pharmacycouncil
OF NEW ZEALAND

Te Pou Whakamana Kaimatu o Aotearoa

2012 ANNUAL REPORT

KEY RESULTS AND ACHIEVEMENTS 2011-2012

(ALL FIGURES AS AT 30 JUNE 2012)

- 3304 practising pharmacists.
- 83% of pharmacists work in the community, 13% in hospitals with the remainder in a variety of settings.
- The number of practising pharmacists is up 81 (2.5%) on the previous year with numbers increasing steadily since 2005.
- 224 new pharmacists were registered – an increase of 26 from the previous year.
- Of the 224 new pharmacists registered, 199 were New Zealand graduates and 25 were overseas-qualified.
- 91% of pharmacists randomly audited met continuing competence requirements.
- Five notifications about the competence of pharmacists were received by Council – a tiny proportion of practising pharmacists.
- Competence notification levels remained steady – the same number in 2011 and 2012. Three competence reviews were conducted during the year, and two pharmacists were required to undertake competence programmes.
- Eleven pharmacists were investigated by a Professional Conduct Committee. This is very similar to 2011.
- Three pharmacists were found guilty of professional misconduct by the Health Practitioners Disciplinary Tribunal.
- Annual Practising Certificate fees remained the same.
- The Māori name for the Pharmacy Council, Te Pou Whakamana Kaimatu o Aotearoa, was adopted.
- Work on the Pharmacist Prescriber Scope of Practice was progressed.
- Practice Guidelines for Pharmacists as Vaccinators and Complementary and Alternative Medicines were developed and published.
- A joint statement on the roles and responsibilities of midwives and pharmacists was published.
- The Council made 15 submissions on a range of health policies and medicine issues.

- Regular updates and advice to the profession were published through our newsletters.
- A new recertification framework consultation was conducted.
- New assessments for intern pharmacists were trialed.
- A Memorandum of Co-operation with the Australian Pharmacy Council for accreditation of education institutions was signed.
- An indicative business case for merging of regulatory authorities was prepared in response to the Health Workforce New Zealand proposal for a shared health authority secretariat. This was a collaborative project with other regulatory authorities.

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The Pharmacy Council is pleased to submit this report for the year ended 30 June 2012 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, trusted.

DUTIES AND FUNCTIONS OF THE PHARMACY COUNCIL

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

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

a) to prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor educational institutions and degrees, courses of studies, or programmes;

b) to authorise the registration of health practitioners under the Act and to maintain registers;

c) to consider applications for annual practising certificates;

d) to review and promote the competence of health practitioners;

e) to recognise, accredit and set programmes to ensure the ongoing competence of health practitioners;

f) to receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners;

g) to notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public;

h) to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession;

i) to set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession;

j) to liaise with other authorities appointed under the Act about matters of common interest;

k) to promote education and training in the profession;

l) to promote public awareness of the responsibilities of the authority;

m) to exercise and perform any other functions, powers, and duties that are conferred or imposed on it by, or under this Act or any other enactment.

PHARMACY COUNCIL MEMBERS

AT 30 JUNE 2012

Carolyn Oakley-Brown BPharm, MNZCP, RegPharmNZ (Chair until 3 August 2011) is a Christchurch pharmacist and has been a member of the Council since its inception. She has wide experience as both a community pharmacist and pharmacy proprietor and is actively involved in medicines management programmes. Carolyn is the Pharmacy Leader for the Canterbury Clinical Network and Chair of the Canterbury Community Pharmacy Group.

Third term appointed 27 January 2010 – term expired 25 August 2011

Dr Andrew Bary PhD, BPharm (Hons), FNZCP, MPS, RegPharmNZ (Deputy Chair and Chair from 3 August 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 01 October 2009

Jo Mickleson BPharm, Diploma in Management, 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. 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, (Deputy Chair from 3 August 2011) is co-owner of a busy 7-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 ClinPharm, 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 students and post grad students, and clinical work as a mental health pharmacist for the Waitemata DHB.

Second term appointed 27 January 2010

Robynne Nicoll is a lay member based in Ashburton with long standing administration and governance experience in the Mid-Canterbury community Robynne brings a sound common-sense approach to the Pharmacy Council.

First term appointed 01 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.

Leanne Te Karu DipPharm (Distinction), PG Cert Pharm (Herbal Meds), PG Dip ClinPharm (Distinction), MHSC (Hons), RegPharmNZ (Muaūpoko/Whanganui) is a contract clinical pharmacist based in Taupo who has experience in both community and hospital pharmacy. Leanne is the Immediate Past President of Ngā Kaitiaki o Te Puna Rongoā o Aotearoa (the Māori Pharmacists Association.

First term appointed 25 August 2011

CORPORATE GOVERNANCE

The role of the Council members is to ensure they meet the requirements of the HPCA Act. To ensure 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 2011 to 30 June 2012 the Council met four times for full Council meetings. An additional special meeting was held in May 2012 to consider applications for registration and applications for annual practising certificates.

CHAIRPERSON'S REPORT

This is my first annual report as Chairperson. I was elected after Carolyn Oakley-Brown's retirement at the completion of her third, three year term and seventh year as Chairperson. I wish to take this opportunity to thank Carolyn for her tremendous contribution to Council and acknowledge her sound leadership of the organisation. Carolyn was a member of Council since its inception and passed over the helm with the organisation in excellent shape. We were pleased to welcome Leanne Te Karu to Council in August 2011 and I was re-elected Chairperson and Mark Bedford as Deputy Chairperson for a twelve month term from February 2012. I thank Mark for his hard work and support in this role.

This year has been very busy and productive. We are now midway into our strategic plan (2010 to 2015) and we are making good progress with two significant projects nearing completion.

The first cohort of pharmacists has entered the Postgraduate Certificate in Clinical Pharmacy (Pharmacist Prescriber), the requisite qualification for entry into the new pharmacist prescriber scope of practice. This has followed many years of hard work and extensive consultation and heralds the beginning of a new era for pharmacists and an expansion of the contribution pharmacists can provide to the health of New Zealanders. Later this year, it is hoped that the necessary legislative change will enable these pharmacists to begin practice in the new scope.

This year has also seen significant change to Council's recertification framework. It is expected that the changes will help pharmacists document their learning in addition to increasing engagement, rigour and collegiality as part of their CPD requirements. The new framework recognises learning that may not have any immediate tangible impact on practice, while also retaining the requirement to demonstrate participation in learning that was planned and shown to have an impact on the pharmacists practice. Another new feature is the requirement to work with a learning peer and exemption from audit if the pharmacist satisfactorily completes the requirements of a programme under the supervision of an accredited learning facilitator.

We have been heavily engaged in development of a proposal for a shared health regulatory authority secretariat in response to a Health Workforce New Zealand (HWNZ) proposal to amalgamate the sixteen regulatory authority (RA) secretariats and reduce board sizes. This has potential implications for the safety of the public and the ability of Council to fulfil its obligations under the Act.

Mindful that only a minority of pharmacist APCs are funded by Vote Health, the Pharmacy Council took a lead in this work, along with the Medical and Dental Councils and the Physiotherapy Board. We consider that a shared secretariat, using a common IT system, has the potential to support best-practice health regulation and reduce regulatory compliance overheads for practitioners, supporting the government's value for money principles. Critical to this will be implementation of efficient best-practice regulatory and administrative processes and a continual quality improvement programme. Our preferred option was to establish if these benefits would exist for a group of sixteen Regulatory Authorities, but no consensus has been reached so far. We will continue to work with all willing Regulatory Authorities to reach a satisfactory outcome and expect significant progress in the months ahead. There is much to be done, and it is a resource intensive process, but is essential to get it right.

Good stakeholder relationships are critical to the successful functioning of Council. We continue to enjoy a good relationship with our Australian counterpart, the Pharmacy Board of Australia and the Australasian accrediting organisation, the Australian Pharmacy Council. We meet regularly with representatives of New Zealand professional pharmacy organisations.

I would like to acknowledge the contribution of the many pharmacists around the country who assist and support the work of the Council by taking on roles as competence reviewers, assessors, committee members, examiners and practice counsellors. Their input is crucial to the successful functioning of Council.

Finally, I give my sincere thanks to my fellow Council members, our Chief Executive and Registrar Bronwyn Clark and Council staff for all their good work and their valuable input, professionalism, dedication and commitment to meeting the demands of Council, the public and the profession.

Dr Andrew Bary PhD, BPharm (Hons), FNZCP, MPS, RegPharmNZ
Chair

CHIEF EXECUTIVE AND REGISTRAR'S REPORT

This past year we have continued to develop new mechanisms for pharmacists to ensure they are competent and fit to practise, alongside responding to the call from the Minister of Health to ensure there is value for money in the regulatory sector.

A focus this year has been the implementation of the mandatory cultural competence standards. Alongside this, in August the Council adopted the Māori name *Te Pou Whakamana Kaimatu o Aotearoa*. This name signals the Council's commitment to the implementation of the Māori Health Strategy for the pharmacy profession, and to recognising Māori as an official language in New Zealand. We acknowledge the assistance from Ngā Kaitiaki o Te Puna Rongoā o Aotearoa (Māori Pharmacists' Association), and in particular, kaumātua Hiwinui Heke, in the process.

We were delighted to hear from Health Workforce New Zealand in January 2012 that the Pharmacist Prescriber course through the Otago and Auckland Universities Schools of Pharmacy would be funded as a Workforce Innovation. Developing the Pharmacist Prescriber scope of practice has been an ongoing major project for the Council. Places for students in this postgraduate certificate course were highly sought after and 14 pharmacists were enrolled for the 2012 academic year. We are continuing to work with HWNZ and the Ministry of Health to secure the required legislation to enable this group of pharmacists to have designated prescribing rights in 2013, and are working with the Australian Pharmacy Council to accredit this course.

To assist pharmacists to meet the changing needs of the health sector, Council endorsed the Medicines Therapy Assessment (MTA) Standards prepared by the Pharmaceutical Society as part of the Medicines Management Competence Framework. We also prepared two new best practice guidance statements; one on Pharmacists as Vaccinators and the other on Complementary and Alternative Medicines. Other developmental work has included completion of the review of the Recertification (Continuing Professional Development) framework for pharmacists and agreement on a new CPD framework that will recognise learning in all forms, rather than the current programme which only recognises outcome-based learning. We also completed a pilot of a proposed new Assessment Centre for intern pharmacists in 2011 which included a revamped oral examination (OSCE) format with an additional written multi-choice clinical examination. This pilot has been reviewed by Council and consultation will occur later in 2012 prior to implementation.

