



2010 ANNUAL REPORT



2010 ANNUAL REPORT | Contr

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The Pharmacy Council

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THE PHARMACY COUNCIL



The Pharmacy Council is pleased to submit this report for the year ended 30 June 2010 to the Minister of Health. This report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003, (HPCAA).

AT A GLANCE -

COMPARISONS FROM 2009 ANNUAL REPORT

- Number of Pharmacists holding practising certificates increased by 3.4% from 2009
- Number of non-practising pharmacists remains stable
- Competence referrals to Council for 2010 increased slightly
- Numbers of pharmacists referred to Health committee increased from 2 to 8
- Complaints received about pharmacists decreased by 36% (from 63 to 40)
- Professional Conduct Committee investigations decreased slightly
- Annual Practising Certificate fees remain same for all practitioners since 2005
 Pharmacists (\$495) and Intern Pharmacists (\$365)

MISSION

The Council will protect and promote the public wellbeing by ensuring pharmacists practise competently.

VISION

The Pharmacy Council helps ensure that New Zealand pharmacists perform to the highest standards to improve public well-being.

VALUES

- Uncompromising commitment to public safety
- Consistent fair and transparent processes
- Patient and consumer focus
- Ensure best practice

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;
- 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;
- I) 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 2010





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

Third term appointed 27 January 2010.



Jo Mickleson BPharm, Diploma in Management, RegPharmNZ (Deputy Chair) is a pharmacist from Nelson with wide experience in both community and hospital pharmacy. Jo is currently a member of the Hospital Advisory Committee to the Nelson-Marlborough District Health Board and a member of the Nelson Bays Primary Health Organisation 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.



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.



Mark Bedford DipPharm, RegPharmNZ, AFNZIM, Community Pharmacist Mt Maunganui, is co-owner of a busy 7-day Medical Centre Pharmacy. Mark is the current Chair of Consumer NZ Inc and previous Chair of Waipuna Hospice.

First 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.



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

Second term appointed 1 October 2009.





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

First term appointed 1 October 2009.



Dr Te Kani Kingi BSocSci (Hons), MSocSc Waik, PGDipMDev, PhD, DipTM 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 formally been an executive member of the New Zealand Public Health Association, The Mental Health Advocacy Coalition, and the National Ethics Advisory Committee. He currently sits on the National Health Committee, the Public Health Advisory Committee, Statistics New Zealand's Māori Advisory Group, and is Chair of the Mental Health Commission's Advisory Board. *First term appointed 27 January 2010*.

Andi Shirtcliffe BPharm, PG Cert Pharm, PGDipClinPharm, MNZCP, MPS RegPharmNZ (Deputy Chair) is a former pharmacy proprietor who currently works in the Wellington area as a consulting pharmacist, and provides clinical pharmacist services in the rest home and private hospital areas. Andi also works part-time in a long stay psychogeriatric hospital. Andi is a previous Pharmaceutical Society of New Zealand Councillor.

Term completed 1 October 2009.

Dr Judith Johnston BA (Hons), MA, PhD is a management consultant with many years of experience in both the public and private sectors, including many years in the health sector. Term completed 1 October 2009

Darryn Russell MIndS is Director of Māori Development in the Office of the Vice Chancellor at the University of Otago. He is also a director of Arai Te Uru Whare Hauora (a Māori health provider in Dunedin City) and Retara Holdings. He is also a ministerial appointee to the Disciplinary Tribunal of the Social Workers Registration Board and Trustee with J R McKenzie Trust (leading national philanthropic organisation). Darryn remains an active participant in Ngãi Tahu communities, commercially and developmentally.

Term completed 14 January 2010.



CHAIRPERSON'S REPORT



Taking time to reflect over the last year I realise that we have made significant progress in many areas and I feel pride in those achievements. Over the course of the year we have had input into the review of the HPCA Act. We have started working even more closely with the other regulatory authorities to ensure that Pharmacists are competent to practice for the benefit of the Public and we have also continued to provide a lot of support to Pharmacists.

We have been conscious about the evolving healthcare environment in NZ and new models of care required so our strategic work has continued this year to work on developing standards for medicines management services, cultural competence and guidance to pharmacists to assist them to perform to the highest levels of practice.

This year has been a very exciting one with the near completion of the proposed Pharmacist Prescriber Scope of practice. We held a very successful workshop meeting in November 2009 where we presented this work to our stakeholders across the health arena and showcased how a Pharmacist Prescriber could work in action. Following evaluation of the written consultation and feedback, an application to Health Workforce New Zealand will be submitted for these pharmacists to be given authority as designated prescribers.

An important part of our responsibilities is to ensure that training and qualifications for pharmacists are relevant and of a high standard. This year we completed a review of the 5th year of pharmacy training — first year post-BPharm graduation called the intern training year — and the resultant standards will be applied to accreditation of programmes from 2011 onwards. We have also set up a pathway for quality endorsement of medicines management standards that are being developed by the professional bodies.

Building on our strong relationships with our stakeholders in pharmacy has been a continuing focus for us. We maintain regular exchanges with the national organisations as we recognise that to successfully achieve our mandate we must work with, not against, the profession. We have also continued to maintain and improve our relationships with other regulators and our international colleagues. With the implementation of National registration for health professions in Australia timed for 1 July 2010 we worked hard with our colleagues in Australia to ensure that standards of accreditation and registration changes between the two countries remain aligned. As part of this, the PCNZ is now a "member" organisation of the new restructured Australian Pharmacy Council (APC), and I have taken up a position as a director on the board of this company. This has allowed us to ensure that the accreditation and examination services that APC provides for us in New Zealand are secured for the future and that we have significant input into governance decisions of this body.

I would like to sincerely thank my fellow Council members for their continued hard work and commitment to the Council, and for their continued support for me as Chair. This year we have had considerable change in the membership of the Council, and I would like to acknowledge the legacy of work that was achieved by members who completed their terms within the last year — Dr Judith Johnston, Ms Andi Shirtcliffe and Mr Darryn Russell. The appointment of three new members — Dr Te Kani Kingi, Mrs Robynne Nicoll and Mr Mark Bedford — has given the Council some fresh perspectives and I look forward to working with all the Council in the next period.

I would also like to sincerely thank the many pharmacists who assist and support the work of Council by taking on roles as competence reviewers, assessors, committee members, examiners and practice counsellors. Without their support we could not continue to provide the services that we do.

Finally, my sincere thanks to the Council staff for all their hard work, their valuable input, for stepping up, for the service, for getting on with what they have had to do, and for supporting one another this year. I feel extremely fortunate and privileged to work with such a highly motivated, well qualified team of experienced staff who are very ably led by Bronwyn Clark. Bronwyn and her team are always aiming to add value which enables the organisation to function efficiently and effectively. We may have a short history but it is one that is built on a culture of excellence, ethics and supporting one another.

I look forward to planning and working towards 2011 which should be another successful year for the Council and Pharmacy in NZ.

Heoi ano, he mihi nui ki a koutou katoa.

Carolyn Oakley-Brown BPharm, MNZCP, RegPharmNZ Chair



CHIEF EXECUTIVE AND REGISTRAR'S REPORT



This year the Council staff have continued to apply quality improvement principles to all work, including the review of our policies and procedures. The aim of this is to continually evaluate our performance and identify methods that are both effective and cost efficient.

We have made considerable progress in implementing the strategy of the Council, in particular with the Cultural Competence development, Pharmacist Prescriber scope of practice and review of the Code of Ethics for pharmacists. We placed an emphasis this year on developing and setting accreditation standards for training programmes, and this year agreed on a set of standards and an accreditation process for the Intern Training Programme through the Australian Pharmacy Council (APC). Standards for a revised Law and Ethics programme for overseas-trained pharmacists have been set and we have also developed a process for the endorsement of Medicines Management standards. This sits alongside a review of the Medicines Management Competence framework to reflect the increasing complexity of new cognitive pharmacist services. Of other notable achievements, our Professional Standards Advisor made a considerable contribution to the development of standards for pharmacy services, which sit alongside the competence standards developed by Council.

Following an external review of our notification, complaints assessment and health committee processes, we have reviewed the screening and triaging procedures to ensure timeliness is paramount and quality decisions are implemented. This has included a review of membership of committees and panels. To complement this, we have implemented an electronic Case Management system that assists in the efficient and timely management of active cases. This is in line with best practice recommendations for regulatory authorities given by the United Kingdom Council for Healthcare Regulatory Excellence.

As part of continually improving our communication with our stakeholders this year we streamlined the ability for stakeholders to respond to our consultations electronically by providing an on-line option for feedback through our website. This has also enabled us to evaluate responses with greater ease. With the increasing number of consultation documents, we are planning on further developing our website as our main external communication tool.

We continue to be an active part of the operational arm of the Health Regulatory Authorities of New Zealand (HRANZ), whose members comprise of all 16 regulatory authorities. We have worked collaboratively on projects to improve efficiencies and share resources across the authorities. I personally appreciate both the formal and informal sharing experiences within this group, which assist us to learn from each other and achieve best practice processes.

Council staff have once again been active in international forums, where they have shared their work with their colleagues. Staff have been invited to present their work on non-medical prescribing and recertification and competence assessment at international conferences and have participated in forums on pharmacist professionalism and development of assessment and examination material. I thank the Council for the opportunity granted to me and my staff to attend these events, and to learn from international colleagues in the areas of competence assessment and pharmacy regulation.

Our continuing robust financial management and reviewing of costs has allowed us to once again report a positive financial result against budget. This has once again negated the need for any fee increases for practising certificates for pharmacists, which is of considerable importance in the current economic climate.

My thanks go to all Council members, and in particular to Carolyn Oakley-Brown, who is a dedicated Chair and who I am most fortunate to work with. Finally I acknowledge and thank the staff of the Council who I have the privilege to work with as part of our team. Your ongoing commitment, energy, genuine teamwork and goodwill are so very much appreciated.

