

Annual Report 2024



 **pharmacy**council

Te Pou Whakamana Kaimatū o Aotearoa

A full-page background image showing a family of four (a woman, a young boy, an older man, and another young boy) playing beach volleyball on a sandy beach at sunset. The sun is low on the horizon, creating a warm, golden glow. A colorful beach ball is in the air. The family members are dressed in casual beachwear. The woman is on the left, looking towards the ball. The young boy next to her is also looking towards the ball. The older man is in the center, reaching out towards the ball. The other young boy is on the right, also reaching out towards the ball. The beach is sandy and the sky is a mix of blue and orange from the sunset.

Our Impact

Pharmacists are
competent and
fit to practise

The health and safety
of New Zealanders
is protected

The Pharmacy Council of New Zealand | Te Pou Whakamana Kaimatū o Aotearoa is pleased to submit this report, for the year ending 31 March 2024, to the Minister of Health. The report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003 (HPCA Act).

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01

Our year in numbers

Pharmacists must hold an Annual Practising Certificate to practise pharmacy in Aotearoa New Zealand.

Overall, we have seen a 2.7% increase in pharmacist practising numbers compared to the previous year (from 4,299 to 4,416) and a 26% decrease in practising intern pharmacist numbers (from 342 to 253). Lower numbers of new intern registrations coupled with an increase in the Assessment Centre pass rate during 2023 meant decreased numbers of intern pharmacists practising as of 31 March 2024.

The number of new pharmacist registrations in the period is 59.4% higher than the previous year (from 185 to 295). This increase mostly relates to a higher Assessment Centre pass rate in 2023 (compared to 2022) and a small increase in overseas pharmacist registrations..



4,416

Pharmacists practising on 31 March 2024

31 March 2023: 4,299



295

New pharmacist registrations

31 March 2023: 185



73

Pharmacist prescribers practising on 31 March 2024

31 March 2023: 51



253

Intern pharmacists practising on 31 March 2024

31 March 2023: 342

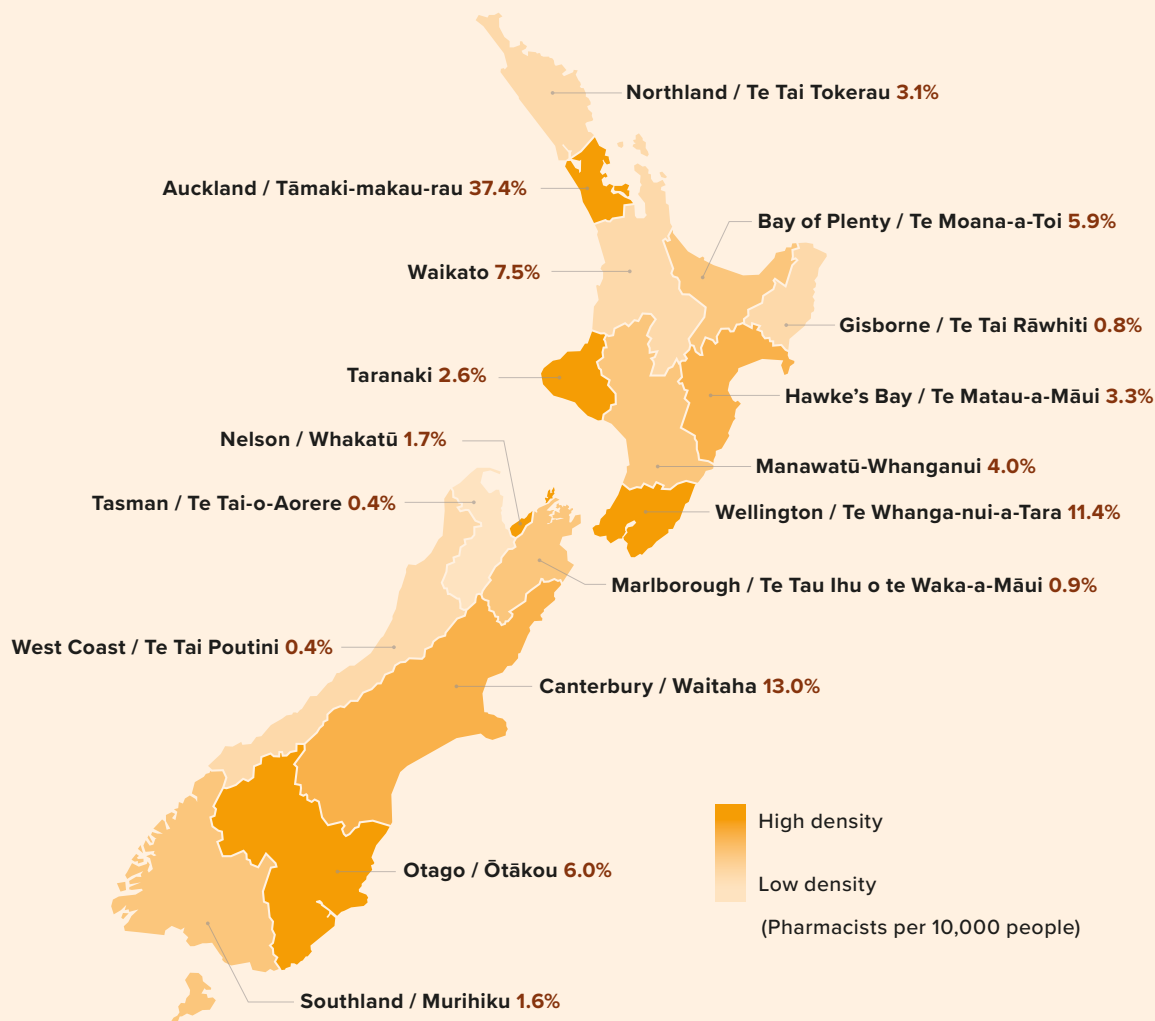


11

Professional Conduct Committee (PCC) cases investigated 2023/24

31 March 2023: 10

Practising pharmacists (including pharmacist prescribers) by location¹



3

Health Practitioners Disciplinary Tribunal (HPDT) cases heard

31 March 2023: 4



21

Health & Disability Commissioner (HDC) cases managed

31 March 2023: 21

¹ <https://pharmacycouncil.org.nz/public/workforce-demographics/>

Our year in review

We sailed to a “new normal”

‘Ehara taku toa i te toa takitahi, engari kē he toa takitini’

(My success should not be bestowed onto me alone, it was not individual success but the success of a collective)

Introduction

Our fiscal year was one of steadying the waka ama (the Pharmacy Council) back to a “new normal.” We are confident our regulatory direction was right in what were difficult to navigate “waters” where pharmacists continued to experience extremely high workloads and as a result worked long hours. On the one hand, pharmacists are to be congratulated for their contribution, but on the other hand we need to be mindful of the need for pharmacists to look after their own health and wellbeing.

It is well known that the health system is under a high degree of pressure. Council is expressing concerns that the capacity of the pharmacist profession is being stretched beyond achieving appropriate health outcomes. We are fortunate that the profession continues to provide its services to the public safely. We are, however, experiencing more notifications that the health of pharmacists may be a concern although pleasingly this is being identified at an early stage before serious harm has occurred.

The importance of safety regulation is proving to be even more critical in the current times. The Pharmacy Council is proud that it is a strong, stable organisation with a team of dedicated and experienced people able to operate the regulatory tools defined under the Health Practitioners Competence Assurance Act 2003 (HPCA Act) with the right-touch regulatory approach. This includes being proportionate, agile, transparent, targeted, accountable and consistent.

Key achievements

In steadying the waka ama we proudly note the following achievements:

- **Robust database:** some 4,000 practitioners were accurately registered, and a robust database was maintained and available to the public.
- **New pharmacists:** the robust delivery of Assessment Centres, and pass rates returned to normal pre-COVID levels, enabling us to register an increased new cohort of pharmacists.
- **Accreditation on track:** education provider programmes were appropriately accredited and the in-house service to make these determinations is being successfully resourced and attuned to the role of accreditation.
- **Portfolios reviewed:** recertification portfolios under the new programme (MyRecert) were reviewed and a set of measured enhancements were identified.
- **Standards updated:** a new set of standards were finalised (through great processes).
- **Overseas application process improvements:** adjustments to the process to simplify applications and changes in expectations has played a role to help uplift the number of overseas pharmacists joining the New Zealand team.
- **Returning practitioners to safe practice:** we have successfully triaged and managed compliance and notification cases.

Meanwhile the capacity and capability of the team were managed and strengthened where needed.

Financially, we delivered all regulatory requirements below expected levels of expenditure, which is a positive result. However, with the continued growth in workload from increased compliance and notifications, plus the need to manage unexpected events and/or major systems replacements we must replenish the financial reserves (i.e., we are currently operating below our desired reserve levels or funds for a “rainy day”). Therefore, regrettably, like all organisations, we have increased the annual practising fee, including the disciplinary levy. You will note in this report our statement of financial performance shows a breakeven position which is the cost recovery principle we aim to achieve.

Some achievements in detail

We are proud of the areas of development we planned to undertake and in the main, delivered to the standard we set ourselves. These areas of achievement were important for professional regulation, to support pharmacists to ensure their patients are safely returned to good health. Some of our achievements in detail are:

- **Embedding standards:** the suite of new standards (competence, accreditation and prescriber standards) was successfully published, following engagement with the profession and were ready to be applied from 1 April 2024.
- **Accreditation extensions:** we were able to confidently extend the accreditations, without any monitoring requirements, of the Auckland University School of Pharmacy Programmes (B.Pharm, PGCertClinPharm – the Prescriber Programme) and the Pharmaceutical Society of New Zealand Intern Training Programme.
- **Recertification portfolio reviews:** a sample of recertification portfolios were tested to gauge engagement with the programme. The profession is to be congratulated as only a very small number were

not engaging. The majority demonstrated that they are taking the time to ensure they remain fit and competent through professional development.

- **Cultural safety and health equity:** our team is advancing its journey to both meet our Te Tiriti o Waitangi obligations and to better ensure our regulatory tools are operated to ensure equity in healthcare. However, we are conscious we need to work harder to make sure the profession fully understands the expectations we have for Hauora Māori, cultural competence and cultural safety.
- **Communication and engagement:** we are striving to ensure Council’s work is transparent and have enhanced our newsletters and website, but we remain committed to doing even better.
- **Technology advancement:** we made small enhancements to our registration systems and completed the second version of our case management system. We did not progress the Assessment Centre management software as hoped.

Development focus areas for 2024/25

Like the profession, Pharmacy Council is expecting another busy year. Whilst ensuring we deliver all the functions expected of us under section 118 of the HPCA Act, we will also have a development focus on the below areas, amongst numerous initiatives:

- **Accreditation:** the Waikato University Masters Programme and the Otago University Pharmacist Prescriber programme are to be reviewed and considered for accreditation.
- **Recertification portfolio reviews:** another sample of portfolios will be reviewed with greater attention on whether the quality of requirement delivery is sufficient to appropriately indicate the profession is maintaining, if not enhancing, its fitness and competence.

- **Scopes of practice reviews and innovation:** this was not completed last year as hoped. Hence, this coming year we have again planned, if possible, to ensure scopes of practice are fit for purpose and to release an innovation statement. The statement is intended to help support the profession recognise its scope is wide and permissive to undertake the roles of service they wish to enter. The statement will help encourage this innovation to continue without any perceived form of regulatory barrier.
- **Response to legislative changes:** it is expected that the HPCA Act will be reviewed and amended to ease workforce pressures and that the Therapeutic Products Act is to be replaced. Each of these Acts will require a considered response.
- **Digital investment programme:** we recognise our technology costs are now one of our most significant. We must continue to maintain our systems and protect them from cyber-attacks.
- **Reserves:** continue our financial management programme to ensure we have sufficient reserves. We are conscious the profession will want to understand why we need to do this, and how we propose to do this. It will require a high level of communication and engagement.

Acknowledgements

Our desire to be a great regulator cannot be achieved without pharmacists, however we know that

we are here for public safety first and foremost. This is a difficult balance, especially when we know of the profession's extreme workload. Consequently, we acknowledge our regulatory role is made easier due to the professional commitment of pharmacists to be the medicine expert for optimal patient outcomes.

Professional regulation is the collaborative effort of many people. We have had a successful year, and we wish to formally share our appreciation to all those involved: the Pharmacy Council team (operational and governance members); the advisory groups (including Te Tiriti, Intern Assessment); the many pharmacists engaged to assist with policy, compliance, accreditation, recertification etc; suppliers of important infrastructure; the professional associations (in particular, we acknowledge the new leadership and the strength of advocacy of the Pharmaceutical Society); professional conduct committees; the Health Practitioners Disciplinary Tribunal; the Health and Disability Commissioner; Medicines Control; and education providers. Thank you all. Tēnā rawa atu koutou katoa.

In a vein of ongoing quality improvement, we look forward to the continued support of the whole pharmacy profession and all the parties that help ensure pharmacy services are delivered well and that our application of the safety net is robust and appropriate.



Arthur Bauld
Chair

Michael Pead
Chief Executive



Who we are

Aotearoa New Zealand's pharmacist regulator and a Responsible Authority constituted under the HPCA Act.

Our purpose

Protect the health and safety of New Zealanders by ensuring pharmacists remain competent and fit to practise.

Our vision

Through skilled and safe practice, pharmacists contribute to better health outcomes for New Zealanders. We aspire to have pharmacists operate at the top of their scope of practice and to not only be competent and professional in their roles but to continually work towards being the best pharmacist they can be.

Our mission

To ensure that all pharmacists are competent and fit to practise in the multitude of roles they perform, in order to keep everyone's whānau safe and healthy.

Our principles

Be proportionate

We match our response and level of intervention to the circumstances

Be consistent

Our rules and standards are joined up and implemented fairly

Be targeted

Our regulation is focused on the problem, and minimises unintended consequences

Be transparent

We are open and keep our regulations simple and user friendly

Be accountable

We can justify our decisions to the public

Be agile

We anticipate risks and take timely action to mitigate them



Our values

Whaioranga

(our responsibility to strive for the pursuit of wellbeing)

- The wellbeing of our team and the pharmacists we work with is kept front of mind
- The public are protected from unsafe pharmacy practice

Tikanga

(our responsibility for correct processes)

- Clear, informative, and open practices and processes
- Stakeholders understand our work
- Pharmacy practice is safe

Ōritetanga

(our responsibility to ensure we embody equity in partnership)

- We work towards understanding our stakeholder perspectives and needs so we can meet them
- We are respectful, empathetic, fair, and open
- Everyone gets what they need to be successful

Rangatiratanga

(our responsibility to lead, facilitate, and act with integrity)

- We lead from a position of relevance, competency, and proactivity
- Our work programme clearly supports the future of pharmacy

Te Tiriti o Waitangi and co-governance

- We give effect to Tiriti o Waitangi through the four goals outlined by the Ministry of Health as the foundation of meeting Te Tiriti obligations, namely mana whakahaere, mana motuhake, mana tangata and mana Māori and embedding Te Tiriti principles in our work.