This year a large focus has been on developing a proposal for a shared health regulatory authority secretariat. The driver for this work was in response to consultation to a February 2011 Health Workforce New Zealand (HWNZ) proposal to amalgamate the sixteen regulatory authority (RA) secretariats and reduce their board size. HWNZ expressed a clear preference for all RAs to collaborate and develop a single model that results in greater efficiencies, consistency in policy and processes, and provides a single database for health-practitioner workforce "intelligence" for all RAs. Along with the Medical and Dental Councils and the Physiotherapy Board, we took a lead in this work in mid 2011 and were joined by an additional six RAs by the beginning of 2012. We reached agreement to investigate whether a shared secretariat could support best-practice regulation. An indicative business case was developed based on a common IT system, to see if efficient, best-practice regulatory and administrative processes, a continual quality improvement programme and reduced regulatory compliance overheads for practitioners could be achieved. In April 2012 we submitted this indicative business case to HWNZ and the Minister.

On an international level, we have continued to build and maintain relationships with our Australian colleagues at both the Pharmacy Board of Australia (PBA) and the Australian Pharmacy Council (APC). We had two meetings with the PBA in this past year, one on either side of the Tasman. We also signed a Memorandum of Understanding with the Board. We hosted the APC President and CEO in Wellington in March, which progresses our work under the MoU we signed in June 2011. I also accepted an invitation to present the Council's work on Pharmacist Prescribers at the International Pharmacist Federation (FIP) in Hyderbad, India, and this continued to allow the Council's work to be showcased on the international stage.

Closer to home, I have been fortunate to have the opportunity to meet and talk with many pharmacists over this past year and to discuss with them the work of Council. I also regularly meet final year pharmacy students at both Universities, and am always welcomed at these schools by staff and students. In December I accepted the honour of being a guest speaker for the Otago School of Pharmacy Graduation Breakfast and was also invited to represent Council at the School's inaugural "White Coat Ceremony" in February.

I am pleased to report that once again we have achieved a positive financial result against budget, which has once again negated the need for any fee increases for practising certificates for pharmacists. In this 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 Andrew Bary, who is a dedicated Chair and for whom I have been privileged to work. Finally I would like to acknowledge the wonderful team of staff at the Council. They are our most important asset and I am very grateful to them for their hard work and dedication.

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

STRATEGIC GOALS AND KEY PROJECTS 2011-2012

STRATEGIC PLAN 2010-2015

The Council's overarching vision is to assure safe, effective, pharmacy practice and this is reflected in the 2010-2015 Strategic Plan. The Council has five clear goals focussing on the requirements for scopes of practice, standards and competencies needed for pharmacists, as well as best-practice risk management and operational systems. While the strategy sets a clear direction, it is also flexible and enables new strategies and initiatives to be developed in response to a rapidly changing health 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 PRACTICE

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

KEY PROJECT:

Review of the recertification (continuing competence) framework

Recertification is the primary mechanism by which the Council provides public assurance that pharmacists are involved in professional development to maintain their competence. There is currently one recertification programme and provider (ENHANCE, Pharmaceutical Society of New Zealand) that meets the Council's current framework.

The Pharmacy Council has developed a new recertification framework which accommodates a wide range of learning activities and promotes learning with peers. The new framework places greater weighting on learning that includes demonstration of knowledge gained and outcomes for practice, but is also responsive and flexible to pharmacists' needs. Future recertification programmes will be based on this framework. The Pharmacy Council consulted with the profession and other stakeholders in late 2011.

The feedback from the consultation was broadly supportive of the proposals although some concerns were raised regarding the learning peer requirements and the level of information available on the framework. After considering the feedback, the Council amended and finalised the framework. The most substantial changes were made to the requirements to learn with a peer. The consultation document outlined specific eligibility criteria for peers and that the pharmacist's annual declaration of learning would be signed by the peer. The Pharmacy Council amended the role of the learning peer to reflect the provision of guidance, support and mentoring. A pharmacist may have more than one learning peer who may be another registered health practitioner in certain circumstances. The learning peer is not required to sign an annual declaration. Minor changes were made to the terminology of the framework to align more closely with the terminology used for compulsory CPD requirements for pharmacists in Australia.

The Pharmacy Council has developed guidelines to accompany the framework, outlining the requirements and options for pharmacists and for recertification programmes. It is expected that new recertification programmes will be in place by early 2013.

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 PROJECTS:

Pharmacists as Influenza Vaccinators

The Council supported the reclassification of the influenza vaccination and the Government's initiative for general practice and pharmacy to work more closely together to increase the pool of vaccinators, improve access to vaccination and deliver improved services. Council endorsed guidelines outlining best practice principles to support pharmacists who are trained influenza vaccinators, highlighting the appropriate knowledge and skills they require to competently deliver immunisation services. Pharmacists have been training as influenza vaccinators since 2010, with an increasing number taking up the opportunity.

Complementary and Alternative Medicines

In March, Council endorsed best practice guidelines for pharmacists who stock and sell complementary and alternative medicines (CAMS). Council believes pharmacists must have a basic knowledge of complementary and alternative medicines to engage with, and advise, patients appropriately. This also ensures they can meet their duty of care to patients and the profession. Pharmacists should be able to counsel patients about the general use, the current state of the evidence and any safety issues regarding complementary and alternative medicines, including their use with other medications. The guidance statement also references an article regarding the place of homeopathy in pharmacy practice, which is the topic that raises the most concern and invokes the most strongly held views both for and against its perceived benefits.

Verifying prescriber scopes of practice

Amendments to the Medicines Regulations in December 2011 removed restrictions on dentists and midwives prescribing, stipulating that prescribers would now be required to prescribe in accordance with their scope of practice, as defined by their Responsible Authorities under the Health Practitioners Competence Assurance Act. This raised a number of concerns for pharmacists about the need to verify whether prescriptions issued by some prescribers are in accordance with the prescriber's scope of practice. Council, in conjunction with the Pharmaceutical Society NZ (Inc.) published guidance for pharmacists outlining the Ministry of Health's advice that 'pharmacists should continue to dispense prescriptions on their face' and accept that what is prescribed is legitimate, unless there is reason to believe that a prescription does not comply with legal requirements or if there are clinical concerns about the prescription.

Roles and responsibilities of pharmacists and midwives

In December the Council collaborated with the Midwifery Council to publish a joint statement on the roles and responsibilities of the two professions, and highlighted the need for teamwork where appropriate to improve quality care and outcomes for patients. Healthcare is more complex and diverse than ever, and improving collaboration and communication among healthcare professionals is likely to support the safe delivery of patient care.

Guidelines addressing workplace pressure in pharmacy

In 2006, Council consulted on draft guidelines for a healthy pharmacy workplace environment; however the guidelines were never ratified. At the time, pharmacists had expressed interest in having guidance available regarding hours of work and other occupational matters. In late 2011 Council brought together a group of key pharmacy stakeholders to again investigate if guidelines were needed as there was growing anecdotal evidence to suggest pharmacists were facing increasing environmental work stress. Although there is a range of legislation, guidelines and standards that inform pharmacy workplace practice, there is no one document that brings all this information together. The group agreed that guidelines should be developed but they should offer practical advice and be relevant to pharmacists, pharmacy staff, and where appropriate, to employers.

Social media guidelines

The Council is working on a collaborative project involving the Pharmaceutical Society, Pharmacy Council, EVOLVE intern training team, the University of Auckland School of Pharmacy and New Zealand's National School of Pharmacy (*Te Kura Mātauraka Wai – whakaora*), University of Otago to draft guidelines on the use of social media. The guidelines will provide practical and ethical advice on issues that pharmacists, intern pharmacists and pharmacy students may encounter when using social media.

As social media becomes more sophisticated and widely adopted in the healthcare arena, it is probable that, like other health professionals, pharmacists will also increasingly utilise it for professional and educational purposes. Social media provides an opportunity to communicate and share information quickly, and to reach customers and patients easily.

Participating in social networking and other Internet activities enables pharmacists to have a professional presence online, to foster collegiality and camaraderie within the profession, and to provide opportunities to disseminate health messages to their customers. However it also creates new professional, ethical and time management challenges. Although pharmacists should be free to take advantage of the many professional and personal benefits that social media can offer, it is equally important to be aware of the potential risks involved.

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 PROJECTS:

New assessments for intern pharmacists

Intern pharmacists must complete the Intern Training Programme to be eligible to register as pharmacists. This programme includes a final assessment, the Assessment Centre, consisting of 5 OSCE stations and an interview. The Pharmacy Council reviews and moderates the assessment material for the Assessment Centre. The Preregistration Assessment Board (PRAB), a subcommittee of the Council, confirms that each intern has completed the programme before inviting them to register as a pharmacist.

Following an extensive review of the intern training programme the Council completed two trial assessments for intern pharmacists. 20 intern pharmacists volunteered to sit a multiple choice exam (MCQ) in September 2011 and another 20 intern pharmacists volunteered for a 10 station OSCE in November 2011.

Multiple Choice Questions Exam

Pharmacy Council staff reviewed and modified a 2011 exam paper for Australian intern pharmacists. This is a three hour open-book exam consisting of 125 questions. The main focus of the exam is practice-based (clinical) questions, the majority of which are linked to a patient profile. There are also two sections of calculation questions and practice-based legal and ethics questions. The legal and ethics section was changed substantially, but only minor changes were required to the clinical questions to ensure relevance to the New Zealand context, for example, choice of drug based on availability, quantities on prescriptions and drug names.

All questions are linked to a competence standard. In addition to achieving an overall pass mark, candidates must achieve the pass mark for each competence standard.

Four of the five sections had a low failure rate; nil to three candidates. However, eight candidates failed the calculation section. Eight out of eleven candidates who failed the exam, failed because of only one failed section. Six of these eight candidates failed the calculation section.

Applying the moderation criteria for this exam did not change the overall results.

No other significant concerns were identified by the trial.

OSCE Assessment

The OSCE trial assessment was developed by following five discrete steps; blueprinting, station development, case writing, case validation and standard setting. A different working group of registered practising pharmacists was responsible for completing the following steps:

- Develop a blueprint to describe the content, context and competence standards for the assessment and to ensure consistency for each assessment.
- Develop and confirm the suitability of a number of practice scenarios as possible OSCE stations. These scenarios were based on actual incidents in practice.
- Write 10 stations (7 minutes each) covering the blueprint, including a guide for assessors and actors, a checklist and a global rating
- Review each station and make changes as required.
- Set the standard for each station, by agreeing a score for each checklist item and for the global score.

The Council subcontracted a health professional communications company to train the assessors and actors.

The volunteers were briefed on the assessment content, format, and logistics by teleconference prior to the assessment and on the day.

Three of the ten stations related to identifying a prescription problem and discussing a solution with the prescriber. These three stations had a significantly higher failure rate (55% or greater) than the other seven stations. Further review work confirmed that this type should be removed from future OSCE assessments. An independent assessor reviewed a selection of performance. The evidence from this review supported the overall robustness of the assessment.

The Pharmacy Council will finalise the proposal for the new intern pharmacists' assessments and plans to consult with the profession and seek their feedback before the end of 2012.

Pharmacist Prescribing

In April 2001 the HWNZ Board agreed in principle to designated prescribing rights for suitably qualified and trained pharmacists. 'Demonstration sites' commenced in January 2012 with fourteen highly experienced clinical pharmacists enrolled in a Post-graduate Certificate in Pharmacy Prescribing being offered collaboratively by the University of Auckland and University of Otago.

