canterbury Community Pharmacy Group

Third term appointed 27 January 2010.



Dr Andrew Bary PhD, BPharm (Hons), FNZCP, MPS, RegPharmNZ (Deputy Chair from 1 March 2011) is a pharmacist based in Queenstown. Andrew has experience in community pharmacy, as a pharmacy proprietor and in pharmacy research and education.

Second term appointed 1 October 2009.



Jo Mickleson BPharm, DipManagement, RegPharmNZ (Deputy Chair until 1 March 2011) is a pharmacist from Nelson with wide experience in both community and hospital pharmacy. Jo is currently a member of the Nelson Bays Primary Health Board of Trustees. She has held roles as a clinical pharmacist as well as positions in the areas of policy and management.

Second term appointed 1 October 2009.



Mark Bedford DipPharm, RegPharmNZ, AFNZIM, Community Pharmacist Mt Maunganui, is co-owner of a busy seven-day medical centre pharmacy. Mark is the previous Chair of Consumer NZ Inc and previous Chair of Waipuna Hospice.

First term appointed 1 October 2009.



Professor John Shaw BSc, Dip Clin Pharm, PhD, FNZCP, FRPharmS, FPS, RegPharmNZ 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.

Third term appointed 1 October 2009.



Keith Crump MPharm, PG Dip Pop Health, RegPharmNZ is a pharmacist based in Auckland with experience in hospital, teaching and primary care roles. Keith currently divides his time between working in pharmacy-related roles for ProCare Health Limited, teaching undergraduate BPharm and postgraduate students, and clinical work as a mental health pharmacist for the Waitemata District Health Board (DHB).

Second term appointed 27 January 2010.



Robynne Nicoll is a lay member based in Ashburton with longstanding administration and governance experience in the mid-Canterbury community.

First term appointed 1 October 2009.



Dr Te Kani Kingi BSocSci (Hons), MSocSc Waik, PG Dip MDev, PhD, Dip TM is Director of Te Mata o te Tau, the Academy for Māori Research and Scholarship at Massey University in Wellington. He has a specialist interest in mental health research, psychometrics, and Māori health. He has formerly been an executive member of the New Zealand Public Health Association, the Mental Health Advocacy Coalition, the National Health Committee and the National Ethics Advisory Committee. Te Kani is currently a member of Statistics New Zealand's Māori Advisory Group, and is Chair of the Mental Health Commission's Advisory Board.

First term appointed 27 January 2010.

CORPORATE GOVERNANCE

The role of the Council members is to ensure that the Council meets the requirements of the HPCAA. To ensure that these goals are met, Council members set the organisation's strategic direction and monitor the performance of management. The Minister of Health appoints Council members, and the Council is accountable to the Minister, the profession and the public in the performance of its functions.

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 2010 to 30 June 2011 the Council met five times and all Council members attended all meetings.

CHAIRPERSON'S REPORT



This is my seventh and final annual report, as my term ceased at the beginning of August. It is inevitably a time of reflection and I look back over the past seven years with pride.

Seven years ago when I joined the Council, the HPCAA was new and we all, Councillors and pharmacists alike, had to think in new ways about our professional responsibilities. The then new Act was unequivocal in emphasising that the purpose of regulation was to protect the health and safety of the public. Of course, we as pharmacists have always been acutely aware of safety issues, but what was different was that for the first time all health practitioners were governed by one common legislative framework and we all had to have mechanisms in place to provide the public with assurance that we were competent to practise our profession.

After seven years, it is very appropriate that we review and question our approach to how we do things. Review has been a distinct characteristic of the past year. We have seen that both at the macro level – with Government reviewing the approach to regulation and investigating the amalgamation of health regulatory authorities – and in our own work on refining our approach to how we best assure the competence of pharmacists.

I was very pleased that Government moved away from the idea of amalgamation and effectively placed the challenge of ensuring efficient and effective regulation back with the regulators. Thus the role of Health Regulatory Authorities of New Zealand is very important and I hugely value our membership of that organisation. What we are looking to do is balance the distinctive professional needs of pharmacists with the need for an integrated and coherent strategy across the health sector to maximise public safety in an increasingly complex and fiscally challenged environment.

The past year has been very challenging on many fronts. In addition to the ongoing demand for efficiencies in the health sector, we have all operated in one of the most distressing years in New Zealand's history. The Pike River disaster, the ongoing Christchurch earthquakes and, as I write this report, the environmental crisis generated by the Rena grounding on the Astrolabe Reef (which fortunately has not involved any loss of life) have had a huge impact – most obviously, of course, on the people in those regions but also on the whole country. I want particularly to pay tribute to the work of pharmacists who have had to deal with those events in their personal lives and on top of that have continued to meet their professional responsibilities and the medicine needs of their communities.

Despite these huge external upheavals, the Pharmacy Council has had a very productive year. It is particularly satisfying to conclude my term with a new strategic plan in place to guide the organisation until 2015. Setting the strategic direction of the Council, to fulfil our statutory responsibilities under the HPCAA, is the primary responsibility of Council members. Creating a new plan provides a major opportunity to review and refine what we do and is a large project. I am pleased with the depth and breadth of what we have been able to set out in this plan. We were also pleased to be able to shorten and sharpen our mission so that "safe, effective pharmacy practice" can act as a strapline for the Council. The use of a strapline like this helps to promote understanding of the role of the Council.

To ensure that Councillors are well equipped for their role, we developed a Councillor governance competence framework, from which will fall professional development requirements for Council members. Ensuring that the Council is structured effectively is also an important part of our role and to that end a staff organisational review was led by the Chief Executive, with changes implemented at the beginning of 2011.

You can read more about the new strategic plan and its five clear goals on pages 8 to 14. These pages also report on the key projects that we have realised in pursuit of our goals. There are a few projects, however, that I would particularly like to mention.

The development of a new cultural competence standard for pharmacists is significant in helping ensure that we facilitate access to the best possible medicine therapy for all sectors of our population.

In line with that it was very satisfying to be able to reflect cultural awareness more prominently in our organisation with the establishment of the Council's Māori name – *Te Pou Whakamana Kaimatu o Aotearoa*. This literally means the backbone that supports the pharmacists of New Zealand.

This name was developed with assistance from Ngā Kaitiaki o Te Puna Rongoā o Aotearoa (the Māori Pharmacists' Association), and in particular kaumātua Hiwinui Heke. Hiwinui is believed to be the first Māori pharmacist, registering in 1956. Until very recently he was practising as a pharmacist in his hometown of Rotorua, but he has taken a well earned rest following a recent period of illness. We thank him for his contribution.

Our new Code of Ethics (page 10) is a well researched, contemporary code in line with best practice internationally. Ratified by the Council at the end of 2010, it represents a fresh approach and simply addresses the principles and values that guide ethical behaviour rather than specifying acceptable and unacceptable actions. We will, however, continue to review, update and develop guidelines for pharmacists where there are specific public safety concerns, such as with the promotion and supply of medicines over the Internet.

As we mature with regulation I think we are becoming less prescriptive about how things must be done and more trusting of professionals. This is seen also in our ongoing development of a more flexible approach to continuing professional development. I will look with interest to see how this finally shapes up when it is completed later this year.

All of this work would not have been possible without the contribution of pharmacists around the country. I would like to take this opportunity to thank the many pharmacists who assisted and supported the work of the Council by taking on roles as competence reviewers, assessors, committee members, examiners and practice counsellors. Without their support we could not continue to provide the services that we do.

What this also brings to the fore is the importance of good communication. In this era of electronic and social networking, there is continual pressure to communicate quickly and succinctly. Somehow though we must retain the human face of the regulator. We have had many great results for pharmacists in the past few years because we have communicated face to face and in my view this must continue.

I would like to thank my fellow Council members for their hard work and commitment to the Council, for their continued support for me as Chair in my last year and their support of the organisation.

Finally, I give my sincere thanks to the Council staff for all their good work and their valuable input, professionalism, dedication and commitment to supporting both each other and pharmacists. These attitudes mean we have built a culture of excellence, high ethical standards and support, which creates a great work environment.

I need to make special mention of the Chief Executive Bronwyn Clark, who has run the organisation superbly since its inception. Her clarity of thinking, her solutions-based logic and her commitment to the constant challenges ahead are to be commended. It has been a pleasure to work with such a quality team.

It has been a privilege to serve the public of New Zealand in the past seven years by leading the Council to ensure pharmacists practise competently and strive to work at the very top of their scope of practice.

Heoi ano, he mihi nui ki a koutou katoa.



Carolyn Oakley-Brown BPharm, MNZCP, RegPharmNZ
Chair

CHIEF EXECUTIVE AND REGISTRAR'S REPORT



The registration of pharmacists and the issuing of annual practising certificates are two core functions undertaken by the Pharmacy Council to protect public safety on which we report every year. Whilst registration provides assurance that a pharmacist is suitably qualified and the practising certificate provides assurance that a pharmacist has maintained their professional competence, the annual application process provides comprehensive demographic data on the pharmacy workforce. This year we publish our most detailed workforce report to date. (See page 32.)

This data is becoming increasingly important for policy development, service delivery planning and research. The contribution that pharmacists make every year in returning this information is appreciated.

With data having been collected since 2004, when the HPCAA came into force, there is now sufficient depth of data to see trends and patterns emerging. We can see, for example, that there are now more female than male pharmacists, that pharmacist numbers are growing slowly – an increase of 15% in the past seven years, and that most pharmacists (no surprise) work in the community.

What is really interesting are the trends in retention rates, and we are publishing these here for the first time. The retention rate of New Zealand pharmacist graduates has increased significantly (by 20%) in the past three years; 67% of our 2006 graduates have stayed in New Zealand. This probably reflects the removal of the reciprocal agreement for United Kingdom registration for New Zealand pharmacists back in 2006.

Pharmacists who come to New Zealand from the “recognised” countries – the UK, Ireland, the United States and Canada, which are recognised as having equivalent qualifications – stay the shortest amount of time, whereas those from the “non-recognised” countries, such as India and South Africa, stay the longest. The data influences and allows better evidence-based planning both of Council services, for example around the registration of overseas-qualified pharmacists, and of future pharmacy services to meet the medicine needs of the public.

Another interesting fact that the workforce data shows up is that the ethnicity of the profession is slowly changing, with proportionally fewer New Zealand Europeans/Pākehā and greater numbers of Chinese and Middle Eastern pharmacists. That trend undoubtedly matches changes in the population of New Zealand as a whole and helps to ensure that community needs are met.

It also points to the importance and relevance of our new cultural competence standard, developed in the past year. This new standard, which comes into force in 2012, will help to ensure that pharmacists are more culturally aware and better equipped to relate to diverse cultures, cognisant that the cultural perspectives that we each carry may be quite different from those of our clients and patients.

At the same time as we published the Pharmacy Council Cultural Competence Statement and Standard in January, we published a revised Code of Ethics. (See page xx.) As part of our objective of ensuring that the role of the Council is understood and that information is readily available and easily accessible, we distributed these important documents in an orange storage folder that we hope will make Council documents visually easy to locate.

The Council's strategic plan 2010-2015 provides clear direction for our work and energy. I am very proud that we have been able to achieve so much of the work set for us by the Council and this report clearly demonstrates the diversity and depth of our work.

To ensure that we had the staff capacity and capability to deliver on the new Council strategy, an organisational review was undertaken. This led to a refined structure, prepared with extensive consultation with staff and implemented in January 2011. The newly structured teams have settled and are delivering well against the business plan.