BClok

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

CORPORATE GOVERNANCE



The role of the Council members is to ensure the Council meets the requirements of the HPCAA. To ensure these goals are met, Council members set the organisation's strategic direction and monitor the performance of management. Council members are appointed by the Minister of Health, and Council is accountable to the Minister, the profession and the public in how it performs 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 2009 to 30 June 2010 the Council met five times.

Attendance record for Council meetings is as follows:

| Council Members | 28-29 July 2009 | 13-14 October 2009 | 30 November – 1 December 2009 | 2-3 March 2010 | 11-12 May 2010 |
|--|--------------------|-----------------------|----------------------------------|-------------------|-------------------|
| Carolyn Oakley-Brown (Chair) | Yes | Yes | Yes | Yes | Yes |
| Jo Mickleson (Deputy Chair from Oct 2009) | Yes | Yes | Yes | Yes | Yes |
| John Shaw | Yes | Yes | Yes | Yes | Yes |
| Keith Crump | Yes | Yes | Yes | Yes | Yes |
| Andrew Bary | Yes | Yes | Yes | Yes | Yes |
| Andi Shirtcliffe (Deputy Chair until July 2009) | Yes | Term expired | | | |
| Judith Johnston | Yes | Term expired | | | |
| Darryn Russell | Yes | Yes | Attending Conference | Term expired | |
| Mark Bedford | | | Yes | Yes | Yes |
| Robynne Nicoll | | | Yes | Yes | Yes |
| Te Kani Kingi | | | | Yes | Apologies |

Finance and Audit and Risk Management Committee (FARMC)

The Finance, Audit and Risk Management Committee is a sub committee appointed by Council to assist them in discharging their responsibilities relating to financial accountability, the control framework and risk management. Members of this Committee for the year to 30 June 2010 were:

- Mr Darryn Russell (Chair) until 14 January 2010)
- Ms Jo Mickleson (Chair from 17 February 2010)
- Mrs Andi Shirtcliffe (until 1 October 2009)
- Mrs Carolyn Oakley-Brown
- Mr Mark Bedford

This Committee met five times during the period July 2009 to 30 June 2010 and this included pre and post meetings with the Council's auditors.

During the year the Committee's activities included the appointment of the Council's auditors, a review of Council members' and sub-committee members' fees, and an annual review of the Council's risk management strategies.

Other Council committees are listed in the Committees section of this report.

STRATEGIC PLAN – TOWARDS 2011

The current Council strategic plan was set in 2007. The strategy focuses the Council on the changing health environment, and the requirements for scopes, standards and competencies needed for pharmacists to deliver services in this new world, as well as best–practice risk management and operational systems.

The Council recognises the value of a well-trained and competent staff to achieve its goals, as well as the need to demonstrate to the profession, the efficient management of the operational costs within the organisation.

The Council undertook a minor review of the plan in August 2009, with the addition of one new strategic objective

| The Council st | rategic plan seven goals are: |
|----------------|--|
| Goal 1 | To implement the HPCAA effectively |
| Goal 2 | To continue to develop standards and scopes that reflect the changing health environment |
| Goal 3 | To promote awareness of the Council's role and build effective relationships |
| Goal 4 | To support a workforce that provides for public safety |
| Goal 5 | To operate under effective and best practice governance |
| Goal 6 | To provide a capable organisation to implement Council policy |
| Goal 7 | To implement effective financial processes |

The full plan is available on the Council website at www.pharmacycouncil.org.nz

SECTOR LIAISON AND COMMUNICATIONS

The Council continues to have active relationships outside New Zealand, as a member organisation of the Australian Pharmacy Council (APC), and the Council Chair is appointed as a director of the APC Ltd. Council is also represented on the two APC operational committees; the Examining Committee and the Accreditation Committee (formerly New Zealand and Australian Pharmacy Schools Accreditation Committee). In addition the Council is a member of the National Boards of Pharmacy (NAPB) of the United States of America.

Council has regular meetings with New Zealand key stakeholders to discuss issues of mutual interest. This year the Council and the National Executive of the Pharmaceutical Society of New Zealand held formal meetings. The Council maintains regular communication with the Pharmacy Guild of New Zealand, New Zealand Hospital Pharmacists Association, Nga Kaitiaki o te Puna Rongoa o Aotearoa — Māori Pharmacists' Association, Clinical Advisory Pharmacists Association, the Health and Disability Commissioner, the Community Pharmacy Leaders Forum and other pharmacy organisations. Council is also a member of the Health Regulatory Authorities of New Zealand (HRANZ), whose members comprise of all the Regulatory Authorities under the HPCAA, and is involved in projects of mutual interest with this group.

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REGISTRATIONS & PRACTISING CERTIFICATES



REGISTRATION STATISTICS

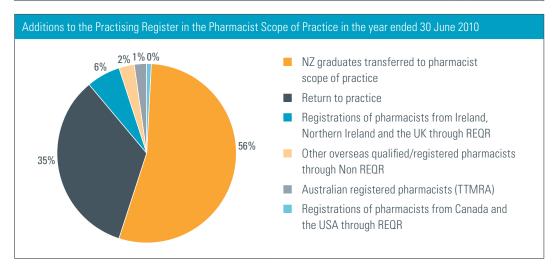
A total of 3,180 pharmacists were registered as practising at 30 June 2010.

| As at 30 June | 2006 | 2007 | 2008 | 2009 | 2010 | Change 09-10 |
|--|-------|-------|-------|-------|-------|-----------------|
| Total registered in the pharmacist scope of practice | 3,823 | 3,901 | 4,001 | 4,093 | 4,181 | +88 |
| Practising pharmacists | 2,801 | 2,889 | 2,978 | 3,076 | 3,180 | +104 |
| Non practising pharmacists | 1,022 | 1,012 | 1,023 | 1,017 | 1,001 | -16 |
| Total registered in the intern scope of practice | 189 | 202 | 231 | 220 | 205 | -15 |
| Total additions to the register | 318 | 368 | 212 | 246 | 225 | -21 |
| NZ Graduates registered in the pharmacist scope of practice | 156 | 192 | 182 | 205 | 193 | -12 |
| Australian pharmacists registered in NZ under the Trans Tasman Mutual Recognition Agreement (TTMRA) | 13 | 11 | 13 | 4 | 3 | -1 |
| Ireland/Northern Ireland/UK pharmacists registered in NZ through the Recognised Equivalent Qualifications Route (REQR) | 53 | 37 | 12 | 20 | 20 | 0 |
| Canada/USA pharmacists registered in NZ through the Recognised Equivalent Qualifications Route (REQR) | n/a | n/a | 5 | 2 | 2 | 0 |
| Registrations from other overseas qualified pharmacists (Non REQR) | 11 | 13 | 13 | 15 | 7 | -8 |
| Certificates of Identity issued/Requests for Letters of Good Standing | 274 | 81 | 105 | 94 | 79 | -15 |
| Removals from the register (removal requested, non payment of annual fee or deceased) | 226 | 167 | 145 | 171 | 127 | -44 |

Additions to the practising register

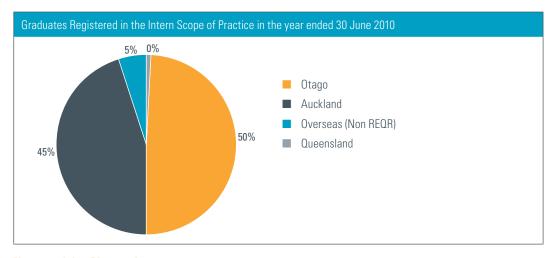
344 additions were made to the practising register in the year ended 30 June 2010. 58 pharmacists were removed, suspended or requested transfer to the non practising section of the register during the year. The overall result was a net increase of 286 practising pharmacists.

| Additions to the Practising Register in the Pharmacist Scope of Practice | Year ended 30 June 2010 |
|---|-------------------------------|
| NZ graduates transferred to pharmacist scope of practice | 193 |
| Return to practice | 119 |
| Registration of pharmacists from Ireland, Northern Ireland and the United Kingdom through REQR | 20 |
| Other overseas qualified/registered pharmacists through the Non Recognised Equivalent Qualifications Route (Non REQR) | 7 |
| Australian registered pharmacists (TTMRA) | 3 |
| Registration of pharmacists from Canada and the United States of America through REQR | 2 |
| TOTAL | 344 |



Graduates registered in the Intern Scope of Practice in the year ended 30 June 2010

| University attended | No. of graduates |
|--|---------------------|
| Otago | 102 |
| Auckland | 92 |
| Overseas universities (applications for registration through Non REQR route) | 10 |
| Queensland | 1 |
| TOTAL | 205 |



Non practising Pharmacists

1,001 pharmacists were on the Non practising Register at 30 June 2010.

Requests from Australian Registration Boards and Certificates of Identity Issued

In the year ended 30 June 2010 the Council processed a total of 79 requests from Australian Registration Boards and requests for Certificates of Identity. This compares with 94 in the previous year.

| Country | State | | Number |
|--------------------------|------------------------------|-----|--------|
| Australia | New South Wales | 29 | |
| | Queensland | 20 | |
| | Victoria | 7 | |
| | Northern Territory | 2 | |
| | Tasmania | 2 | |
| | Western Australia | 2 | |
| | Australian Capital Territory | _1_ | 63 |
| Hong Kong | | | 8 |
| Canada | | | 2 |
| Fiji | | | 2 |
| United Kingdom | | | 2 |
| Malaysia | | | 1 |
| United States of America | | | 1 |
| TOTAL | | | 79 |

Removals

122 pharmacists were removed from the practising and non practising registers in the year ended 30 June 2010. 5 interns were also removed from the intern register in the same year.