Pharmacists enrolled in the postgraduate certificate are each working in a collaborative team with a Designated Medical Practitioner. The areas of practice are varied and include both primary and secondary health settings. Examples include paediatrics, accident and emergency, palliative care, and mental health. These pharmacists are already making a significant contribution to ensuring that prescribing decisions result in optimal medicines related health outcomes for their patients. Adding the ability for these pharmacists to prescribe medicines is considered a natural extension to their practice.

The course will be evaluated by HWNZ at its conclusion in November 2012 and will be accredited by PCNZ.

Accreditation and monitoring of qualifications, programmes and organisations

The Council has a memorandum of co-operation with the Australian Pharmacy Council for the accreditation of educational institutions. As part of the agreement, Council has a position on the Accreditation Committee and is therefore able to share good practice.

In May 2012, APC began a major review of the standards for the accreditation of degree programmes. Council staff were involved in the workshop held in Wellington.

Bachelor of Pharmacy Degrees

The University of Auckland BPharm degree was reaccredited in December 2010 and received Full Accreditation to 30 December 2016. The University of Otago BPharm degree holds full-accreditation to 2014.

Intern Training Programme

The site audit for the EVOLVE ITP took place in April 2012. The outcome of this process will be reported in the 2012-2013 Annual Report.

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

Contribution to sector issues

The Council actively contributes to discussions on relevant issues and policy development, and as appropriate, takes part in consultations and submissions. During 2011-12 Council made submissions on the following:

- Medicines Classification Committee (Medsafe)
  - Reclassification of Dukoral® oral vaccine for cholera and traveller's diarrhoea to Pharmacist Only
  - The ability for pharmacists to sell trimethoprim for the treatment of uncomplicated urinary tract infection in women. Council supported the change, provided pharmacists were required to undertake appropriate training

  - Influenza vaccine to be available for pharmacists to administer following successful completion of a New Zealand Qualifications Authority approved vaccinator training course.
- Ministry of Health
  - Medicines Amendment Bill
  - Misuse of Drugs Act prescribing rights and Standing Orders
- HWNZ
  - Proposal that Traditional Chinese Medicine Become a Regulated Profession under the HPCA Act
  - Scientific and Technical Workforce Planning
- Pharmac
  - Proposal to amend the definitions of prescriber types
- Other
  - Physiotherapy Board
    - Code of Ethics
    - Proposed new Scope of Practice: Physiotherapy Specialist
  - Medical Council – Telemedicine, the internet and electronic communication
  - Nursing Council
    - Code of Conduct
    - Guidelines: Professional Boundaries
  - Australian National Prescribing Service (NPS) – Prescribing Competencies Framework
  - HQSC – Development of Quality and Safety Markers

Competence and Fitness to Practice

Practice issues

The Council regularly updates and advises the profession, via the newsletter, about issues relating to professional practice. These may reflect concerns raised by members of the profession, patients, prescribers and Medicines Control. Topics included:

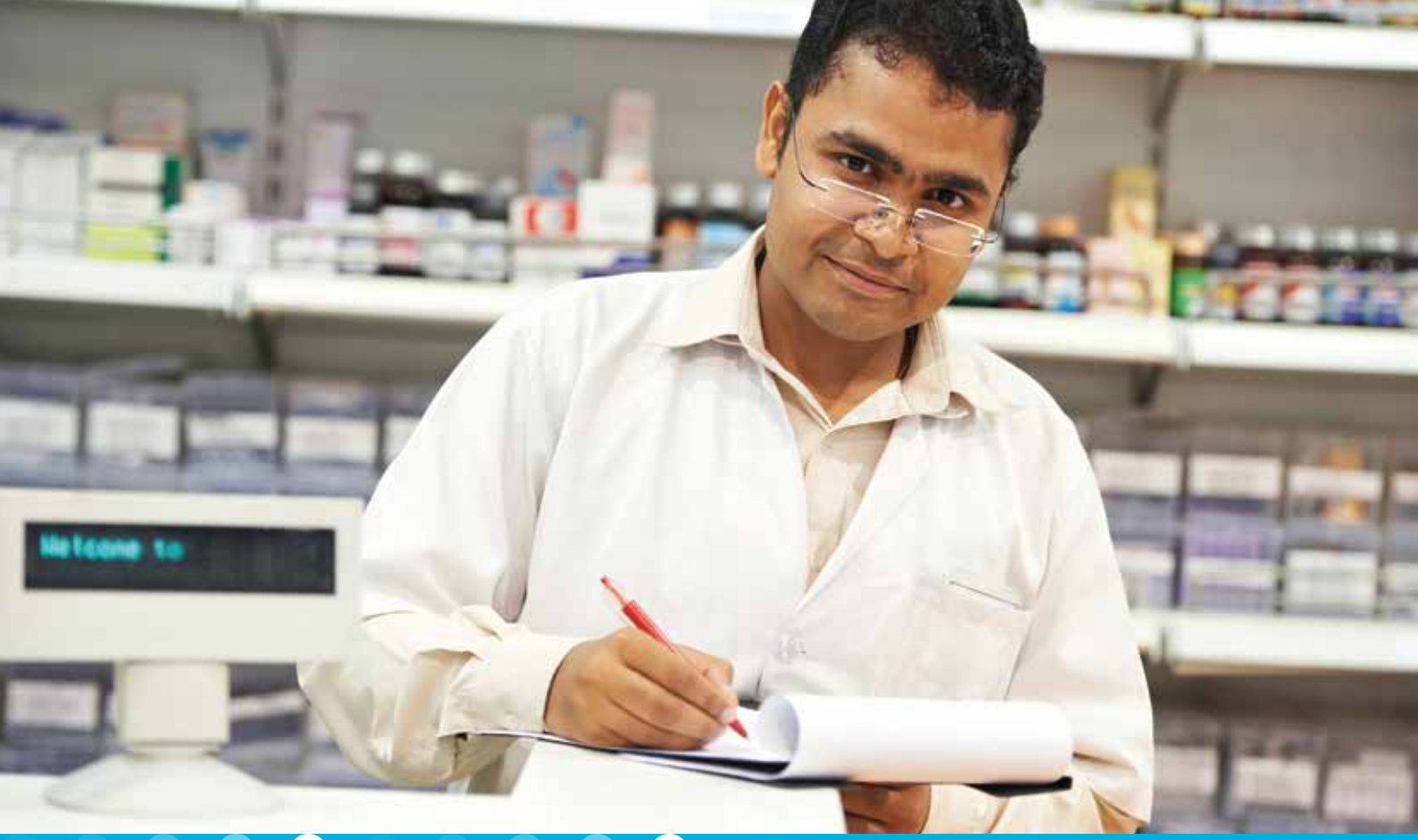
- Reminding pharmacists to ensure they have done appropriate training before recommending and selling medicines recently reclassified from Prescription to Pharmacist Only
- Keeping patients safe and making sure medicines and medicine information is transferred with patients when they move care settings and across DHBs
- The on-going concerns associated with sound-alike, look-alike medicine names and packaging
- Changes to the Medicine Regulations, the impact of these on prescription forms and what that means for pharmacists
- Communicating with patients about their medicines; getting the balance right between providing enough information in a way that is easily understood, not over-loading them with too much information or not giving enough

GOAL FIVE – ORGANISATIONAL PERFORMANCE

To ensure the effective and efficient management of the organisation

KEY PROJECT:

This year the Pharmacy Council responded to the Health Workforce New Zealand (HWNZ) proposal to amalgamate the 16 regulatory authority (RA) secretariats. HWNZ expressed a clear preference for all RAs to collaborate and develop a single model to achieve greater efficiencies, consistency in policy and processes and to provide a single database for all RAs. In conjunction with the Medical Council, Dental Council, and Physiotherapy Board, the Pharmacy Council took a lead in developing an indicative business case based on a common IT system to identify whether shared processes would achieve efficient, best-practice regulatory and administrative processes and reduce regulatory compliance overheads for practitioners. We submitted this indicative business case to HWNZ and the Minister in April 2012.



REGISTRATION AND PRACTISING CERTIFICATES

Registration of pharmacists is a core function 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 currently two scopes of practice and all pharmacists must practise in either the intern pharmacist or pharmacist scope. The intern pharmacist is a scope that requires practise under supervision and is a provisional scope that leads to registration as a pharmacist. 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 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.

Programme evaluation and accreditation for a third scope of practice (pharmacist prescriber) is to be finalised in 2013 (see page 12).

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 Intern Training Programme (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, can apply for registration in the pharmacist scope of practice.

ACCREDITATION OF PRESCRIBED QUALIFICATIONS

The Council works closely with the Australian Pharmacy Council (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 APC. The University of Otago BPharm degree holds full accreditation until 2014. The University of Auckland BPharm degree was reaccredited in 2011 and holds full accreditation until 2015.

The Intern Training Programme (ITP)

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 (Inc). It maps learning outcomes to the competence standards for the pharmacist scope of practice.

Intern numbers 2008-2012

	2008	2009	2010	2011	2012
Interns	231	220	205	221	218

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 eight years or more.

Examination/Assessment 2011-2012	Number assessed	Number passed
Intern Assessment Centre (OSCE and interview)	236	209

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 (ie Australia, Canada, Ireland, Northern Ireland, the UK and the USA) are required to complete this assessment following a period of supervised practise after registration.

Pharmacists returning to practise after three or more years but less than eight years are also required to complete this assessment following a period of supervised practise.

Examination/Assessment	Number assessed	Number passed
KAPS	34	18
CAOP	26	18
Law and Ethics Interview Assessment (overseas-recognised, equivalent qualification pharmacists)	16	15
Law and Ethics Interview Assessment (return-to-practise pharmacists)	25	25

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 practising certificates of all pharmacists registered in this scope appear in the publicly available Register of Pharmacists located on the Council website: http://www.pharmacycouncil.org.nz/register_search

Register numbers 2012

The number of practising pharmacists was 3,304 at 30 June 2012; up 81 (2.5%) on 2011. The number has been increasing steadily since 2005 (see Workforce Demographics section).

Additions to the register

224 new pharmacist registrations were processed in the year ended 30 June 2012, an increase of 26 (13%) on the previous year.

Applications for registration in the pharmacist scope of practice as at 30 June

	2008	2009	2010	2011	2012	Change 2011-2012
New Zealand BPharm and ITP graduates registered in the pharmacist scope of practice	173	205	193	170	198[1]	+28
Australian pharmacists registered under the Trans Tasman Mutual Recognition Agreement (TTMRA)	13	4	3	4	4	0
Ireland, Northern Ireland and UK pharmacists registered through the Recognised Equivalent Qualifications Route (REQR)	12	20	20	12	8	-4
Canada/USA(1) pharmacists registered through REQR	5	2	2	2	3	+1
Registrations from other overseas-qualified pharmacists (non-REQR)	9	15	7	10	11[2]	+1
Total new registrations	212	246	225	198	224	+26

[1] Includes one reinstatement to the register.
[2] Includes United Kingdom (one special consideration).