This report also demonstrates the calibre of pharmacists practising in New Zealand. Each year only a very small number of pharmacists are reported for concerns about their competence, health or conduct. With more than 3,200 practising pharmacists, five notifications about competence and 34 complaints about conduct represent a tiny proportion. (See page 28.)

Our highly skilled pharmacist advisors make a huge contribution to the completion of our work plan. In addition to the projects already mentioned, they have helped to complete several significant pieces of work under our role to develop standards and accredit programmes. The past year has seen a new Law and Ethics Course for overseas-trained pharmacists accredited and Cultural Competence Courses endorsed. Accreditation standards for ITPs, which have since been adapted by the Australian Pharmacy Council (APC), were set and approved and a process for endorsing Medicines Management Standards was also finalised. All of this work was sent to the profession and stakeholders for consultation prior to publication, and we are appreciative of the time and effort made by all respondents to our call for comments. Two projects that are due for completion later in 2011 are the review of the recertification (continuing professional development) framework for pharmacists and a new summative Assessment Centre pilot for intern pharmacists. (See page 11.)

A major ongoing project for the Council has been the pharmacist prescriber scope of practice, and we were delighted to hear from HWNZ in April 2011 that it had agreed in principle with our proposal for clinically trained pharmacists to gain prescribing rights. We are now working with it to support demonstration sites for pharmacists under legislation that is due in 2012. The Council has developed competencies and training requirements for this new scope, and the university Schools of Pharmacy are working on a specific post-graduate course for pharmacist prescribers.

As part of its function of promoting education and training in the profession, the Council hosted the very successful 9th International Conference in Life Long Learning in Pharmacy in Rotorua in June 2011. The conference was attended by more than 120 pharmacists from 20 countries and included keynote speakers, workshops, oral presentations and panel discussions on the theme of ongoing education and training of pharmacists. As host convenor, I would like to express my thanks to the Council for hosting this event for the first time in New Zealand.

I have been fortunate to have the opportunity to meet and talk with many pharmacists in this past year and to discuss with them the work of the Council. Ensuring understanding of our role is a key goal of the Council and face-to-face meetings actively maintain Council visibility and assist in working collegially with the profession. I also addressed pharmacists at the Pharmaceutical Society of New Zealand (PSNZ) 2011 Symposium series in four locations around the country, speaking about the role of the regulator and assuring continuing competence. I regularly meet final-year pharmacy students at both Auckland and Otago universities and I was particularly honoured to accept an invitation as guest speaker for the Auckland School of Pharmacy completion ceremony in November, which was an inspiring event.

This year saw a proposal from the Ministry of Health and HWNZ to consolidate the secretariats of all health regulatory authorities. We responded with the view that their plan to reduce staff by 40% across the sector would result in the loss of regulatory strength and flexibility, potentially creating considerable risks to public safety. This proposal has now been rejected by HWNZ and we have agreed to work with it to find a solution that generates the value-for-money and cross-sectoral workforce information wanted by HWNZ but doesn't compromise public safety. Given that the focus of our system in dealing with concerns about professional competence is remediation and supporting pharmacists to upskill to become competent, the Council believes it is essential that the process be handled by pharmacists.

We continually evaluate our performance to be both effective and cost efficient. I am pleased to report that once again we have achieved a positive financial result against budget, and this has also, once again, negated the need for any fee increases for annual practising certificates for pharmacists. In the difficult economic climate we are working hard to maintain value for money, and these results are very satisfying.

My thanks go to all Council members, and in particular to Carolyn Oakley-Brown, who has been a dedicated Chair and for whom I have been privileged to work. Carolyn leaves the Council in excellent heart and I wish her well in her future endeavours.

Finally my thanks go to my wonderful staff, without whom we would never achieve the results that we do. Their commitment and energy are outstanding, and the caring and positive way they approach issues is commendable. They are our most important asset and I am very grateful to each and every one of them.



Bronwyn Clark Dip Pharm, MClinPharm, MPS, RegPharmNZ
Chief Executive and Registrar



STRATEGIC GOALS AND KEY PROJECTS 2010-2011

STRATEGIC PLAN 2010-2015

In 2010 the Council developed and adopted a new strategic plan to set the direction and guide the Council for the years 2010-2015. Under the overarching vision of assuring safe, effective pharmacy practice, the Council set five clear goals.

The strategy focuses the Council on the requirements for the scopes, standards and competencies needed for pharmacists, as well as best-practice risk management and operational systems. It charts a clear direction but is flexible to enable new strategies and initiatives to be developed in response to the rapidly changing health care environment.

PHARMACY COUNCIL STRATEGIC PLAN 2010 – 2015



Under each goal there are at least five key objectives that frame the current and future work of the Council. The full plan can be viewed on the Council website: www.pharmacycouncil.org.nz

GOAL ONE – FITNESS TO PRACTISE

To optimise mechanisms to ensure that pharmacists are competent and fit to practise

KEY PROJECT:

Review of the recertification (continuing competence) framework

A working party was established in 2010 to review the Council's approach to recertification – the primary mechanism by which the Council provides assurance to the public that a pharmacist is involved in some form of continuing professional development and has maintained their competence and fitness to practise.

Currently there is only one recertification programme (ENHANCE of the PSNZ) available for pharmacists and this has been in place since the HPCAA came into force in 2004. (See page 22.)

The working party (for members see page 40) agreed that in recognition of different approaches to learning, a broader and more flexible approach to professional development was required. During the year it developed a new draft framework, which recognises both self-directed learning and more formal learning with assessments. The new framework aims to encourage the development of a range of programmes that actively engage pharmacists in learning and professional development.

Under the proposals developed by the working party, pharmacists will need to demonstrate the practice and professional benefits as part of their learning; every pharmacist must work with another pharmacist in a peer learning relationship and assessed learning will attract more points than self-directed learning to reflect the greater demands. The working party has also proposed options such as exemption from audit if a pharmacist is working with an accredited learning facilitator.

The Council plans to consult the profession and seek feedback on the draft framework before it is finalised.

GOAL TWO – PHARMACY PRACTICE STANDARDS

To ensure that clinical, cultural and ethical standards meet or exceed the expectations of the public, the profession and other stakeholders

KEY PROJECT:

Cultural Competence – new standard and education programmes

A new Competence Standard 1 was published in December 2010 and distributed to all pharmacists in January 2011. Cultural competence requirements have been incorporated into Competence Standard 1 and become mandatory in 2012. Publication of the new standard followed extensive research and consultation by the Cultural Competence Working Party (For members see page 40).

Council's statement on cultural competence outlines the expectation that a culturally competent pharmacist recognises:

- that cultural identity influences professional practice and is willing to use that knowledge to mitigate any potential negative impact of that influence
- that cultural competence is fundamental in assisting every person to achieve their own optimal health outcomes
- the status of Māori, Te Tiriti o Waitangi/the Treaty of Waitangi in the New Zealand health sector (including the impacts on health and access to health care and services)
- that New Zealand has a culturally diverse population and how that diversity impacts on health care access and delivery
- that, within their workplace, systems should be developed and maintained to ensure equitable health outcomes in service delivery.

The Council organised for a range of learning opportunities and pharmacy-specific education programmes to be available to assist pharmacists to up-skill in this area. This ensures they understand the benefits and gains that a culturally competent workforce can achieve for the New Zealand public in terms of the delivery of pharmacy services.

New Code of Ethics 2011

A new Code of Ethics was developed to reflect more accurately contemporary, patient-centred care and to place the focus of pharmacy practice on the health, safety and well-being of patients.

The code addresses principles and values that guide ethical behaviour rather than requiring adherence to prescriptive rules. This is in line with best practice internationally, with the new 2011 code closely aligned with similar codes in the UK, Canada and Australia.

Feedback from consultation in 2010 showed 88% of respondents in favour of the change to remove the detailed guidance of the 2004 code, which spelled out professional and practice obligations for both pharmacists and pharmacies. 94% also supported the proposed change to plain English descriptions of the overarching principles and supporting obligations.

The Council ratified the new code in December 2010 and it was distributed to all pharmacists in January 2011.

The Council has undertaken to continue to review, update and develop guidelines for pharmacists where there are specific public safety concerns, such as with the promotion and supply of medicines over the Internet.

GOAL THREE – CAPABILITY AND CAPACITY

To ensure that quality training and new scopes of practice allow the profession to meet the needs of the evolving health environment

KEY PROJECT:

Pharmacist prescribing

The Council submitted an application for pharmacist prescribing to HWNZ in October 2010, and in April 2011 the HWNZ Board agreed in principle to designated prescribing rights for pharmacists.

The Board also determined that this should be implemented by way of HWNZ "demonstration sites". The provision for such time-limited demonstration sites to extend prescribing rights for specified groups of health practitioners is proposed under the Medicines Amendment Bill, which is expected to be introduced late in 2011.

The Council's comprehensive application followed wide consultation on the requirements for pharmacist prescribing. These were based on the New Prescribers Advisory Committee (now disestablished) requirements for consideration of designated prescribing rights, and were refined and clarified after the consideration of feedback from the consultation. The application covered:

- prescribing parameters for pharmacist prescribers, including defining the pharmacist prescriber scope of practice especially with respect to the collaborative health team environment, diagnosis and pharmacy ownership
- classes of medicine that are included and excluded for pharmacist prescribers
- the justification for and risks and benefits of pharmacist prescribers
- competencies, and education and training for pharmacist prescribers
- ongoing competence and monitoring for pharmacist prescribers.

Details of the consultation, the response and the outcomes were sent to all respondents and published on the Council website in December 2010, including further clarification on the separation of prescribing and dispensing as well as the Medicines Act mechanisms that could be utilised to manage prescribers holding interests in pharmacies.

Qualifications for pharmacist prescribers

In line with its responsibilities for standard-setting and accreditation, the Council prescribed the qualification for the pharmacist prescriber scope of practice as a Post Graduate Certificate in Prescribing. Entry to the certificate will require a Post Graduate Diploma in Clinical Pharmacy or equivalent.

The Council will accredit programmes to be delivered at the Auckland and Otago University Schools of Pharmacy, which are working together to produce a common qualification. The Post Graduate Certificate will be taught at Masters level and will be provided as two 30-point papers equivalent to 300 hours of study each. The first paper will focus on the Principles of Prescribing. The second Prescribing Practicum paper will require the pharmacist to work under supervision with a designated medical practitioner in the area of practice in which they intend to prescribe.

New accreditation standards for the Intern Training Programme (ITP)

New accreditation standards for ITPs in New Zealand developed collaboratively with the Australian Pharmacy Council were finalised at the end of 2010 and were used by the Council in 2011 to accredit New Zealand's EVOLVE® ITP for the three years from 2012 to 2015.

The ITP is a supervised, workplace-based training programme completed in the fifth year of training post BPharm graduation. It is also undertaken by overseas-qualified pharmacists who are registered in New Zealand as intern pharmacists. (See page 17.)

The programme accredited from 2012 will provide additional learning opportunities that enable interns to apply knowledge and skills in:

- clinical pharmacy
- medicines management
- inter-professional collaboration
- cultural competence
- supervision of pharmacy technicians and assistant personnel
- teaching and learning skills.

Face-to-face training days will remain a key component of the ITP and from 2012 attendance at training days will be compulsory for both local- and overseas-qualified interns.

The accreditation standards have provided the Council with a mechanism to ensure that the ITP produces a competent and fit-for-purpose pharmacist workforce.

New Intern Assessments pilot

Following an external review of the ITP, the Preregistration Assessment Board (PRAB), a subcommittee of the Council, reviewed intern assessments and set out recommendations for future assessments.