Removals from the Practising Register

| 3 3 | |
|--|----|
| Removed at own request s. 142 | 26 |
| Revision of register s. 144 (5) | 12 |
| Deceased s. 143 | 4 |
| Suspensions from the Practising Register Discipline order s. 101 (1) (b) | 2 |
| Suspensions from the Intern Register | |
| Discipline order s. 101 (1) (b) | 1 |
| Discipline order s. 101 (1) (c) | 1 |

COMPETENCE AND FITNESS TO PRACTICE



RECERTIFICATION COMPLIANCE

Recertification is a mechanism provided by the HPCAA that the Pharmacy Council uses to ensure pharmacists maintain their competence. The Pharmacy Council set a framework for recertification programmes in 2004, providing a basis for accrediting future programmes. There is currently one recertification programme available to a pharmacist which is delivered by the Pharmaceutical Society of New Zealand (Inc). This programme (ENHANCE) is a self-directed process for pharmacists where they identify learning that is relevant to their practice and maintain their competence by addressing gaps in their knowledge and skills. The programme follows a four step process for documenting continuing professional development (CPD): Reflection, Planning, Action and Outcomes. After a period of applying the new learning to practise, the pharmacist assigns an Outcome Credit that reflects the relevance and impact of this learning. Pharmacists must demonstrate learning equivalent to 12 Outcome Credits over 3 years and at least 4 Outcome Credits in the first year of participation.

Participation in the ENHANCE recertification programme is a requirement for all pharmacists who hold an annual practising certificate (APC). Pharmacists must declare their active participation annually when applying for an APC, or if moving to the practising register.

If a practising pharmacist is deemed to not participate in the ENHANCE programme, the Council may place a condition on their scope of practice requiring them to work under the oversight of another pharmacist until they can demonstrate they are participating.\(^1\) In practice, this means finding another pharmacist with a clear understanding of ENHANCE, and with their assistance, identify, plan and complete relevant learning documentation as required. This does not require the peer to work directly with the pharmacist in their workplace. Reports from the pharmacist (signed by the peer) must be submitted to demonstrate the plan and progress for meeting recertification requirements. After reasonable progress has been made and the pharmacist submits a practice review and 2 CPD records (to the required standard), the condition of oversight is removed.

In 2009, 25 pharmacists had a condition of oversight on their scope of practice. At the point of applying for a new practising certificate in March 2010, a small number had shown little progress in working with a peer to meet the recertification requirements. Council decided to propose to decline the issue of an annual practising certificate to these pharmacists for failure to fulfil, or comply with, the condition on the scope of practice. Following an opportunity to be heard by the Council and where the practising certificate was declined, three pharmacists were nevertheless issued with an interim practising certificate, on the condition that the pharmacist met the recertification requirements before the certificate expired. Where an annual practising certificate was declined and an interim practising certificate was not issued, the pharmacists were required to meet the recertification requirements before they could apply for a practising certificate.²

The following table summarises the outcomes for the 25 pharmacists with a condition of oversight on their scope. A short (3 month) practising certificate was issued for pharmacists who had partially complied with the oversight condition, but needed more time to complete the recertification requirements. Seven pharmacists did not apply for an annual practising certificate for 2010-11.

¹ When applying for an annual practising certificate, a pharmacist must make a declaration attesting to their participation in the recertification programme. The Pharmacy Council also conducts regular audits to verify that pharmacists are participating.

² The requirements are modified, as pharmacists cannot demonstrate new outcomes if they are not practising.

| Outcomes for pharmacists with condition of oversight in 2009-10 (Status at time of practising certificate renewal in 2010) | |
|--|----|
| Annual practising certificate issued | 8 |
| A short dated (e.g. 3 months) practising certificate issued | 3 |
| Did not apply for a practising certificate | 7 |
| An interim practising certificate (e.g. 6 months) issued | 3 |
| Practising certificate declined | 4 |
| Total number of pharmacists | 25 |

COMPETENCE

Competence Reviews and Programmes are not disciplinary in nature. A review assesses a pharmacist's competence, and is therefore evaluative and educational in nature and allows the Pharmacy Council to understand the individual pharmacist's practice.

As part of the Competence Review process a Practice Counsellor may be appointed by the Pharmacy Council, pending a review being ordered or taking place. The Practice Counsellor will oversee the pharmacist's practice, provide support, monitor and report to the Pharmacy Council on his/her performance in the pharmacist scope of practice. In some instances the pharmacist may be found to be practising to the required level following the professional monitoring of a Practice Counsellor and therefore a review may no longer be required.

When a review is ordered, a Competence Review Team will be appointed consisting of pharmacists who are clinically competent, have good interpersonal skills, and have some knowledge of performance and educational assessment relevant to the scope of the pharmacist's practice. Terms of reference detailing the activities used to assess competence are drawn up. The review will include an on-site assessment to observe the pharmacist in his/her practice site.

There are seven competence standards and each competence standard describes a broad role of pharmacy practice. The standards are a written description of the skills, knowledge and attitudes a pharmacist practising in the pharmacist scope of practice must demonstrate to be competent. The review assesses the pharmacist's practice against all standards and thus clearly identifies which standards form part of his/her work practice. This assessment will establish:

- Where the gaps are; and
- What needs to be done about bridging the gaps identified?

The Review Team reports to Council and any gaps in the pharmacist's practice are identified. If gaps are identified the pharmacist may be required to undertake a competence programme; one or more conditions may be included on his/her scope of practice; or he/she may be counselled or assisted in his/her practice. Competence programmes can include undertaking courses, examinations, or assessments. Conditions on a pharmacist's practice can include a requirement to practise in association with another pharmacist, work under supervision, or the placement of restrictions on the activities the pharmacist can perform. Pharmacists are provided with an opportunity to comment on the review terms of reference and on any proposed competence programme or conditions made as the result of a review.

During the 2009/2010 financial year the Council received 6 notifications or concerns raised about pharmacists believed to be practising below the required standard of competence. Five matters were considered by the Council's Professional Standards Committee. This Committee has delegated authority to determine a pharmacist's competence. Three of these notifications were from employers, resulting in one pharmacist being assessed as not requiring a competence review and one pharmacist requiring conditions to be imposed on her practice. One pharmacist was out of the country and therefore the matter was not considered by the Professional Standards Committee at that stage.

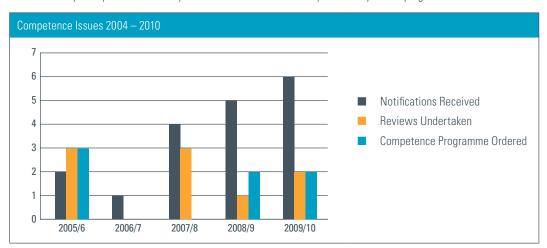
Two pharmacists were ordered to undergo a competence review resulting in competence programmes being ordered. Two matters were ongoing from previous years with one pharmacist being found to be practising at the required level having been reassessed on the completion of the ordered competence programme.

| Competence notifications, reviews, and Competence programmes — 1 July 2009 to 30 June 201 | 0 |
|--|--------|
| Competence Notification Sources of Concern | Number |
| Employer (3 notifications received but 1 matter on hold as practitioner out of the country) | 2 |
| Pharmacy Council Complaints Screening Committee referral | 1 |
| Pharmacist colleague | 1 |
| Other health professionals | 1 |
| Total referrals | 5 |

| Professional Standards Committee Assessment | Outcomes |
|--|----------|
| Deemed competent | 2 |
| Conditions placed on practice (recommendation to Council) | 2* |
| Review ordered resulting in a Competence programme being ordered | 2 |
| Total | 6 |

| Ongoing Competence Issues – Notifier & Outcome | |
|--|---|
| Employer — Conditions on practice ordered April 2008 pending review | 1 |
| CSC — Competence programme ordered May 2009 and completed March 2010 | 1 |

^{*}Conditions imposed prior to review of pharmacist and also ordered as part of competence programme.



HEALTH

Pharmacists, like all members of society, can become ill, have accidents or become addicted to substances. In the case of a pharmacist, however, such illness has the capacity to harm the public if the pharmacist cannot practise safely. The Pharmacy Council Health Committee is there to provide assessment, rehabilitation and support to pharmacists, while ensuring the safety of the pharmacist's practice. In all cases the Committee works with the pharmacist in a confidential manner and the process does not lead to investigation or disciplinary censure.

Pharmacists are required to inform the Council about concerns regarding their own or a colleague's ability to practise pharmacy safely because of a physical or mental condition. This is a requirement of the HPCAA. This includes impairment due to drug and alcohol dependence, mental health disorders, and physical and neurological conditions.

Disclosures and notifications are considered by the Health Committee in accordance with the steps set out in the HPCAA. The Committee process involves assessing the pharmacist's health and monitoring the pharmacist's progress with the aim of enabling the pharmacist to continue to safely practise where possible. Respected, experienced and

independent medical practitioners are engaged to undertake assessments and make recommendations to the Committee. Conditions or voluntary agreements with the pharmacist may be required and in some cases a pharmacist's practice may need to be temporarily suspended. Conditions may include working under supervision, requiring random urine analysis testing for the presence of drugs, and reduced hours of work.

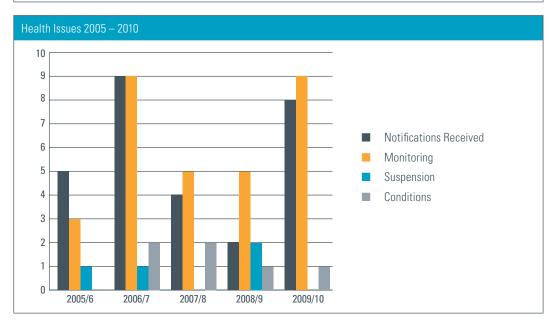
While the Council acknowledges that a notification about a colleague is not an easy step to take, not notifying about an unwell pharmacist may put the community and the pharmacist's reputation at risk. Consideration of health concerns are also made by Council at the time of an application for registration, as well as any time during the practising life of a pharmacist.

The Health Committee received eight notifications or referrals during the year. This included a referral of a pharmacist from a Professional Conduct Committee set up to investigate a conviction for driving with excess blood alcohol. The Council received four notifications from employers and one self disclosure of a health issue.