Removals from the register

252 pharmacists were removed from the register in the year ended 30 June 2012, up 83 (49.1%) on the previous year. 10 interns were also removed from the register during the year.

Removal	2011-2012	Number
Practising register		104
Removed at own request s.142	71	
Revision of register s.144(5)	28	
Deceased s.143	5	
Non-practising register		148
Removed at own request s.142	75	
Revision of register s.144(5)	70	
Deceased s.143	3	

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 a practising certificate and demonstrate they are maintaining competence in their individual practice by participating in the approved recertification (continuing competence) programme.

When pharmacists apply each year for their practising certificates, they complete a section on the type of work, total weeks worked, and average hours worked per week in the last 12 months. This information, along with other demographic data, is collated to provide a comprehensive report on the pharmacy workforce. The data makes an important contribution to health policy development, service delivery planning and research. Key information from the 2012 Workforce Report is available in the Workforce Demographics section.

Intern pharmacist scope of practice applications

	Annual practising certificates issued[1]
BPharm graduates from New Zealand Schools of Pharmacy	193
Graduates from Australian Schools of Pharmacy	2
Reissues	37
Overseas-qualified pharmacists	11
Total intern applications (includes reissues)	**243**

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

Pharmacist scope of practice applications

A total of 3,581 annual practising certificates were issued in the pharmacist scope of practice. This included 224 new registrations, 106 returns to practice, and 3,251 renewals.

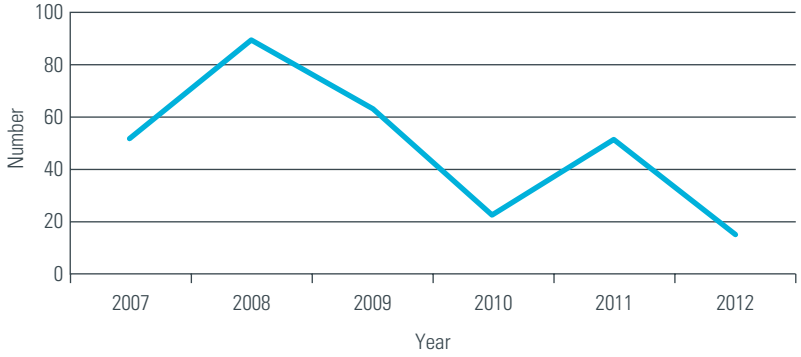
A total of 68 annual practising certificates were issued with conditions as follows:

Supervision (overseas qualified)	18
Supervision (return to practise >3 years)	25
Oversight (to meet recertification requirements)	17
Health	3
Competence	2
Health Practitioner Disciplinary Tribunal	3
Total	**68**

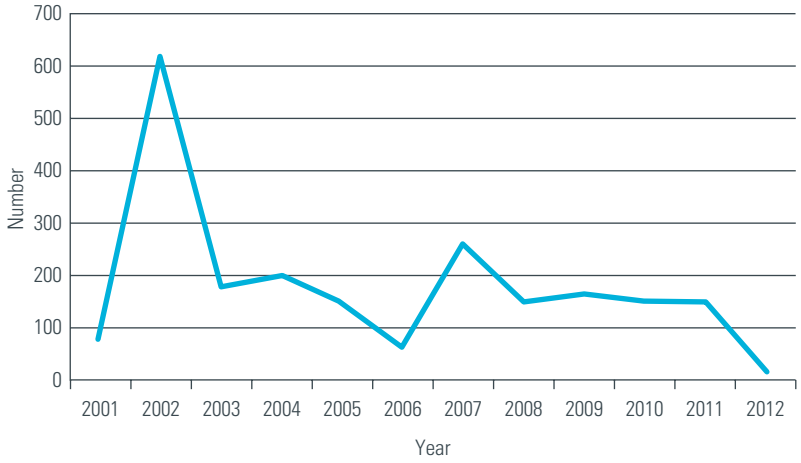
ACCREDITATIONS

The Pharmacy Council accredits pharmacists who have successfully completed the required training for Medicines Use Review (MUR) and Emergency Contraceptive Pill (ECP) dispensing through the NZ College of Pharmacists. At 30 June, a total of 292 pharmacists with a practising certificate held MUR accreditation and 2,189 held ECP accreditation. This represents 8.8% and 66.2% of the total practising pharmacists respectively. As expected, a higher number of pharmacists were accredited in both MUR and ECP when training first became available.

MUR Accreditations 2007-2012



ECP Accreditations 2001-2012



COMPETENCE AND FITNESS TO PRACTISE

RECERTIFICATION

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

The current continuing professional development 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. The Council has developed a new framework for implementation in 2013 (see page 9).

Consequences of non-participation in continuing professional development

If a practising pharmacist is not participating in the continuing professional development 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. Council may propose to decline an annual practising certificate to a pharmacist who persistently fails to comply with recertification requirements.

At 30 June 2012, the scope of practice of four 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 continuing professional development.

The following table compares recertification results for 2008-2012:

Audit results 2008-2012				
	2011-2012	**2010-2011**	**2009-2010**	**2008-2009**
Pharmacists randomly selected	85	100	0	150
Pharmacists targeted	17	0	30	0
Total pharmacists selected	**102**	**100**	**30***	**150**
Submissions received	92	95	23	138
Non-submission	8	2	7	4
Exemptions	2	3	0	8
Failed pre-audit check	1	0	6	3
Sent to an auditor	**(89%) 91/102**	**(95%) 95/100**	**(57%)17/30**	**(90%) 135/150**
Standard of documentation poor	(9.9%) 9/91	(4.2%) 4/95	(23.5%) 4/17	(2.2%) 3/135

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

THE COMPETENCE REVIEW PROCESS

The Council implements procedures to ensure that pharmacists are competent to practise. When a pharmacist's competence is questioned, the pharmacist is referred to the Council's Professional Standards Committee, a delegated committee of Council, for evaluation of his or her practice so as to determine whether or not a competence review should be ordered.

The Professional Standards Committee uses a standard evaluation form to determine what competence standards need to be assessed to address the concerns about the pharmacist's practice, and what key areas the review should focus on.

To reach its decision, the Committee answers the following questions.

- Is there reason to believe that a notice given under section 34 of the HPCA Act by a health practitioner is frivolous or vexatious?
- Is there reason to believe that the pharmacist may pose a risk of harm such that a notification under section 35 of the HPCA Act should be made?
- Are there reasonable grounds for believing that the pharmacist poses a risk of harm such that suspension or the imposition of conditions should be recommended to Council under section 39 of the HPCA Act?
- Is there sufficient information on which to make a decision on what action to take?
- Would a visit by the Professional Standards Advisor to the pharmacist's place of work to gather further information be useful?
- Should a practice counsellor be appointed to work with the pharmacist pending a decision being made to review the pharmacist's competence?

Competence notifications

Five competence notifications were received during the year. The Council received one notification from the Accident Compensation Corporation. The Council found the pharmacist to be practising at the required level of competence and therefore a review was not ordered.

The Professional Standards Advisor visited one pharmacist's practice to gather further information and this resulted in the pharmacist being deemed to be practising at the required level of competence. Two other pharmacists were also found to be practising at the required level of competence.

The Council imposed a condition on one pharmacist's practice under section 39 of the HPCA Act, as it believed on reasonable grounds that the pharmacist posed a risk of serious harm to the public by practising below the required standard of competence. Pending the outcome of the review, the pharmacist also worked with a practice counsellor for support and mentoring.

The use of a 'Practice Counsellor' has been a very effective way to assist pharmacists at an early stage in their review. In many cases it has resulted in no further action being required by the Council in determining the pharmacist's competence.

Competence reviews

Three competence reviews were undertaken during the year. In all cases the review team of two trained pharmacist reviewers spent two days observing the pharmacists' practices in their respective workplaces. One review involved an intern reinstated to the Intern Pharmacist Scope of Practice. The intern was found to have reached the standard reasonably expected of an entry-level pharmacist registered in the pharmacist scope of practice.

Competence programmes

Two pharmacists were required to undertake competence programmes, ordered under section 40(3) of the HPCA Act by the Council on the recommendation of the reviewers. Both pharmacists's had conditions imposed on their practice under section 38(1)(a) of the HPCA Act as a result of the review findings. These programmes, commenced in 2011/2012 are still ongoing.

Table 3: Competence referrals 2011/2012

Source	HPCAA Section	Number
Health Practitioner (Under RA)	34 (1)	1
Health and Disability Commissioner	34 (2)	
Employer	34 (3)	2
Other	36 (4)	2
Total		**5**

Table 4: Outcomes of competence referrals

Outcomes	HPCAA Section	Number			
		Existing	New	Closed	Still active
(Total number) Initial inquiries	36	2	5	5	2
No further action		1	4	Not applicable	Not applicable
Notification of risk of harm to public	35	1	1		2
Orders concerning competence	38	1	1		2
Interim suspension/conditions	39		1		2
Competence programme	40	1	1		2

HEALTH AND FITNESS TO PRACTISE

The Council aims to protect members of the public by managing pharmacists who may not be fit to practise because of a mental or physical condition. All such pharmacists are monitored by the Health Committee.

Initially an independent medical assessment of the pharmacist may be ordered under section 49 of the HPCA Act. Determining what action should be taken is made on a case by case basis, having regard to all the circumstances and the recommendations of an independent specialist. This may include conditions being imposed on the pharmacist's practice or in cases where the pharmacist is very ill and a risk of serious harm to the public suspending that pharmacist from practising.

Voluntary agreements may be used as a risk management mechanism to ensure the safety of a pharmacist's practice when the Council receives information or a notification about a pharmacist's competence or health. An agreement is sought when the practice situation of the pharmacist is considered low risk and when the pharmacist has been able to demonstrate insight and adherence without the need for statutory conditions. The decision to seek an agreement, rather than taking statutory action, is made on the basis of information received from the pharmacist's treating health professional and discussions with the pharmacist. A voluntary agreement is unlikely to be implemented in cases where a pharmacist has a newly-diagnosed addiction or mental health event and may not be mentally stable.

A voluntary agreement not to practise or to practise under a specific condition may be sought pending an independent medical examination of the pharmacist. A voluntary agreement at this stage of the process is the preferred option and is viewed as the 'right touch'. If a voluntary agreement is not forthcoming or the risk to public safety is considered to be high then statutory measures are put in place.

Voluntary agreement measures may include:

- Continue to engage with treating professionals, support groups and counselling (where appropriate);
- Continue to take prescribed medication;
- Abstain from alcohol and/or drugs (where appropriate);
- Provide regular (two monthly, six monthly, etc) reports on progress;
- Ask his/her treating health professional(s) to provide regular reports on progress and engagement;
- Be monitored by the Health Committee for a specified period;
- Inform employer and colleagues of the health condition;
- Only work in association with other registered pharmacists;
- Inform the Pharmacy Council of any adverse health changes immediately.