The final assessment of intern pharmacists, referred to as the Assessment Centre, involves Objective Structured Clinical Examinations (OSCE) – a type of examination used in health sciences to test clinical procedures and the interpretation of results by role-playing common clinical situations. The Pharmacy Council reviews and moderates the assessment material for the Assessment Centre.

In 2011 the Council commenced a project to develop the new Assessment Centre format consisting of 10 OSCE stations and a written examination. A pilot, using volunteer intern pharmacists, will be carried out in late 2011.

New Zealand intern pharmacists currently complete an Assessment Centre consisting of an interview and five OSCE scenarios.

The PRAB recommended that future OSCE stations be developed by following a seven-step process, developed by Professor Zubin Austin of the University of Toronto. Each step (blueprinting, station development, case writing, case review, standard setting, piloting and assembling stations) is completed by a different group of pharmacists in order to ensure that the assessments match real practice and expectations as far as possible.

Additionally the PRAB is recommending that a written multi-choice-question examination be included in the intern year. As the Council has worked closely with the APC on accreditation standards for the ITP, the Council is investigating whether an APC exam used for interns in Australia would be appropriate for use in New Zealand.

Intern pharmacists must successfully complete the ITP prior to being eligible to register as pharmacists. The PRAB confirms an intern has completed the programme and invites them to register as a pharmacist.

GOAL FOUR – ACCOUNTABILITY TO PUBLIC AND STAKEHOLDERS

To improve the Council's relationship with the public, the profession and stakeholders, ensuring that the role of the Council is understood

KEY PROJECT:

Fostering links with stakeholders

The Council has established improving relationships with stakeholders as a key strategic goal in recognition of the need to ensure a good understanding of the role of the Council. Whilst the Council already has strong relationship with stakeholders, it acknowledges that understanding how regulation works to protect public safety is important if the system is to operate effectively. Fostering links with stakeholders is therefore an ongoing project with a multifaceted approach employing a range of strategies.

The Council's website provides the foundation for its communications with all stakeholder groups and is the repository for any information they may require. Different sections are clearly targeted at the public and at the profession, and the website itself is regularly reviewed to ensure it is clear, coherent and up to date.

At the same time, the Council retains a strong commitment to the value of face-to-face communications and engagement. Regular meetings are held with key stakeholders to discuss issues of mutual interest. As part of its formal meetings this year, the Council hosted the HDC, the National Executive of the PSNZ and the Pharmacy Industry Training Organisation (PITO).

During the year the Council Chief Executive and Registrar was invited to speak at the PSNZ Symposium series, which was attended by more than 500 pharmacists in four venues nationwide. This was an excellent opportunity for members of the profession to hear first-hand about Council work, and to ask questions. The Council was very grateful to PSNZ for this opportunity.

Pharmacists are obviously the primary stakeholder group for the Council, and in addition to meeting pharmacists as much as possible and engaging them in Council projects, the Council sends out a comprehensive newsletter three times a year.

Relationships with the sector are also important, and the Council maintains regular communication with the Pharmacy Guild of New Zealand, the New Zealand Hospital Pharmacists' Association, Ngā Kaitiaki o te Puna Rongoā o Aotearoa – the Māori Pharmacists' Association, the Clinical Advisory Pharmacists Association, the Community Pharmacy Leaders Forum and other pharmacy organisations.

The Council is a member of Health Regulatory Authorities of New Zealand, whose members comprise all the regulatory authorities under the HPCAA, and is involved in projects of mutual interest with this group.

The Council met with the Minister of Health, as well as Ministry of Health and HWNZ officials, about the proposal for amalgamating regulatory authorities. It continues to work with other regulatory authorities and HWNZ on a way forward for future health regulation in New Zealand.

The Council continues to have active relationships outside New Zealand, as a member organisation of the accreditation agency APC, and the Council has a director appointed to this. It is also represented on the two APC operational committees: the Examining Committee and the Accreditation Committee. The Council signed a memorandum of cooperation with the APC in June 2011 that further formalises the relationship between the two councils. In addition the Council is a member of the USA National Boards of Pharmacy.

9th International Conference in Life Long Learning in Pharmacy

In June 2011 the Council hosted the 9th International Conference in Life Long Learning in Pharmacy in Rotorua, with the Chief Executive and Registrar as the host convenor. This conference was the latest in a series of conferences that have been held around the globe since 1990, and was attended by more than 120 pharmacists from 20 countries. The theme was “Learning together in the Land of the Long White Cloud” and focused on the ongoing education and training of pharmacists. The conference, opened by the Associate Minister of Health, Hon Peter Dunne, was a great success.

Contribution to sector issues

The Council actively contributes to discussions on relevant issues and policy developments. As appropriate it takes part in consultations and makes comments and submissions. In the past year, the Council has made submissions on the following:

Medicines Classification Committee (Medsafe)

- Loperamide reclassified to a general sales medicine in an approved pack of not more than eight solid dose forms.
- Changes to the classification and availability of cough and cold preparations, particularly for children.
- Reclassification of omeprazole 10mg from Pharmacist Only to Pharmacy Only.

Pharmac

- Pharmaceutical Schedule rules for “Close Control” and the distribution of special foods and high-cost medicines direct to patients.
- Proposal to amend the definition of prescriber types in the “General Rules”, including “relevant practitioner”.
- Dietitians prescribing of Special Foods and dietetic-related non-prescription subsidised products e.g. vitamins and minerals.
- Pharmaceutical Schedule rules/Community Pharmacy Services.

Ministry of Health proposals

- Medicines Amendment Bill.
- Medication Care Guides for Residential Aged Care, updating “A Guide for Managers of Old People’s Homes and Residential Care Facilities September 1997”.

HWNZ

- Discussion document on Nurse Prescribing in Diabetes Services.
- Proposal for amalgamation of health regulatory authorities.

Other

- District Health Boards New Zealand discussion document Community Pharmacy Services options for people in age-related residential care and for people with disabilities living in community residential support services.
- Researched Medicines Industry (now Medicines New Zealand) – Code of Practice.
- PSNZ consultation document on Medicines Therapy Assessment standards.
- PITO – creating a new future for pharmacy support staff (Qualification and Training survey).
- Midwifery Council – Midwife Code of Conduct.
- Chiropractic Board – Code of Ethics and Standards of Practice.
- New Zealand Physiotherapy Board – proposed statement on Cultural Competence.
- Dental Council – Code of Practice on Advertising.

Professional standards

The Council was involved in the development of two external policies that impact on professional standards and practice.

Medicine recalls

A large number of medicine recalls from patients, in addition to 10 pharmacy- or hospital-level medicine recalls, in 2010 led to a review of the recall procedure for pharmacies and pharmaceutical companies.

The Council participated in a series of meetings on the issue and it was quickly determined that the process and guidance for the recall of medicines needed to be updated to provide clarity about the roles and responsibilities of all parties involved. The recovery of costs and recompense for these parties would also be considered once the new guidance had been developed.

A new code was presented to the Minister of Health in late 2010, but publication was put on hold until the issue of compensation could be resolved. Legal action by one party has now prevented further progress.

Development of a Natural Health Products Bill

The Council gave its support to a Ministry of Health proposal that natural health products be regulated to provide assurance to consumers that they are safe, true to claim and true to label. The proposed regulation would give pharmacists reassurance that those products available for sale are safe and effective as claimed.

Pre-market approval would be required by the importer or manufacturer and there would be lists of permitted ingredients, permitted claims of efficacy and mandatory labelling requirements. Rongoā Māori practitioners would not require approval for a product for the needs of a particular patient.

GOAL FIVE – ORGANISATIONAL PERFORMANCE

To ensure the effective and efficient management of the organisation

KEY PROJECT:

Councillor governance competence framework

A new governance competence framework was developed to assist Councillors and ensure they have a full understanding of their role and responsibilities. Alongside this, Councillors are developing their professional development requirements.

Organisational review

The Council recognises the value of well trained and competent staff in achieving its goals, as well as the need to demonstrate to the profession the efficient management of operational costs within the organisation. Following the development of the 2010-2015 strategic plan, the Chief Executive conducted a review to ensure the organisation was structured in the best possible manner to meet its objectives. A refined structure, prepared with extensive consultation with staff, was implemented in January 2011.





REGISTRATION AND PRACTISING CERTIFICATES

Registrations of pharmacists and the issue of annual practising certificates are core functions of the Pharmacy Council. The Council prescribes the standards that pharmacists must meet to register and to obtain annual practising certificates. This includes the prescription of qualifications and the accreditation of programmes and providers. These mechanisms work to protect public safety.

SCOPES OF PRACTICE

The Council is responsible for prescribing scopes of practice, which define what a pharmacist may do. There are two scopes of practice and all pharmacists working in New Zealand must practise in either the intern pharmacist or pharmacist scope of practice. A third scope of practice for the pharmacist prescriber is currently under development. (See page 10.) Although the practice of pharmacy goes beyond work with patients and clients to include roles that influence clinical practice and public safety, such as teaching, advising, research, policy development and management, the two pharmacist scopes of practice cover the:

- custody, preparation and dispensing of medicines and pharmaceutical products
- provision of advice on health and well-being, including health screening
- selection and provision of non-prescription medicine therapies and therapeutic aids.

The intern pharmacist scope of practice

This is a provisional scope of practice that leads to registration as a pharmacist. It provides for a period of practice under supervision for BPharm graduates from New Zealand or Australia and overseas-qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA, which are recognised as having similar qualifications.

The pharmacist scope of practice

Graduates who have completed the requirements of the ITP and demonstrated competence may apply for registration in the pharmacist scope of practice. Pharmacists who have been registered in Australia, Canada, Ireland, Northern Ireland, the UK or the USA, or who were previously registered in New Zealand and wish to be reinstated to the Register of Pharmacists, can apply for registration in the pharmacist scope of practice.

ACCREDITATION AND MONITORING OF QUALIFICATIONS, PROGRAMMES AND ORGANISATIONS

The Council works closely with the APC and shares best practice principles and arrangements for the accreditation of educational institutions. A memorandum of cooperation assigns accreditation functions of both degree and intern training programmes to the APC in conjunction with the Council.

Bachelor of Pharmacy degrees

Two four-year New Zealand BPharm degree programmes are accredited by the Pharmacy Council and the APC. The University of Otago BPharm degree was reaccredited in 2010 and holds full accreditation until 2014. The University of Auckland BPharm degree holds full accreditation and is due for reaccreditation in 2011.

The Intern Training Programme

The ITP is the prescribed qualification for the pharmacist scope of practice. It is a supervised, workplace-based training programme completed in the fifth year of training post-BPharm graduation.

The EVOLVE® ITP is provided by the professional body for pharmacists, the Pharmaceutical Society of New Zealand. It maps its learning outcomes to the seven competence standards for the pharmacist scope of practice.

Intern numbers 2007-2011

	2007	2008	2009	2010	2011
Interns	202	234	220	205	221

ITP assessment is required for:

- New Zealand and Australian BPharm graduates
- overseas-qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA
- New Zealand-qualified and -registered pharmacists returning to practise after a period of more than eight years.

Examination/Assessment 2010-2011	Number assessed	Number passed
Intern Assessment Centre (OSCE and interview)	226	181

Other examinations and assessments

The Council prescribes the registration requirements for overseas-qualified pharmacists and local pharmacists returning to practise. Examinations and assessment requirements vary depending on where the pharmacy qualifications were attained:

Knowledge Assessment of Pharmaceutical Sciences (KAPS)

Overseas-qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA are required to pass this exam before applying to practise in New Zealand as intern pharmacists.