What we do

Register intern pharmacists, pharmacists and pharmacist prescribers and maintain the public register.

Prescribe the qualifications for each scope of practice and accredit and monitor New Zealand pharmacy programmes.

Set standards of clinical competence, cultural competence (including competencies that will enable effective and respectful interaction with Māori), and ethical conduct for pharmacists.





Ensure pharmacists are competent and have the skills to practise within the scope of their registration.

Set requirements to ensure continuous professional development for pharmacists so they remain competent.

Act on notifications relating to concerns about a pharmacist's performance, professional conduct, or health.

Promote inter-disciplinary collaboration and co-operation in the delivery of health services.

We focus on ensuring pharmacists...

-  Are registered (*qualified, competent, and fit and proper*)
-  Uphold Council's Code of Conduct and meet the Council's Competence Standards
-  Hold a current practising certificate (*maintain being qualified, competent and fit and proper*)
-  Undertake continuing professional development to maintain and enhance knowledge and expertise

Context of our strategy

The Pharmacy Council regulates the profession of pharmacy in New Zealand in accordance with the HPCA Act.

The Act states our purpose is to 'protect the health and safety of members of the public by providing for mechanisms to ensure that health practitioners are competent and fit to practise their professions.'

We set scopes of practice, qualifications, and professional standards, and manage registration, recertification, notifications, and complaints.

Council upholds public wellbeing through safe pharmacist practice by applying regulatory tools to ensure pharmacists' fitness and competence to practise and responds proportionately when pharmacists do not comply with the expected professional standards.

We work in partnership with the profession to ensure that we safeguard pharmacists' practice whilst professionalism prospers.

Pharmacists work within a wider health sector with increasing demands on resources arising from

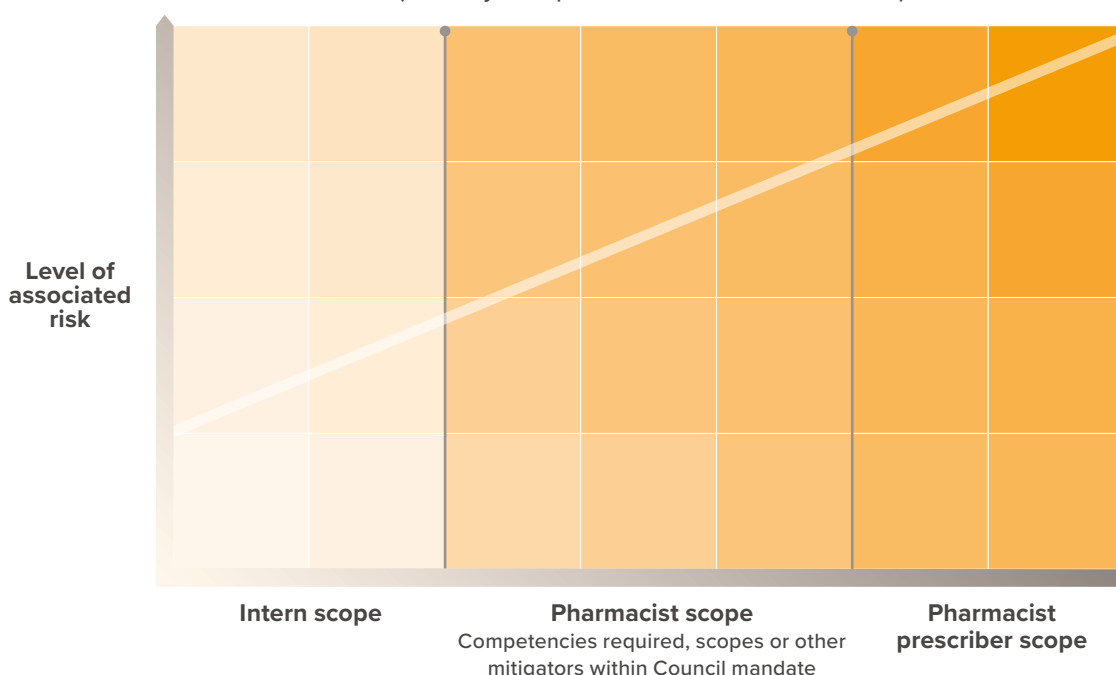
financial pressures, population changes and public health challenges. Aotearoa New Zealand is adopting healthcare models that optimise and integrate the contribution of all health professionals and make best use of technological advances. Pharmacy practice is therefore evolving beyond core dispensing services, elevating the profession's medicines expertise, pharmaceutical knowledge, and consultation skills to optimise treatment outcomes for patients.

Council prioritises identifying and understanding the risks of harm to patients from current and emergent practice to ensure that pharmacists maintain their competence to effectively care for patients.

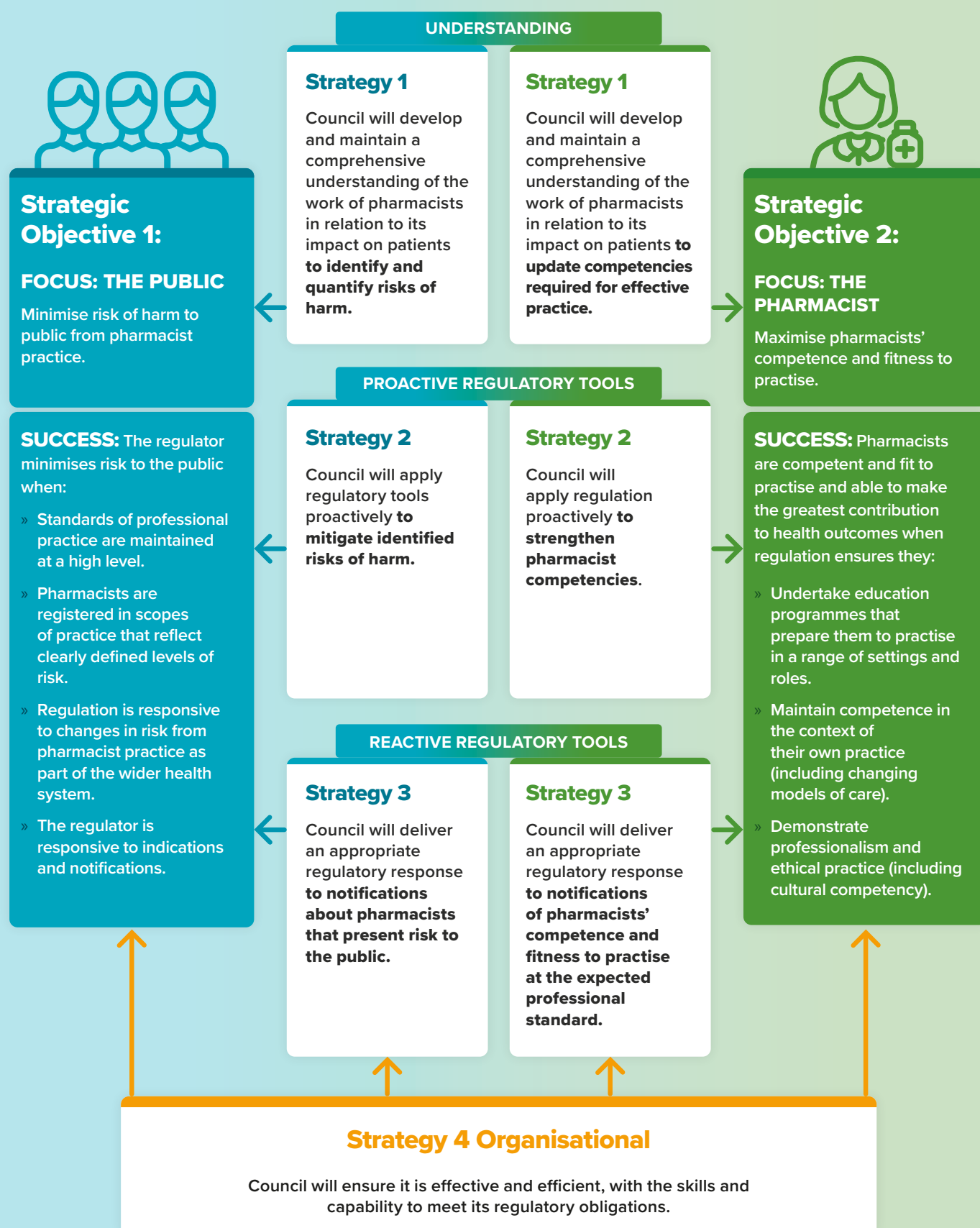
We are guided by best practice regulatory principles to understand problems, quantify risks, determine the type of proactive intervention required and, where necessary, apply regulation proportionate to the assessed level of risk.

The framework of environmental consideration for Council is depicted below:

Pharmacy Council competence versus risk matrix
(will vary with practice area and environment)



Pharmacy Council Objectives and Strategies





02

Our performance story



Scope and standards

To strengthen assurance of patient safety and pharmacist competence, the Pharmacy Council sets competence standards, a code of ethics, and practice codes.

Strategic Framework Alignment

Strategic Objective 1
(Minimise Risk):

Strategy 2.1 Understanding

Council will apply regulatory tools proactively to mitigate identified risks of harm.



Strategic Objective 2
(Maximise Competence):

Strategy 1.2 Proactive Regulatory Tools

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to update competencies required for effective practice.



How did we perform?

New standards for the pharmacy profession and pharmacy programmes

- We published competence and accreditation standards in June 2023 that include expectations for culturally safe practice. The new competence standards for pharmacists came into effect on 1 April 2024.
- The new competence standards set the required competencies, knowledge and skills to support safe practice and maintain the public's trust in pharmacists. The inclusion of Te Tiriti o Waitangi domain to the new competence standards sets clear expectations for clinically and culturally safe practice.
- The new accreditation standards set the requirement for educational institutions to achieve accreditation for pharmacy programmes. They set expectations to ensure that Council's prescribed qualifications deliver safe and competent practitioners to register as intern pharmacists, pharmacists and pharmacist prescribers.

Responsible authority joint statement on prescribing

- We ran a public consultation on a joint prescribing statement developed with input from six other responsible authorities that regulate prescribing practitioners. The consultation ran in July and August 2023, and we received over 167 responses. There was overwhelming support for the joint prescribing principles statement from respondents. Further refinements were proposed to the statement to reflect the limitations on prescribers in current practice conditions. Whilst retaining a joint expectation for safe prescribing, we recognise that improvements to capability and capacity of the health sector (e.g., technological support such as shared access to records) are necessary to support all prescribers to meet the expectations. It is anticipated that the statement will be published in the latter half of 2024.

Pathway to registration for overseas pharmacists

- We implemented minor policy changes that impact overseas registered pharmacists who want to practise in Aotearoa New Zealand. This pathway is for pharmacists who have qualified in countries other than Australia, Canada, Ireland, United Kingdom, and United States.
- The pathway is closely aligned to the process for the same group of international pharmacists wanting to register in Australia. The review identified the following changes to streamline the process further:

- Removing specific criteria for registration work experience and introducing a self-assessment process.
- Accepting the result of Australia's Knowledge Stream Skills Assessment, subject to meeting our English Language requirements and assessment of qualification and work experience.
- Amending scores required for International English Language Testing System (IELTS) to a 'minimum score of 7.0' in each of the four bands (listening, reading, writing and speaking) in the Academic category, achieved in one sitting of the test.
- Allowing candidates to enrol in the New Zealand Pharmacy Legislation Course prior to completing the Knowledge Assessment of Pharmaceutical Sciences exam.
- The changes will allow more applicants to enter this pathway for registration.

Naming Policy

- The Pharmacy Council consulted on changes to the 2020 Naming Policy in December 2023 and January 2024. The changes aimed to improve the policy's clarity and transparency and resulted in only minor technical and legal changes. We published an updated Naming Policy on our website in March 2024.

Looking forward

Scope of Practice review

- Work is underway to review pharmacist prescribers' registration and recertification requirements.
- The pharmacist prescribers' scope of practice review is being implemented with sector expertise and insights collected through a pharmacist prescriber survey and focus group.

Innovation

- We will develop a positional statement to support the profession's safe and innovative practice as it continues to explore and expand into new services. This will clarify the expectation for innovative practice within current regulatory frameworks (i.e., scope of practice and competence standards) and help pharmacists to identify when further safeguards or regulatory changes may be necessary.

Assurance of qualifications and competence

The Pharmacy Council determines the scopes of practice for pharmacists and prescribes the qualifications required for each. Council accredits and monitors pharmacy education programmes and the institutions that deliver them. To ensure that pharmacists remain competent to practise, Council sets recertification requirements.

Strategic Framework Alignment

Strategic Objective 2:

Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.



How did we perform?

Assessment Centre

- Two Assessment Centres (AC) were held in May 2023 and in November 2023. A total of 348 candidates were assessed over these two examinations, and a good pass rate for both assessments saw the pharmacy workforce bolstered through the registration of 277 new pharmacists.
- The new incident reporting process introduced in November 2022 continues to work well, making it easier for interns to advise Council of any AC incidents that may have negatively impacted their performance. It has also improved the efficiency of our workflow.
- In June 2023 Council sought expressions of interest from pharmacists to join the Intern Assessment Advisory Group (IAAG). Under its Terms of Reference, IAAG's role is to review and discuss relevant AC reports and provide independent recommendations about marginal candidates to Council. We were delighted to welcome two new pharmacists to the IAAG and to thank retiring members for their contribution to this advisory group.
- Two major pieces of work planned for 2023/24 were delayed due to decisions made based on resource constraints. These were the project to source a cost-effective replacement for the AC Assessment Manager software and the AC Blueprint review. Both are now scheduled for completion in 2024/25 or 2025/26.
- Extension of current accreditation was also sought by the Pharmaceutical Society of New Zealand for the Intern Training Programme (ITP), as this was due to expire on 31 December 2023. An Expert Review Panel was again convened, and their report and recommendations presented to Council in December 2023. Council agreed to extend the ITP's current accreditation until 31 December 2025.
- Council continues to engage with Waikato University, and we expect to receive their formal application for accreditation of a new graduate-entry Master of Pharmacy (M.Pharm) programme in April 2024.
- In December 2023 Council published Terms of Reference and sought expressions of interest from local and international applicants with the necessary experience to become members of the Accreditation Advisory Group (AAG). Expressions of Interest closed in February 2024, and we were delighted to receive applications from a number of highly qualified domestic and international candidates. Short-listed candidates were interviewed in March 2024.

Recertification

- Council completed a review of randomly selected 2022/23 MyRecert portfolios in September 2023. Engagement with professional development is one of the key metrics to provide Council the assurance that pharmacists are maintaining their competence.
- The review concluded that the portfolios provided evidence that most pharmacists either engaged effectively or engaged well with MyRecert, with just seven percent of portfolios found to demonstrate poor engagement and/or insufficient information provided. An adequately large sample size gave confidence that these results could be considered generally applicable to all registered pharmacists. Council took an educative approach where any significant non-compliance was identified.