The use of voluntary agreements is determined on a case by case basis and is reviewed annually or earlier if the pharmacist's circumstances change.

Practising pharmacists diagnosed with alcohol and, or substance abuse problems are likely to be a risk of harm to the public and to themselves. The Health Committee follows a monitoring and testing regime to ensure that if the pharmacist is able to continue to practise, he/she can do so safely. Pharmacists with addiction problems are monitored for a minimum of five years. Substance and alcohol abuse can cause lifetime problems for some pharmacists.

During 2011/12, seven new health-impaired pharmacists were brought to Council's attention. In total eight pharmacists were monitored by the Health Committee during 2011/12. This included the ongoing monitoring of four pharmacists. Three cases were closed during the year. Five pharmacists practised under the requirements of voluntary agreements. One pharmacist remained suspended, under section 50(3) of the HPCA Act. Three pharmacists were deemed safe to practise but only with conditions imposed under section 50(4) of the HPCA Act. A pharmacist, whose monitoring programme finished during the year, was subsequently suspended as a result of a Police investigation.

Table 5: Notifications of inability to perform required functions due 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	1	4	1	4
Employer	45 (1) c	3	1	2*	2
Medical officer of health	45 (1) d				
Any person	45 (3)		1		1
Person involved with education	45 (5)	1	1		2

*One pharmacist subsequently suspended – unrelated Police investigation

Table 6: Outcomes of health notifications

Outcomes	HPCAA Section	Number of practitioners
No further action		
Order medical examination	49	1
Total		1
Interim suspension	48	
Conditions	48	
Restrictions imposed	50	4 *

*One pharmacist seeking revocation of suspension

5 pharmacists have voluntary agreements with one pharmacist having conditions imposed as well.

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 HDC.

COMPLAINTS SCREENING COMMITTEE

Members of the public are encouraged by the Council to talk with their pharmacist about any concerns they may have regarding their dispensed medicines, in the first instance. Many problems can be avoided by making sure that members of the public are provided with plenty of information regarding their medicines. If, after talking with the pharmacist, the concerns have not been allayed to the consumer's satisfaction, then a formal complaint can be made to the Health and Disability Commissioner. Six complainants were re-directed to the Commissioner during the year. All complaints involving a health consumer must be referred to the Commissioner.

In those cases where the Commissioner has resolved to take no further action, the Council may be requested to take any further action that it deems appropriate. This usually involves a review of the pharmacy's Standard Operating Procedures (SOPs) by the Council's Professional Standards Advisor, a practising community pharmacist who has built up a wealth of experience and knowledge in this area. The pharmacy is advised to incorporate the review recommendations into the pharmacy's SOPs to help minimise errors, a requirement of one of the Council's Competence Standards.

Five cases relating to pharmacist conduct or competence were referred to the Council by the Commissioner. On case resulted in the pharmacist being referred to a professional conduct committee for investigation. The other cases resulted in no further action being taken by the Council.

Complaints referred to the Pharmacy Council by the Commissioner and complaints not involving a health consumer undergo an initial screening by the Council's Complaints Screening Committee. This Committee has delegated authority to determine the most appropriate route for any detailed assessment of complaints and concerns in order for the Council to discharge its obligations as required by the HPCA Act.

Nine complaints were received from other sources that resulted in three referrals for investigation by a professional conduct committee and four referrals for consideration of a competence review. The Complaints Screening Committee determined that no further action was required in relation to two of the complaints.

Table 7: Complaints from various sources and outcomes

Source	Number	Outcome			
		No further action*	Referred to Professional Conduct Committee	Referred for consideration of competence review	Referred to the Health and Disability Commissioner
Consumers	7				6
Health and Disability Commissioner	17	14 (includes 4 cases referred for under s.34(1)(a) HDC Act)	1		Not Applicable
Health Practitioner (Under RA)	1	1			
Other Health Practitioner	1		1		
Courts notice of conviction	4		4		
Employer	2			2	
Other (including sector organisations)	5	1	2	2	

* In most cases the HDC recommended a review of the pharmacy's standard operating procedures. HDC referred 5 for consideration of competence and/or conduct with one case only referred for investigation by a PCC

PROFESSIONAL CONDUCT COMMITTEES

Professional Conduct Committees (PCCs) are statutory committees of the HPCA Act with functions specified under Part 4 sections 71 to 83 and operate independent of the Council.

Where information in the possession of the Council raises one or more questions about the appropriateness of the conduct or the safety of the pharmacist's practice, it may refer any or all of those questions to a professional conduct committee. A referral may be made in response to a matter referred by the Health and Disability Commissioner. Where a pharmacist has been convicted of an offence, as specified in section 67 of the HPCA Act, the Council must refer that matter for investigation by a professional conduct committee.

A pharmacist may be referred for investigation by a professional conduct committee under the following circumstances.

- If there are questions about the pharmacist's conduct such that an investigation is required;
- If there is a possibility that the pharmacist may have brought discredit to the profession;
- If there is a possibility that the pharmacist's conduct warrants censure of discipline;
- If there is evidence that the pharmacist may have behaved recklessly and willfully;
- If the pharmacist's conduct appears to be careless to the point of malpractice or negligence;
- If the pharmacist may have breached legislation;
- If the pharmacist may have breached professional standards, or may have breached the Council's Code of Ethics.

During the year 11 pharmacists were investigated by a professional conduct committee. One other pharmacist had been referred in the 2010/11 year and this case remains on hold pending the outcome of a criminal investigation. Three other pharmacists had been referred during the 2010/11 year with all cases resulting in charges being laid with the Health Practitioners Disciplinary Tribunal during the year. Two further investigations commenced during the year were completed and the pharmacists referred to the Health Practitioners Disciplinary Tribunal. A further completed case resulted in no further action being determined by the professional conduct committee. Five cases received during the year are yet to be completed.

Table 8: Professional Conduct Committee cases

Nature of issue	Source	Number	Outcome
Fraudulent claiming	Conviction	2	2 referrals to the HPDT
Concerns about standards of practice and conduct	Statutory organisation	4*	1 referral to HPDT; 3 ongoing
	Practitioner	1*	1 referral to HPDT
	Unqualified staff member	1*	1 ongoing
Notification of conviction, includes Drink driving offences	Practitioner	2	1 – no further action; 1 – ongoing
Theft			
Practising outside scope	Statutory organisation	1**	1 – Investigation on hold pending outcome of criminal case
Practising without annual practising certificate	Council	1*	1 referral to HPDT

*3 cases referred during the 2010/11 year and completed in the 2011/12 year

** Investigation on hold since 2010/11

HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL (THE TRIBUNAL)

The Tribunal hears and determines disciplinary proceedings brought against pharmacists under Part 4 of the HPCA Act. During the year the Tribunal received eight charges relating to seven pharmacists. All charges were brought by a professional conduct committee.

The penalty decision for one case, in which a finding of professional misconduct was determined in the 2010/11 year, was determined in 2011/2012. The pharmacist's registration was cancelled. This case has been appealed to the High Court with the outcome pending.

During the year the Tribunal's finding of a pharmacist being guilty of professional misconduct was appealed to the High Court. The outcome of the appeal was released in March and May 2012. The High Court upheld the Tribunal's decision but reduced the penalty. Another pharmacist was also found guilty of professional misconduct by the Tribunal. The Tribunal also found that the convictions for fraud relating to two pharmacists reflected adversely on their fitness to practise. These hearings were held in 2011/12 with the written decision being finalised after the end of the 2011/12 year.

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

Three charges relating to two pharmacists were not heard by the Tribunal in 2011/12.

Table 10: Health Practitioner Disciplinary Tribunal (HPDT) cases 2011/12

New cases	2
Existing cases	3*
Total cases managed	5
HPDT cases finalised	3

* High Court appeal decision pending for one pharmacist

Nature of charges	
Professional misconduct 2010/11	2
*Professional misconduct 2011/12	3
Conviction 2011/12	2
*Practised without an APC 2011/12	1
Outcome of hearings	
Guilty professional misconduct 2010/11	1
Guilty professional misconduct 2011/12	2
Outcome pending	
Conviction 2011/12**	2
Hearing and outcome pending	
Professional misconduct/Practising without an APC	2
Total number of pharmacists charged	**7**

*One pharmacist was charged with professional misconduct and practising without an APC

**Hearings held in June 2012, written decision released after the end of 2011/12

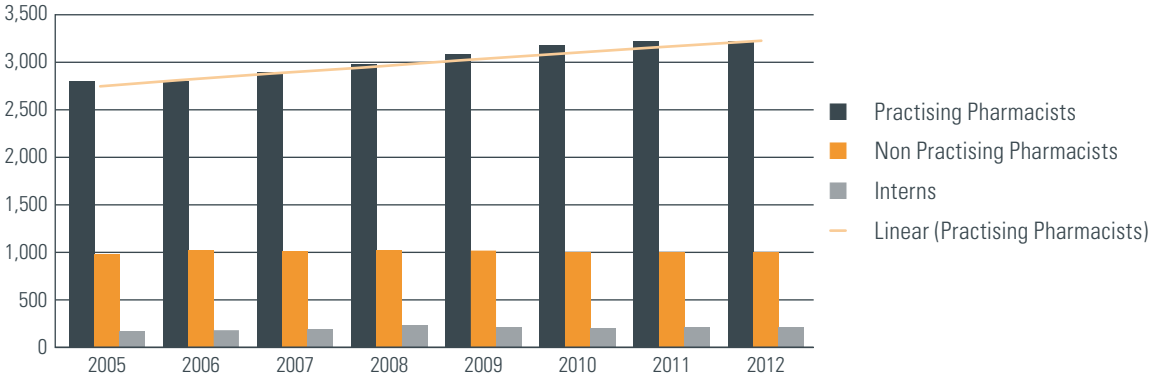
WORKFORCE DEMOGRAPHICS

A) REGISTER NUMBERS 2005-2012

As at 30 June 2012 the number of practising pharmacists was 3,304; up 81 (2.5%) on 30 June 2011. The number has been increasing steadily since 2005.