Competency Assessment of Overseas Pharmacists (CAOP)

Overseas-qualified pharmacists from Canada, Ireland, Northern Ireland, the UK and the USA are required to sit this examination before registering as pharmacists.

Law and Ethics Interview Assessment

Overseas-qualified pharmacists from countries with qualifications that are recognised as similar to New Zealand's (i.e. Australia, Canada, Ireland, Northern Ireland, the UK and the USA) are required to complete this assessment following a period of supervised practice after registration.

Pharmacists returning to practise after a period of more than three years and fewer than eight years are also required to complete this assessment following a period of supervised practice.

Examination/Assessment 2010-2011	Number assessed	Number passed
KAPS	29	10
CAOP	18	15
Law and Ethics Interview Assessment (overseas-recognised, equivalent-qualification pharmacists)	18	18
Law and Ethics Interview Assessment (return-to-practise pharmacists)	27	27

REGISTRATION

Registration provides assurance to the public that a pharmacist has attained the standard of qualification prescribed by the Pharmacy Council. The ITP is the prescribed qualification for registration in the pharmacist scope of practice. This workplace-based training programme is completed in the fifth year of training post-BPharm graduation. The names, qualifications and dates of registration of all pharmacists registered in this scope appear in the publicly available Register of Pharmacists located on the Council website: www.pharmacycouncil.org.nz.

Register numbers 2005-2011

The total number of practising pharmacists was 3,223 at 30 June 2011, up 43 (1.4%) on 30 June 2010. The total has been increasing steadily since 2005.

Pharmacists who are not practising or providing services described in the scope of practice remain on the register.

Register Totals at 30 June	2007	2008	2009	2010	2011
	2007	2008	2009	2010	2011
Practising pharmacists	2,889	2,978	3,076	3,180	3,223
Non-practising pharmacists	1,011	1,023	1,017	1,001	996
TOTAL	3,900	4,001	4,093	4,181	4,219

Additions to the register

198 new registrations were processed in the year ended 30 June 2011, a decrease of 27 (12.0%) from the previous year.

Applications for registration in the pharmacist scope of practice

As at 30 June 2011	2007	2008	2009	2010	2011	Change 2010-2011
New Zealand BPharm and ITP graduates registered in the pharmacist scope of practice	192	182	205	193	170	-23
Australian pharmacists registered under the Trans Tasman Mutual Recognition Agreement (TTMRA)	11	13	4	3	4	+1
Ireland, Northern Ireland and UK pharmacists registered through the Recognised Equivalent Qualifications Route (REQR)	29	12	20	20	12	-8
Canada/USA pharmacists registered through REQR	5	5	2	2	2	0
Registrations from other overseas-qualified pharmacists (non-REQR)	13	13	15	7	10	+3
Total new registrations	250	225	246	225	198	-27

Removals from the register

169 pharmacists were removed from the register in the year ended 30 June 2011, up 47 (38.5%) on the previous year. Seven interns were also removed from the register during the year.

Removal	Number	
Practising register		78
Removed at own request s. 142	43	
Revision of register s. 144 (5)	31	
Deceased s. 143	4	
Non-practising register		91
Removed at own request s. 142	46	
Revision of register s. 144 (5)	44	
Deceased s. 143	1	
TOTAL		169

ANNUAL PRACTISING CERTIFICATES

An annual practising certificate provides assurance that a pharmacist has maintained their professional competence. A pharmacist practising in any of the services described in the scope of practice must have an practising certificate and demonstrate they are maintaining competence in their individual practice by participating in the approved recertification (continuing competence) programme. (See page 22.)

When pharmacists apply each year for their practising certificates, they complete a workforce questionnaire that covers such things as age, gender, ethnicity, place of employment and qualifications. This information is collated to provide a comprehensive source of information on the pharmacy workforce. The data makes an important contribution to health policy development, service delivery planning and research. (For the 2011 workforce report, see page 32.)

Intern pharmacist scope of practice applications

	Annual practising certificates issued ¹
BPharm graduates from New Zealand Schools of Pharmacy	197
Reissues	53
Overseas-qualified pharmacists	9
Total intern applications issued (includes reissues)	259

¹ As this is a provisional scope of practice, all intern pharmacists have conditions applied e.g "Practise in the intern scope expires on (dated two years from initial registration in intern scope)".

Pharmacist scope of practice applications

A total of 3,485 annual practising certificates were issued in the pharmacist scope of practice. This included 198 new registrations, 101 returns to practise and 3,186 renewals.

	Annual practising certificates	Conditions
Total issued	3,485	63 ¹

¹ Includes 47 annual practising certificates issued with a condition of supervision (18 overseas-qualified and 29 return-to-practice (\geq three years ago) pharmacists; 12 conditions of oversight in order to meet recertification requirements; one not met recertification requirements; one health; one discipline; and one HPDT.





COMPETENCE AND FITNESS TO PRACTISE

RECERTIFICATION

Recertification is a mechanism provided by the HPCAA that the Council uses to ensure that pharmacists maintain their competence. Each year when applying for an annual practising certificate, a pharmacist must complete a declaration confirming their participation in the recertification programme.

The current recertification programme, ENHANCE, is based on the framework for recertification programmes set in 2004 and is delivered by PSNZ. The programme follows a four-step process for documenting continuing professional development: Reflection, Planning, Action and Outcomes. It is a self-directed process where pharmacists identify, pursue and document their own professional development. This is measured in Outcome Credits that reflect the relevance of the learning to and its impact on the pharmacist's practice; 12 Outcome Credits must be achieved every three years.

The Council is currently reviewing its approach to recertification. (See page 9.)

Consequences of non-participation in continuing professional development

If a practising pharmacist is not participating in the ENHANCE programme, the Council may place a condition on their scope of practice requiring them to work under the oversight of another pharmacist until they can demonstrate they are participating. Further non-compliance can result in conditions of working in association with another pharmacist until requirements are met. At the most severe end, the HPCAA allows the Council to propose declining to issue an annual practising certificate to a pharmacist who persistently fails to comply with recertification.

At 30 June 2011, the scope of practice of 10 pharmacists included a condition of oversight under section 28 of the HPCAA, for failing to declare participation in the recertification programme. One pharmacist further failed to submit material for the recertification audit and the condition of oversight was included under section 43 (unsatisfactory results of a recertification programme).

Recertification audit

Each year the Council audits a random selection of pharmacists to ensure they are maintaining their competence. The audit assesses the learning completed in the previous three years and confirms participation in the ENHANCE recertification programme. Continuing professional development records were reviewed by independent pharmacists appointed by the Council and trained in the audit process.

The following table compares recertification results for 2008-2010:

Audit results 2008-2011			
	2010-2011	2009-2010	2008-2009
Pharmacists randomly selected	100	0	150
Pharmacists targeted	0	30	0
Total pharmacists selected	100	30	150
Submissions received	95	23	138
Non-submission	2	7	4
Exemptions	3	0	8
Failed pre-audit check	0	6	3
Sent to an auditor	(95%) 95/100	(57%) 17/30	(90%) 135/150
Standard of documentation poor	(4.2%) 4/95	(23.5%) 4/17	(2.2%) 3/135
Passed	(95.8%) 91/95	(70.6%) 12/17	(97.8%) 132/135
Exemption	0	(5.9%) 1/17	0

The 2009 audit was a specifically selected "targeted" audit only.

For further information on recertification and the audit (including the Council policy documents), see the Council's website: www.pharmacycouncil.org.nz (Pharmacists > Recertification).

THE COMPETENCE REVIEW PROCESS

Competence reviews and competence programmes are put in place to help pharmacists when the safety of their practice has been questioned. These measures assist pharmacists in upskilling their practice while ensuring the safety of the public.

When the Council receives a notification about the competence of a pharmacist, the Professional Standards Committee (PSC) assesses whether or not a review of the pharmacist's competence is required. In making this decision, it considers the following questions:

- Has the pharmacist displayed a pattern of poor standards of care or competence in several instances, or one instance over a sustained period?
- Is the magnitude of the mistakes a serious departure from normal safe and accepted standards of practice?
- Is the pharmacist working in a professionally isolated environment?
- Has local intervention failed where poor standards have been acknowledged?

Competence notifications 2010-2011

Five new competence notifications were made during the year. In two instances a professional advisor assisted the PSC by visiting the pharmacists at their places of work to make further enquiries in relation to their competence. Three of the five notifications resulted in the pharmacists being found to be practising at the required standard of competence.

Competence reviews

When the PSC orders a competence review, a Competence Review Team, comprising two registered practising pharmacists with relevant training, undertakes an on-site review of the pharmacist's practice. The pharmacist is assessed and evidence gathered against the seven Pharmacy Council Competence Standards for the pharmacy profession.

One new competence review was undertaken during the 2010-2011 year. Two further competence reviews were ordered. In one case the pharmacist chose to stop practising and in the other the pharmacist agreed to work in association with another pharmacist pending the outcome of the review.

Competence programmes

Following a competence review, one competence programme was ordered during the year, requiring the pharmacist to work in an approved site with mentoring support and monitoring provided by a practice counsellor. Two competence programmes previously ordered were completed during the year. One pharmacist was required to complete successfully a course and a period of supervised practice. The other pharmacist was required to work with a practice counsellor. This pharmacist also had a condition imposed on his practice in relation to dispensing. A reassessment of this pharmacist's competence was ordered on the completion of the competence programme.

Table 3: Competence referrals 2010-2011

Source	HPCAA section	Number
Health practitioner (under regulatory authority)	34 (1)	2
HDC	34 (2)	
Employer	34 (3)	1
Other	36 (4)	2
Total		5

Table 4: Outcomes of competence referrals

Outcome	HPCAA section	Number*			
		Existing	New	Closed	Still active
(Total number) Initial enquiries	36	4	5	7	2
No further action		1	3		
Notification of risk of harm to public	35	1	1	2	
Orders concerning competence	38	3	2	3	2
Interim suspension/conditions	39	2	1	3	
Competence programme	40	3		2	1

*The number of outcomes may be greater than the number of cases, as each case may have more than one outcome.

Council guidance on competent professional practice

The Pharmacy Council provides guidance for pharmacists on issues that emerge in response to concerns raised by pharmacists themselves, patients, prescribers and Medicines Control. During the year articles were published in the Council newsletter to pharmacists on topics such as:

- ensuring non-halveable medications are not halved, and patients are reminded of which medicines cannot be crushed or chewed
- dispensing the correct dosage form for those medicines for which different formulations are not interchangeable
- using child-resistant packaging for any medicine or poison implicated in childhood poisonings
- communicating with prescribers when patients make choices on which medicines to have dispensed based on financial difficulties
- a patient's right to choose their health care provider
- a pharmacist's role in providing education to the public regarding the misuse or overuse of medicines of potential abuse
- ensuring patients are referred to other health care providers when additional knowledge or expertise is required.

HEALTH AND FITNESS TO PRACTISE

When the Council is notified that the practice of a pharmacist may be impaired by a mental or physical condition, the Health Committee works to ensure the safety of the public.

The Health Committee engages independent medical practitioners to advise it on the pharmacist's fitness to practise and to recommend any measures that may be required to ensure the ongoing safety of the pharmacist's practice. The process is rehabilitative and may include limiting the pharmacist's practice through the imposition of a condition, such as working under supervision, working with a mentor, testing for the presence of drugs or working in a non-dispensing role. In some cases the pharmacist's practice may be suspended until they are well enough to return to practise. All cases are managed confidentially and in an empathetic, caring and considerate manner.