Five pharmacists continued to be monitored by the Committee. Two pharmacists have voluntary agreements concerning conditions of practice and one pharmacist has voluntarily agreed not to practise. The registration of one of these pharmacists remains suspended.

| Health Committee Activity 1 July 2009 to 30 June 2010 | | | | | |
|---|---|--|--|--|--|
| New referrals received 8 | | | | | |
| Action required | | | | | |
| Conditions on practice | 1 | | | | |
| Monitoring — Voluntary agreement | 5 | | | | |
| Closed — no health issue identified | 1 | | | | |
| Referral by HPDT | 1 | | | | |
| Total | 8 | | | | |

| Referrals from previous year | |
|---|---|
| Practising — Voluntary agreement | 2 |
| Not practising — Voluntary agreement | 1 |
| Open files — no ongoing action required | 1 |
| Suspended | 1 |
| Total | 5 |



COMPLAINTS AND DISCIPLINE



COMPLAINTS

The Pharmacy Council has a duty under the HPCAA to consider information that raises questions about the appropriateness of the conduct or the safety of the practice of pharmacists. All complaints received by the Pharmacy Council alleging that the practice or conduct of a pharmacist has affected a health consumer are forwarded to the Health and Disability Commissioner (HDC), as required by section 64 (1) of the HPCAA.

The Complaints Screening Committee (CSC), with delegated authority from the Pharmacy Council, considers complaints and matters of concern brought to the Council's attention, as well as those complaints referred pursuant to section 34 (1) (a) of the HDC Act 1994 by the Commissioner. The CSC determines what, if any action should be taken, and if further action is required, the CSC then determines the most appropriate route by which that matter should be further considered. The Committee discharges the Council's obligations pursuant to sections 65 and 68 of the Act by referring complaints and concerns to a Professional Conduct Committee (PCC) for investigation. Notices of conviction are referred directly to a PCC, pursuant to section 68 (2) of the Act.

| Complaints Screening Committee Activity 1 July 2009 to 30June 2010 | | | | | | |
|--|----------------------|--|--|--|--|--|
| Source | Number of complaints | Outcome | | | | |
| Consumers | 8 | Referred to HDC | | | | |
| Health and Disability Commissioner | 16 | 9 referred by HDC for follow-up action by Council with 2 then referred to a PCC | | | | |
| Pharmacists, including proprietors | 3 | All followed up by Council | | | | |
| Other health practitioners / organisations | 6 | 2 resulted in referrals to PCCs; | | | | |
| | | 2 followed up by Council; 1 referral to Health Committee and 1 referral for consideration of a competence review | | | | |
| Courts – notices of convictions | 7 | PCC of which 3 were for driving with excess blood alcohol; 1 fraud and 2 late renewal of APC | | | | |

PROFESSIONAL CONDUCT COMMITTEES (PCC)

Seven Professional Conduct Committees (PCC) were commenced in the period 1 July 2009 to 30 June 2010 of which three have been completed and four still being investigated. Nine PCCs commenced in previous years were completed in the period 1 July 2009 to 30 June 2010. Of the twelve completed PCCs, six resulted in no further action being taken in relation to the subject matter of the investigation; one resulted in counselling; one resulted in a referral for a review of the pharmacist's fitness to practise; one resulted in the Council accepting a request for removal from the Register of Pharmacists; and three resulted in charges being laid before the Health Practitioners Disciplinary Tribunal. One PCC commenced in May 2009 is still being investigated.

| Professional Conduct Committee Activity 1 July 2009 to 30 June 2010 | | | | | | | |
|---|--|---|--|--|--|--|--|
| Nature of Issue | e Source Number of Pharmacists | | Outcome | | | | |
| Concerns about standard of practice | Notification from Medicines Control, Ministry of Health | 2 | Ongoing | | | | |
| Offences against Crimes Act 1961 (fraudulent claiming) | Notice of conviction | 1 | Ongoing | | | | |
| Offences against Crimes Act 1961 (theft) | Notice of conviction | 1 | Charge laid before the Tribunal and decision handed down | | | | |
| Offences against the Misuse of Drugs Act 1875 | Notice of conviction | 1 | Ongoing | | | | |
| Alleged breaches of patient confidentiality | Notification from another pharmacist | 1 | Ongoing | | | | |
| Drink Drive Offences | Notice of Conviction | 3 | 2 resulting in no further action and 1 matter referred to Health Committee | | | | |
| Alleged breaches of the Misuse of Drugs Act, 1975 and Medicines Act 1981 and associated regulations. | Notification from Medicines Control, Ministry of Health | 1 | Charge being laid before the Tribunal | | | | |
| Practising outside of scope | actising outside of scope Non-renewal of APC and breach of conditions | | Counselling; Request removal from Register | | | | |
| Concerns about conduct | Employing pharmacist | 2 | No further action | | | | |
| Inappropriate behaviour | Consumer | 1 | Charge laid before the Tribunal and decision handed down | | | | |
| Pharmacy open when pharmacist not present | Notification from Medicines Control, Ministry of Health | 1 | No further action | | | | |
| Breach of Civil Aviation Act 1990 | Notice of conviction | 1 | No further action | | | | |

HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL (THE TRIBUNAL)

The Health Practitioners Disciplinary Tribunal is a separate body set up under the HPCAA to hear and determine disciplinary proceedings brought against all health practitioners. The Tribunal is funded by the pharmacy profession by way of a disciplinary fee collected by the Pharmacy Council as part of the Annual Practising Certificate (APC) fee.

Five pharmacists appeared before the Tribunal in the 2009/2010 financial year.

| Nature of Issue | PCC Source | Finding |
|---|---|---|
| Theft | Conviction | Charge reflects adversely on pharmacist's fitness to practise. Conditions imposed. Name suppression ordered. |
| Offences against Crimes Act 1961 (theft) (Intern pharmacist) | Conviction | Charge reflects adversely on pharmacist's fitness to practise. Six month period of suspension and conditions imposed. Lifting of name suppression being appealed. |
| Breaches of Medicines Act 1981, Medicines Regulations 1984, Pharmacy Council Code of Ethics 2004 and NZ Code of Good Manufacturing Practice | Notification — Ministry of Health | Mr Julian Trevor Price was found guilty of professional misconduct. Two year period of suspension and conditions imposed. |
| Theft (Intern pharmacist) | Self disclosure | Mr David Lin Shyuan-Day Woung was found guilty of bringing discredit to the profession. One year period of suspension and conditions imposed. |
| Inappropriate and unprofessional behaviour; breach of privacy | Notification — consumer | Mr Brian Mark Marshall was found guilty of professional misconduct. Six month period of suspension and conditions imposed. |

Further detailed information is available at www.hpdt.org.nz

SIGNIFICANT ACTIVITIES



ACCREDITATION OF PRESCRIPED OUALIFICATIONS

Intern Training Programme (ITP) Accreditation Standards

In the last year the Pharmacy Council of New Zealand has continued to work collaboratively with the Australian Pharmacy Council (APC) to produce Accreditation Standards for Intern Training Programmes (ITP) in New Zealand. While this is a change from the initial agreement reached with the APC (which was to produce joint Accreditation standards for intern training programmes in New Zealand and Australia) the collaboration is expected to ensure consistency in the quality of intern training programmes across both countries. In addition it has allowed the Pharmacy Council to utilise the accreditation functions and expertise of the APC in the same way it currently does for the accreditation of the undergraduate BPharm degrees.

The ITP is the 5th year of training for pharmacists, after the BPharm degree, and must be completed by graduates prior to full registration as a pharmacist. The Standards have been developed using the principles outlined in the FIP publication A Global Framework for Quality Assurance of Pharmacy Education and with guidance from external experts. The Accreditation Standards have been consulted on widely and were finalised in May of this year. The Standards and related application documents are available on the Council website.

NEW SCOPES OF PRACTICE FOR PHARMACISTS – PROPOSED PHARMACIST PRESCRIBER

Section 14 of the HPCAA requires a regulatory authority to consult on scopes of practice. In line with these requirements, the Pharmacy Council has distributed a consultation document on the Proposed Pharmacist Prescriber Scope of Practice.

The purpose of this consultation document is to:

- outline the context for the proposed scope by detailing the background of pharmacy practice in New Zealand (including the education and training of pharmacists, their expertise in medicines management and their contribution to optimising medicines related health outcomes for patients);
- discuss the likely patient benefits of the proposed pharmacist prescriber scope in New Zealand and those seen in similar jurisdictions;
- consult on the proposed scope of practice for pharmacist prescribers. This includes the:
 - scope of practice definition for a pharmacist prescriber
 - prescribing competency framework
 - prescribed qualifications (additional education and training requirements)
 - accreditation standards for the qualification
 - registration requirements
 - ongoing competence and monitoring requirements.

Council has notified all practising pharmacists on the register and 92 stakeholder groups of the consultation. These groups include pharmacy organisations, academic and teaching institutions, other relevant health professional groups (including current prescribers), regulatory authorities, potential consumer groups, the pharmaceutical industry and other relevant interested parties (including District Health Boards, Accident Compensation Corporation (ACC), PHARMAC, and the Health and Disability Commissioner).

Response to the consultation to date

71 submissions have been received from across the range of stakeholder groups.

| Stakeholder Group | Number of Submissions |
|---|-----------------------|
| Academic/Teaching Organisation | 2 |
| Accident Compensation Corporation (ACC) | 1 |
| DHBNZ | 1 |
| District Health Board (DHB) | 3 |
| Funding Authority | 1 |
| Health and Disability Commissioner (HDC) | 1 |
| Medical – General Practice | 4 |
| Medical – Specialist | 5 |
| Medical Centre | 1 |
| Medical Organisation | 7 |
| Nursing Organisation | 3 |
| Other Health Professional Group | 3 |
| Pharmaceutical Industry | 1 |
| Pharmacy — Community | 13 |
| Pharmacy — Hospital | 10 |
| Pharmacy — Other | 5 |
| Pharmacy Organisation | 5 |
| Primary Health Organisation (PHO) | 2 |
| Regulatory Authority (Health Professions) | 3 |
| Total | 71 |

These submissions will now be collated and a report prepared and published on the Council website. Council will consider all submissions prior to lodging an application with the Health Workforce New Zealand later in 2010.