Accreditation

- Council met in May 2023 to consider a report from the Expert Review Panel to extend the current accreditation for Auckland School of Pharmacy programmes, which was due to expire on 30 June 2023. This extension was considered necessary to give the School of Pharmacy sufficient time to prepare for full accreditation against the new Accreditation Standards for Aotearoa New Zealand Pharmacy Programmes, which were approved in March 2023 and came into effect on 1 April 2024. Council agreed to extend the current accreditation until 30 June 2025.

Looking forward

Assessment Centre

- Council is reviewing its technology support for results management and how this may best meet business requirements and integrate with other priorities. An alternative will hopefully be implemented in the next two years. The current system is fragile and in the meantime its performance is being closely monitored.

Accreditation

- Accreditation for both the Waikato University M. Pharm and the University of Otago revised Pharmacist Prescriber programme is scheduled for completion by late 2024.

Recertification

- A review of 2023/24 MyRecert portfolios will begin in August 2024. The review will again focus on the six key professional development activities to meet requirements (learning goals, peer group participation, taking an action towards cultural safety, keeping up to date, critical reflection, and portfolio verification) with an emphasis on both the quantity and quality of learning activities documented.
- Council will largely take an educative approach where issues are identified, although significant non-compliance may result in compliance action.

Registration, complaints, and discipline

The Pharmacy Council receives and considers notifications in relation to concerns about pharmacists' conduct, fitness to practise or health. We manage notification cases and provide sound practice advice and guidance for less serious cases. The Pharmacy Council triages and directs the more serious cases onto the independent professional conduct committees for investigation and laying of charges with the Health Practitioners Disciplinary Tribunal.

Strategic Framework Alignment

Strategic Objective 1: Strategy 1.1

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to identify and quantify risks of harm.

Strategic Objective 2: Strategy 1.2

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to update competencies required for effective practice.

Strategic Objective 1: Strategy 2.1

Council will apply regulatory tools proactively to mitigate identified risks of harm.

Strategic Objective 2: Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.



Strategic Objective 1: Strategy 3.1

Council will deliver an appropriate regulatory response to notifications about pharmacists that present risk to the public.



How did we perform?

Registration

Council authorises the registration of health practitioners and is responsible for maintaining a register of pharmacists. The register is a real-time public database and accessible on the Pharmacy Council website.² More information is also available about pharmacists practising in Aotearoa New Zealand in the annual Pharmacy Workforce Demographic reports on the Pharmacy Council website.³

Following a process of notification, 135 (2023: 109) pharmacists were removed from the register in January 2024 after failing to recertify or renew their Annual Practising Certificate (APC) for the 2023/24 APC year.

Despite the challenge of Easter falling on what are traditionally the busiest dates for APC renewal, the online renewal process for the 2024/25 APC year was successfully completed.

As of 1 April 2024, a total of 4,763 applications were received from registered pharmacists (compared to 4,610 applications on 1 April 2023).

Council issued 4,371 current (pharmacist, intern pharmacist) APCs:

- Pharmacists = 4,118 (+ 3.4% compared to 2023, which includes 73 pharmacist prescribers).
- Intern Pharmacists = 253 (195 new plus 58 renewals and reinstatements).

Of the 195 new, 31 are overseas qualified pharmacists plus one Australian graduate.

Of the 291 practising pharmacists who did not renew their APC for 2024/25:

- 151 transferred to inactive (non-practising) status.
- 19 requested their removal from the register.
- 121 made no application.

In response to workforce pressures, Council reviewed its policy for registration of non-REQR pharmacists. These are pharmacists from countries other than Australia, United Kingdom, Ireland, United States, and Canada, where the pharmacy degree is not recognised as being equivalent to the NZ Bachelor of Pharmacy.

Key changes to the non-REQR policy include removing the requirement for applicants to have a minimum of one year of relevant pharmacy practice within the previous five years. Applicants must now complete a self-assessment of their qualification and experience against key components of the New Zealand curriculum.

The overall score requirement for the International English Language Testing System (IELTS) test (Academic) is now 7.0 (previously 7.5), however the requirement to achieve a minimum of 7.0 in each of the four bands remains.

Candidates can now complete the Pharmacy Legislation course and the Knowledge Assessment of Pharmaceutical Sciences (KAPS) exam in any order.

² <https://pharmacycouncil.org.nz/index.php/search-register>

³ <https://pharmacycouncil.org.nz/public/workforce-demographics>

Disclosures

Applicants for registration, and registered pharmacists applying for their APC must disclose:

- Convictions they have in Aotearoa New Zealand or elsewhere; and any
- Investigations, disciplinary or criminal proceedings.

Disclosures by type 2023/24

| | |
|--|------------|
| Health conditions | 87 |
| Disciplinary actions, investigations or criminal proceedings | 78 |
| Total | 165 |

Health information was mostly disclosed by pharmacists at the time of renewing their APC, although many were either for a self-monitored condition, or Council was already aware of this information.

Notifications and complaints

Principal activities

The compliance team:

- Receive information, notifications and complaints that relate to the appropriateness of a pharmacist's conduct, the safety of their practice, their competence, or fitness to practise.
- Support the Competence and Fitness to Practice Committee and Professional Conduct Committees.
- Monitor pharmacists who are subject to conditions arising from fitness to practice, competence concerns and disciplinary action.

Total matters managed by type 2023/24

| | |
|--|------------|
| Informal enquiries | 182 |
| Complaints and notifications | 33 |
| Complaints and notifications carried over from 2022/23 | 41 |
| Total | 256 |

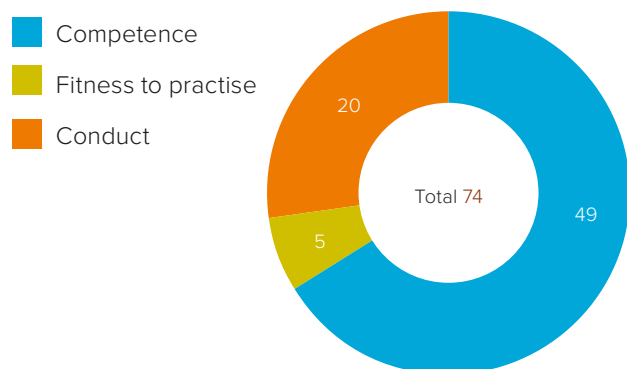
Informal enquiries

Informal enquiries are information the Council receives which do not reach the threshold for escalation to formal complaints or notifications processes.

If an enquiry indicates there may be a pharmacy systems concern, we may refer information to Medicines Control, a branch of Medsafe, in accordance with our Memorandum of Understanding.

Complaints and notifications

Complaints and notifications by type 2023/2024



The Health and Disability Commissioner (HDC) is responsible for investigating specific incidents in the first instance, but sometimes notifications are made to both HDC and the Pharmacy Council. In these cases, we are often required to await the outcome of the HDC's consideration. The Pharmacy Council may make further enquiries in parallel if the complaint raises concerns about the pharmacist's competence or health. If the HDC does not investigate the complaint it may refer it back to the Pharmacy Council for consideration.

How we managed cases

Competence

When the Pharmacy Council receives a notification or complaint that relates to a pharmacist's competence, we consider whether the circumstances raise questions about deficiencies in the pharmacist's competence. If they do, we make further enquiries and may undertake a practice visit, professional conversation, monitoring or consider whether formal action, such as ordering a competence review, is appropriate.

Outcomes

Of the 74 complaints and notifications managed during the period, 30 were successfully closed (20 from the previous reporting period and 10 from within the new reporting period).

| Complaint and notification outcomes 2023/24 | |
|---|-----------|
| No further action | 4 |
| Educational letter | 22 |
| Monitoring arrangements | 3 |
| Competence review | 0 |
| Referred to HDC | 1 |
| Referred to Medicines Control | 1 |
| Referred to PCC | 5 |
| Total* | 36 |

*Outcomes do not match the number of concerns closed as a case may result in multiple outcomes.

Conduct: Professional Conduct Committee (PCC) and the Health Practitioners Disciplinary Tribunal (HPDT)

The Pharmacy Council refers notifications and complaints in relation to the appropriateness of a pharmacist's conduct or the safety of their practice to a PCC where further investigation is required. As with competence matters, there is some overlap between the Pharmacy Council's role and the HDC.

The Pharmacy Council cannot act against a pharmacist while the HDC is undertaking an investigation. Council may take interim action where it considers the pharmacist poses a risk of harm to the public while a HDC, PCC or criminal investigation is undertaken. This can include imposing conditions on the pharmacist's practice or suspending their practising certificate.

The following table summarises the number of cases investigated by PCCs during this period and cases referred to the HPDT.

| Investigations and hearings 2023/2024 | | | | |
|---------------------------------------|-----------------------------|------------------|--------------|-----------------------------|
| | Cases open at 31 March 2023 | New cases opened | Cases closed | Cases open at 31 March 2024 |
| PCC | 4 | 7 | 6 | 5 |
| HPDT | 5 | 1 | 3 | 3 |
| Total | 9 | 8 | 9 | 8 |

Seven new PCC investigations were opened in the period. Of the six PCC investigations concluded during the period, three PCCs laid charges in the HPDT.

| PCC investigation outcomes 2023/2024 | |
|--------------------------------------|----------|
| Referral to HPDT | 3 |
| Counselling | 1 |
| No further action | 2 |
| Total | 6 |

We received three written decisions from HPDT. The timeline between referral by PCC to HPDT, the hearing, release and publication of the decision by HPDT can be significant and is beyond the control of Council to influence.

There are three cases with the HPDT waiting to be heard, or a decision issued.

| HPDT summary of decisions received | | |
|---|------------------|------------------|
| | 2023/24 | 2022/23 |
| HPDT hearings finalised | 3 | 4 |
| Tribunal costs and disbursements incurred | \$96,774 | \$47,008 |
| PCC costs and disbursements incurred | \$321,525 | \$186,477 |
| Total PCC and HPDT costs used by the HPDT to determine costs to be awarded | \$418,299 | \$198,199 |
| Total costs awarded to Council by HPDT | \$180,539 | \$76,990 |
| Fines charged | nil | \$10,000 |
| Total costs and fines awarded by HPDT | \$180,539 | \$86,990 |

A Professional Conduct Committee v Mohammed

Abdel Rahim Phar22/561 Eleven of 12 charges brought against Mr Rahim were established, including practising without an APC, failing to keep accurate records, falsifying prescriptions, inappropriate claiming, and providing misleading/incorrect information to the Pharmacy Council and Medicines Control. The Tribunal stated the public have a legitimate expectation that all pharmacists will be trustworthy, honest, and act with the highest possible integrity. Mr Rahim's conduct in this case demonstrates repeated failures and considerable dishonesty, making it particularly serious. Mr Rahim's registration was cancelled, and he cannot reapply for registration for two years. He was also censured, ordered to pay 50 percent of costs, and conditions were put on his return to practice.

A Professional Conduct Committee v Mr R

Phar22/548 Mr R had criminal convictions for causing harm by posting digital communications (three counts) and one count of forgery. The Tribunal found that Mr R's conduct was dishonest and designed to harm others, and the lengths to which he went to

exact revenge raised serious questions about his fitness to practise. Mr R's registration was cancelled, and he cannot reapply for 18 months. He was also censured and ordered to pay 30 percent of costs.

A Professional Conduct Committee v Ms E

Phar22/568 The Tribunal found Ms E guilty of professional misconduct related to her pharmacy practice, including failures to comply with legal and professional obligations, such as supplying medications without proper documentation, inadequate storage and monitoring of controlled drugs, inadequate record-keeping of near misses and dispensing errors, excessive stocking of codeine-containing medicines, and inappropriate conduct. The Tribunal concluded that her actions fell well short of the requirements for operating a pharmacy and posed risks to public safety. Ms E's registration was cancelled, and she cannot reapply for 12 months. She was also censured, ordered to pay 40 percent of costs and conditions were put on her return to practice. This decision is yet to be published on the Tribunal's website.

Looking forward

Registration

- Ongoing quality improvement of our APC renewal system and processes to ensure that the APC renewal process continues to run smoothly even at peak capacity.
- Full automation of the application process for non-REQR pharmacists, which will enable them to apply for registration and upload relevant documentation online.
- Review and upgrade of the Return to Practice application process, including improved system functionality, information on our website and forms.

Notifications and concerns

- We will continue to manage and evaluate all cases for trends, particularly identifying areas of risk of harm to establish whether any proactive measures can be put in place.
- Further develop our case management system to enable a more effective response to notifications and complaints.

Organisational Support

Strategic Framework Alignment

The Pharmacy Council ensures that it has the capability and capacity through its governance and operational team to meet its regulatory obligations.

Strategic Objectives 1 and 2:

Strategy 4.0

Council will ensure it is effective and efficient, with the skills and capability to meet its regulatory obligations.



How did we perform?

Governance

Council

Council is charged with oversight of its regulatory functions under the Health Practitioners Competence Assurance Act 2003. Council met formally seven times during the period to conduct its business.

This year Council adopted a new approach to its previous strategic planning approach of an annual planning workshop. During the year, workshop time was designated for every Council meeting to discuss and develop strategy and to confirm the direction for 2024/25 and beyond.

Finance Assurance and Risk Management Committee (FARMC)

FARMC is a committee of the Council that helps to assure the organisation's financial accountability and risk management. As an integral part of the wider Council workplan, FARMC met four times during the period to consider the performance reports, annual accounts, budget proposals, risk management (including Council's fraud control plan), insurance arrangements, policy statements, business continuity plans, health and safety, governance professional development, and annual compliance requirements such as the registers for conflicts of interest and operational team gifts. FARMC obtains assurance from management that Council's processes and policies are fit-for-purpose and makes recommendations to Council for its approval.

| Council Member | Ordinary Council meetings | Special Council meetings | FARMC meetings |
|---------------------|---------------------------|--------------------------|----------------|
| A Bauld (Chair) | 5 | 2 | 4 |
| M Wu (Deputy Chair) | 5 | 2 | 4 |
| K Azer | 5 | 2 | 1 ⁴ |
| A Chan | 5 | 2 | 1 ⁴ |
| M Hudson | 5 | 2 | - |
| M Lomax | 4 | 1 | - |
| N Nu'u | 4 | 2 | - |
| A Zareh | 4 | 2 | 3 |

Risk

A comprehensive risk register is maintained, reviewed, and updated regularly by management for reporting to Council via FARMC. All identified and recorded risks were managed and mitigated appropriately during the review period.

Council has a standing agenda item for each meeting to discuss and approve the status of the risk register, confirm its risk appetite, and to provide management with any additional direction for mitigation actions.

Recruitment and retention

Council maintains a strong recruitment and team management process and has a stable retention rate. The two team resignations tendered during the period were due to extended travel arrangements or permanent relocation overseas.