No new notifications were received during the 2010-2011 year. However, the Committee continued to work with existing cases. Three pharmacists, working within previously established voluntary monitoring agreements, returned to practise with no limitations and with no further requirement to be involved in the Health Committee process. Five pharmacists continue to be monitored by the Health Committee, with three being monitored under a voluntary agreement, one practising under a condition and one returning to practise in a non-dispensing role. The registration of one pharmacist was suspended following a health relapse and a medical assessment that the pharmacist was unable to perform the functions required for the practice of pharmacy. A pharmacist, whose registration was suspended for health reasons, had his request for the removal of his name from the Register of Pharmacists granted.

Table 5: Notifications of inability to perform required functions owing to mental or physical (health) condition

Source	HPCAA section	Numbers			
		Existing	New	Closed	Still active
Health service	45 (1) a				
Health practitioner	45 (1) b	3			3
Employer	45 (1) c	5		2	3
Medical officer of health	45 (1) d				
Any person	45 (3)	1		1	
Person involved with education	45 (5)				
PCC s. 80 (2)(b) recommendation upheld	80 (2)(b)	1		1	

Table 6: Outcomes of health notifications

Outcome	HPCAA section	Number of practitioners
No further action		1
Order medical examination	49	1
Total		1
Interim suspension	48	1
Conditions	48	
Restrictions imposed	50	3*

*Conditions in relation to return to practise requirements not s. 50.





COMPLAINTS AND DISCIPLINE

The Council receives and addresses complaints about the conduct of pharmacists. Any complaints that allege that the conduct or service provided by a pharmacist has adversely affected a patient must be forwarded to the HDC.

COMPLAINTS SCREENING COMMITTEE

Complaints that are referred back to the Council by the HDC and all other complaints are initially considered by the Council's Complaints Screening Committee (CSC). This committee is delegated by the Council to determine what, if any, action is required. Its options include:

- referring the complaint for investigation by a Professional Conduct Committee (PCC) if issues of professionalism or conduct are raised
- referring the complaint for consideration for a competence review if issues of competence are raised
- referring the pharmacist complained about to the Health Committee if it appears that the pharmacist may be suffering from an underlying health issue
- determining that no further action is required. This may include such instances where a complaint is considered to be vexatious or an employment issue, or where an educational letter or a review of the pharmacy's relevant standard operating procedures would suffice.

The Council received 35 complaints during the year. One case involving the practice and the conduct of a pharmacist was particularly complex. The CSC referred the pharmacist for investigation by a PCC as well as for consideration for a competence review. These two processes are ongoing.

Table 7: Complaints from various sources, and outcomes

Source	Number	Outcome			
		No further action*	Referred to PCC	Referred for consideration for competence review	Referred to HDC
Consumers	10				9
HDC	8	7		1	Not applicable
Health practitioner (under RA)	5		1		1
Other health practitioner	3			1	
Court notice of conviction	1		1		
Employer					
Other (including sector organisations)	8		4**	1**	

* In most cases the HDC recommended a review of the pharmacies' standard operating procedures.

** One pharmacist was referred for investigation by a PCC and for consideration for a competence review.

PROFESSIONAL CONDUCT COMMITTEES

Where the Council considers that a complaint, or information in its possession, raises questions about the conduct or the safety of the practice of a pharmacist, it may refer the pharmacist to a PCC.

Additionally, all pharmacists found guilty of convictions carrying a sentence of more than three months (regardless of whether or not the pharmacists receive this sentence) must be referred to a PCC to determine if the conduct amounts to professional misconduct or impacts on the pharmacists' fitness to practise.

PCCs are independent of the Council and may regulate their own procedures, appoint legal advisors and investigators and receive and gather evidence. At all times a PCC must keep the Council, the pharmacist under investigation and any complainant informed about the progress of the matter. The PCC must also provide the pharmacist being investigated, and any complainant, with a reasonable opportunity to make written submissions or be heard, either personally or by a representative, on the matter being investigated.

During the year 12 pharmacists were referred to PCCs, with the outcome of three still pending at 30 June 2011. In the previous year two complaints were received about the same pharmacist, that is, from a health consumer and a statutory organisation. The two complaints were referred to a PCC for investigation at the same time, as provided for under section 68 (4) of the HPCAA. This investigation was finalised during the year.

Table 8: PCC cases addressed

Nature of issue	Source	Number	Outcome
Fraudulent claiming	Conviction	1	Referral to HPDT
Concerns about standards of practice and conduct	Practitioners	2	1 referral to HPDT 1 no further action,
	Statutory organisations	3	1 referral to HPDT 2 decisions pending
	Conviction	1	Referral to HPDT
Notification of conviction (drink-driving offence)	Practitioner	1	No further action
Theft	—	—	
Practising outside scope of practice and possible breaches of Medicines Act 1981	Statutory organisation	1	Investigation on hold pending outcome of criminal proceedings
Practising without annual practising certificate	Council	1	Decision pending
Other (alleged breaches of privacy; plagiarism)	Council	1	No further action
	Training programme	1	No further action

HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

The HPDT is a statutory disciplinary organisation separate from the Pharmacy Council. It hears and determines charges brought by PCCs against health practitioners registered under the HPCAA. A disciplinary fee that is part of the annual practising certificate fee provides funding for the HPDT.

Members of the HPDT are appointed by the Minister of Health for each profession and include practitioners, laypersons, a chair and two deputy chairs. (See page 40 for members.) For each hearing, the HPDT consists of the chairperson, or a deputy chairperson, three pharmacists and a layperson.

In the 2010-2011 year, four pharmacists were referred to the HPDT. At the year's end, one hearing and a penalty decision were pending. The three hearings involved:

Fraudulent claiming

Ithiel Satya's conviction for fraudulently claiming dispensing fees was found by the Tribunal to reflect adversely on his fitness to practise. He had been charged with 73 counts of making claims for Government subsidies in respect of dispensed repeat prescriptions and his conviction in the Wellington District Court was upheld by the Court of Appeal in May 2010. The Tribunal suspended Mr Satya's registration for six months, censured him and imposed costs. Following the suspension, conditions were to be imposed on his practice in relation to the management of a pharmacy and his competence in law and ethics.

Supply of drugs

Ross Pulman had his registration cancelled by the Tribunal following his conviction in the Auckland High Court for the supply of substantial quantities of pseudoephedrine, an offence against the Misuse of Drugs Act 1975. The Tribunal ruled that Mr Pulman's conviction reflected adversely on his fitness to practise. He was ordered to pay 33% of the costs of the investigation and the hearing.

Dispensing and recording breaches

Arief Katamat was found guilty of professional misconduct and acts or omissions likely to bring discredit to the profession following charges relating to breaches of the Medicines Act 1981 and Regulations 1984, the Misuse of Drugs Regulations 1977 and Pharmacy Council Code of Ethics. The charges involved a significant number of discrepancies between the purchases and dispensed records for pseudoephedrine and codeine phosphate in one of the three pharmacies owned by Mr Katamat; drugs dispensed without prescription; a drug sold wholesale without a licence; and failure to adhere to the requirements for recording and dispensing controlled drugs. The Tribunal's decision on penalty is pending.

Table 10: HPDT cases

	2010-2011	2009-2010
New cases	4	5
Existing cases		
Total cases managed	4	5
HPDT cases finalised*	3	5

*Penalty decision for one case pending; substantive decision for another case pending.

The full decisions on the above cases can be viewed on the Tribunal's website under decisions/pharmacists at www.hpdt.org.nz.



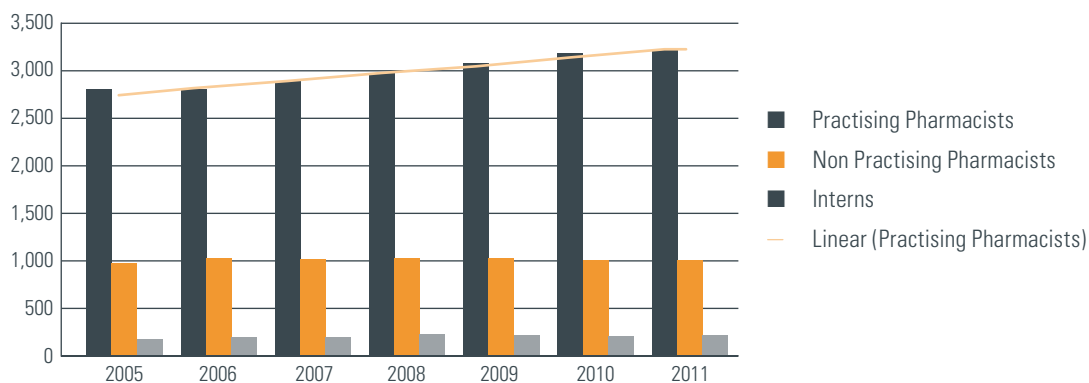
WORKFORCE DEMOGRAPHICS

A) REGISTER NUMBERS 2005-2011

As at 30 June 2011, the total number of practising pharmacists was 3,223, up 43 (1.4%) on 30 June 2010. The total has been increasing steadily since 2005.

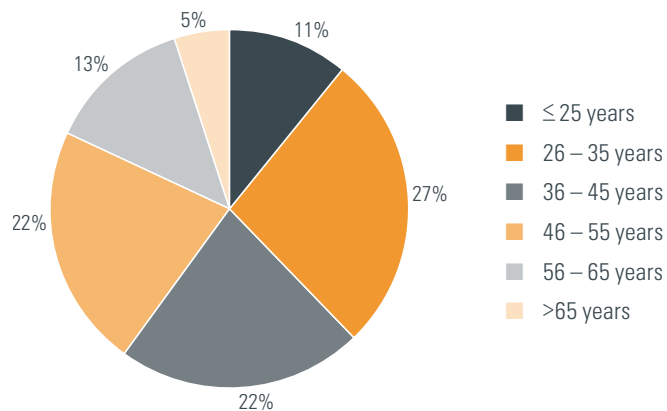
Register totals as at 30 June	2005	2006	2007	2008	2009	2010	2011
Practising pharmacists	2,787	2,801	2,889	2,978	3,076	3,180	3,223
Non-practising pharmacists	983	1,022	1,011	1,023	1,017	1,001	996
Interns	168	189	202	234	220	205	221
TOTAL	3,938	4,012	4,102	4,235	4,313	4,386	4,440