CULTURAL COMPETENCE

Under the HPCAA one of the required statutory functions for Council is to set standards for cultural competency, together with those for clinical competence and ethical conduct.

Throughout 2009 work continued on the revision of Competence Standard 1 which forms part of the suite of competence standards for the Pharmacist Scope of Practice. The work centred on incorporating elements of cultural competence into the standard, with the aim of creating a practice framework whereby all pharmacists integrate cultural competency into their everyday practice.

During August a series of regional meetings were held to introduce pharmacists to the draft revised standard. The meetings gave pharmacists an opportunity to comment on the draft and to workshop the new elements of the standard. This coincided with a broader consultation on the revised standard which was undertaken over a six week period during July and August. Where appropriate, recommendations were incorporated and refinements made, with the finalised standard being presented to Council and ratified in December.

The next step for the Working Party was to determine how best to support the profession to develop, and have access to professional development learning components associated with 'cultural competence'. An Expression of Interest (EOI) document was drawn up that outlined the agreed requirements for any provider interested in developing a pharmacy-specific cultural competence course. It was determined that a pre-requisite for approved providers was to

demonstrate pharmacist's involvement in the development of the course and how the course related to health and the pharmacy work environment. In June, the EOI was sent to a wide variety of tertiary education providers and other interested parties. The closing date for responses is 30 July, after which the proposals will be assessed and courses approved before the end of 2010.

The intention in approving courses is to provide pharmacists with a starting point for learning about and building on all elements required to become a more culturally competent pharmacist. These courses should be a means to an end. not the end themselves as Council recognises that acquiring cultural awareness and competence is an accumulative process that occurs over many years and in many contexts. Having participated in one of the approved courses and gained the basic knowledge required, pharmacists will be expected to build on this knowledge and maintain ongoing competence as per Council's recertification requirements.

PROFESSIONAL STANDARDS

1. Law and Ethics for Overseas Pharmacists

The Pharmacy Council has a responsibility to ensure that all Non-Recognised Equivalent Qualification Route (Non-REQR) pharmacists applying to enrol in the Intern Training Programme (ITP) are able to meet at least entry-level standards of practice for safe and effective patient care. As in Australia, pharmacists seeking registration through this process are required to pass the Knowledge Assessment of Pharmaceutical Sciences (KAPS). Once successful, pharmacists are deemed at least equivalent to a current NZ BPharm in terms of the basic sciences that relate to present day pharmacy practice. The next step is to enrol in the ITP which currently includes an assessment of law and ethics.

Following extensive research into the requirements of similar jurisdictions, Council has agreed that from 2011 onwards, success in an assessment of New Zealand pharmacy legislation and the principles underpinning the Code of Ethics will be a pre-requisite to entry into the ITP and assessment of ethical decision-making skills will be undertaken once the pharmacist has enrolled in the programme.

In May 2010 a Request for Proposal (RFP) was drawn up inviting key stakeholders to register their interest in developing a programme to teach and assess New Zealand pharmacy legislation and to introduce Non-REQR pharmacists to the background and framework of the Code of Ethics. The Council will engage a relevant external consultant to assess all responses against the RFP criteria. Once a preferred provider has been identified, a Memorandum of Understanding will be agreed and the new programme will start in February 2011.

2. Quality Standards for Pharmacy Services

The Pharmacy Council was represented on a committee which developed the new standards for the delivery of pharmacy services, the Health and Disability Services - Pharmacy Services Standard NSZ 8134.7. This standard will become the basis for the next round of the Ministry of Health/ DHB quality audits and replaces the Quality standards for pharmacy in New Zealand and the New Zealand Code of good manufacturing practice for manufacture and distribution of therapeutic goods, Part 3: Compounding and dispensing. It is intended to be dynamic and reflect current accepted good practice and includes new sections on on-line pharmacy services, repackaging and compliance/blister packs, robotic dispensing and aseptic dispensing.

The Pharmacy Services Standard defines the quality and safety requirements for the provision of community and hospital-based pharmacy services and clinical pharmacy services not provided from a pharmacy. The Standard more closely aligns with the wider health sector and forms part of the NZS 8134:2008 Health and Disability Services Standards suite of documents by aligning with the core standards.

In the development of NZS 8134.7, there has been a move away from extensively detailing specific inputs, instead concentrating on the outcome to be achieved. Exceptions to the outcome-focus are the prescriptive requirements of the sections on dispensing, compounding, repackaging and batch preparation, and on sterile preparations which are driven by the technical requirements of these activities.

¹ The KAPS Examination (previously the APEC Stage 1 screening exam) is in a multiple choice question (MCQ) format designed to test the candidate's knowledge of basic sciences related to the present day practice of pharmacy in New Zealand. Success in KAPS will be a pre-requisite to enrolling in the new law and ethics programme.

3. Police Precursor Working Group

In November 2009 the Council was invited by the Commissioner of Police to participate in a working group to investigate stronger controls on precursor chemicals, reagents and other products used in the manufacture of illegal drugs, and to prepare a report to Cabinet. This followed the Prime Minister's announcement in October that a number of measures were to be implemented to tackle New Zealand's methamphetamine problem.

Discussions around increasing controls on the sale of pseudoephedrine were not included in the brief as this will be covered by the Misuse of Drugs 2010 Amendment Bill. The working group has also been specifically tasked to review the existing joint Code of Practice, agreed to between the National Drug Intelligence Bureau (NDIB) and the New Zealand Chemical Industry Council, in 2007, and to determine how this might be strengthened.

4. Practice Issues

The Council continues to highlight professional issues in the Council newsletter, particularly where they might have relevance to the wider profession. Recent topics have included the supply of medicines over the internet, with Council continuing to field queries and complaints from the public and the profession alike. On-line pharmacy services are now included in the new Pharmacy Services Standard NSZ 8134.7 so will be part of the Ministry of Health audit process.

The need for on-going patient counselling was also highlighted following concerns raised by a member of the public. Pharmacists were reminded that the level of counselling should be determined from a patient's needs and should ensure there is increased understanding and compliance with medication. Additional articles covered topics such as CARM (Centre for Adverse Reactions) reports; the power of an apology; vigilance over excessive prescribing and ACC medicine-related notifications.

5. Submissions Made

The Council made a number of submissions to various organisations' consultations during 2009 – 2010. These included:

PHARMAC

- Consultation on pharmaceutical subsidy eligibility and delivery review, which was to gauge opinion on
 whether a wider range of health professionals should be able to generate a subsidy for pharmaceuticals.
- Proposed addition of the definition of "Relevant Practitioner" to the Pharmaceutical Schedule.

Ministry of Health:

- Proposed amendments to the Medicines Regulations to improve access to medicines; to update technical requirements and remove barriers to innovation. Council's submission also proposed that a number of definitions in the Regulations be updated
- Designated prescribing rights for podiatrists, particularly in relation to public safety and the list of prescription medicines they proposed to access
- Development of a Natural Health Products Bill to regulate the manufacture, supply and promotion of natural health products. The Ministry proposes that the purpose of legislation is 'to provide assurance to consumers that natural health products are safe, true to claim and true to label'.

Medical Council (MCNZ)

- A statement on Good Prescribing Practice. The Council also contributed an article for the MCNZ newsletter entitled Best Practice Prescribing.
- Non-treating doctors performing medical assessments of patients for third parties
- What to do when you have concerns about a colleague, which was a draft statement regarding raising concerns about a colleague.

Dietitians Board

- Proposal for dietitians to access the PHARMAC Schedule for Special Foods

Nursing Council

- Consultation on the enrolled nurse and nurse assistant scopes of practice
- Consultation on the registered nurse scope of practice
- Medicines Classification Committee
 - Proposed changes to the classification of specific cough and cold preparations which Council endorsed.

CODE OF ETHICS REVIEW

In 2010, as part of its Strategic Plan, the Council determined that a review of the Code of Ethics for pharmacists be undertaken. The previous Code, written in 2001 by the PSNZ, had been adopted, with minor changes, by the new Council in 2004. On examination of the 2004 Code it was clear some aspects with respect to pharmacies (not pharmacists) were no longer the jurisdiction of the Council and these are now covered in the new Health and Disability Services Pharmacy Services Standard.

Council believes a Code of Ethics should provide a broad framework of ethical principles within which the profession should operate, rather than be a rigid set of rules and procedures. The Council undertook extensive research into other professions' Codes of Ethics and this showed that most codes are very much written as broad principles. It also confirmed that the majority of professionals should be capable of making professional judgements within such principles rather than requiring prescriptive rules to interpret ethical standards.

A new draft Code was therefore prepared in accordance with this research, with the Royal Pharmaceutical Society of Great Britain Code (now adopted by the General Pharmaceutical Council) as its basis, with their permission. The draft was reviewed by two external reviewers, including counsel at Kensington Swan who have experience in laying charges at both the old PSNZ disciplinary committee and the current Health Practitioners Disciplinary Tribunal.

In May, the Council sent the proposed new draft Code of Ethics to stakeholders for consultation. It was also made available on the Council website for all pharmacists to access and comment on. The consultation document outlined the seven proposed principles and supporting obligations, many of which reflect the current Code. A key feature of the revised Code is the removal of obligations relating specifically to pharmacy practice, removal of duplications where appropriate and simplification of the language used. Following the closing date, responses will be collated and further fine-tuning undertaken where necessary. It is proposed to have the new Code ratified by the Council before the end of 2010.