For the period ending 31 March 2024, the average length of service for permanent employees⁵ was 3.8 years (2023: 3.49 years).

| Annual turnover | 2024 | 2023 |
|--|------|------|
| Permanent employees on 31 March | 17 | 16 |
| FTE | 15.7 | 14.8 |
| Resignations / retirements during the period | 2 | 3 |
| FTE | 2.0 | 2.6 |
| Turnover rate | 13% | 21% |

Capability and capacity

Work continued this year on the integration of our internal planning and reporting processes. We are developing a more holistic view of Council's operations, and the progress made towards achieving our strategic objectives.

The year saw a continuation of Council's long term Digital Investment Programme focused on strategic value and risk mitigation/cost avoidance i.e.,

- Service improvement – improving the stakeholder experience with Council's IT applications and continuing to build on internal efficiencies.
- Organisational resilience – enhancing Council's cyber security approach and ensuring best use of cloud options to improve organisational resilience.
- Business/strategic insights – using data and information to better inform Council decision-making and application of right-touch regulation principles.
- Planning for the retirement of the Remote Desktop Protocol through operational file migrations to a SharePoint environment.

Council finalised the development and publication of its Governance Charter outlining the governance principles it upholds as an organisation.

Looking forward

- Leveraging technology to improve file sharing and managing content as well as to reduce file hosting costs.
- Upgrading our database platform to improve security and future-proof the system.
- Preparing the business case for replacing the Intern Assessment Management System.
- Enhancing our team's Te Reo and Te Ao Māori knowledge, alongside our Dental Council colleagues, by continuing to participate in learning opportunities.
- Continuing the review of internal processes to ensure that, where appropriate, health equity and cultural safety approaches can be woven effectively into the delivery of regulatory functions.
- Continuing Council's focus on strengthening and nurturing sector relationships through a range of engagement activities.

⁵ Fixed-term employees and other 'piecework' contractors are excluded from this calculation.

Our priorities

Outcomes – Next 10 years

| | |
|--|---|
| The public has trust and confidence in the pharmacy profession | Pharmacists have a strong professional identity and practice |
| Council is an active partner with Māori | Pharmacists are responsive to the diverse communities in Aotearoa New Zealand |

Areas of focus – Next 3 to 5 years

| | | | |
|---|---|--|---|
| <p>We are an active partner with Māori</p> <p>The aims, aspirations, involvement, and engagement of Māori as tangata whenua continue to be integral to our priorities</p> <p>We have ready access to the views of Māori as tangata whenua</p> | <p>We work with others for greater impact</p> <p>We have strong connections and collaborations with others</p> <p>We have ready access to the views of Pacific peoples and ethnic and cultural groups</p> | <p>We use research, surveys, and data analysis to inform our work</p> <p>We know where to focus our effort and how to get the highest impact</p> <p>We support and encourage the professionalism of pharmacists</p> <p>Our regulation is targeted and supports and encourages safe practice to minimise harm</p> | <p>We are accessible to pharmacists and others</p> <p>Our systems are simple to use, we are considerate and helpful, and requirements are clear, communicated effectively, and enforced fairly and consistently</p> |
|---|---|--|---|

Priorities – Next 2 years (E)xternal and (I)nternal

| | | | |
|---|--|--|--|
| E. Support development of Māori and health equity work programme for profession | E. Assess provider applications for accreditation of new pharmacy qualification programmes | E. Complete Review of Assessment Centre Blueprint to align with new Competence Standards | I. Continue development of Māori and health equity work programme for Council team |
| E. Scope of Practice Review – Pharmacist Prescriber | E. Develop Statement on Innovative Practice | E. Review of published Council policies in relation to pharmacist practice | I. Procurement of new Assessment Management System |
| E. Engage on legislative changes | E. Review of MyRecert portfolio samples to confirm assurance levels | E. Sector relationships – continued focus on communications and engagement activities | I. Digital Investment strategy supporting and building capability and capacity |

Operational approach (Ongoing)

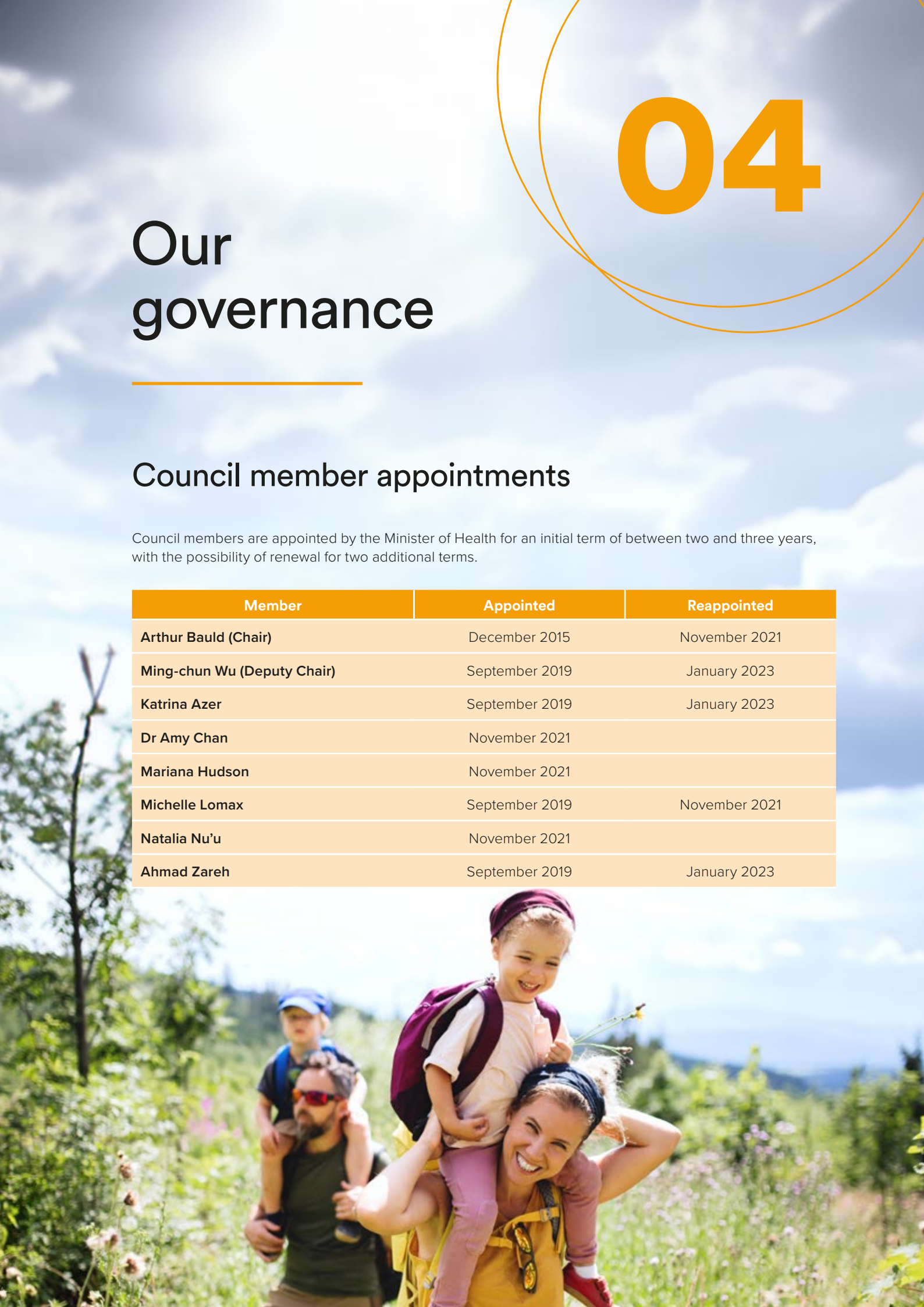
Responsive, public safety-focused and intelligence-led regulatory and compliance activities

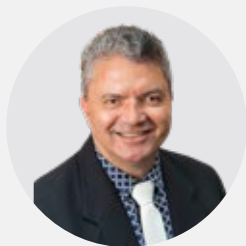
Our governance

Council member appointments

Council members are appointed by the Minister of Health for an initial term of between two and three years, with the possibility of renewal for two additional terms.

| Member | Appointed | Reappointed |
|-----------------------------|----------------|---------------|
| Arthur Bauld (Chair) | December 2015 | November 2021 |
| Ming-chun Wu (Deputy Chair) | September 2019 | January 2023 |
| Katrina Azer | September 2019 | January 2023 |
| Dr Amy Chan | November 2021 | |
| Mariana Hudson | November 2021 | |
| Michelle Lomax | September 2019 | November 2021 |
| Natalia Nu'u | November 2021 | |
| Ahmad Zareh | September 2019 | January 2023 |





Arthur Bauld (Chair)

Ngāti Wai / Ngāpuhi / Te Rarawa / Ngāti Toa / Ngāti Raukawa / DipPharm, RegPharmNZ

Arthur was appointed to the Pharmacy Council in 2015 and was reappointed in 2021 for a further three years. He has more than 30 years of pharmacy practice experience in retail and hospital pharmacies.

Arthur is an Addictions Pharmacist with the Auckland Opioid Treatment Service.

He was a Co-President of the Māori Pharmacists Association and was their

representative on the Auckland School of Pharmacy Board of Studies. His experience also includes academic, regulatory, and organisation board roles.

“My motivation comes largely from my whānau and a sense of duty, as well as from the people around me. I see pharmacists excelling in their hugely diverse professional roles and improving the quality of peoples’ lives every day, and that inspires me to contribute.”



Ming-chun Wu (Deputy Chair)

CMInstD, MBA, BSc, BBus, BEd, BA

Ming-chun was appointed to the Pharmacy Council in 2019 and is the Deputy Chairperson of the Council. She’s a Chartered Director with the Institute of Directors and has over 16 years’ experience in transforming and improving organisations.

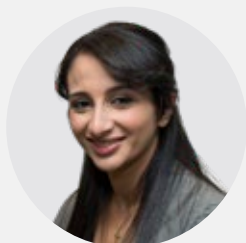
Ming-chun has held senior strategy and policy roles in large public sector organisations and has in depth knowledge of governing legislation like the Health Practitioners Competence Assurance Act 2003. She is also on the regulatory board of the Chinese Medicine Council of New Zealand.

An experienced secondary teacher, Ming-chun is an educator with experience in training and development and

was a National Executive and the Auckland Regional Chairperson for the New Zealand Post Primary Teachers’ Association.

Ming-chun’s governance experience is broad having spanned across advisory boards, regulatory boards, professional bodies boards, volunteer organisation boards, and commercial boards.

She is passionate about good governance and making a difference for all New Zealanders through her governance work. Ming-chun is a Trustee for the Wellington Community Trust, a Board Member of the Plumbers, Gasfitters and Drainlayers’ Board, and a Board Director for Network for Learning Limited.



Katrina Azer

BPharm, RegPharmNZ, PGCertClinPharm, CertClinGov, CPGx

Katrina was appointed to the Pharmacy Council in 2019 and is currently serving her second three-year term.

Based in Christchurch, Katrina works as a Consultant Digital Pharmacist in primary care, alongside operating her own independent consulting practice.

Katrina is a thought leader in the pharmacy industry, specialising in digital health and promoting virtual care. She is also an award-winning pharmacist,

having won double awards in the 2020 NZ Primary Healthcare Awards.

She also got accredited as a Certified Pharmacogeneticist in 2022, becoming the first New Zealand pharmacist to earn membership to the Clinical Pharmacogenetics Implementation Consortium in the United States, where she helps to develop pharmacogenomic guidelines for safer medication prescribing. Katrina’s passion is ensuring

every patient receives 'the right medication, at the right dose, and at the right time.' Her long-term focus is on implementing precision medicine in New Zealand and advocating for accessible virtual healthcare in pharmacy.

"The biggest challenge that comes with my role as a Council member

is reminding myself that I am a knowledgeable observer of the profession of pharmacy, rather than an advocate for pharmacists. I am here to enact the HPCA Act's mandate by ensuring pharmacists are fit and competent to provide safe and effective pharmaceutical care to patients."



Dr Amy Chan

BPharm (Hons), PhD (Philosophy), RegPharmNZ

Amy was appointed to the Pharmacy Council in November 2021 and is serving her first three-year term.

She is a clinical academic pharmacist working at the University of Auckland and in community pharmacy. Amy has previously worked for over 15 years in hospital pharmacy, in patient-facing clinical roles to project delivery roles, to management of a clinical pharmacy service in mental health.

Amy is passionate about enhancing the health and well-being of New Zealanders through improving medicines use and outcomes and supporting workforce development.

She has experience working with public and commercial sectors, and with charities, at a national and global level, including with the Commonwealth Pharmacists' Association, International Pharmaceutical Federation (FIP) and World Health Organisation, providing expert input to ensure safe and quality use of medicines and optimal health outcomes.

"One of the challenges of my role as a Council member is remembering that the key role of Pharmacy Council is to represent the public first and foremost, and to separate governance and operational activities."



Mariana Hudson

BPharm, PGCertClinPharm, MPA, RegPharmNZ

Mariana was appointed to the Pharmacy Council in November 2021 and is in her first three-year term.

She is a community driven wāhine Māori pharmacist who is determined to identify gaps across the sector to influence the delivery of pharmacy services in Aotearoa.

As the President of Ngā Kaitiaki o Te Puna Rongoā – the Māori Pharmacists' Association (MPA), Mariana aims to provide leadership through her governance learnings for all MPA members and provide Māori health leadership.

Mariana is building her rangahau (research) knowledge as a Māori

Cardiovascular Research Fellow through her Heart Foundation Fellowship. Her project will develop a roadmap to understand the research and practice environment in heart health to identify gaps which impact equity for Māori and Pacific.

Amongst all this, Mariana remains grounded in her whānau, hapū and iwi, representing Whakatōhea on Te Moana ā Toi Iwi Māori Partnership Board (IMPB). The IMPBs were established to reflect the voice of whānau and mātauranga Māori are visible across the health system. They will be involved in jointly agreeing on priorities and strategic plans for local services alongside Te Whatu Ora and Te Aka Whai Ora.



Michelle Lomax

LLB

Michelle was appointed to the Pharmacy Council in 2019 and was reappointed in 2021 for a further three years.

She is currently the manager and a lawyer at the Porirua Kāpiti Community Law Centre, which provides legal services and education to the Porirua Kāpiti community, particularly to people with barriers to accessing justice because of income, disability, or other reasons.

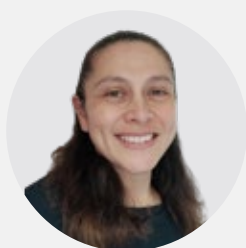
She was previously a disability advisor and lawyer at Community Law Canterbury, and deputy chair of

a Christchurch community board, and chaired a high school board.

She also served eight years on the West Coast District Health Board, and has been an advocate on disability, maternal and child issues.

Michelle is a mother of six now adult children and is enjoying watching them flourish in careers ranging from doctor and lawyer to soldier and tradespersons.

Her varied experience gives her a broad understanding of the diverse needs of the community and of the pharmacy profession.