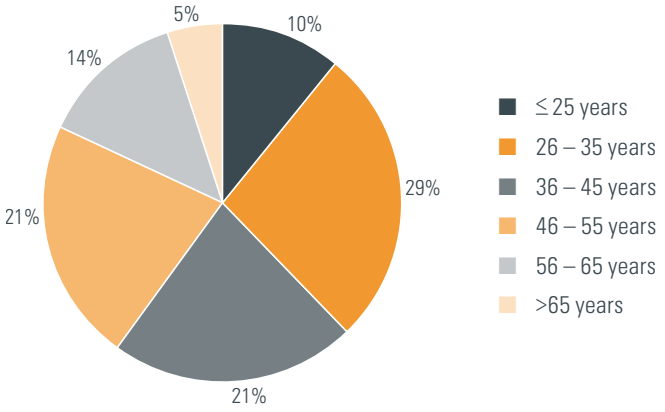
Register Numbers as at 30 June	2005	2006	2007	2008	2009	2010	2011	2012
Practising Pharmacists	2,787	2,801	2,889	2,978	3,076	3,180	3,223	3,304
Non Practising Pharmacists	983	1,022	1,011	1,023	1,017	1,001	996	968
Interns	168	189	202	234	220	205	221	215
TOTAL	**3,938**	**4,012**	**4,102**	**4,235**	**4,313**	**4,386**	**4,440**	**4,487**

Register Numbers as at 30 June



B) Age and Sex

Age of practising pharmacists as at 30 June 2012



The following table shows the age distribution of practising pharmacists 2008-2012:

Age	2008	% of Total	2009	% of Total	2010	% of Total	2011	% of Total	2012	% of total
≤25	271	9.1	318	10.3	387	12.2	347	10.8	340	10.3
26-35	666	22.4	737	24.0	789	24.8	867	26.9	939	28.4
36-45	732	24.6	731	23.8	722	22.7	721	22.4	707	21.4
46-55	694	23.3	709	23.0	700	22.0	691	21.4	696	21.1
56-65	379	12.7	370	12.0	396	12.5	430	13.3	473	14.3
>65	236	7.9	211	6.9	186	5.8	167	5.2	149	4.5
TOTAL	**2,978**	**100.0**	**3,076**	**100.0**	**3,180**	**100.0**	**3,223**	**100.0**	**3,304**	**100.0**

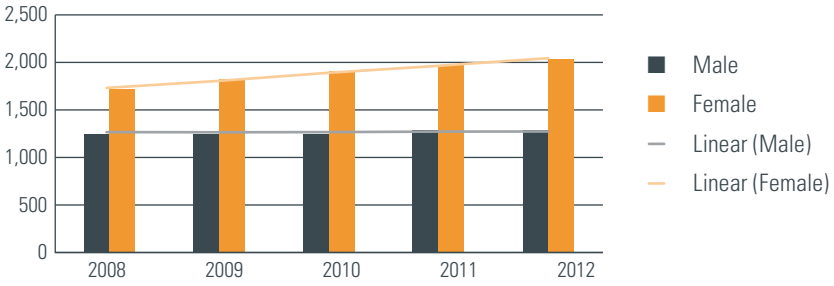
Since 2008, the strongest growth was recorded in the 26-35 age group, up 41%. The >65 age group showed the biggest decline, down 37%.

The following table shows the sex distribution of practising pharmacists 2008-2012:

Sex	2008	% of Total	2009	% of Total	2010	% of Total	2011	% of Total	2012	% of total
Male	1,260	42.3	1,269	41.3	1,270	39.9	1,265	39.2	1,268	38.4
Female	1,718	57.7	1,807	58.7	1,910	60.1	1,958	60.8	2,036	61.6
TOTAL	**2,978**	**100.0**	**3,076**	**100.0**	**3,180**	**100.0**	**3,223**	**100.0**	**3,304**	**100.0**

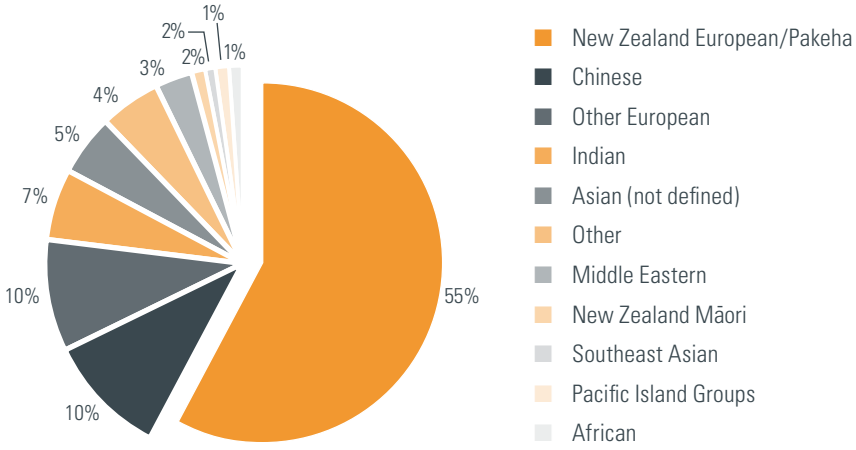
Since 2008, the number of female practising pharmacists has increased by 19%.

Sex of Practising Pharmacists as at 30 June 2012



C) Ethnicity

Ethnicity of practising pharmacists as at 30 June 2012



The following table shows the ethnic distribution of practising pharmacists 2008-2012:

Ethnicity	2008	% of Total	2009	% of Total	2010	% of Total	2011	% of Total	2012	% of total
New Zealand European/Pakeha	1,868	62.7	1,837	59.7	1,854	58.3	1,834	56.9	1,819	55.1
Chinese	241	8.1	282	9.2	304	9.6	315	9.8	348	10.5
Other European	301	10.1	319	10.4	328	10.3	332	10.3	347	10.5
Indian	152	5.1	179	5.8	200	6.3	213	6.6	216	6.5
Asian (not defined)	88	3.0	112	3.6	146	4.6	169	5.2	181	5.5
Other	183	6.1	168	5.5	147	4.6	142	4.4	140	4.3
Middle Eastern	61	2.0	78	2.5	89	2.8	93	2.9	102	3.1
Southeast Asian	18	0.6	27	0.9	28	0.9	34	1.1	55	1.7
New Zealand Māori	49	1.6	46	1.5	45	1.4	50	1.6	51	1.5
Pacific Island Groups	11	0.4	13	0.4	18	0.6	21	0.7	24	0.7
African	6	0.2	15	0.5	21	0.7	20	0.6	21	0.6
TOTAL	**2,978**	**100.0**	**3,076**	**100.0**	**3,180**	**100.0**	**3,223**	**100.0**	**3,304**	**100.0**

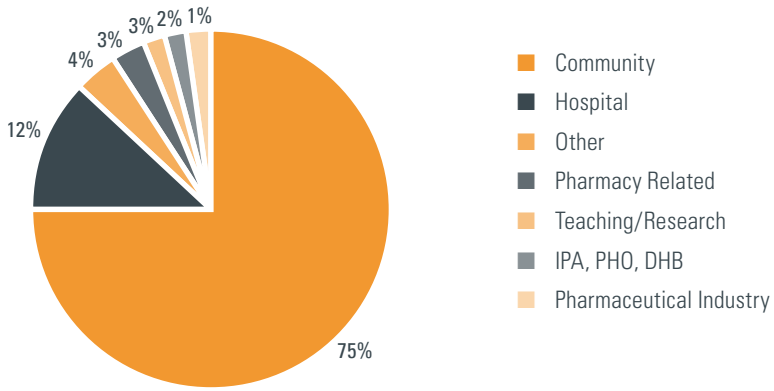
Since 2008, increases have been recorded across most ethnicities, with the exceptions of New Zealand European/Pakeha (down 3%) and Other (down 23%). The number of New Zealand Māori has been static.

D) Type of work

3,173 pharmacists issued with an APC for the year 1 April 2012-31 March 2013 completed the type of work section on the APC renewal form. This represents 96% of the pharmacists on the practising register at 30 June 2012. The data collected relates to the previous APC year and has been used in this instance to provide an estimate of the number of pharmacists in the different areas of pharmacy employment. There were no significant changes from the previous year.

387 of the pharmacists who completed this section of the APC renewal form at 31 March 2012 worked in two or more different areas of pharmacy during the year ended 31 March 2011. This compares with 358 for the year ended 31 March 2011.

Type of Work	Number of pharmacists
Community	2,662
Hospital	421
Other	144
Pharmacy Related	115
Teaching/Research	96
IPA, PHO, DHB	68
Pharmaceutical Industry	54
	3,560
No. worked in 2 or more areas of pharmacy	-387
TOTAL RESPONSES	**3,173**



E) Retention rates

Non-REQR[1] pharmacists show the strongest retention rate at five years, followed by New Zealand qualified pharmacists. Retention rates for REQR[2] and TTMRA[3] pharmacists at five years are significantly lower, indicating the majority come to New Zealand for a working holiday experience.

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%	103	67%
2007	173	154	89%	131	76%	115	66%
2008	173	164	95%	139	80%	–	–
2009	202	187	93%	157	78%	–	–
2010	208	192	92%	–	–	–	–
2011	170	153	90%	–	–	–	–
2012	198	–	–	–	–	–	–

1 Non-Recognised Equivalent Qualifications Route – excludes Australia, Canada, Ireland, Northern Ireland, the UK, and the USA

2 Recognised Equivalent Qualifications Route – includes Canada, Ireland, Northern Ireland, the UK, and the USA

3 Trans Tasman Mutual Recognition Agreement

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%	4	33%
2008	13	11	85%	5	38%	–	–
2009	6	4	67%	2	33%	–	–
2010	3	3	100%	–	–	–	–
2011	5	5	100%	–	–	–	–
2012	4	–	–	–	–	–	–

Average retention rates for overseas pharmacists registered through REQR route							
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%	12	33%
2008	17	14	82%	7	41%	–	–
2009	20	18	90%	11	55%	–	–
2010	22	17	77%	–	–	–	–
2011	12	8	66%	–	–	–	–
2012	9	–	–	–	–	–	–

Average retention rates for overseas pharmacists registered through Non-REQR route							
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%	14	82%
2008	9	9	100%	8	89%	–	–
2009	18	17	94%	–	–	–	–
2010	9	8	89%	–	–	–	–
2011	11	10	91%	–	–	–	–
2012	13						

F) Statements of registration and good standing

In the year ended 30 June 2012, 152 statements of registration and good standing were issued on behalf of New Zealand pharmacists intending to practise overseas, up 35 (30%) on the previous year. Australia continues to be the main destination over recent years, accounting for 75% of the statements and showing an increase of 18 (19%) on the previous year.

COMMITTEES AND APPOINTMENTS

COMPLAINTS SCREENING COMMITTEE (CSC)

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 are 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 till 3 August 2011;
Andrew Bary, Council Chair from 4 August 2011
Bronwyn Clark, Chief Executive & Registrar or the Deputy Registrar, Jenny Ragg
Barbara Moore, Professional Standards Advisor

Health Committee

The Health Committee has delegation from 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.

Membership

Keith Crump (Chair),
Bronwyn Clark, Chief Executive & Registrar,
ProfJohn Shaw
Dr Te Kani Kingi
Ms Leanne Te Karu (from 29 November 2011).

Professional Conduct Committee (PCC)

PCC receives 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 completion of its investigation. A PCC is established to address individual issues, and membership comprises three persons: two pharmacists and one layperson.