2010 ANNUAL REPORT | Workforce Demographics

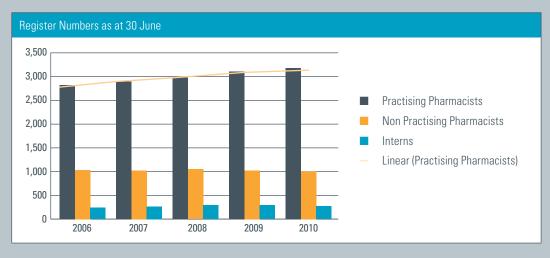
WORKFORCE DEMOGRAPHICS



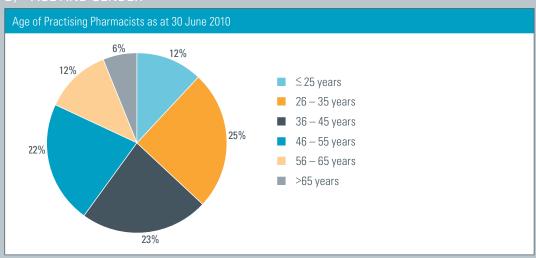
Δ) REGISTER NUMBERS 2006-2010

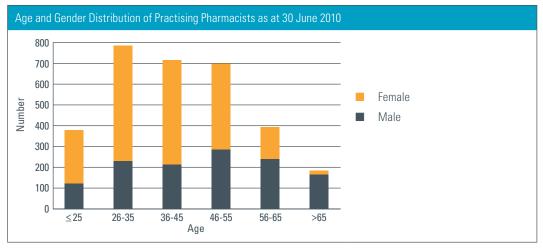
As at 30 June 2010, the number of practising pharmacists was 3,180, up 104 (3.4%) from 2009.

| Register Numbers as at 30 June | | | | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|--|--|--|
| | 2006 | 2007 | 2008 | 2009 | 2010 | | | |
| Practising Pharmacists | 2,801 | 2,889 | 2,978 | 3,076 | 3,180 | | | |
| Non Practising Pharmacists | 1,022 | 1,011 | 1,023 | 1,017 | 1,001 | | | |
| Interns | 189 | 202 | 234 | 220 | 205 | | | |
| TOTAL | 4,012 | 4,102 | 4,235 | 4,313 | 4,386 | | | |

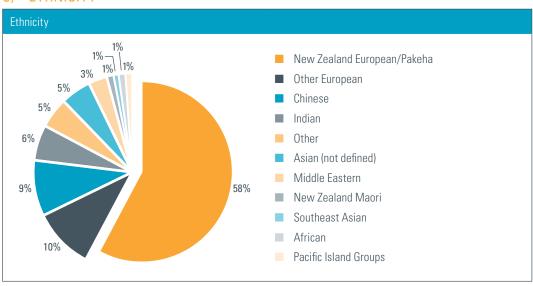


B) AGE AND GENDER





C) ETHNICITY

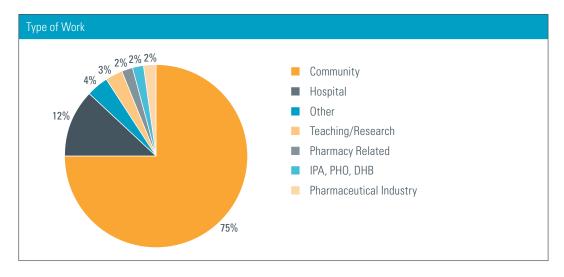


D) TYPE OF WORK

3,086 pharmacists issued with an APC for the year 1 April 2010-31 March 2011 completed the type of work section on the APC renewal form. This represents 97% of the pharmacists on the practising register as at 30 June 2010. 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. The following information was compiled from these responses.

411 of the pharmacists who completed this section of the APC renewal form worked in two or more different areas of pharmacy in the previous 12 months.

| Type of Work | Number of pharmacists |
|---|-----------------------|
| Community | 2,614 |
| Hospital | 410 |
| Other | 154 |
| Teaching/Research | 97 |
| Pharmacy Related | 95 |
| IPA, PHO, DHB | 64 |
| Pharmaceutical Industry | 63 |
| | 3,497 |
| No. worked in 2 or more areas of pharmacy | 411 |
| TOTAL RESPONSES | 3,086 |



E) RETENTION RATES

| 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 | 93.1 | 52 | 93.1 | 48 | 47.1 |
| 2005 | 148 | 135 | 91.2 | 88 | 91.2 | 87 | 58.8 |
| 2006 | 154 | 147 | 95.5 | 112 | 95.5 | _ | - |
| 2007 | 173 | 154 | 89.0 | 131 | 89.0 | _ | - |
| 2008 | 173 | 164 | 94.8 | _ | _ | _ | - |
| 2009 | 202 | 187 | 92.6 | _ | _ | _ | - |
| 2010 | 208 | _ | _ | _ | _ | _ | _ |

| Average retention rates for overseas pharmacists registered through all routes | | | | | | | | |
|--|---|---------------------------------|----------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|--|
| As at 30 June | Total pharmacists first registered overseas (all countries) | 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 | 41 | 31 | 75.6 | 26 | 63.4 | 22 | 53.7 | |
| 2005 | 70 | 53 | 75.7 | 31 | 44.3 | 29 | 41.4 | |
| 2006 | 79 | 59 | 74.7 | 29 | 36.7 | _ | _ | |
| 2007 | 65 | 54 | 83.1 | 32 | 49.2 | _ | _ | |
| 2008 | 39 | 34 | 87.2 | _ | _ | _ | _ | |
| 2009 | 44 | 39 | 88.6 | _ | _ | _ | _ | |
| 2010 | 34 | _ | _ | _ | _ | _ | _ | |

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

Chair: Jo Mickleson, Council member Andi Shirtcliffe to September 2009, Council member Andrew Bary from November 2009, Council member Barbara Moore, Professional Standards Advisor

Carolyn Oakley-Brown, Council Chair; and Bronwyn Clark, Chief Executive & Registrar or the Deputy Registrar, Jenny Ragg receive all complaint information and participate as Committee members as required.

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

Dr Andrew Bary
Mr Brian Irvine (until March 2010)
Mrs Debbie Wallace
Mr Richard Young
Mr Derek Lang
Ms Nikki Anderson
Mr Gary Syme (until March 2010)
Mr Muhammad Naseem (Joe) Asghar
Mr David Mitchell
Ms Jo Mickleson
Mr Mark Bedford
Mrs Andi Shirtcliffe

Lay Members

Dr Judith Johnston (Convenor)
Ms Karen Harvey (Convenor)
Mr Darryn Russell (Until November 2009)

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 who are situated in areas around New Zealand 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

HEALTH COMMITTEE

Mr Bernie McKone, Gore

The Health Committee has delegations from Council to allow it 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 Health Committee consists of the Chair of the Pharmacy Council, Carolyn Oakley-Brown; the Chief Executive & Registrar, Bronwyn Clark; and two other Councillors: Keith Crump, Andi Shirtcliffe (to September 2009) and John Shaw (from November 2009) to make a committee of four persons.

PREGISTRATION 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 delegated responsibility 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) Dr Rhiannon Braund Ass Prof Janie Sheridan Mrs Andi Shirtcliffe

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, the Chief Executive & Registrar and the Competence Policy Advisor are the members of this Committee.

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. Fifteen 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 Pharmacists

Bruce Corkill QC Ms Maryanne Baker (Appointed December 2009)

Deputy Chairs
Ms Ellen McCrae
Mr John Dunlop
Ms Kate Davenport
Mr Warren Flaunty
Mr Sandra Moran
Mr Andrew Orange

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)

Carolyn Oakley-Brown

Otago University School of Pharmacy, Board of Studies Keith Crump
Otago University School of Pharmacy, Admissions Committee Bronwyn Clark
The University of Auckland School of Pharmacy, Board of Studies Bronwyn Clark

Australian Pharmacy Council (APC) Council director Carolyn Oakley-Brown

Australian Pharmacy Council Accreditation Committee (formerly the New Zealand and Andi Shirtcliffe (until 1 February 2010), and Australian Pharmacy Schools Accreditation Committee (NAPSAC))

Bronwyn Clark (from 1 February 2010)

Australian Pharmacy Council Examining Committee Bronwyn Clark

Health Regulatory Authorities of New Zealand (HRANZ) Carolyn Oakley-Brown

ACC Pharmacy Liaison Committee

Pharmacy Industry Training Organisation (PITO)

Owain George

Standards NZ Pharmacy Services Committee

Barbara Moore

New Zealand Precursor Working Group

Barbara Moore

FINANCE

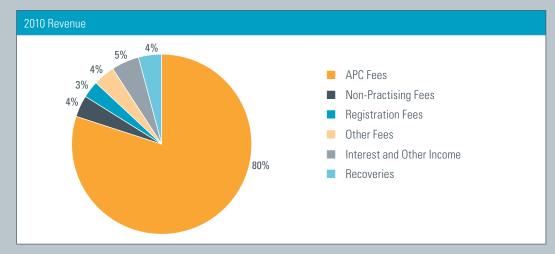


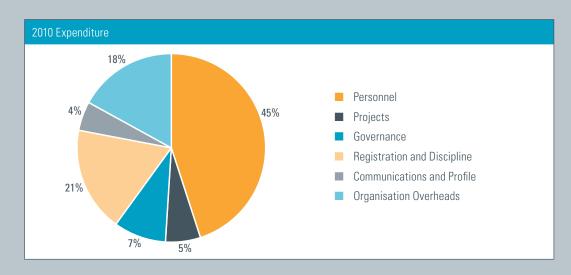
FINANCIAL OVERVIEW

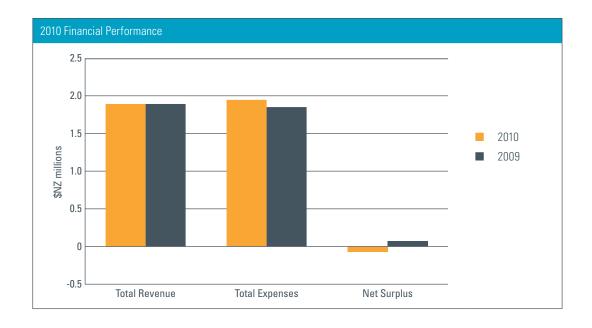


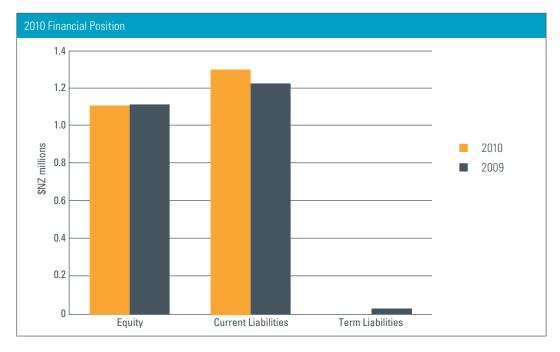
The Council is pleased to report the 2009/2010 financial year ended with a positive result against budget. The Council had planned for an operating budget deficit of \$129,350 for the year in anticipation of increasing discipline costs. While discipline costs exceeded budget, the overall operating deficit of \$63,358 was lower than projected for the year. This is mainly due to positive variances from annual practising revenue, interest income and personnel cost savings during the year.