Natalia Nu'u

BPharm (Hons), BSc, RegPharmNZ

Natalia was appointed to the Pharmacy Council in November 2021 and is serving her first three-year term. She is a pharmacist and co-owner of an Auckland pharmacy and has worked in community pharmacy since 2002.

She is an honorary academic at the University of Auckland School of Pharmacy and is a clinical mentor as part of the Pharmaceutical Society EVOLVE Intern Training Programme.

A proud Samoan, Natalia has a passion for helping the Pacific community and promoting the pharmacy profession to Pacific youth. She is a founding member and Executive Board Member

of the Pacific Pharmacists' Association; a network for the Pacific pharmacy workforce in New Zealand that acts as representation for their members on issues and initiatives that concern the profession and the delivery of health services to the Pacific community.

"My experience in community pharmacy has shown me the resilience and tenacity of pharmacists to continue to put patients first even in the most challenging situations. This is what motivates me to give back to the profession. In all that I do I am mindful that I represent my profession, my culture and my family and this serves to keep me honest and grounded."



Ahmad F Zareh

BPharm (Hons), RegPharmNZ

Ahmad was appointed to the Pharmacy Council in August 2019 and is currently serving his second three-year term.

Ahmad is a community pharmacy owner from Hamilton (called by Ahmad the 'city of the future') and won the Good Sort Pharmacist of the Year Award in 2017.

Ahmad is a preceptor and thoroughly enjoys training interns. He is the current chair of Council's Intern Assessment Advisory Group (IAAG). Ahmad was a board member of Refugees as Survivors

New Zealand, looking after refugee health and wellbeing.

Ahmad won the 2019 Kiwibank Local Hero Award in Waikato and was a finalist for the National Hero Award.

"I love working with patients and the community to provide health services and improve community and patient health. I strongly believe that as a pharmacist we can make a big difference to people's health and well-being."

Independent advisor



Jeffrey Galt

BCom (Hons)

Jeff has been Council Advisor and Chair of the Finance Assurance and Risk Management Committee (FARMC) since 2016. The FARMC Chair is appointed by the Council, not the Minister of Health, to make sure the Council has skills in finance, risk, and assurance. Accordingly, the FARMC Chair has no voting rights on Council matters under the HPCA Act.

Jeff is a member of Chartered Accountants Australia New Zealand, a Chartered Member of the Institute of Directors, and is a Fellow Member of the Institute of Internal Auditors in New Zealand.

He has extensive senior management experience in finance, accounting, assurance, and risk management.

He's worked in the public and private sectors in Canada, Australia, and New Zealand. He's travelled extensively for work across North America, the United Kingdom, the Bahamas, and Azerbaijan. In New Zealand Jeff has held senior roles at Wellington Free Ambulance, the Earthquake Commission, ACC, Biosecurity NZ, Westpac NZ Limited, Audit New Zealand, the Reserve Bank of New Zealand, and Housing New Zealand.

Council committees

Statutory

Competence and Fitness to Practise Committee (CFPC)

The Competence and Fitness to Practise Committee (CFPC) is appointed by the Pharmacy Council under clause 16 Schedule 3 of the HPCA Act and has the power to carry out functions and duties under Council delegation (clause 17, Schedule 3 of the HPCA Act) by way of a Pharmacy Council delegation in respect of:

- Competence
- Health

Non-Statutory

Finance Assurance and Risk Management Committee (FARMC)

FARMC is a committee of Council and meets regularly throughout the year to assist Council to fulfil its responsibilities in relation to financial accountability, control frameworks and risk management assurance.

Remuneration Committee

The Remuneration Committee is a relatively new sub-committee of Council comprising the Council Chair and other Council members and the FARMC Chair. It meets to discuss setting objectives for the Chief Executive and undertakes a regular performance and remuneration review process.

Advisory Groups

— Te Tiriti Advisory Group (TTAG)

TTAG is autonomous in a manner consistent with the principle of Mana Motuhake and is invited to exercise its influence to help steer Council's decisions and activities in the spirit of partnership.

Our people

Our success as a regulatory organisation is underpinned by our people.

Number of permanent and fixed-term employees

Council's capacity and capability to deliver the full 13 regulatory functions in section 118 of the HPCA Act continues to be a critical focus for the team.

At the end of 2023/24 Council had 15.7 (LY: 16.125) full-time equivalent employees/contractors (FTEs) across 17 (LY: 20) people, including the Chief Executive and the Registrar.

Of these 0.3 (LY: 0.3) FTEs were contracted advisors with specialist skills (two people).

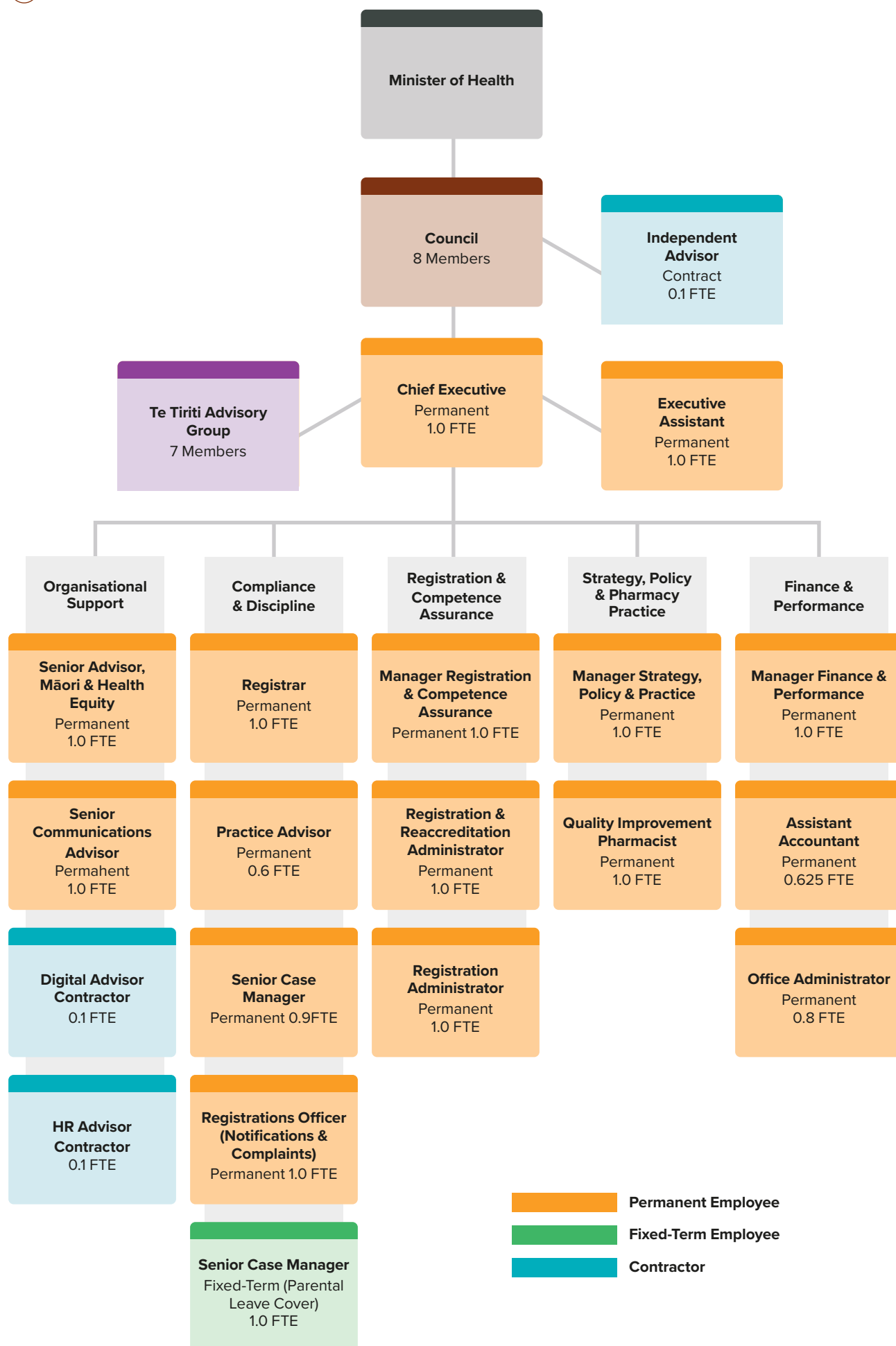
Council also utilises the services of other independent contractors (for the most part these are practising pharmacists), to support the delivery of its regulatory work through their participation in advisory groups, working parties, focus groups, monitoring and supervision activities, and professional conduct committee processes. Council appreciates the willingness of the profession to engage and contribute time and energy to Council's work programme.

Building our regulatory capability

As part of being a modern regulator, our operational team members are encouraged and supported to complete the Government Regulatory Practice Initiative (G-REG) Certificate in Regulatory Compliance (Core Knowledge) Level 3.

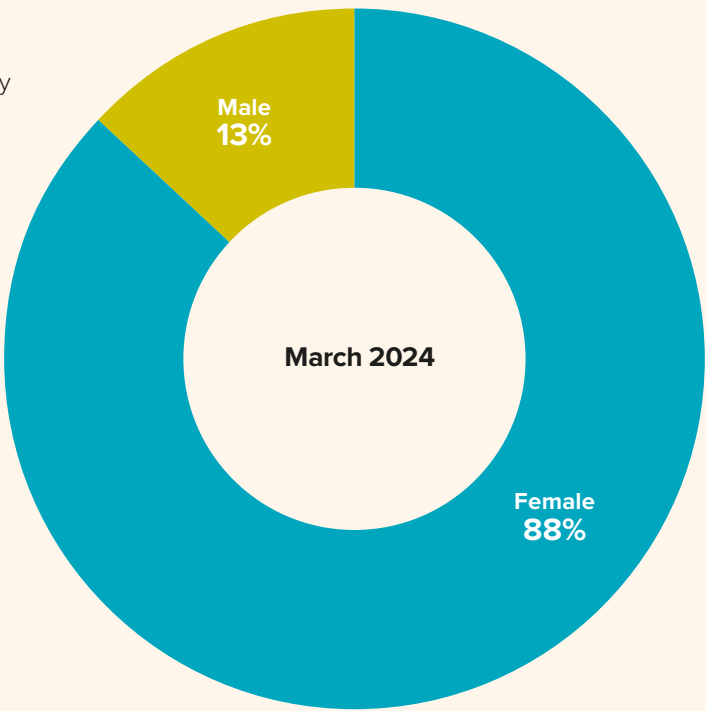
Council also encourages all new team members to undertake specific training on the scope and requirements of the HPCA Act.



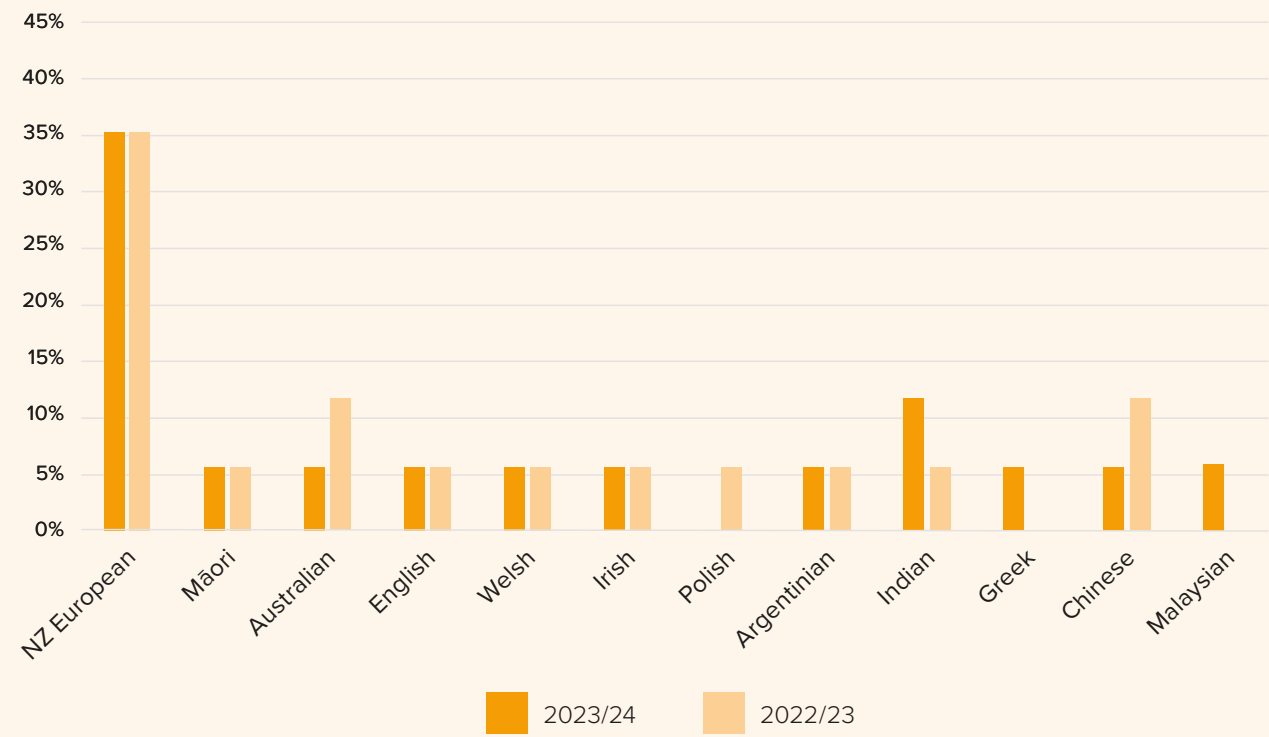


Diversity

Council is committed to ensuring diversity is represented and respected in its recruitment processes.



Our small operational team is ethnically diverse. Team members identify as:



Being a good employer

We are committed to being a good employer by ensuring our policies and practices are fair and proper in how we treat our employees in all aspects of their employment.

Our practices include

| | |
|---|--|
| Leadership, accountability and culture | <ul style="list-style-type: none"> — having up-to-date operational staff and governance handbooks — actively engaging all staff in the development of policies and procedures that affect their roles — supporting the development of effective leadership skills |
| Recruitment, selection and induction | <ul style="list-style-type: none"> — following a recruitment process based on merit — ensuring diversity is represented and respected as part of our recruitment process — having a mix of full-time and part-time team members |
| Employee development, promotion and exit | <ul style="list-style-type: none"> — ensuring all our operational team have access to professional development opportunities — conducting independent exit interviews as part of monitoring the culture of the organisation |
| Flexibility and work design | <ul style="list-style-type: none"> — working with team members to allow flexible working arrangements where business needs can enable this |
| Remuneration recognition and conditions | <ul style="list-style-type: none"> — reviewing team salaries annually, ensuring that relevant external factors are also considered — maintaining a market aligned remuneration system |
| Harassment and bullying prevention | <ul style="list-style-type: none"> — operating a zero tolerance for workplace bullying and harassment — encouraging all team members to raise issues immediately with the Chief Executive or Council members |
| Safe and healthy environment | <ul style="list-style-type: none"> — giving team members access to an Employee Assistance Programme providing confidential counselling and advice — providing access to annual flu vaccinations — providing team members with up-to-date emergency procedures (including fire warden training) and personal provisions to keep at their desks — providing health and safety equipment in the office in the event of a disaster |

Our functions

Administration of the pharmacist registration regulatory framework is delivered through the 13 regulatory functions embedded in section 118 of the Health Practitioners Competence Assurance Act 2003 and is supported by specific funding sources.