Pharmacist Members

Mrs Debbie Wallace
Mr Richard Young
Mr Derek Lang
Ms Nikki Anderson
Mr Muhammad Naseem (Joe) Asghar
Mr David Mitchell
Mrs Andi Shirtcliffe
Melissa Copland
From 15 August 2011:
Ms Katrina Azer
Mr Peter Cooke
Ms Kirsty Croucher
Mrs Pamela Duncan
Mrs Rachel Eaton
Mrs Prudence Fraser
Mr Christopher Leung
Mr John Munn
Ms Charlotte Stone
Ms Andrea Wilson

Lay Members

Dr Judith Johnston (Convenor)
Ms Karen Harvey (Convenor)

Pre-Registration Assessment Board (PRAB)

The purpose of the Preregistration Assessment Board is to monitor the assessment methodology and tools of the Intern Training Programme (ITP), and to review the evidence gathered on individual intern pharmacists completing the programme. The Intern Training programme 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 standard required to register in the pharmacist scope of practice.

PRAB Board Members

Dr Andrew Bary (Chair) until 14 March 2012)
Mr Keith Crump from 29 November 2011 (Chair from 14 March 2012)
Dr Rhiannon Braund until 15 March 2012
Mr Hesham Al-Sallami from 15 May 2012
Assoc Prof Janie Sheridan
Mrs Andi Shirtcliffe
Mr Murray Adams from 15 May 2012
Moderation Sub Committee Members (also Board Members)
Ms Mary-Anne O'Rourke (Chair of sub-committee)
Mrs Rosemary Thompson
Mrs Dianne Wright

PROFESSIONAL STANDARDS COMMITTEE (PSC)

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

The Chair of Council (until 4 October 2011), the Deputy Chair of Council, a lay member of Council, the Competence Advisor, and the Professional Standards Advisor are members of this committee.

Law and Ethics Interview Assessors

Pharmacists are required to complete supervised practice on return to practice, as well as those registering under Trans Tasman Mutual Recognition (TTMRA) from Australia or under REQR (UK, Ireland, USA and Canada). They are assessed for their knowledge and understanding of New Zealand Pharmacy law and ethics. Council has appointed the following pharmacists to undertake these interviews on its behalf.

Ms Vicki Hollings, Northland
Ms Jenny Cade, Auckland
Ms Julie Earwaker, Auckland
Mrs Anne Davies, Hamilton
Mr Derek Lang, Rotorua
Ms Daphne Earles, Mt Maunganui
Ms Di Vicary, Hawkes Bay
Ms Catherine Keenan, New Plymouth
Mr Glen Caves, Palmerston North
Mrs Andi Shirtcliffe, Wellington
Ms Amanda Stanfield, Wellington
Mrs Debbie Wallace, Wellington
Mr Chris Budgen, Nelson
Mr Daryl Sayer, Christchurch
Ms Kate Shaw, Christchurch
Ms Patricia Napier, Dunedin
Mr 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.

A number of pharmacists have been appointed as Competence Reviewers by the Council. Some of these pharmacists have also been appointed as Practice Counsellors, who 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 Practitoners Disciplinary Tribunal (HPDT)

Tribunal Members are appointed by the Minister of Health. Three pharmacists and one lay person are selected for each Tribunal hearing. For further details see www.hpdt.org.nz

Chair

Bruce Corkill QC

Deputy Chairs

Ms Kate Davenport
Mr David Carden

Pharmacists

Ms Maryanne Baker
Mr John Dunlop
Ms Daphne Earles (Appointed 4 August 2011)
Mr Warren Flaunty
Mr Kas Govind (Appointed 4 August 2011)
Ms Ellen McCrae
Ms Mary-Anne O'Rourke
Mr Daryl Sayer
Ms Dianne Vicary

Pharmacy Council representation on outside bodies

Heads of Schools and Professional Organisations in Pharmacy (HOSPOP)– *Andrew Bary*
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*
Australian Pharmacy Council (APC) Council director – *Mark Bedford*
Australian Pharmacy Council Accreditation Committee – *Bronwyn Clark*
Australian Pharmacy Council Examining Committee – *Bronwyn Clark*
Health Regulatory Authorities of New Zealand (HRANZ) – *Andrew Orange*
Pharmacy Industry Training Organisation (PITO) – *Barbara Moore*
Pharmacy Industry Training Organisation (PITO) Qualifications Review Steering Group – *Sandy Bhawan*
New Zealand Precursor Working Group – *Barbara Moore*
Bpac nz Clinical Advisory Group – *Barbara Moore*

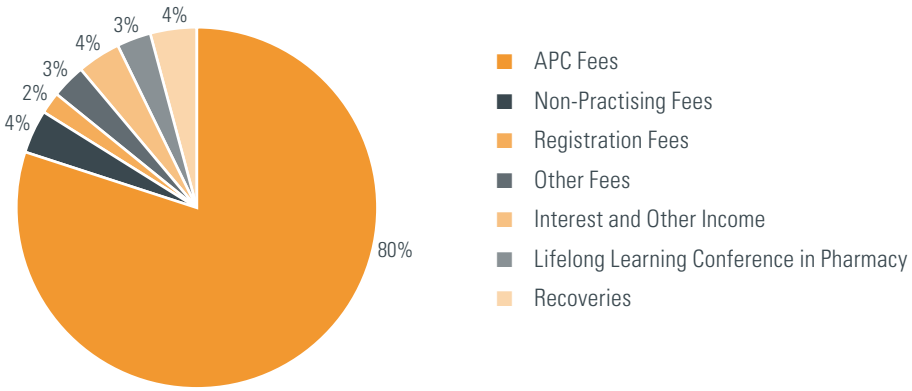
FINANCIAL OVERVIEW 2012

The Council reported an operating deficit of $251,575 for the year ended 30 June 2012. While this is a positive result compared to budget, the deficit is higher than the reported deficit in 2011.

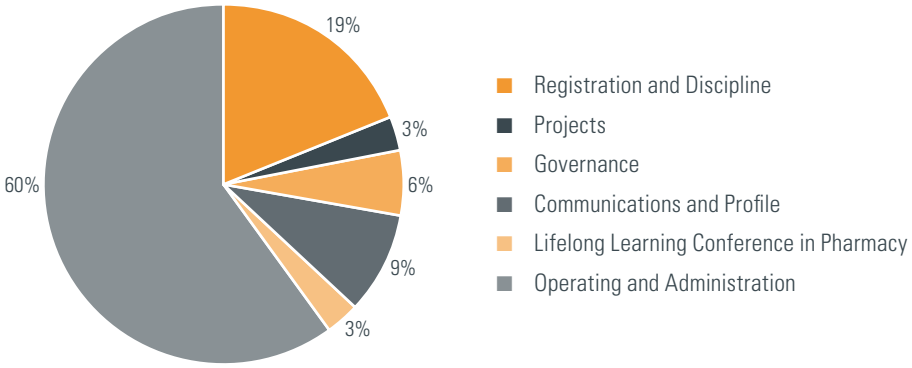
Fee revenue has remained relatively unchanged over the past two years but operating expenditure has increased. In collaboration with other regulatory authorities, this year the Council has committed considerable resources towards the development of a Shared Administrative Secretariat Model. Progress on major Council projects, such as the review of the Intern Assessment Centre Framework has also increased operating costs for the year.

The Council has reported an operating deficit for the past three years and this has reduced the General Fund balance significantly. Budget projections indicate the Council cannot continue to operate on a budget deficit. To ensure the financial viability of the Council in the future, Annual Practising Fees will be reviewed in the 2012/2013 year and a consultation process will follow. Annual Practising Fee revenue contributes to 80% of the Council's revenue and this fee has remained stable since 2006.

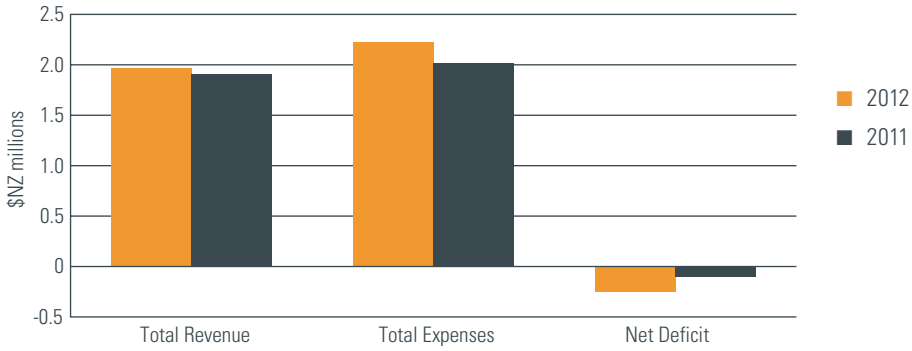
2012 Revenue



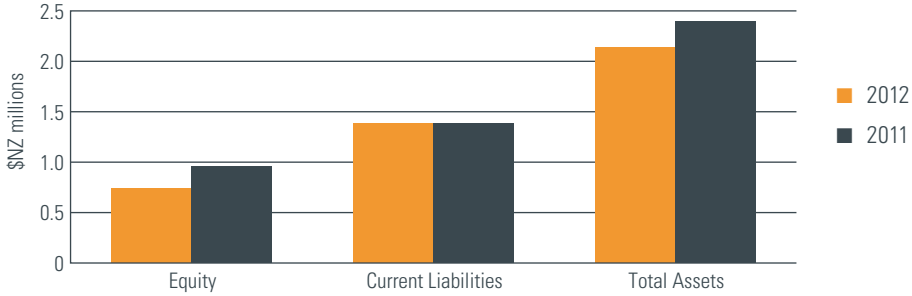
2012 Expenditure



2012 Financial Performance



2012 Financial Position



PKF Martin Jarvie
Chartered Accountants

PKF
Accountants &
Business Advisers

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2102

The Auditor-General is the auditor of the Pharmacy Council of New Zealand (the Council). The Auditor-General has appointed me, Robert Elms, 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 44 to 52, that comprise the statement of financial position as at 30 June 2012, 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 44 to 52:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's:
- financial position as at 30 June 2012; and
- financial performance and cash flows for the year ended on that date.

Uncertainty about the delivery of office functions in future

Without modifying our opinion, we draw your attention to the disclosure in note 17 on page 52 regarding a proposal for combining the secretariat and office functions of the Council with other health-related regulatory authorities. We considered the disclosure to be adequate.

Our audit was completed on 26 September 2012. 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

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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.

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 set out in Professional and Ethical Standard 2, issued by the External Reporting Board.