It should be noted this is the first year since inception that the Council has reported an operating deficit. The Council considers a decrease of reserves to fund an operating deficit is acceptable within the Office of the Auditor General Guidelines. The Council has commenced an exercise to separate the existing general reserve into a general fund and a disciplinary fund. These two funds will be reported on separately in the 2011 Annual Report.









AUDIT REPORT



PKF Martin Jarvie Chartered Accountants



TO THE READERS OF THE PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010.

The Auditor-General is the auditor of the Pharmacy Council of New Zealand (Pharmacy Council). The Auditor-General has appointed me, Paolo Ryan, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Pharmacy Council, on her behalf, for the year ended 30 June 2010.

Unqualified Opinion

In our opinion the financial statements of the Pharmacy Council on pages 36 to 43:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Pharmacy Council's financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 15 September 2010, and 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 Members of the Pharmacy Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

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.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;

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



- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Members of the Council and the Auditor

The Members of the Council are responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Pharmacy Council as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The Members of the Council's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

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

Independence

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

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

Paolo Ryan PKF Martin Jarvie

On behalf of the Auditor-General

Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of the Pharmacy Council of New Zealand for the year ended 30 June 2010 included on the Pharmacy Council's website. The Pharmacy Council is responsible for the maintenance and integrity of the Pharmacy Council's website. We have not been engaged to report on the integrity of the Pharmacy 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 15 September 2010 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010



| STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010 | | | | | |
|--|------|------------|------------|--|--|
| Revenue | Note | 2010 \$ | 2009 \$ | | |
| Annual Practising Certificate Fees | 1 | 1,495,305 | 1,451,980 | | |
| Non-Practising Fees | | 79,749 | 81,241 | | |
| Registration Fees | | 45,353 | 47,389 | | |
| Other Fees | 2 | 79,135 | 100,534 | | |
| Interest and Other Income | | 96,407 | 134,792 | | |
| Recoveries | | 64,938 | 45,549 | | |
| Total Revenue | | 1,860,887 | 1,861,485 | | |
| Expenditure | | | | | |
| Registration & Discipline | 3 | 412,555 | 378,810 | | |
| Projects | | 87,697 | 102,896 | | |
| Governance | 4 | 127,305 | 130,617 | | |
| Communications & Profile | | 75,996 | 98,756 | | |
| Operating & Administration | 5 | 1,220,692 | 1,088,202 | | |
| Total Expenditure | | 1,924,245 | 1,799,281 | | |
| Net surplus/(deficit) for the period | | (63,358) | 62,204 | | |

| STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010 | | |
|--|------------|------------|
| | 2010 \$ | 2009 \$ |
| Equity at the beginning of the year | 1,146,144 | 1,083,940 |
| Net surplus/(deficit) for the period | (63,358) | 62,204 |
| Equity at the end of year | 1,082,786 | 1,146,144 |

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| STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010 | | | |
|--|------|------------|------------|
| Assets | Note | 2010 \$ | 2009 \$ |
| Current Assets | | | |
| Cash & Cash Equivalents | 6 | 915,672 | 1,693,856 |
| Term Deposits | 7 | 1,300,000 | 500,000 |
| Accounts Receivable | | 14,495 | 32,874 |
| Other Receivables & Prepayments | | 43,401 | 83,260 |
| Total Current Assets | | 2,273,568 | 2,309,990 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 8 | 76,377 | 91,218 |
| Intangible Assets | 9 | 31,780 | 14,275 |
| Total Non-Current Assets | | 108,157 | 105,493 |
| TOTAL ASSETS | | 2,381,725 | 2,415,483 |
| Liabilities and Equity | Note | 2010 | 2009 |
| Current Liabilities | | | |
| Accounts Payable | | 45,108 | 46,198 |
| Other Payables & Accruals | | 51,186 | 56,666 |
| Employee Entitlements | | 56,902 | 52,198 |
| Income Received in Advance | 10 | 1,145,743 | 1,103,717 |
| Total Current Liabilities | | 1,298,939 | 1,258,779 |
| Non-Current Liabilities | | | |
| Income Received in Advance — HPI Project | 11 | | 10,560 |
| Total Non-Current Liabilities | | | 10,560 |
| Equity | | 1,082,786 | 1,146,144 |
| TOTAL LIABILITIES AND EQUITY | | 2,381,725 | 2,415,483 |

Carolyn Oakley-Brown Chair of Council Bronwyn Clark

Chief Executive & Registrar

Date: 15 September 2010

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

| STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010 | | | |
|---|------|-------------|-------------|
| Cash flows from operating activities | Note | 2010 \$ | 2009 \$ |
| Cash was provided from: | | | |
| Statutory fees and levies | | 1,732,240 | 1,710,367 |
| Discipline Recoveries | | 36,005 | 23,472 |
| Interest | | 123,926 | 104,887 |
| Other revenue | | 9,403 | 784 |
| Cash was disbursed to: | | | |
| Suppliers and employees | | (1,837,654) | (1,750,259) |
| Net cash inflow from operating activities | 12 | 63,920 | 89,251 |
| Cash flows from investing activities | | | |
| Cash was disbursed to: | | | |
| Purchase of Fixed Assets | | (42,104) | (13,476) |
| Repayment of Loan | | 0 | 0 |
| Term Deposit | | (800,000) | (500,000) |
| Net cash (outflow) from investing activities | | (842,104) | (513,476) |
| Net (decrease)/increase in cash held | | (778,184) | (424,225) |
| Add opening cash and cash equivalents | | 1,693,856 | 2,118,081 |
| Closing cash and bank balances | | 915,672 | 1,693,856 |
| Represented by: | | | |
| Cash and cash equivalents | | 915,672 | 1,693,856 |

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010



REPORTING ENTITY

The Pharmacy Council of New Zealand (Pharmacy Council) is a statutory body constituted under the HPCAA 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 HPCAA 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 Improvements10 yearsFurniture & Fittings10 yearsOffice Equipment5 yearsComputer Equipment3 years

Intangible Assets

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

Website 3 years Computer Software 3 years

Goods & Services Tax (GST

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

Receivables

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

Taxation

The Pharmacy Council is exempt from income tax. The Council was registered as a charitable entity under the Charities Act 2005 on 30 June 2008 to maintain its tax exemption status.

Revenue Recognition

The Pharmacy Council's annual practising year for pharmacists is from 1 April to 31 March. Only those fees and levies that are attributable to the current financial year are recognised in the statement of financial performance. Revenue is deferred in respect of the portion of the annual practicing fee that has been paid in advance.

Operating Leases

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

Statement of Cash Flows

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

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

Changes in Accounting Policies

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

2010 ANNUAL REPORT | Notes to the Financial Statem

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010



(1) Annual Practising Certificate (APC) Fees

Represents APC Fees received from interns and pharmacists for the year. This fee includes an administrative component and a discipline levy.

| | | 2010 | 2009 |
|-----|------------------------------|-----------|-----------|
| | | \$ | \$ |
| (2) | Other Fees | | |
| | Overseas Pharmacist Fees | 65,061 | 85,267 |
| | Other Fees | 14,074 | 15,267 |
| | | 79,135 | 100,534 |
| (3) | Registration and Discipline | | |
| | Registration | 83,231 | 137,106 |
| | Discipline | 285,108 | 204,637 |
| | Competence & Health | 44,215 | 37,067 |
| | • | 412,555 | 378,810 |
| (4) | Governance | | |
| | Councillors Fees | 76,740 | 79,530 |
| | Councillors Expenses | 50,565 | 51,087 |
| | · | 127,305 | 130,617 |
| (5) | Operating & Administration | | |
| (-7 | Amortisation costs | 16,092 | 0 |
| | Audit costs | 7,680 | 15,640 |
| | Bad Debts | 48,938 | 0 |
| | Depreciation | 23,348 | 37,650 |
| | Eftpos costs | 24,933 | 23,507 |
| | Information Technology costs | 16,131 | 17,584 |
| | Insurance | 15,336 | 13,636 |
| | Legal costs | 21,900 | 15,104 |
| | Premises lease | 97,829 | 101,071 |
| | Other occupancy costs | 2,441 | 0 |
| | Operating leases | 25,896 | 22,973 |
| | Sundry costs | 29,750 | 27,146 |
| | Personnel costs | 857,698 | 781,602 |
| | Printing & Stationery | 10,681 | 9,051 |
| | Postage & Courier | 9,625 | 8,590 |
| | Telecommunications | 12,414 | 14,648 |
| | | 1,220,692 | 1,088,202 |
| (6) | Cash & Cash Equivalents | | |
| | Petty Cash | 200 | 200 |
| | ANZ – Cheque Account | 48,696 | 17,062 |
| | ANZ – Call Account | 116,776 | 76,594 |
| | ANZ – Term Deposits | 750,000 | 1,600,000 |
| | | 915,672 | 1,693,856 |

| | | 2010 \$ | 2009 \$ |
|-----|--------------------------|------------|------------|
| (7) | Term Deposits | φ | Ψ |
| (2) | Kiwi bank — Term Deposit | 500,000 | 500,000 |
| | ANZ – Term Deposits | 800,000 | 0 |
| | | 1,300,000 | 500,000 |