Scope and Standards

Scope of practice

- determine scope of practice for interns, pharmacists, and pharmacist prescribers

Competence Standards / Code of Ethics

- determine competence standards and the *Code of Ethics*
- describe pharmacy practice standards, protocols and set competence programmes

Funded by:
Annual Practising Certificate fee

Assurance of Qualifications and Competence

Qualifications

- prescribe the qualifications for each scope of pharmacist practice
- accredit and monitor the educational institutions and degrees, courses of study and programmes that deliver these qualifications

Competence

- set the recertification requirements for pharmacists to provide assurance of ongoing competence.

Funded by:
Annual Practising Certificate fee

Registration, Complaints and Discipline

Registration and certification

- authorise registration of interns, pharmacists, and pharmacist prescribers
- consider applications for annual practising certificates
- maintain a public register of pharmacists

Complaints and notifications

- assess complaints and notifications
- consider whether professional, clinical, and ethical standards have been upheld by individuals
- co-ordinate Professional Conduct Committees
- Health Practitioners Disciplinary Tribunal (outsourced)

Funded by:
Annual Practising Certificate fee
Other Administrative fees
Disciplinary Levy

Organisational

Governance

- council member meeting fees, travel and secretariat costs

Strategy, planning and performance

- advice to Council
- strategic policy development
- Responsible Authority obligations to the Minister of Health
 - performance monitoring and reporting requirements
- Annual Report

Communications

- stakeholder engagement and relationship management
- external and internal communications
- website content development and maintenance

Business operations

- finance, legal and human resources
- IT, database, and information management
- operational policy

Funded by:
Annual Practising Certificate fee
Interest on investments

Our financial performance 2023/24

| | |
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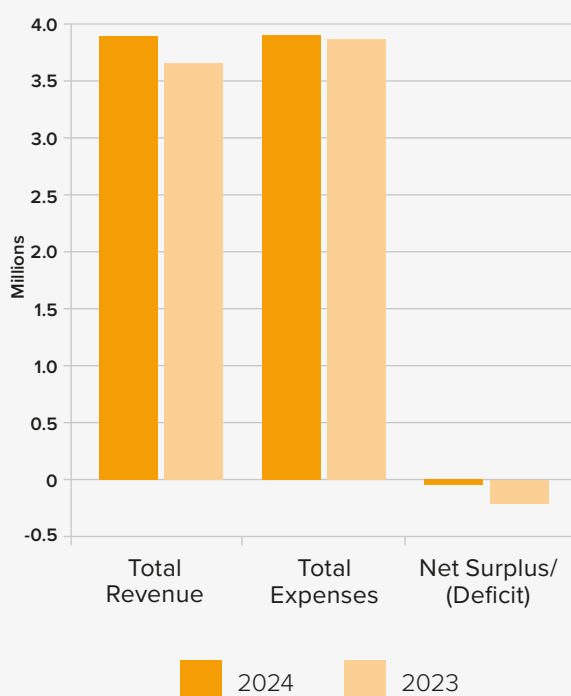
Our financial performance 2023/24

Overview

The Council's 2023/24 financial statements (for the period ended 31 March 2024) are outlined below. These have been audited in accordance with generally accepted accounting practice in New Zealand, and the auditors (Baker Tilly Staples Rodway, Office of the Auditor General [OAG] appointed) have issued an unmodified opinion.

Financial performance

The Council's financial performance is summarised in the graph below:



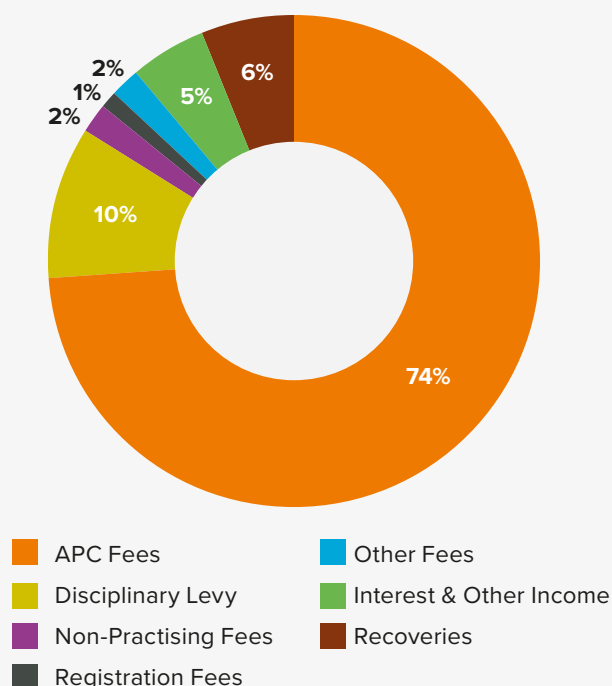
The Council has reported a small operating deficit of just over \$1,000 for the year ended 31 March 2024 against a budgeted deficit of around \$400,000 (i.e., almost a breakeven position).

The favourable variance against budget was achieved through:

- A better than forecasted return on term deposit investments made during the year.
- A reduction in planned personnel costs through a shared resourcing agreement with the Dental Council.
- Project-related external costs deferred to the 2024/25 budget year.

Revenue

The makeup of Council's revenue is depicted in the following graph:



Annual practising certificate (APC) fee

For the registration year commencing 1 April 2023 the total APC fee (comprising both the APC fee and the disciplinary levy) was set at \$850 including GST, an increase of \$33 over the previous year.

The APC portion of the fees collected comprise 74 percent of Council's total revenue for the year (2023: 76 percent).

Disciplinary levy

The Disciplinary levy portion of the fees collected comprise 10 percent of the Council's total revenue for the year (2023: 10 percent). This revenue meets the costs of the independent parties tasked with addressing disciplinary matters: the Professional Conduct Committees (PCCs) and the Health Practitioners Disciplinary Tribunal (HPDT).

Disciplinary recoveries

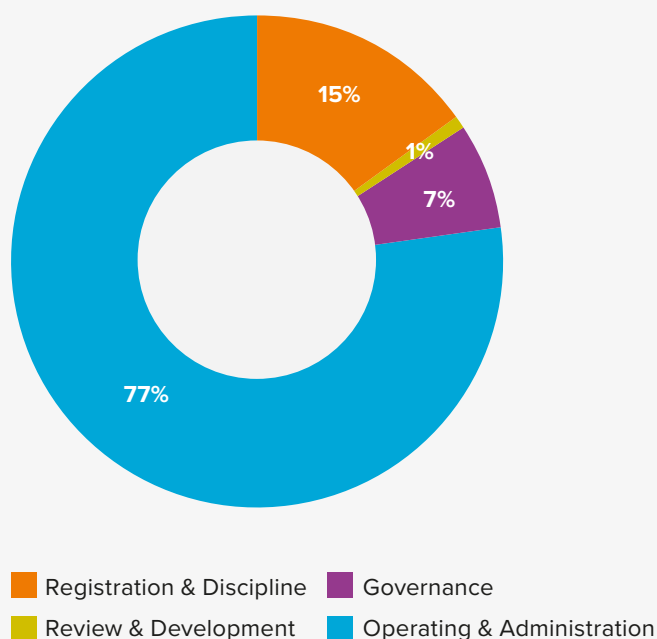
Disciplinary recoveries represent fines and costs awarded to the Council by the HPDT. The amount awarded represents a percentage or portion of the PCC and HPDT costs and generally starts at around 50 percent. These may be discounted further by HPDT after considering the individual circumstances of each practitioner.

During the year the Council was awarded costs of \$180,539 (2023: \$86,990) for three concluded cases. Costs incurred can span multiple financial years depending on the complexity of the investigations and the practitioner's willingness to engage with the process. The total costs incurred by Council over time in bringing these three cases to a conclusion were \$418,299 (2023: \$198,199).

The Council has however made a \$178,954 adjustment this year (2023: \$39,235) to reflect the potential of how much of the disciplinary recovery awards is deemed collectible. Every avenue is explored to collect the monies due to Council. Further collection and resourcing costs are often incurred by Council in pursuit of payment of these debts.

Expenses

The makeup of Council's revenue is depicted in the following graph:



Expenses this year were proportionate to the previous year. The greatest costs the Council incurs in the discharge of its 13 regulatory functions are its people, its technology infrastructure, and the management of registration, compliance and disciplinary matters.

Achieving an almost breakeven position this year was the result of:

- A reduction in planned personnel costs through a shared resourcing agreement with the Dental Council, and,
- Deferment of external costs for projects and developmental work to the 2024/25 budget year due to limited availability of specialist resources.

Financial position

The Council's assets and liabilities, or its financial position is summarised below:



At balance date the Council reported a working capital (current assets minus current liabilities) deficit of \$67,231 (2023: \$155,291) which could potentially be viewed as a going concern issue. However, income in advance of \$3,237,437 became 'cash' on 1 April 2024 therefore there is no issue with Council's ability to pay its debts as they fall due.

Accumulated reserves

The Council's accumulated reserves (or the difference between its assets and liabilities) are separated into a General reserve and a Disciplinary reserve. The net movement in each reserve for the year is detailed in Note 21 of the audited financial statements.

General reserve

The General reserve is marked for use in meeting the Council's ongoing regulatory, operational and capital costs.

The General reserve balance of \$443,337 at the balance date reflects the impact of adjustments made for the allocation in the current financial year of a percentage of additional internal overhead costs against the Disciplinary reserve.

Disciplinary reserve

The Disciplinary reserve is solely for use in meeting the external costs associated with PCC and HPDT cases (\$612,518) and the internal resourcing/overheads that are attributable to this regulatory activity (\$242,850). This year, costs of \$855,368 were \$279,844 more than the overall levies charged for 2023/24, and the PCC/HPDT recoveries awarded. External costs for legal fees and committee proceedings are impacted by both the volume and complexity of cases managed.

While cost recoveries awarded by the HPDT are intended to offset the shortfall, because of the expected ability to collect, the net effect for the current year was still an overall reduction to the Disciplinary reserve resulting in a negative reserve balance of \$261,698 at balance date (which is being temporarily funded by the General reserve until 1 April 2024). The Council did not exercise its ability to make any additional disciplinary levy collections during the financial year, however the increase applied to the disciplinary levy for the 2024/25 recertification year will begin the process of redressing the impact of these costs on the future reserve balance.

Equity

At the end of the 2023/24 financial year the Council's overall accumulated reserve balance, or equity, was \$181,640 (which is below the Council's calculated policy minimum level for 2023/24 of around \$560,000). The recognition of movements between the two reserves at balance date meant the Disciplinary reserve was reported in deficit while the General reserve was reported in funds.

The Council's stated policy is that a minimum of one month's budgeted operational costs should always be held in the General reserve in the event of extraordinary operating costs being incurred at any point in time (i.e., a form of self-insurance), and that a minimum Disciplinary reserve of \$200,000 should be held against cost increases associated to the triage and management of the compliance, notification and disciplinary procedures caseload.

The Council has prioritised a strategy for 2025/26 onwards to stage a progressive rebuild of its reserve balances back to at least the policy minimums. It is critical for the sustainability of the organisation that the Council has sufficient reserves to respond to wider health and pharmacy sector issues.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Auditor-General is the auditor of the Pharmacy Council of New Zealand ('the Council'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements of the Council on his behalf.

Opinion

We have audited the financial statements of the Council that comprises the statement of comprehensive revenue and expenses, the financial position as at 31 March 2024, the statement of changes in net assets, and the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Council:

- presents fairly, in all material respects,
 - its entity information and financial position as at 31 March 2024; and
 - its financial performance and cash flows for the year then ended; and
- complies with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime

Our audit was completed on 8 August 2024. This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of the Council for the financial statements

The Council is responsible for preparing the financial statements that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements, the Council members are responsible for assessing the Council's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Council or to cease operations, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the governing body and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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

Chrissie Murray
Baker Tilly Staples Rodway Audit Limited

On behalf of the Auditor-General
Wellington, New Zealand

Pharmacy Council of New Zealand
Statement of Comprehensive Revenue and Expense
For the year ended 31 March 2024

| | Notes | 2024 \$ | 2023 \$ |
|--|-------|-------------------------|-------------------------|
| Revenue from non-exchange transactions | | | |
| Annual Practising Certificate fees | 5 | 2,884,849 | 2,774,432 |
| Disciplinary levies | | 394,985 | 379,339 |
| Disciplinary recoveries | | 180,539 | 90,679 |
| | | <u>3,460,372</u> | <u>3,244,450</u> |
| Revenue from exchange transactions | | | |
| Registration fees | | 42,430 | 43,564 |
| Non-Practising fees | | 81,932 | 77,864 |
| Overseas pharmacist fees | | 41,083 | 16,800 |
| Other fees | | 20,248 | 16,249 |
| Interest income | 6 | 83,227 | 24,064 |
| Credit card recoveries | | 47,796 | 44,968 |
| Other income | 7 | 113,086 | 183,855 |
| | | <u>429,800</u> | <u>407,364</u> |
| Total revenue | | <u>3,890,173</u> | <u>3,651,814</u> |
| Expenses | | | |
| Registration and discipline | 8 | 589,640 | 527,509 |
| Review & development | | 50,256 | 176,448 |
| Governance | 17 | 268,853 | 270,506 |
| Stakeholder engagement | | 30,061 | 13,598 |
| Operating and administration | 9 | 2,952,545 | 2,868,440 |
| Total expenses | | <u>3,891,356</u> | <u>3,856,502</u> |
| Total (deficit) for the year | | <u>(1,183)</u> | <u>(204,689)</u> |
| Total Comprehensive (expenses) and revenue for the year | | <u>(1,183)</u> | <u>(204,689)</u> |



Pharmacy Council of New Zealand
Statement of Changes in Net Assets
For the year ended 31 March 2024

| | Notes | Accumulated comprehensive revenue and expense \$ | Total \$ |
|---------------------------------|-------|--|----------------|
| Balance at 1 April 2022 | | 387,511 | 387,511 |
| (Deficit) for the year | | (204,689) | (204,689) |
| Other comprehensive income | | - | - |
| Balance at 31 March 2023 | | 182,823 | 182,823 |
| (Deficit) for the year | | (1,183) | (1,183) |
| Other comprehensive income | | - | - |
| Balance at 31 March 2024 | 21 | 181,640 | 181,640 |