Register Numbers as at 30 June



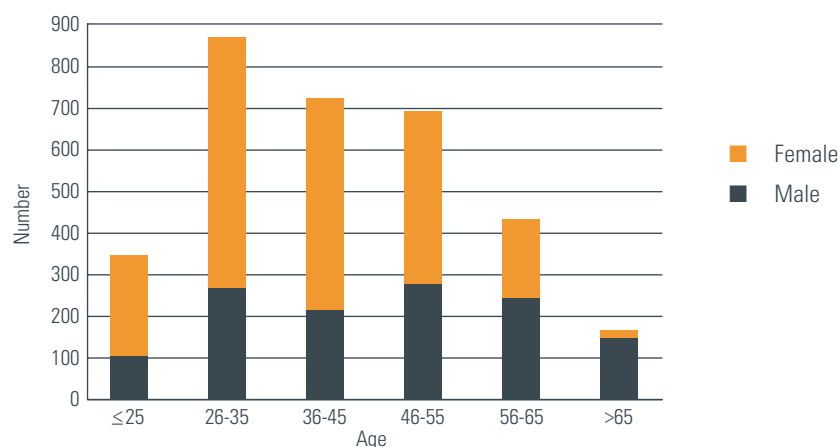
B) AGE AND SEX

Age of Practising Pharmacists as at 30 June 2011



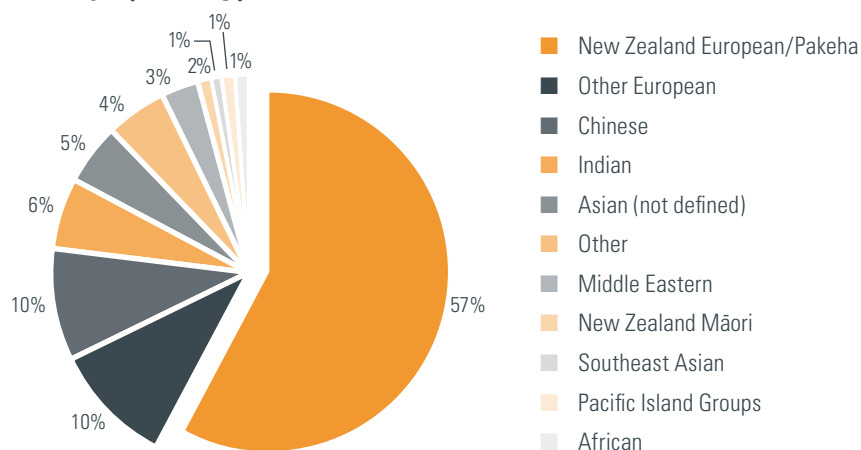
Age and sex distribution of practising pharmacists as at 30 June 2011

Age and Sex Distribution of Practising Pharmacists as at 30 June 2010



C) ETHNICITY

Ethnicity of practising pharmacists as at 30 June 2011



There have been some small but significant changes to the ethnicity composition of practising pharmacists since 2007. The number of pharmacists who identify as New Zealand Māori has stayed much the same. The percentage of pharmacists who identify as New Zealand European/Pakeha has decreased overall by 8% to 57% of total practising pharmacists.

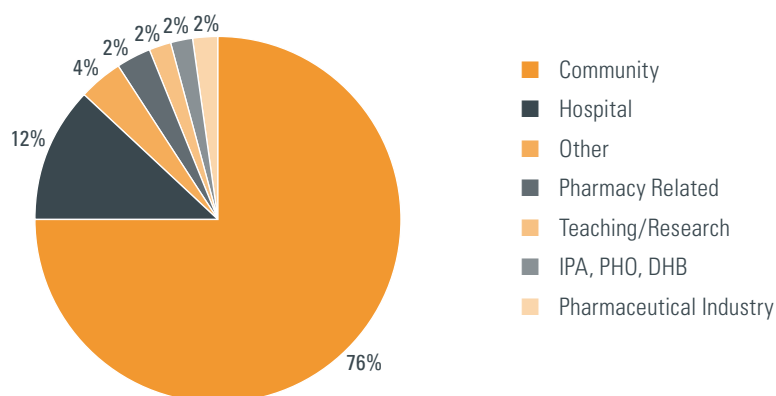
Ethnicity	2007	2008	2009	2010	2011	Net change 2007-2011
New Zealand European/Pakeha	1,869 (65%)	1,868 (63%)	1,837 (60%)	1,854 (58%)	1,834 (57%)	-35 (-8%)
Other European	285 (10%)	301 (10%)	319 (10%)	328 (10%)	332 (10%)	+47 (0%)
Chinese	204 (7%)	241 (8%)	282 (9%)	304 (10%)	315 (10%)	+111 (+3%)
Indian	130 (5%)	152 (5%)	179 (6%)	200 (6%)	213 (6%)	+83 (+2%)
Asian (not defined)	62 (2%)	88 (3%)	112 (4%)	146 (5%)	169 (5%)	+107 (+3%)
Other	223 (8%)	183 (6%)	168 (6%)	147 (5%)	142 (4%)	-81 (-3%)
Middle Eastern	39 (1%)	61 (2%)	78 (3%)	89 (3%)	93 (3%)	+54 (+2%)
New Zealand Māori	48 (2%)	49 (2%)	46 (2%)	45 (1%)	50 (2%)	+2 (0%)
Southeast Asian	16 (1%)	18 (1%)	27 (1%)	28 (1%)	34 (1%)	+18 (+0%)
Pacific Island groups	9 (0%)	11 (0%)	13 (0%)	18 (1%)	21 (1%)	+12 (+1%)
African	4 (0%)	6 (0%)	15 (1%)	21 (1%)	20 (1%)	+16 (+1%)

D) TYPE OF WORK

3,123 pharmacists issued with an annual practising certificates for the year 1 April 2011 to 31 March 2012 completed the type of work section on the annual practising certificate renewal form. This represents 97% of the pharmacists on the practising register as at 30 June 2011. The data collected relates to the previous annual practising certificate year and has been used in this instance to provide an estimate of the number of pharmacists in the different areas of pharmacy employment. The following information was compiled from these responses.

358 of the pharmacists who completed this section of the annual practising certificate renewal form had worked in two or more different areas of pharmacy in the previous 12 months.

Type of work	Number of pharmacists
Community	2,640
Hospital	407
Other	131
Pharmacy related	93
Teaching/Research	90
Primary health organisation (PHO), DHB	61
Pharmaceutical industry	59
	3,481
<i>No. worked in two or more areas of pharmacy</i>	-358
TOTAL RESPONSES	3,123



E) RETENTION RATES

There has been a high retention rate for New Zealand-qualified pharmacists in the workforce. The rates at three and five years have been increasing steadily since 2004. The rates are higher compared with qualified pharmacists from Australia (TTMRA) and the REQR¹ countries, but lower when compared with qualified pharmacists from the non-REQR² countries.

Average retention rates for New Zealand-qualified pharmacists

As at 30 June	Total pharmacists first registered in New Zealand	Number retained at 1 year	% retained at 1 year	Number retained at 3 years	% retained at 3 years	Number retained at 5 years	% retained at 5 years
2004	102	95	93%	52	51%	48	47%
2005	148	135	91%	88	59%	87	59%
2006	154	147	95%	112	73% ³	103	67%
2007	173	154	89%	131	76%	—	—
2008	173	164	95%	139	80%	—	—
2009	202	187	93%	—	—	—	—
2010	208	192	92%	—	—	—	—
2011	169	—	—	—	—	—	—

Average retention rates for pharmacists registered through TTMRA

As at 30 June	Total pharmacists from Australia	Number retained at 1 year	% retained at 1 year	Number retained at 3 years	% retained at 3 years	Number retained at 5 years	% retained at 5 years
2004	5	2	40%	2	40%	0	0%
2005	7	4	57%	3	43%	3	43%
2006	13	7	54%	4	31%	6	46%
2007	12	11	92%	4	33%	—	—
2008	13	11	85%	5	38%	—	—
2009	6	4	67%	—	—	—	—
2010	3	3	100%	—	—	—	—
2011	5	—	—	—	—	—	—

1 Includes Canada, Ireland, Northern Ireland, the UK and the USA.

2 Excludes Australia and REQR countries.

3 Traditionally New Zealand-registered pharmacists travelled to the UK and were able to register there. However, the reciprocal agreement with the UK ended in 2006, making it difficult for New Zealand-registered pharmacists to register and work.

Average retention rates for overseas pharmacists registered through REQR							
As at 30 June	Total pharmacists through REQR	Number retained at 1 year	% retained at 1 year	Number retained at 3 years	% retained at 3 years	Number retained at 5 years	% retained at 5 years
2004	24	19	79%	13	54%	13	54%
2005	42	31	74%	14	33%	13	31%
2006	51	39	76%	14	27%	11	22%
2007	36	27	75%	13	36%	–	–
2008	17	14	82%	7	41%	–	–
2009	20	18	90%	–	–	–	–
2010	22	17	77%	–	–	–	–
2011	13	0	–	–	–	–	–

Average retention rates for overseas pharmacists registered through non-REQR							
As at 30 June	Total pharmacists through non-REQR	Number retained at 1 year	% retained at 1 year	Number retained at 3 years	% retained at 3 years	Number retained at 5 years	% retained at 5 years
2004	12	10	83%	11	92%	9	75%
2005	21	18	86%	14	67%	13	62%
2006	15	13	87%	11	73%	11	73%
2007	17	16	94%	15	88%	–	–
2008	9	9	100%	8	89%	–	–
2009	18	17	94%	–	–	–	–
2010	9	8	89%	–	–	–	–
2011	12	–	–	–	–	–	–

COMMITTEES AND APPOINTMENTS

FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

The Finance, Audit and Risk Management Committee is a subcommittee appointed by the Council to assist it in discharging its responsibilities relating to financial accountability, the control framework and risk management. Members of this committee for the year to 30 June 2011 were:

Jo Mickleson (Chair)
Carolyn Oakley-Brown
Mark Bedford

This committee met three times during the period 1 July 2010 to 30 June 2011 and this included meetings with the Council's auditors.

Complaints Screening Committee

The CSC assesses complaints referred (pursuant to section 34 (1)(a) of the HDC Act) from the HDC and discharges the Council's obligations pursuant to sections 65 and 68 of the HPCAA. The committee considers the nature and circumstances of the complaint or concern and determines what, if any, action or actions is appropriate to be taken to respond to the complaint or concern. The CSC has delegated authority under section 17 of Schedule 3 of the HPCAA.

Membership

Carolyn Oakley-Brown, Council Chair
Bronwyn Clark, Chief Executive and Registrar or the Deputy Registrar, Jenny Ragg
Barbara Moore, Professional Standards Advisor

Health Committee

The Health Committee has delegation from the Council to consider notifications made under section 45 of the HPCAA, concerning pharmacists who may be unable to perform the required functions of a pharmacist owing to some mental or physical condition. The committee monitors and assesses pharmacists.

The Health Committee membership was reviewed in November 2010 and it consists of Keith Crump (Chair from November 2010), the Chief Executive and Registrar, John Shaw and Te Kani Kingi to make a committee of four persons.

Professional Conduct Committees

PCCs receive complaints referred from the Pharmacy Council with respect to professional conduct issues, as well as notices of conviction received by the Council under section 67 of the HPCAA. Each PCC adopts and follows procedures that ensure that the pharmacist, the Pharmacy Council and the complainant are kept informed about the 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 the completion of its investigation. A PCC is established to address individual issues, and membership comprises three persons: two pharmacists and one layperson.

Pharmacist members

Debbie Wallace
Richard Young
Derek Lang
Nikki Anderson
Muhammad Naseem (Joe) Asghar
David Mitchell
Andi Shirtcliffe
Melissa Copland

Lay members

Dr Judith Johnston (Convenor)
Karen Harvey (Convenor)

Preregistration Assessment Board

The purpose of the PRAB is to monitor the assessment methodology and tools of the ITP, and to review the evidence gathered on individual intern pharmacists completing the programme. The ITP is a prescribed qualification for registration in the pharmacist scope of practice.

The PRAB has responsibility delegated from the Council to determine whether intern pharmacists have successfully completed the programme, and therefore meet the standards required to register in the pharmacist scope of practice.

PRAB members

Dr Andrew Bary, Chair

Dr Rhiannon Braund

Ass Prof Janie Sheridan

Andi Shirtcliffe

Moderation sub-committee members (also Board members)

Mary-Anne O'Rourke (Chair of sub-committee)

Rosemary Thompson

Dianne Wright

Professional Standards Committee

The PSC has delegation from the Council to make enquiries into, and decides whether or not to review, the competence of pharmacists. This is a function described under section 36 of the HPCAA. This is in response to notifications made to the Council that suggest a pharmacist may pose a risk of harm to the public by practising below the required standard of competence.