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

| | Cost 2009 \$ | Depn for year 30 June 2009 \$ | Accum. Depn 30 June 2009 \$ | Book Value 30 June 2009 \$ | Cost 2010 \$ | Depn for year 30 June 2010 \$ | Accum. Depn 30 June 2010 \$ | Book Value 30 June 2010 \$ |
|---------------------------|--------------------|---|---|--|--------------------|---|---|--|
| Leasehold Improvements | 70,700 | 7,070 | 28,497 | 42,203 | 70,700 | 7,070 | 35,568 | 35,132 |
| Computer Equipment | 64,616 | 15,268 | 55,026 | 9,590 | 63,283 | 8,338 | 62,514 | 769 |
| Furniture & Fittings | 65,371 | 6,273 | 27,576 | 37,795 | 72,491 | 6,693 | 34,270 | 38,221 |
| Office Equipment | 8,511 | 1,702 | 6,881 | 1,630 | 10,382 | 1,247 | 8,127 | 2,255 |
| TOTAL | 209,198 | 30,313 | 117,980 | 91,218 | 216,856 | 23,348 | 140,479 | 76,377 |

(9) **Intangible Assets**

(i) Website

| Opening balance 32,069 24,336 Additions during the year 9,574 7,733 Closing balance 41,643 32,069 Accumulated Amortisation 17,794 10,457 Opening balance 11,340 7,337 Closing balance 29,134 17,794 Book Value 12,509 14,275 Closing balance 0 0 Opening balance 0 0 Additions during the year 24,873 0 Closing balance 24,873 0 Closing balance 0 0 Accumulated Amortisation 0 0 Opening balance 0 0 Accumulated Amortisation 0 0 Opening balance 0 | (I) WCD3ICC | | |
|--|---------------------------|--------|--------|
| Additions during the year 9,574 7,733 Closing balance 41,643 32,069 Accumulated Amortisation 17,794 10,457 Opening balance 11,340 7,337 Closing balance 29,134 17,794 Closing balance 12,509 14,275 Clost 20,000 0 Opening balance 0 0 Additions during the year 24,873 0 Closing balance 24,873 0 Closing balance 24,873 0 Closing balance 0 0 Accumulated Amortisation 0 0 Prior year adjustment 851 0 | Cost | | |
| Closing balance | Opening balance | 32,069 | 24,336 |
| Accumulated Amortisation Opening balance Openi | Additions during the year | 9,574 | 7,733 |
| 17,794 10,457 10,457 11,340 7,337 11,340 7,337 10,510 12,509 14,275 12,509 12, | Closing balance | 41,643 | 32,069 |
| Manortisation for the year 11,340 7,337 7,377 | Accumulated Amortisation | | |
| Closing balance 29,134 17,794 12,509 14,275 14,275 12,509 14,275 14,275 12,509 14,275 14,275 12,509 14,275 14,275 12,509 14,275 12,509 | Opening balance | 17,794 | 10,457 |
| Book Value 12,509 14,275 ii) Computer Software Cost Opening balance 0 0 0 Additions during the year 24,873 0 Closing balance 24,873 0 Accumulated Amortisation Opening balance 0 0 0 Prior year adjustment 851 0 | Amortisation for the year | 11,340 | 7,337 |
| ii) Computer Software Cost Opening balance 0 0 0 Additions during the year 24,873 0 Closing balance 24,873 0 Accumulated Amortisation Opening balance 0 0 0 Prior year adjustment 851 0 | Closing balance | 29,134 | 17,794 |
| Cost Opening balance Opening balance Opening the year Obsing balance Occumulated Amortisation Opening balance Orior year adjustment Opening balance | Book Value | 12,509 | 14,275 |
| Opening balance 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | (ii) Computer Software | | |
| Additions during the year 24,873 Closing balance 24,873 Concerning balance 24,873 Concerning balance 0 Concerning balance 0 Concerning balance 851 Concerning ba | Cost | | |
| Closing balance 24,873 CACCUMULated Amortisation Opening balance 0 Carrior year adjustment 851 CACCUMULATED CARROLL STATES CAR | Opening balance | 0 | 0 |
| Accumulated Amortisation Opening balance 0 0 Prior year adjustment 851 0 | Additions during the year | 24,873 | 0 |
| Opening balance 0 C Prior year adjustment 851 C | Closing balance | 24,873 | 0 |
| rior year adjustment 851 C | Accumulated Amortisation | | |
| | Opening balance | 0 | 0 |
| Amortisation for the year 4 751 | Prior year adjustment | 851 | 0 |
| 1,701 | Amortisation for the year | 4,751 | 0 |
| Closing balance 5,602 0 | Closing balance | 5,602 | 0 |
| Book Value 19,271 0 | Book Value | 19,271 | 0 |
| | | • | |

(10) **Income Received in Advance**

Total Book Value

Represents APC fees and levies relating to the 2010/2011 year (2009: 2009/2010 year).

(11) **Health Practitioners Index Project**

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

31,780

14,275

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

The agreed cost of the project is \$76,300 (excluding GST) and covers costs relating to database changes, consultation, project management and ongoing provision of data to the MOH for the duration of the project. During the 2006/2007 financial year 80% of the project cost was received by the Pharmacy Council and the remaining 20% was received in the 2007/2008 financial year.

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

| | | 2010 | 2009 |
|------|---|----------|----------|
| | | \$ | \$ |
| (12) | Operating cash flows reconciliation | | |
| | Net operating surplus/ (deficit) for the period | (63,358) | 62,204 |
| | Add/(Deduct) non-cash items: | | |
| | Depreciation | 23,348 | 37,650 |
| | Amortisation | 16,092 | 0 |
| | Add/(Deduct) working capital items: | | |
| | Accounts Receivable | 18,379 | (23,920) |
| | Other Receivables & Prepayments | 39,859 | (16,076) |
| | Accounts Payable | (1,090) | (6,011) |
| | PAYE/Withholding Tax | (3,212) | 11,430 |
| | Other Payables & Accruals | (2,392) | 4,777 |
| | Employee Entitlements | 4,704 | (1,519) |
| | Income Received in Advance | 42,025 | 31,066 |
| | Income Received in Advance — HPI Project | (10,560) | (10,560) |
| | GST Receivable | 125 | 210 |
| | Net Cash inflow/(outflow) from operating activities | 63,920 | 89,251 |
| (13) | Commitments – Operating Leases | | |
| | Lease commitments under non-cancellable operating leases: | | |
| | Not more than one year | 134,123 | 132,155 |
| | One to two years | 113,897 | 124,415 |
| | Three to five years | 117,248 | 228,072 |
| | | 365,268 | 484,642 |

(14) Capital Commitments and Contingent Liabilities

(i) Capital Commitments

There were no capital commitments at balance date. (2009: \$17,000)

(ii) Contingent Liabilities

There were no contingent liabilities at balance date. (2009: \$35,000)

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

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

(16) Related Parties

Council members are paid fees for attending to Council and committee business. Certain Council members are also practising pharmacists and deal with the Pharmacy Council of NZ on the same basis as other pharmacists. There were no other related party transactions.

(17) Events after Balance Date

No events occurred subsequent to balance date. (2009: nil)

COUNCIL STAFF



Chief Executive & Registrar

Bronwyn Clark MClinPharm, MPS, RegPharmNZ

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

Personal Assistant to Chief Executive & Registrar

Caroline Joyce

Provides administration support to Chief Executive & Registrar and responsible for travel and meeting arrangements.

Deputy Registrar

Jenny Ragg

Secretary to Council. Management of complaints, fitness to practice and notification procedures.

Administration Manager

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

Responsible for overall management of office systems, registration procedures and personnel.

Registrations Officer

David Priest

Responsible for NZ and overseas pharmacist applications for registration and Annual Practising Certificates. Maintains register and processes registration applications.

Registrations Assistant

Frances Moore BA/BMus (Hons) MMus

Responds to enquiries from overseas pharmacists and assists Registrations Officer with processing of registration applications.

Accounts Assistant

Maree Dawson

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

Accountant

Mary Yee CA

Responsible for accounting operations, preparation of financial reports, auditing and annual report.

Competence Policy Advisor

Owain George BPharm, PhD, MPS, RegPharmNZ

Policy development for competence and assessment of pharmacists

Competence Policy Co-ordinator

Sue Thompson

Provides administration assistance to the Competence Policy Advisor and co-ordinates competence and assessment plans. Assists with administration peak load.

Competence Projects Developer

Sandy Bhawan BSc, BPharm, PGCertPharm, MPS, RegPharmNZ

Responsible for undertaking specific projects in the competence area

Professional Standards Advisor

Barbara Moore DipPharm, Dip Bus Stud, MPS, RegPharm NZ

Policy development for professional standards for pharmacists. Responds to enquiries from pharmacists and the public regarding practice issues.

GENERAL CONTACT DETAILS

Physical address:

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

Postal address:

PO Box 25137 Wellington 6146

SOLICITORS

Kensington Swan PO Box 10246 Wellington 6143

Buddle Findlay PO Box 2694 Wellington 6140

BANKERS

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

AUDITORS

PKF Martin Jarvie PO Box 1208 Level 3, 85 The Terrace Wellington, New Zealand

Physical address:

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

Postal address:

PO Box 25137, Wellington 6146, New Zealand

Phone:

+64 4 495 0330

Fax

+64 4 495 0331

Email

enquiries@pharmacycouncil.org.nz

Website

www.pharmacycouncil.org.nz