Pharmacy Council of New Zealand
Statement of Financial Position
As at 31 March 2024

| | Notes | 2024 \$ | 2023 \$ |
|---|-------|-------------------------|-------------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 11 | 2,312,328 | 2,254,266 |
| Investments | 12 | 1,750,000 | 1,500,000 |
| Receivables | 13 | 19,698 | 50,004 |
| | | <u>4,082,026</u> | <u>3,804,270</u> |
| Non-Current Assets | | | |
| Intangible assets | 14 | 79,524 | 150,613 |
| Property, plant and equipment | 15 | 371,334 | 433,706 |
| Work in progress | 16 | - | 24,418 |
| | | <u>450,858</u> | <u>608,736</u> |
| Total Assets | | <u>4,532,883</u> | <u>4,413,007</u> |
| Current Liabilities | | | |
| Accounts payable | | 155,824 | 132,755 |
| Other payables and accruals | 18 | 586,443 | 663,293 |
| Income in advance | | 3,237,437 | 2,980,208 |
| Employee entitlements | | 100,918 | 123,452 |
| Finance Leases | 19 | 64,785 | 59,854 |
| | | <u>4,145,406</u> | <u>3,959,562</u> |
| Non-Current Liabilities | | | |
| Finance Leases | 19 | 205,837 | 270,623 |
| | | <u>205,837</u> | <u>270,623</u> |
| Total Liabilities | | <u>4,351,244</u> | <u>4,230,184</u> |
| Net Assets | | <u>181,640</u> | <u>182,823</u> |
| Equity | | | |
| Accumulated comprehensive revenue and expense | 21 | 181,640 | 182,823 |
| Total Equity | | <u>181,640</u> | <u>182,823</u> |

Signed for and on behalf of the Council Members who authorised these financial statements for issue on 6 August 2024:


 Chair of Council


 Chief Executive



Pharmacy Council of New Zealand
Statement of Cash Flows
For the year ended 31 March 2024

| | Notes | 2024 \$ | 2023 \$ |
|---|-----------|-------------------------|---------------------------|
| Cash flows from operating activities | | | |
| <i>Receipts</i> | | | |
| Receipts from APC fees | | 2,884,849 | 2,774,432 |
| Receipts from Disciplinary Levy | | 394,985 | 379,339 |
| Receipts from other exchange transactions | | 213,890 | 287,001 |
| Receipts from other non-exchange transactions | | 598,649 | 295,120 |
| Interest received | | 81,075 | 22,691 |
| | | <u>4,173,448</u> | <u>3,758,583</u> |
| <i>Payments</i> | | | |
| Payments to suppliers and employees | | <u>3,717,259</u> | <u>3,573,053</u> |
| Net cash flows from operating activities | | <u>456,189</u> | <u>185,530</u> |
| Cash flows from investing activities | | | |
| <i>Receipts</i> | | | |
| Sale of property, plant and equipment and intangibles | | <u>-</u> | <u>16,487</u> |
| | | <u>-</u> | <u>16,487</u> |
| <i>Payments</i> | | | |
| Purchase of property, plant and equipment and intangibles | | 64,065 | 508,056 |
| Investments in short term deposits | 20 | <u>250,000</u> | <u>1,500,000</u> |
| | | <u>314,065</u> | <u>2,008,056</u> |
| Net cash flows from investing activities | | <u>(314,065)</u> | <u>(1,991,569)</u> |
| Net cash flows from financing activities | | | |
| Finance Lease Repayments | | (59,854) | (34,896) |
| Interest Paid | | <u>(24,208)</u> | <u>(23,051)</u> |
| Net Cash Flows from/(used in) Financing Activities | | <u>(84,062)</u> | <u>(57,947)</u> |
| Net Change in Cash and Cash Equivalents | | 58,061 | (1,863,987) |
| Cash and Cash Equivalents at the Beginning of the Financial Year | | <u>2,254,266</u> | <u>4,118,253</u> |
| Cash and Cash Equivalents at the End of the Financial Year | 11 | <u>2,312,328</u> | <u>2,254,266</u> |



These financial statements should be read in conjunction with the notes to the financial statements

Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

1 Reporting entity

The Pharmacy Council of New Zealand (the Council) is a body corporate established under the Health Practitioners Competence Assurance Act 2003.

These financial statements and the accompanying notes summarise the financial results of the activities carried out by the Council. To protect the health and safety of the New Zealand public, the Council provides mechanisms to ensure that pharmacists are competent and fit to practise in their profession. The Council is a charitable organisation registered under the Charities Act 2005.

These financial statements have been approved and were authorised for issue by the Council on 6 August 2024.

2 Statement of compliance

The financial statements have been prepared on the going concern basis, and have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with public benefit entity international public-sector accounting standards (PBE IPSAS) and other applicable financial reporting standards as appropriate that have been authorised for use by the New Zealand External Reporting Board for public sector entities. For the purposes of complying with NZ GAAP, the Council is a public sector public benefit entity and is eligible to apply Tier 2 Public Sector PBE IPSAS RDR on the basis that it does not have public accountability and is not defined as large.

As at balance date there is a working capital deficit of \$67,231 (current assets less current liabilities). This could indicate that the Council is unable to pay its debts as they fall due, and potentially indicate a Going Concern issue for readers of these financial statements. The income in advance balance of \$3,237,437 that forms part of working capital is only held as such because it relates to the next reporting period, and will not require repayment. With this considered, the Council does not have a working capital issue, and is able to pay its debts as they fall due.

The Council has elected to report in accordance with Tier 2 public sector PBE accounting standards and, in doing so, has taken advantage of all applicable reduced disclosure regime (RDR) disclosure concessions.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

3 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both periods presented in these financial statements.

3.1 Basis of measurement

These financial statements have been presented based on historical cost.

3.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Council's functional currency. All amounts disclosed in the financial statements have been rounded to the nearest dollar.

3.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Council and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

Disciplinary levies and Annual Practising Certificate (APC) income

Disciplinary levies and APC fees are recognised in full upon the commencement of the practising year to which they relate. Revenue from the provision of other services is recognised when the service has been provided. Where provision of services is extended over a period of time, the stage of completion is estimated and revenue recognised according to the proportion of service provided.



Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

Disciplinary recoveries

Disciplinary recoveries represent fines and costs awarded to the Council by the Health Practitioners Disciplinary Tribunal (HPDT). The amount awarded represents a percentage or portion of the Professional Conduct Committee (PCC) and HPDT costs.

Once awarded by the HPDT, disciplinary recoveries are reflected in the accounts at the amount determined by the HPDT.

Revenue from exchange transactions

Fees received

Fees received include application and registration fees for scopes of practice, certification and assessment-related activities and are recognised when invoiced.

Interest income

Interest revenue is recognised as it accrues, using the effective interest method.

Other income

All other revenue from exchange transactions is recognised when earned.

3.4 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Council becomes a party to the contractual provisions of the financial instruments.

The Council derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, when:

1. the rights to receive cash flows from the asset have expired or are waived; or
2. the rights to receive cash flows have been transferred to a third party; or
3. an obligation has been assumed to pay received cash flows in full without material delay to a third party; and either
 - (a) the Council has transferred substantially all the risks and rewards of the asset; or
 - (b) the Council has neither transferred nor retained substantially all the risks and rewards of the the asset but has transferred control of the asset.



Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

Financial assets

Financial assets within the scope of PBE IPSAS 41 - Financial Instruments are initially recognised at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. The Council classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive revenue and expenses, or fair value through surplus or deficit based on requirements as per PBE IPSAS 41 – Financial Instruments.

The Council's financial assets are classified as loans and receivables. The Council's financial assets include: cash and cash equivalents, short term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Impairment of financial assets

The Council assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired, and impairment losses are incurred, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has affected the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining any objective evidence of impairment, the Council first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Council determines there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.



Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

There has been no impairment of financial assets for the year ended 31 March 2024.

Financial liabilities

The Council's financial liabilities include accounts payable (excluding GST and PAYE) and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit. Such liabilities are subsequently measured at fair value.

3.5 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41. No loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

3.6 Investments

Investments in term deposits are initially measured at the amount invested, as this reflects fair value for these market-based transactions. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Short-term investments comprise term deposits with a term of greater than three months and therefore do not fall into the cash and cash equivalents category.

Long-term investments comprise term deposits that have a term of greater than 12 months.



Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

3.7 Receivables from exchange and non-exchange transactions

Short-term receivables from exchange and non-exchange transactions are recorded at the amount due less an allowance for credit losses. Council applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed collectively as they share credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables from the exchange and non-exchange transactions are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or an inability to locate the debtor.

The previous year's allowance for credit losses was based on the incurred credit loss model. An allowance loss was recognised only when there was objective evidence that the amount would not be fully collected.

3.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

| | |
|------------------------|----------|
| • Furniture & fittings | 10 years |
| • Office equipment | 5 years |
| • Computer equipment | 3 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

3.9 Work in progress

Work in progress is stated at cost and not depreciated. Depreciation on work in progress starts when assets are ready for their intended use and are capitalised.



Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

3.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of their exchange.

Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The Council does not hold any intangible assets that have an indefinite life.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The amortisation periods for the Council's assets are as follows:

- | | |
|---------------------|---------|
| • Website | 3 years |
| • Computer software | 3 years |

3.11 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Finance lease agreements are reported as current and non-current assets and liabilities in the statement of financial position. Interest expenses are recognised and lease costs are amortised in the statement of financial performance on the basis of the lease term.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

3.12 Employee benefits

Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

3.13 Income Tax

The Council is exempt from Income Tax. The Council registered as a charitable entity under the Charities Act 2005 on 30 June 2008 (Registration Number CC29809) to maintain its tax exemption status.

3.14 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to Inland Revenue is included as part of receivables and payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to Inland Revenue is classified as part of operating cash flows.

3.15 Equity

Equity is measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Council's accumulated surplus or deficit since its formation.



Pharmacy Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2024

4 Significant accounting judgements estimates and assumptions

The preparation of the Council's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

Leases as a lessee - Council (along with the Dental Council of New Zealand as an equal partner) has entered into a lease agreement with its landlord whereby the costs of the building fitout have been borne by the landlord and will be repaid, plus interest, over a term of six years. This has been presented in the financial statements as a right-of-use asset - property, plant and equipment (see notes 9, 15 & 19).

Council has presented interest expense on the fit-out lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the fit-out lease liability is a component of finance costs, which are presented separately in the statement of financial performance.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at balance date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- condition of the asset
- nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- nature of the processes in which the asset is deployed.
- availability of funding to replace the asset.
- changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by the Council are listed in Notes 3.8 & 3.10.

Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

Expected credit loss allowance

Council gives every effort to the collection of its disciplinary debts. Each year the outstanding disciplinary debts are assessed for their likelihood of payment. The expected credit losses for this year relate to HPDT awards against three individuals and amount to \$178,954 (LY \$39,235).

5 Annual practising certificate fees

| | 2024 | 2023 |
|---|------------------|------------------|
| | \$ | \$ |
| Pharmacist | 2,732,759 | 2,579,275 |
| Pharmacist Prescriber | 37,474 | 31,071 |
| Intern Pharmacist | 95,136 | 123,581 |
| Return to Practise | 15,894 | 37,896 |
| APC Application fee | 3,586 | 2,610 |
| Total Annual practising certificate fees | 2,884,849 | 2,774,432 |

6 Interest income

| | 2024 | 2023 |
|------------------------------|---------------|---------------|
| | \$ | |
| Interest | 83,227 | 24,064 |
| Total Interest income | 83,227 | 24,064 |

Interest rates on term deposits were secured at a higher average yield than those in the previous year.

7 Other income

| | 2024 | 2023 |
|---------------------------|----------------|----------------|
| Other Income | 113,086 | 23,228 |
| Pharmacy Team Relief Fund | - | 160,626 |
| Total Other income | 113,086 | 183,855 |

Other income for the year was generated through the transition to in-house provision by Council of accreditation services to education providers, and a shared resources agreement with the Dental Council for joint development of a Māori and Health Equity work programme.

The Ministry of Health contract to administer the Pharmacy Team Relief Fund was concluded in the previous financial year.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

8 Registration and discipline

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| Registration | 30,722 | 14,985 |
| Discipline | 448,228 | 428,729 |
| Competence and health | 110,691 | 83,795 |
| Total Registration and discipline | 589,640 | 527,509 |

Registration costs relate to fees incurred for external examinations and assessments of individual applicants and practitioners.

Discipline costs incurred through Professional Conduct Committee (PCC) and Health Practitioner Disciplinary Tribunal (HPDT) processes are funded from disciplinary levy revenue.

Competence costs are incurred through the bi-annual delivery of the Intern Assessment Centre. Health costs are incurred through Competence and Fitness to Practice Committee proceedings, and assessments for health disclosures.

| Disciplinary Caseload | In Process @ 31Mar23 | Opened This Year | Prior Year Cases Closed | Current Year Cases Closed | In Process @ 31Mar24 |
|-----------------------|----------------------|------------------|-------------------------|---------------------------|----------------------|
| PCC | 4 | 7 | 4 | 2 | 5 |
| HPDT | 5 | 1 | 3 | 0 | 3 |
| TOTAL | 9 | 8 | 7 | 2 | 8 |

The volume of HPDT cases closed during the period was affected by backlogs in HPDT committee processes affecting all Responsible Authorities.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

9 Operating and administration

Operating and administration expenses include the following specific expenses:

| | | 2024 | 2023 |
|--|-------|------------------|------------------|
| | Notes | \$ | \$ |
| Accountancy advice | | 5,862 | 3,090 |
| Advisory services | | 36,838 | 19,842 |
| Amortisation costs | | 102,369 | 108,413 |
| Audit fees | 10 | 15,705 | 15,046 |
| Bank fees | | 596 | 428 |
| Expected credit loss allowance / debt collection | a) | 164,291 | 1,472 |
| Credit Card and Account to Account bank fees | | 47,492 | 45,624 |
| Depreciation | | 95,036 | 82,390 |
| Finance Lease Costs | | 24,208 | 23,051 |
| Information technology costs | b) | 393,538 | 308,939 |
| Insurance | | 19,054 | 18,269 |
| Legal costs | | 8,269 | 8,212 |
| Loss on write off / disposal of assets | | 121 | 12,441 |
| Movement in onerous lease provision | 24 | - | (22,725) |
| Premises and occupancy costs | c) | 192,523 | 164,917 |
| Sundry costs | | 3,925 | 7,597 |
| Personnel costs | d) | 1,825,000 | 1,902,106 |
| Pharmacy Team Relief Fund Claims | | - | 150,784 |
| Printing and stationery | | 5,195 | 6,487 |
| Postage and courier | | 2,993 | 2,468 |
| Telecommunications | | 9,530 | 9,592 |
| Total Operating and administration | | 2,952,545 | 2,868,440 |

a). Net movement of \$148,954 in expected credit loss allowance as three large disciplinary debtors required credit loss allowance.

b). IT cost increases in relation to Records Management Design, Sharepoint Migration and Public Website performance enhancement projects undertaken.

c). Full year occupancy of new premises at 22 The Terrace including payment of fit out rent.

d). Delays in recruitment and appointments processes combined with lower overall recruitment costs plus credit adjustment for movement in accrued annual leave.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

10 Auditor's remuneration

Baker Tilly Staples Rodway are the Council's auditors on behalf of the Office of the Auditor General. The audit fees charged for the 2024 year are \$15,705. (2023 \$15,046)

Non-audit services are not provided by Baker Tilly Staples Rodway.