The Chair of the Council, the Chief Executive and Registrar (until November 2010), the Competence Advisor, and (from 30 November 2010) a lay member of Council and the Professional Standards Advisor are members of this committee.

Law and Ethics Interview assessors

Pharmacists are required to complete supervised practice on returning to practise, as well as those registering under TTMRA from Australia or under REQR (the UK, Ireland, the USA and Canada). They are assessed for their knowledge and understanding of New Zealand pharmacy law and ethics. The Council has appointed the following pharmacists who are situated in areas around New Zealand to undertake these interviews on its behalf:

Vicki Hollings, Northland

Jenny Cade, Auckland

Julie Earwaker, Auckland

Anne Davies, Hamilton

Derek Lang, Rotorua

Daphne Earles, Mt Maunganui

Di Vicary, Hawke's Bay

Catherine Keenan, New Plymouth

Glen Caves, Palmerston North

Andi Shirtcliffe, Wellington

Amanda Stanfield, Wellington

Debbie Wallace, Wellington

Chris Budgen, Nelson

Daryl Sayer, Christchurch

Kate Shaw, Christchurch

Patricia Napier, Dunedin

Bernie McKone, Gore

Competence Review Team and practice counsellors

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.

The Council has appointed 15 pharmacists as competence reviewers. Some of these pharmacists have also been appointed as practice counsellors, to 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.

Health Practitioners Disciplinary Tribunal

The Minister of Health appoints HPDT members. Three pharmacists and one layperson are selected for each Tribunal hearing. For further details, see www.hpdt.org.nz.

Chair

Bruce Corkill QC

Deputy Chairs

Kate Davenport

Sandra Moran (to 12 July 2010)

David Carden (appointed 12 July 2010)

Pharmacists

Maryanne Baker

Ellen McCrae

John Dunlop

Warren Flaunty

Andrew Orange (to March 2011)

Mary-Anne O'Rourke

Daryl Sayer

Dianne Vicary

Recertification Review Working Party

Chair

Professor John Shaw (Head of Auckland University School of Pharmacy, New Zealand Pharmacy Council)

Members

Bob Buckham (New Zealand College of Pharmacists)

Ramy Burjony (recently registered pharmacist)

Karen Crisp (Pharmacy Guild of New Zealand)

Alison Gallagher (rural pharmacist)

Sue Ineson (Karo Consulting and lay member)

Elizabeth Johnstone (PSNZ)

Dianne Wright (New Zealand Hospital Pharmacists' Association)

The working party met for three meetings – in November 2010 and March and June 2011.

Cultural Competence Working Party

Darryn Russell, Chair

Prof John Shaw

Leanne Te Karu

Arthur Bauld

Te Kani Kingi

Jo Mickleson

Bronwyn Clark

Barbara Moore

Pharmacy Council representation on outside bodies

Heads of Schools and Professional Organisations in Pharmacy – *Carolyn Oakley-Brown*

Otago University School of Pharmacy, Board of Studies – *Keith Crump*

Otago University School of Pharmacy, Admissions Committee – *Bronwyn Clark*

University of Auckland School of Pharmacy, Board of Studies – *Bronwyn Clark*

APC Council director – *Carolyn Oakley-Brown*

APC Accreditation Committee – *Bronwyn Clark*

APC Examining Committee – *Bronwyn Clark*

Health Regulatory Authorities of New Zealand – *Carolyn Oakley-Brown*

ACC Pharmacy Liaison Committee – *Barbara Moore*

PITO – *Owain George*

PITO Qualifications Review Steering Group – *Sandy Bhawan*

Pharmacist Prescribing Collaboration of Australia and New Zealand – *Sandy Bhawan*

Standards New Zealand Pharmacy Services Committee – *Barbara Moore*

New Zealand Precursor Working Group – *Barbara Moore*

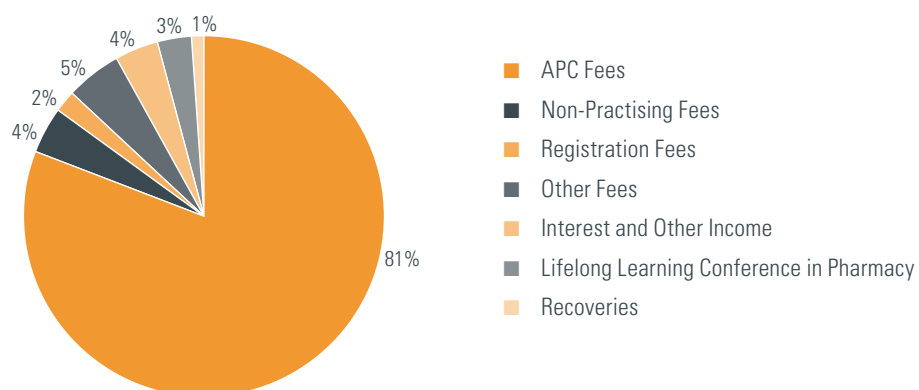


FINANCIAL OVERVIEW 2011

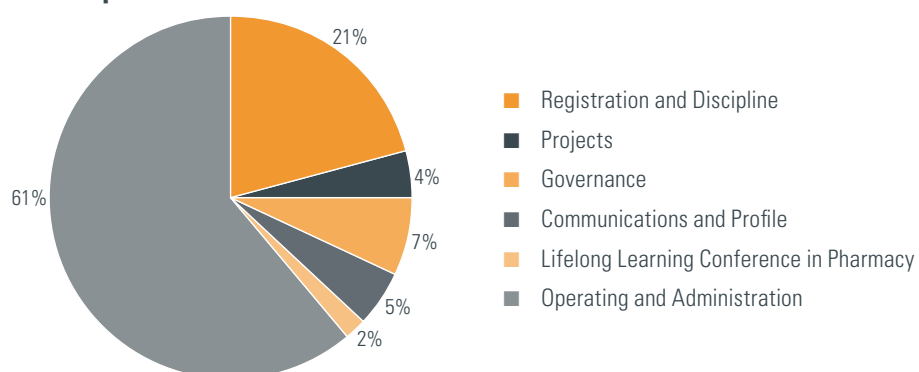
The Council reported an operating deficit of \$98,425 for the financial year ended 30 June 2011. This is a positive result against budget as the Council had budgeted for an operating deficit of \$165,828. The increasing cost and complexity of disciplinary cases has contributed to the operating deficit for the past two years. Despite the fall in equity, the Council is in a sound financial position to face the future challenges placed on the health regulatory environment.

To provide greater transparency and to assist with the monitoring of disciplinary costs, the Council agreed to separate the Accumulated Equity from 1 July 2010 into a General Fund and a Disciplinary Fund (see Note 11 of the Financial Statements). This means that the Disciplinary Levy component (14%) of the annual practising certificate fee may be increased to fund the costs of disciplinary cases in the future.

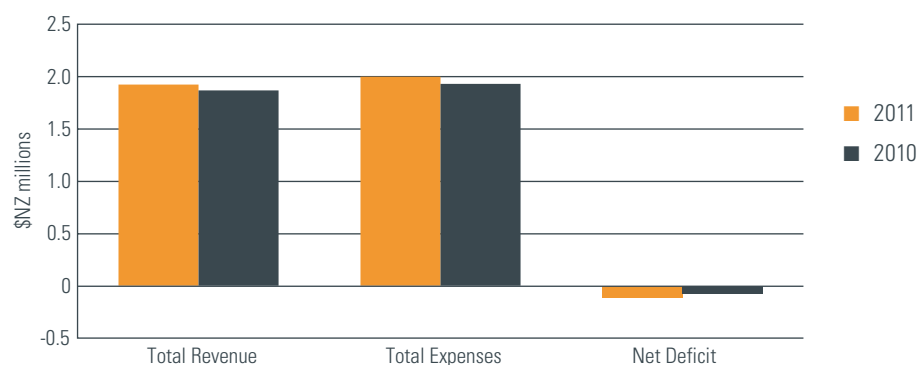
2011 Revenue



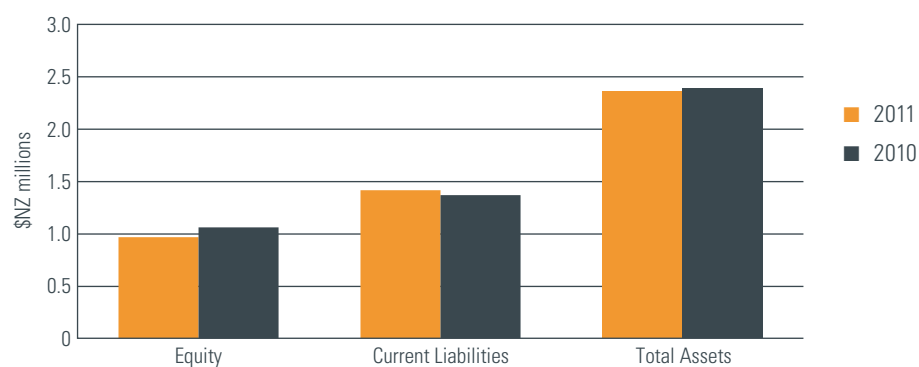
2011 Expenditure



2011 Financial Performance



2011 Financial Position



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The Auditor-General is the auditor of the Pharmacy Council of New Zealand (the Council). The Auditor-General has appointed me, Paolo Ryan, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Council on her behalf.

We have audited the financial statements of the Council on pages 46 to 53, that comprise the statement of financial position as at 30 June 2011, the statement of financial performance, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Council on pages 46 to 53:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's:
- financial position as at 30 June 2011; and
- financial performance and cash flows for the year ended on that date.

Our audit was completed on 4 October 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control 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 Council's internal control.

3rd Floor | 85 The Terrace | PO Box 1208 | Wellington 6140
Phone +64 4 472 7919 | Fax +64 4 473 4720
Email info@pkfmj.co.nz | www.pkfmartinjarvie.co.nz

PKF Martin Jarvie is a member firm of PKF International Limited and PKF New Zealand Limited networks of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's financial position, financial performance and cash flows.

The Council is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Council.



