

CONSULTATION DOCUMENT

Annual Practising Certificate Fee
For the 2022/23 Practising Year
(01 Apr 2022 to 31 March 2023)
Released: 03 November 2021
Submissions Due: 28 November 2021

Proposal

- The Pharmacy Council (Council) is proposing to increase the Annual Practising Certificate (APC) Fee.
- The current annual fee, which has applied for the last two years, is \$800.62. The new fee would be \$816.63 (inclusive of GST).
- The increase is \$16.01 a year, or around 2%.
- It would take effect from 1 April 2022 and would apply from the 2022/23 APC year.
- The new fee would comprise:
 - APC \$627.09 (a \$12.30 increase on 2021/22)
 - Disciplinary Levy \$83.02 (a \$1.62 increase on 2021/22)
 - GST of \$106.52

Our answers to key questions

What will the increased fee be used for?

The proposed fee increase is necessary to meet the full operational cost and capital replenishment required for Council to deliver its services. There is no one new cost area that we are seeking to offset. Instead, we have experienced gradual increases in cost pressures across all our activities.

What sorts of factors impact on our cost?

There are several specific factors that affect our costs:

- The number of pharmacy practitioners entering or exiting the profession¹.
- The number re-certifying or transferring from or to the non-practising register.
- Investigation and legal costs associated to consideration of disciplinary matters.
- Council's running costs including personnel costs.
- Council policies around funding levels for the General Reserve and the Disciplinary Reserve.

¹ There is a net increase of pharmacists of around 110 practitioners per annum.

What sorts of cost considerations are there?

Overall, Council's biggest costs are pharmacist disciplinary matters, Pharmacy Council remuneration, and fixed overheads such as our office lease.

Over the past 2-3 years the movements in APC fees have not kept pace with general increases in costs. (In addition, a rebate of \$70.70 was also offered to pharmacists last year, being 10% of the APC fee component from 2019/20).

While no one of these specific factors precipitated the need for an increase, their cumulative impact has done so.

What steps have we taken to minimise costs?

Council does not have a huge amount of flexibility around its operating costs. Despite this, Council remains attentive to its operational spend – for example, general operational costs are reviewed every year to ensure they are appropriate and sustainable for Council in the long run.

What was the financial position at the end of 2020/21?

We have reported a small surplus of \$0.4 million to 30 June 2021, though this is somewhat artificial (i.e., not performance efficiency) as several budgeted activities were slowed for reasons beyond Council's control.

Under the governing legislation of the HPCA Act, the Pharmacy Council is obliged to fund its operation through application of a cost recovery model. It receives no Government funding. This requires Council to ensure a modest surplus is available to it, to remain appropriately financially viable. A surplus then also helps to maintain the General and Disciplinary Reserves at policy levels as part of responsible financial management.

What controls are there on fee-setting?

Council follows the good practice guidelines established by both the Office of the Auditor-General² and the Treasury³.

According to the HPCA Act, Council must consider how best to deliver its statutory functions to expected standards of service and ensure that this is done as effectively and efficiently as possible.

What development initiatives does Council have in the next two years?

There are several important development initiatives planned for 2022-23 which include Health Equity and Cultural Safety, Clinical Governance and Quality Improvement, Unified Prescriber Standards and continued implementation of the new re-certification programme

² <https://oag.parliament.nz/good-practice/good-practice-guides>

³ <https://www.treasury.govt.nz/sites/default/files/2015-09/good-reg-practice.pdf>

and accreditation processes. All these initiatives will contribute to the capability and standing of the profession.

Consultation

The Pharmacy Council is responsible for protecting the health, safety, and well-being of the public by ensuring that Pharmacists are competent and fit to practise in their profession.

Council is also required under the HPCA Act to consult with the profession on changes to its fees. This document provides important information about the proposed APC fee for 2022-23 and is supported by a longform information document which provides operational detail that has been used to calculate the proposed APC fee for the upcoming year. Attached to this information document is a structured survey seeking feedback on this proposed APC fee increase.

You can fill the survey out in either online or in writing. We would urge you to take the opportunity to do so. Your responses will be considered by Council as they go through the fee-setting process.

The survey has an additional section which invites you to provide specific feedback about some of the developmental projects Council seeks to progress in the 2022-2023 financial year. These projects relate to pharmacist competency and complement the core competency and conduct work that Council focuses most of its time on (e.g., registration, recertification, and disciplinary matters).

The development of these projects in 2022-23 may be informed by the feedback that you provide to us in the attached survey. We may also proactively contact individuals / affected organisations for more specific feedback as these projects take shape in the coming year. If you have a specific interest in providing input into these projects, please make a note of this to us in your survey response.

Feedback on the APC fee and proposed projects from any interested member of the sector or member of the public is also invited.

You can respond [online](#) to this short summary of relevant information (this document), or you can visit our [website](#) and inform yourself by reading a much more detailed presentation of the current situation of the Council, its role and achievements, and the rationale for the proposed fee increase. A link to the response form is included there as well.

As this is a public consultation, “in confidence” information will only be accepted under special circumstances. Please contact us before submitting material in confidence.

Your submissions should reach us by midnight Sunday, 28 November 2021.

Ngā mihi
Michael A Pead
Chief Executive