11 Cash and cash equivalents

Cash and cash equivalents include the following components:

| | 2024 | 2023 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash at bank | 2,062,328 | 1,254,266 |
| Short term bank deposits | 250,000 | 1,000,000 |
| Total Cash and cash equivalents | 2,312,328 | 2,254,266 |

12 Investments

| | 2024 | 2023 |
|---|------------------|------------------|
| | \$ | \$ |
| Term deposits - Maturing within 12 months of balance date | 1,750,000 | 1,500,000 |
| | 1,750,000 | 1,500,000 |

13 Receivables

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$ | \$ |
| Receivables from exchange transactions | 5,167 | 9,427 |
| Interest receivable : exchange | 3,794 | 1,642 |
| Receivables from exchange transactions | 8,961 | 11,069 |
| Receivables from non-exchange transactions | 189,691 | 78,170 |
| Credit loss allowance :- non-exchange | (178,954) | (39,235) |
| Receivables from non-exchange transactions | 10,737 | 38,935 |
| Total Receivables | 19,698 | 50,004 |



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

14 Intangible assets

| 2024 | Website | Software | Total |
|--------------------------|--------------|---------------|---------------|
| | \$ | \$ | \$ |
| Cost | 47,038 | 794,940 | 841,978 |
| Accumulated depreciation | 43,118 | 719,336 | 762,454 |
| Net book value | 3,920 | 75,604 | 79,524 |

| 2023 | Website | Software | Total |
|--------------------------|---------------|----------------|----------------|
| | \$ | \$ | \$ |
| Cost | 47,038 | 763,660 | 810,698 |
| Accumulated depreciation | 27,439 | 632,646 | 660,085 |
| Net book value | 19,599 | 131,014 | 150,613 |

Reconciliation of the carrying amount at the beginning and end of the period:

| 2024 | Website | Software | Total |
|------------------------|--------------|---------------|---------------|
| | \$ | \$ | \$ |
| Opening balance | 19,599 | 131,014 | 150,613 |
| Additions | - | 31,280 | 31,280 |
| Amortisation | 15,679 | 86,690 | 102,369 |
| Closing balance | 3,920 | 75,604 | 79,524 |

15 Property, plant and equipment

| 2024 | Leased Assets | Computer Equipment | Furniture & Fittings | Office Equipment | Total |
|--------------------------|----------------|--------------------|----------------------|------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Cost | 375,320 | 113,954 | 89,148 | 13,924 | 592,345 |
| Accumulated depreciation | 122,571 | 75,421 | 15,831 | 7,189 | 221,011 |
| Net book value | 252,749 | 38,533 | 73,317 | 6,734 | 371,334 |

| 2023 | Leased Assets | Computer Equipment | Furniture & Fittings | Office Equipment | Total |
|--------------------------|----------------|--------------------|----------------------|------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Cost | 375,320 | 88,844 | 88,606 | 19,597 | 572,368 |
| Accumulated depreciation | 54,758 | 61,181 | 7,070 | 15,654 | 138,662 |
| Net book value | 320,562 | 27,663 | 81,536 | 3,944 | 433,706 |

The net carrying amount of leased assets held under finance leases is \$252,749. Note 19 provides further information about finance leases.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

Reconciliation of the carrying amount at the beginning and end of the period:

| 2024 | Leased Assets | Computer Equipment | Furniture & Fittings | Office Equipment | Total |
|------------------------|------------------|-----------------------|-------------------------|---------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Opening balance | 320,562 | 27,663 | 81,536 | 3,944 | 433,706 |
| Additions | - | 27,967 | 780 | 4,038 | 32,785 |
| Disposals | - | - | 121 | - | 121 |
| Depreciation | 67,813 | 17,098 | 8,878 | 1,247 | 95,036 |
| Closing balance | 252,749 | 38,533 | 73,317 | 6,734 | 371,334 |

16 Work in progress

Capital work in progress at the reporting date. \$ Nil (2023: \$24,418)

17 Related party transactions

The Council has related party transactions with respect to fees paid to Council members and its independent advisor and with respect to Council members who pay to the Pharmacy Council APC fees and disciplinary levies as pharmacists.

Fees paid to Council members and its independent advisor for attending Council, other Council statutory and non-statutory committees (Finance Assurance & Risk Management [FARMC], Competence & Fitness to Practise [CFTP] and the Intern Assessment Advisory Group [IAAG]), and participating in other fora are disclosed below.

There were no other related party transactions. (2023: \$Nil).

Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

| | 2024 | 2023 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Councillors / Advisor Fees | 174,497 | 180,445 |
| Councillors / Advisor Expenses | 45,124 | 42,640 |
| Total | 219,621 | 223,084 |
| Fees Paid | | |
| K Azer | 13,915 | 12,088 |
| A Bauld (Chair) | 66,864 | 64,853 |
| A Chan | 12,963 | 12,770 |
| M Hudson | 12,611 | 12,508 |
| M Lomax | 9,726 | 12,307 |
| N Nu'u | 11,072 | 14,394 |
| M Wu (Deputy Chair) | 16,299 | 13,162 |
| A Zareh | 11,775 | 15,274 |
| Total Fees Paid to Councillors | 155,225 | 157,355 |
| J Galt (Advisor) | a) 19,272 | 23,089 |
| Total Fees Paid to Advisor | 19,272 | 23,089 |
| Total Fees Paid | 174,497 | 180,445 |

Certain council members are also practising pharmacists and deal with the Council on the same basis as other pharmacists.

a) Employed by Council as independent advisor and is also chair of FARMC. Attends Council meetings in an advisory capacity only.

Key management personnel

The governing body of the Council with authority and responsibility for planning, directing and controlling the activities of the entity is constituted of the Council Members and the independent FARMC Chair. The remuneration paid to Council Members and the FARMC Chair is set out above. The Chief Executive, Registrar, Manager Strategy Policy & Practice, Manager Registration & Competence Assurance and the Manager Finance & Performance are the Council's key management personnel, as defined by PBE IPSAS 20 PS Related Party Disclosures.

The aggregate remuneration of Council Members, independent FARMC Chair, key management personnel and the number of individuals, determined on a full time equivalent basis, receiving remuneration is as follows.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

| | 2024 | 2023 |
|---------------------------------------|---------|---------|
| | \$ | \$ |
| Total remuneration | 969,692 | 992,174 |
| Number of full-time equivalents (FTE) | 5.6 | 5.9 |

Remuneration and compensation provided to close family members of key management personnel

During the reporting period, total remuneration and compensation of \$Nil (2023: \$Nil) was provided by the Council to employees who are close family members of key management personnel.

18 Other payables and accruals

| | Notes | 2024 | 2023 |
|--|-------|----------------|----------------|
| | | \$ | \$ |
| Exchange payables | | | |
| Accruals | | 91,143 | 121,321 |
| Final settlement of onerous lease | 24 | - | 93,332 |
| Total exchange payables | | <u>91,143</u> | <u>214,653</u> |
| Non exchange payables | | | |
| GST to IRD | | 443,823 | 400,248 |
| PAYE to IRD | | 51,477 | 48,392 |
| Total non exchange payables | | <u>495,300</u> | <u>448,640</u> |
| Total other payables and accruals | | <u>586,443</u> | <u>663,293</u> |

19 Leases

As at the reporting date, the Council has entered the following non-cancellable operating leases.

a) The lease agreement for 22 The Terrace (commencing 2 June 2022, expiring 2 June 2028 with two rights of renewal) is in the names of the Dental Council and the Pharmacy Council of New Zealand (two responsible authorities), both of which have joint and several liability for the total lease costs. The two Councils have agreed to meet total lease costs and operating expenses on an equal share basis.

The lease has operating (fixed rental and variable service charges) and finance lease components (relating to the landlord's fitout costs). Service charges are assumed to increase by 7% at each future anniversary date of the lease.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

Operating component - Premises Lease

| Lease of premises 22 The Terrace (Pharmacy Council Share) | 2024 \$ | 2023 \$ |
|--|----------------|----------------|
| Not later than one year | 151,921 | 149,300 |
| Later than one year and no later than five years | 500,612 | 625,309 |
| Later than five years | - | 27,224 |
| | 652,533 | 801,833 |

| Lease of premises 22 The Terrace (two responsible authorities) | 2024 \$ | 2023 \$ |
|---|------------------|------------------|
| Not later than one year | 303,842 | 298,600 |
| Later than one year and no later than five years | 1,001,224 | 1,250,618 |
| Later than five years | - | 54,447 |
| | 1,305,066 | 1,603,666 |

Finance component - Fitout Lease

The finance lease in respect of the premises fitout is unsecured at 8% per annum and matures in June 2028

| Future minimum finance lease payments (Pharmacy Council Share) | 2024 \$ | 2023 \$ |
|---|----------------|----------------|
| Not later than one year | 53,808 | 49,684 |
| Later than one year and no later than five years | 201,987 | 243,543 |
| Later than five years | - | 12,253 |
| | 255,795 | 305,480 |

| Future minimum finance lease payments (two responsible authorities) | 2024 \$ | 2023 \$ |
|--|----------------|----------------|
| Not later than one year | 107,616 | 99,369 |
| Later than one year and no later than five years | 403,974 | 487,085 |
| Later than five years | - | 24,506 |
| | 511,591 | 610,960 |

b) The Pharmacy Council has entered into a 3 year non cancellable finance lease agreement with Ricoh NZ Ltd for audio visual (AV) equipment, (start date 2 August 2022, ending 1 August 2025). Separately, the Pharmacy Council has agreed with the Dental Council to share lease costs and operating expenses on an equal share basis.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

| Lease of AV equipment from Ricoh NZ Ltd (Pharmacy Council Share) | 2024 \$ | 2023 \$ |
|---|---------------|---------------|
| Not later than one year | 10,977 | 10,169 |
| Later than one year and no later than five years | 3,850 | 14,827 |
| | 14,827 | 24,997 |

c) An early exit of the operating lease agreement at 80 The Terrace (start date 1 November 2014) in the names of the Dental Council, Physiotherapy Board of New Zealand, Medical Sciences Council of New Zealand, New Zealand Medical Radiation Technologists Board, and the Pharmacy Council of New Zealand (five responsible authorities all of which had joint and several liability) was negotiated with the landlord and the lease was terminated on 20 May 2023.

| Lease of premises 80 The Terrace (Pharmacy Council Share) | 2024 \$ | 2023 \$ |
|--|------------|---------------|
| Not later than one year | - | 96,033 |
| Later than one year and no later than five years | - | - |
| Later than five years | - | - |
| | - | 96,033 |

| Lease of premises 80 The Terrace (five responsible authorities) | 2024 \$ | 2023 \$ |
|--|------------|----------------|
| Not later than one year | - | 388,747 |
| Later than one year and no later than five years | - | - |
| Later than five years | - | - |
| | - | 388,747 |

Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

20 Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

| | 2024 | 2023 |
|--|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Cash and cash equivalents | 2,312,328 | 2,254,266 |
| Investments | 1,750,000 | 1,500,000 |
| Receivables from non-exchange transactions | 189,691 | 78,170 |
| | <u>4,252,018</u> | <u>3,832,436</u> |
| Financial liabilities | | |
| Accounts payable | 155,824 | 132,755 |
| Accruals | 91,143 | 214,653 |
| Income in advance | 3,237,437 | 2,980,208 |
| Finance leases | 270,951 | 330,476 |
| Employee entitlements | 100,918 | 123,452 |
| | <u>3,856,272</u> | <u>3,781,544</u> |

21 Accumulated comprehensive revenue and expense

To provide greater transparency for stakeholders, Council's accumulated comprehensive revenue and expense is separated into a General Reserve and a Disciplinary Reserve. The annual movement in the Disciplinary Reserve is calculated as the net of all income received from levies, awards and fines (including any bad debts recovered), the direct costs of PCC and HPDT activities plus an allocation for internal FTE resourcing. From this reporting year Council will also allocate pro-rated overhead costs against PCC and HPDT activities.

| | 2024 | 2023 |
|--|------------------|----------------|
| | \$ | \$ |
| General Reserve | | |
| Opening balance | 164,676 | 293,580 |
| Movements during the year | 278,661 | (128,903) |
| Closing balance | <u>443,337</u> | <u>164,676</u> |
| | | |
| | 2024 | 2023 |
| | \$ | \$ |
| Disciplinary Reserve | | |
| Opening balance | 18,146 | 93,931 |
| Movements during the year | (279,844) | (75,785) |
| Closing balance | <u>(261,698)</u> | <u>18,146</u> |
| | | |
| Total accumulated comprehensive revenue and expense | <u>181,640</u> | <u>182,823</u> |



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2024

22 Capital & operating commitments

There are no capital commitments at the reporting date. (2023: \$Nil)

23 Contingent assets and liabilities

There were no contingent assets or liabilities at the reporting date. (2023: \$Nil)

24 Onerous lease

Per note 19, the Council was jointly and severally liable for the lease of 80 The Terrace with the Dental Council of New Zealand, Medical Sciences Council of New Zealand, New Zealand Medical Radiation Technologists Board, and the Physiotherapy Board of New Zealand.

As the Council continued to meet its share of the lease commitment for 80 The Terrace but was unable to occupy the premises, the lease commitment was considered onerous in previous financial years.

The joint lessees completed negotiations with the lessor to exit the lease with effect from 20 May 2023. Due to the signing of a contract that agreed a defined final payment, the amount due to the landlord was reclassified as a liability in the previous financial year.

| | 2024 | 2023 |
|--|----------|-----------|
| Provision for Onerous Lease | \$ | \$ |
| Opening balance | - | 228,037 |
| Amounts incurred and charged against the provision | - | (109,279) |
| Gain on provision from reassessment | - | (30,499) |
| Unwinding of discount | - | 7,774 |
| Reclassification of onerous lease to payables | - | (96,033) |
| Closing balance | - | - |

25 Events after the reporting date

There are no other events after the reporting date to be disclosed.



Contact details

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Wellington 6140

Web: pharmacycouncil.org.nz
Email: enquiries@pharmacycouncil.org.nz

Barristers and Solicitors

Claro Law

PO Box 11455
Wellington 6142

Chapman Tripp

PO Box 933
Wellington 6140

Bankers

ANZ Banking Group (New Zealand) Ltd

215–229 Lambton Quay
Wellington 6011

Auditors

BakerTilly Staples Rodway

PO Box 1208
Wellington 6140





Te Pou Whakamana Kaimatū o Aotearoa

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