Paolo Ryan
PKF Martin Jarvie
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of the Pharmacy Council of New Zealand (the Council) for the year ended 30 June 2011 included on the Council's website. The Council is responsible for the maintenance and integrity of the Council's website. We have not been engaged to report on the integrity of the Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related independent auditor's report dated 4 October 2011 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

Revenue	Note	2011 \$	2010 \$
Annual Practising Certificate Fees	1	1,531,455	1,495,305
Non-Practising Fees		79,109	79,749
Registration Fees		43,827	45,353
Other Fees	2	84,052	79,135
Interest and Other Income		84,015	96,407
Life Long Learning Conference in Pharmacy		60,762	0
Recoveries		15,600	64,938
Total Revenue		1,898,820	1,860,887
Expenditure			
Registration & Discipline	3	408,693	412,555
Projects		85,005	87,697
Governance	4	135,019	127,305
Communications & Profile		104,376	75,996
Life Long Learning Conference in Pharmacy		46,056	0
Operating & Administration	5	1,218,096	1,220,692
Total Expenditure		1,997,245	1,924,245
Net surplus/(deficit) for the period		(98,425)	(63,358)

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
Equity at the beginning of the year	1,082,786	1,146,144
Net surplus/(deficit) for the period	(98,425)	(63,358)
Equity at the end of year	984,361	1,082,786

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash & Cash Equivalents	6	1,270,235	915,672
Term Deposits	7	900,000	1,300,000
Accounts Receivable		21,316	14,495
Other Receivables & Prepayments		81,202	43,401
Total Current Assets		2,272,753	2,273,568
Non-Current Assets			
Property, Plant and Equipment	8	63,850	76,377
Intangible Assets	9	20,053	31,780
Total Non-Current Assets		83,903	108,157
TOTAL ASSETS		2,356,656	2,381,725

Current Liabilities			
Accounts Payable		50,579	45,108
Other Payables & Accruals		58,087	51,186
Employee Entitlements		89,696	56,902
Income Received in Advance	10	1,173,933	1,145,743
Total Current Liabilities		1,372,295	1,298,939
Accumulated Equity	11	984,361	1,082,786
TOTAL LIABILITIES AND EQUITY		2,356,656	2,381,725



Dr Andrew Bary
Chair of Council



Bronwyn Clark
Chief Executive & Registrar

Date: 4 October 2011

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 2011

Cash flows from operating activities	Note	2011 \$	2010 \$
Cash was provided from:			
Statutory fees and levies		1,744,676	1,732,240
Discipline Recoveries		10,000	36,005
Interest		70,312	123,926
Other revenue		33,050	9,403
Cash was disbursed to:			
Suppliers and employees		(1,895,576)	(1,837,654)
Net cash inflow/(outflow) from operating activities	12	(37,538)	63,920
Cash flows from investing activities			
Cash was provided from:			
Term Deposit		400,000	0
Cash was disbursed to:			
Purchase of Fixed Assets		(7,899)	(42,104)
Term Deposit		0	(800,000)
Net cash inflow/(outflow) from investing activities		392,101	(842,104)
Net (decrease)/increase in cash held		354,563	(778,184)
Add opening cash and cash equivalents		915,672	1,693,856
Closing cash and bank balances		1,270,235	915,672
Represented by:			
Cash and cash equivalents		1,270,235	915,672

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 2011

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 the 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.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The Pharmacy Council qualifies for Differential Reporting exemptions as 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.

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:

Property, Plant and Equipment

Property, plant and equipment 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
Furniture & Fittings	10 years
Office Equipment	5 years
Computer Equipment	3 years

Intangible Assets

Intangible assets are recorded at cost and amortised over the estimated useful lives of the assets.

Website	3 years
Computer Software	3 years

Goods & Services Tax (GST)

The Statement of Financial Performance and Statement of Cash Flows have 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 income tax. The Council was registered as a charitable entity under the Charities Act 2005 on 30 June 2008 to maintain its tax exemption status.

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. Revenue is deferred in respect of the portion of the annual practicing fee that has been paid in advance.

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.
- 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, loan repayment and term deposits.
- financing activities are those activities which includes both equity and debt not falling within the definition of cash.

Changes in Accounting Policies

Apart from the separation of accumulated equity into a General Fund and a Disciplinary Fund, there have been no other changes in accounting policies during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(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 disciplinary levy.

	2011 \$	2010 \$
(2) Other Fees		
Overseas Pharmacist Fees	68,585	65,061
Other Fees	15,467	14,074
	84,052	79,135
(3) Registration and Discipline		
Registration	106,497	83,231
Discipline	282,687	285,108
Competence & Health	19,509	44,215
	408,693	412,555
(4) Governance		
Councillors Fees	78,760	76,740
Councillors Expenses	56,259	50,565
	135,019	127,305
(5) Operating & Administration		
Amortisation costs	16,307	16,092
Audit fees	8,225	7,680
Bad Debts	0	48,938
Depreciation	15,845	23,348
Eftpos fees	23,627	24,933
Information Technology costs	25,202	16,131
Insurance	14,884	15,336
Legal costs	12,627	21,900
Loss on disposal of assets	417	0
Premises lease	99,179	97,829
Other occupancy costs	3,927	2,441
Operating leases	26,558	25,896
Sundry costs	26,777	26,484
Personnel costs	909,237	857,698
Printing & Stationery	9,104	10,681
Postage & Courier	11,653	9,625
Telecommunications	14,527	15,680
	1,218,096	1,220,692
(6) Cash & Cash Equivalents		
Petty Cash	200	200
ANZ – Cheque Account	103,199	48,696
ANZ – Call Account	166,836	116,776
ANZ – Term Deposits	1,000,000	750,000
	1,270,235	915,672
(7) Term Deposits		
Kiwi bank – Term Deposit	0	500,000
ANZ – Term Deposits	900,000	800,000
	900,000	1,300,000

(8) **Property, Plant & Equipment**

	Cost 30 June 2010 \$	Depn for year 30 June 2010 \$	Accum. Depn 30 June 2010 \$	Book Value 30 June 2010 \$	Cost 30 June 2011 \$	Depn for year 30 June 2011 \$	Accum. Depn 30 June 2011 \$	Book Value 30 June 2011 \$
Leasehold Improvements	70,700	7,070	35,568	35,132	70,700	7,069	42,637	28,063
Computer Equipment	63,283	8,338	62,514	769	63,283	717	63,231	52
Furniture & Fittings	72,491	6,693	34,270	38,221	75,809	7,342	41,612	34,197
Office Equipment	10,382	1,247	8,127	2,255	10,382	717	8,844	1,538
TOTAL	216,856	23,348	140,479	76,377	220,174	15,845	156,324	63,850

	2011 \$	2010 \$
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(9) **Intangible Assets**

(i) Website

Cost

Opening balance	41,643	32,069
Additions during the year	1,500	9,574
Closing balance	43,143	41,643

Accumulated Amortisation

Opening balance	29,134	17,794
Amortisation for the year	8,338	11,340
Closing balance	37,472	29,134

Book Value

	5,671	12,509
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(ii) Computer Software

Cost

Opening balance	24,873	0
Additions during the year	3,080	24,873
Closing balance	27,953	24,873

Accumulated Amortisation

Opening balance	5,602	0
Prior year adjustment	0	851
Amortisation for the year	7,969	4,751
Closing balance	13,571	5,602

Book Value

	14,382	19,271
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Total Book Value

	20,053	31,780
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(10) **Income Received in Advance**

Represents APC fees and levies relating to the 2011/2012 year (2010: 2010/2011 year).

(11) **Accumulated Equity**

To provide greater transparency and to reduce the level of accumulated equity, a process was undertaken to separate the equity into a general reserve and a disciplinary reserve. This was done in response to a recent increase in disciplinary costs and after consultation with the Office of the Auditor General. Pharmacists were advised of this decision to separate equity into a general reserve and disciplinary reserve in the 30 June 2010 Annual Report.

	2011 \$	2010 \$
General Fund		
Opening balance	1,082,786	1,146,144
Transfer to Disciplinary Fund	(403,860)	0
Movements during the year	(46,869)	(63,358)
Closing balance	632,057	1,082,786
Disciplinary Fund		
Opening balance	0	0
Transfer from General Fund	403,860	0
Movements during the year	(51,556)	0
Closing balance	352,304	0
Total Accumulated Equity	984,361	1,082,786
(12) Operating cash flows reconciliation		
Net operating surplus/ (deficit) for the period	(98,425)	(63,358)
Add/(Deduct) non-cash items:		
Depreciation & Amortisation	32,152	39,440
Add/(Deduct) working capital items:		
Accounts Receivable	(6,820)	18,379
Other Receivables & Prepayments	(37,802)	39,859
Accounts Payable	5,471	(1,090)
PAYE/Withholding Tax	4,945	(3,212)
Other Payables & Accruals	8,241	(2,392)
Employee Entitlements	32,794	4,704
Income Received in Advance	28,192	42,025
Income Received in Advance – HPI Project	0	(10,560)
GST Receivable	(6,286)	125
Net Cash inflow/(outflow) from operating activities	(37,538)	63,920
(13) Commitments – Operating Leases		
Lease commitments under non-cancellable operating leases:		
Not more than one year	126,426	134,123
One to two years	120,083	113,897
Three to five years	18,489	117,248
	264,998	365,268
(14) Capital Commitments and Contingent Liabilities		
(i) Capital Commitments		
There were no capital commitments at balance date. (2010: Nil)		
(ii) Contingent Liabilities		
The Council had the following contingent liabilities at balance date: (2010: Nil)		
<ul style="list-style-type: none"> Estimated Health Practitioner's Disciplinary Tribunal fees of \$2,000 payable for a post balance date penalty hearing. Funding of up to \$18,000 is earmarked for the next host of the Life Learning Conference in Pharmacy in 2013. 		
(15) Adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)		
In September 2007, the Accounting Standards Review Board announced the delay of the mandatory adoption of NZ IFRS for certain entities. The Pharmacy Council satisfies the deferral criteria and has therefore decided to delay the adoption of the NZ IFRS standards.		
(16) Related Parties		
Council members are paid fees for attending to Council and committee business. Certain Council members are also practising pharmacists and deal with the Pharmacy Council of NZ on the same basis as other pharmacists. There were no other related party transactions.		
(17) Events after Balance Date		
No events occurred subsequent to balance date. (2010: Nil)		

COUNCIL STAFF

Chief Executive and Registrar

Bronwyn Clark MClInPharm, MPS, RegPharmNZ

Manages the overall regulatory functions of the Council and is responsible for the general management of the organisation.

Executive Assistant to Chief Executive and Registrar

Caroline Bruce

Provides administrative support to the Chief Executive and Registrar, the Council and general office.

Deputy Registrar

Jenny Ragg

Receives information from health practitioners, employers and the HDC relating to the competence of health practitioners.

Manages procedures for complaints, fitness to practise and notifications.

Registrations Manager

Claire Paget-Hay Dip Tchg (Sec), Dip HR Management

Manages the registrations team and is responsible for all registration procedures and maintenance of the register.

Registrations Officer

David Priest

Processes applications from overseas-qualified pharmacists seeking registration in New Zealand and New Zealand-qualified pharmacists returning to practise.

Registrations Officer

Sue Thompson

Processes applications for intern registrations and intern transfers to the pharmacist scope of practice. Provides administrative support for the recertification process.

Competence Advisor

Owain George BPharm, PhD, MPS, RegPharmNZ

Provides policy and procedures advice for ensuring the competence of pharmacists (including competence review and recertification).

Education and Accreditation Advisor

Sandy Bhawan BSc, BPharm, PGCertPharm, MPS, RegPharmNZ

Responsible for the prescription of qualifications and scopes of practice within the pharmacy profession.

Professional Standards Advisor

Barbara Moore Dip Pharm, Dip Bus Stud, MPS RegPharmNZ

Responsible for setting, reviewing and monitoring standards for pharmacy practice.

Finance Manager

Mary Yee CA

Manages the finance team and is responsible for the overall financial and accounting policies and procedures.

Assistant Accountant

Henriette Sanderson

Processes day-to-day accounting tasks and provides general accounting support to the Finance Manager.

Accounts and Registration Assistant

Maree Dawson

Processes accounts payable and receivable, processes payroll and provides general accounts and registration assistance.

GENERAL CONTACT DETAILS

Physical address:

Level 2, Vodafone on the Quay
40 Johnston Street
Wellington 6011

Postal address:

PO Box 25137
Wellington 6146

Solicitors

Kensington Swan
PO Box 10246
The Terrace
Wellington 6143

Buddle Findlay
PO Box 2694
Wellington 6140

Banker

ANZ Banking Group (New Zealand) Ltd
215-229 Lambton Quay
Wellington 6011

Auditor

PKF Martin Jarvie
Level 3, 85 The Terrace
Wellington 6011
PO Box 1208
Wellington 6140