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

Robert Elms
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 2012 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 audit report dated 26 September 2012 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 2012

Revenue	Note	2012 $	2011 $
Annual Practising Certificate Fees	1	1,559,840	1,531,455
Non-Practising Fees		77,126	79,109
Registration Fees		43,298	43,827
Other Fees	2	66,246	84,052
Interest and Other Income		66,410	84,015
Life Long Learning Conference in Pharmacy		60,762	60,762
Discipline Recoveries		76,372	14,300
Bad Debt Recoveries		6,000	1,300
Total Revenue		1,956,054	1,898,820
Expenditure			
Registration & Discipline	3	423,641	408,693
Projects		68,570	85,005
Governance	4	135,248	135,019
Communications & Profile		192,212	104,376
Life Long Learning Conference in Pharmacy		60,384	46,056
Operating & Administration	5	1,327,574	1,218,096
Total Expenditure		2,207,629	1,997,245
Net surplus/(deficit) for the period		(251,575)	(98,425)

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	2012 $	2011 $
Equity at the beginning of the year	984,361	1,082,786
Net surplus/(deficit) for the period	(251,575)	(98,425)
Equity at the end of year	732,786	984,361

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 2012

	Note	2012 $	2011 $
Current Assets			
Cash & Cash Equivalents	6	1,497,152	1,270,235
Term Deposits	7	500,000	900,000
Accounts Receivable		15,107	21,316
Other Receivables & Prepayments		54,104	81,202
Total Current Assets		2,066,363	2,272,753
Non-Current Assets			
Property, Plant and Equipment	8	30,344	63,850
Intangible Assets	9	8,309	20,053
Total Non-Current Assets		38,653	83,903
TOTAL ASSETS		2,105,016	2,356,656

Current Liabilities			
Accounts Payable		51,232	50,579
Other Payables & Accruals		93,110	58,087
Employee Entitlements		50,201	89,696
Income Received in Advance	10	1,177,687	1,173,933
Total Current Liabilities		1,372,230	1,372,295
Accumulated Equity	11	732,786	984,361
TOTAL LIABILITIES AND EQUITY		2,105,016	2,356,656

Dr Andrew Bary
Chair of Council

Bronwyn Clark
Chief Executive & Registrar

Date: 26 September, 2012

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 2012

Cash flows from operating activities	Note	2012 $	2011 $
Cash was provided from:			
Statutory fees and levies		1,771,303	1,744,676
Discipline Recoveries		21,300	10,000
Interest		78,666	70,312
Other revenue		6,133	33,050
Cash was disbursed to:			
Suppliers and employees		(2,030,972)	(1,895,576)
Other expenditure		(14,350)	0
Net cash outflow from operating activities	12	(167,920)	(37,538)
Cash flows from investing activities			
Cash was provided from:			
Term Deposit		400,000	400,000
Cash was disbursed to:			
Purchase of Fixed Assets		(5,163)	(7,899)
Term Deposit		0	0
Net cash inflow from investing activities		394,837	392,101
Net (decrease)/increase in cash held		226,917	354,563
Add opening cash and cash equivalents		1,270,235	915,672
Closing cash and bank balances		1,497,152	1,270,235
Represented by:			
Cash and cash equivalents		1,497,152	1,270,235

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 2012

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

  Following the decision to relocate offices, the depreciation on the Leasehold Improvements has been accelerated to reflect the remaining useful life.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

(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.

	2012 $	2011 $

(2) Other Fees

Overseas Pharmacist Fees	52,393	68,585
Other Fees	13,853	15,467
	66,246	**84,052**

(3) Registration and Discipline

Registration	116,286	106,497
Discipline	271,045	282,687
Competence & Health	36,310	19,509
	423,641	**408,693**

(4) Governance

Councillors Fees*	82,825	78,760
Councillors Expenses	52,423	56,259
	135,248	**135,019**
*Fees paid to Councillors:		
A Bary	37,145	6,450
C Oakley Brown	4,850	31,870
J Mickleson	7,440	8,970
J Shaw	5,400	6,000
K Crump	5,400	6,000
L Te Karu	4,650	0
M Bedford	8,340	7,470
R Nicoll	4,200	6,000
T Kani Kingi	5,400	6,000
	82,825	**78,760**

(5) Operating & Administration

Amortisation costs	14,445	16,307
Audit fees	8,445	8,225
Bad Debts	64,078	0
Depreciation	35,970	15,845
Eftpos fees	23,836	23,627
Information Technology costs	26,436	25,202
Insurance	21,067	14,884
Legal costs	7,471	12,627
Loss on disposal of assets	0	417
Premises & Occupancy costs	100,551	103,106
Operating leases	21,954	26,558
Sundry costs	27,589	26,777
Personnel costs	945,122	909,237
Printing & Stationery	9,368	9,104
Postage & Courier	9,041	11,653
Telecommunications	12,201	14,527
	1,327,574	**1,218,096**

	2012 $	2011 $
(6) Cash & Cash Equivalents		
Petty Cash	200	200
ANZ – Cheque Account	26,429	103,199
ANZ – Call Account	170,523	166,836
ANZ – Term Deposits	1,300,000	1,000,000
	1,497,152	**1,270,235**
(7) Term Deposits		
Kiwi bank – Term Deposit	500,000	0
ANZ – Term Deposits	0	900,000
	500,000	**900,000**

(8) Property, Plant & Equipment

	Cost 30 June 2011 $	Depn for year 30 June 2011 $	Accum. Depn 30 June 2011 $	Book Value 30 June 2011 $	Cost 30 June 2012 $	Depn for year 30 June 2012 $	Accum. Depn 30 June 2012 $	Book Value 30 June 2012 $
Leasehold Improvements	70,700	7,069	42,637	28,063	70,700	27,474	70,111	589
Computer Equipment	63,283	717	63,231	52	65,747	394	63,625	2,122
Furniture & Fittings	75,809	7,342	41,612	34,197	75,809	7,528	49,140	26,669
Office Equipment	10,382	717	8,844	1,538	10,382	574	9,418	964
TOTAL	**220,174**	**15,845**	**156,324**	**63,850**	**222,638**	**35,970**	**192,294**	**30,344**

	2012 $	2011 $
(9) Intangible Assets		
(i) Website		
Cost		
Opening balance	43,143	41,643
Additions during the year	1,500	1,500
Closing balance	**44,643**	**43,143**
Accumulated Amortisation		
Opening balance	37,472	29,134
Amortisation for the year	5,171	8,338
Closing balance	**42,643**	**37,472**
Book Value	**2,000**	**5,671**
(ii) Computer Software		
Cost		
Opening balance	27,953	24,873
Additions during the year	1,200	3,080
Closing balance	**29,153**	**27,953**
Accumulated Amortisation		
Opening balance	13,571	5,602
Amortisation for the year	9,273	7,969
Closing balance	**22,844**	**13,571**
Book Value	**6,309**	**14,382**
Total Book Value	**8,309**	**20,053**

	2012 $	2011 $

(10) Income Received in Advance

Represents APC fees and levies relating to the 2012/2013 year (2011: 2011/2012 year).

(11) Accumulated Equity

The Council's accumulated equity was separated into a General Fund and a Disciplinary Fund during the 2010/2011 year. This was done in response to an increase in disciplinary costs and also to provide greater transparency to stakeholders.

General Fund		
Opening balance	**632,057**	**1,082,786**
Transfer to Disciplinary Fund	0	(403,860)
Movements during the year	(217,347)	(46,869)
Closing balance	**414,710**	**632,057**
Disciplinary Fund		
Opening balance	**352,304**	**0**
Transfer from General Fund	0	403,860
Movements during the year	(34,228)	(51,556)
Closing balance	**318,076**	**352,304**
Total Accumulated Equity	**732,786**	**984,361**

(12) Operating cash flows reconciliation

Net operating surplus/ (deficit) for the period	(251,575)	(98,425)
Add/(Deduct) non-cash items:		
Depreciation & Amortisation	50,415	32,152
Add/(Deduct) working capital items:		
Accounts Receivable	6,208	(6,820)
Other Receivables & Prepayments	33,301	(37,802)
Accounts Payable	626	5,471
PAYE/Withholding Tax	8,184	4,945
Other Payables & Accruals	16,080	8,241
Employee Entitlements	(39,496)	32,794
Income Received in Advance	3,753	28,192
GST Receivable	4,584	(6,286)
Net Cash inflow/(outflow) from operating activities	**(167,920)**	**(37,538)**

(13) Commitments – Operating Leases

Lease commitments under non-cancellable operating leases:		
Not more than one year	24,643	126,426
One to two years	9,468	120,083
Three to five years	0	18,489
	34,111	**264,998**

Subsequent to balance date, the Council signed a lease for premises for one year with an annual rent of $94,935. The lease for the Council's telephone system was also renewed subsequent to balance date.

(14) Commitments

- At balance date the Council had entered into a contract with the Council's IT provider for $12,000 to upgrade the Council's computers during the 2012/2013 financial year. (2011: Nil)
- At balance date the Council had entered into a cost sharing agreement relating to subleased premises at ASB House with six other regulatory authorities. The Council has agreed to contribute up to $5,000 during the 2012/2013 year towards the first year's annual rental costs. The Council intends to join as a sub lessee in the premises by 1 July 2013.

(15) Contingent Assets and Continent Liabilities

(i) Contingent Assets

There were no contingent assets at balance date. (2011: Nil)

(ii) Contingent Liabilities

There were no contingent liabilities at balance date. (2011:$20,000)

(16) Adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)

In September 2007, the Accounting Standards Review Board (ASRB) announced the delay of the mandatory adoption of NZ IFRS for certain entities. The Pharmacy Council satisfied the deferral criteria and therefore decided to delay the adoption of the NZ IFRS standards.

In April 2012, the Minister of Commerce approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Pharmacy Council is likely to elect to be classified as a Tier 2 Public Benefit Entity and it will be required to apply Public Benefit Entity Accounting Standards Reduced Disclosure Regime (PAS RDR). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Pharmacy Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Pharmacy Council is unable to assess the implications of the new Accounting Standards Framework at this time.

(17) Uncertainty about the delivery of office functions in future

In February 2011, Health Workforce New Zealand, on behalf of the Minister of Health (the Minister), issued a consultation document proposing a single shared secretariat and office function for all 16 health-related regulatory authorities.

Following consultation, the 16 health-related regulatory authorities were given the opportunity to submit proposals for a single shared administrative secretariat. The Pharmacy Council is one of two collaborative groups working on the development of business cases to progress towards shared administrative secretariat functions.

The proposals, if they proceed, are likely have a significant effect on the Pharmacy Council. We have not quantified the possible effect. The proposals have meant the Council is filling vacant office positions on a fixed term basis and has also delayed its software development for now.

Until a decision is made, there is uncertainty about the form in which the Council's office functions will be delivered in future.

(18) Related Parties

Council members are paid fees for attending to Council, as disclosed in Note 4. In addition, some Council members are paid fees for work in connection with various sub committees and working groups. 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.

(19) Events after Balance Date

No events occurred subsequent to balance date. (2011: 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 (until 8 June 2012);
Trudi Thomas-Morton (commenced 5 June 2012)
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 Sec Teachers' Diploma, 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 Advisor

Sandy Bhawan BSc, BPharm, PGCertPharm, MPS, RegPharmNZ (resigned 2 March 2012)
Sue Walbran, PhD (commenced 16 March 2012)
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 Registrations Assistant

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

GENERAL CONTACT DETAILS

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pharmacycouncil
OF NEW ZEALAND
Te Pou Whakamana Kaimatu o Aotearoa