



*Pharmacy Council of New South Wales*

***Annual Report 2014***

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The Hon. Jillian Skinner MP  
Minister for Health and Minister for Medical Research  
Parliament House  
Sydney NSW 2000

Dear Minister

On behalf of the Pharmacy Council of New South Wales we are pleased to submit the Council's Annual Report for the period 1 July 2013 to 30 June 2014, for presentation to Parliament.

The Annual Report has been prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984*, the *Annual Reports (Statutory Bodies) Regulation 2010* and the *Public Finance and Audit Act 1983* as amended.

This is the fourth Annual Report of the Pharmacy Council of New South Wales following its establishment on 1 July 2010 pursuant to the *Health Practitioner Regulation National Law (NSW)* and the introduction of the National Registration and Accreditation Scheme for Health Professionals. The Council looks forward to continuing to work towards its remit, the "protection of the public" in NSW.

The Council records its appreciation of the work of the members of its various committees and panels.

The President and Members of the Council are extremely grateful for the ongoing support of its Executive Officer and small team of dedicated staff.

Yours sincerely

Helen Dowling  
**President**

Alison Aylott  
**Deputy President**

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# About the Council



The Pharmacy Council of New South Wales (the Council) is a statutory body established to manage complaints about pharmacists practising and pharmacy students studying in NSW, to regulate NSW pharmacy premises and to maintain a Register of Pharmacies.

The Council manages complaints and notifications about conduct, performance and health matters concerning NSW pharmacists and health and conduct matters related to NSW pharmacy students in consultation with the Health Care Complaints Commission (HCCC). The HCCC is a separate statutory authority, established under the *Health Care Complaints Act 1993*.

The Council is one of 14 health professional councils in NSW. The Health Professional Councils Authority (HPCA) provides secretariat and corporate support to assist the Councils in carrying out their regulatory responsibilities.

## Charter

The Council is constituted under the *Health Practitioner Regulation National Law (NSW)* (the Law) to exercise the powers, authorities, duties and functions imposed by the Law.

## Aims and Objectives

The purpose of the Council is to act in the interests of the public by regulating pharmacy premises and ensuring that registered pharmacists are fit to practise and pharmacy students are fit to have contact with members of the public whilst they undertake approved programs of study.

The Council manages a range of programs, services and procedures to achieve this purpose. As a result, members of the public can be reassured that registered pharmacists are required to maintain proper and appropriate standards of conduct and professional performance.

## Council Membership

Schedule 1A Clause 7 of the *Health Practitioner Regulation (New South Wales) Regulation 2010* prescribes that there are to be 10 members of the Council. Five members are to be local (that is, NSW) pharmacists elected by local pharmacists and appointed by the Governor. Five members are nominated by the Minister for Health and appointed by the Governor.

The five elected local pharmacist members were:

Ms Alison Joy Aylott BPharm MPS MACP

Mr Adrian Wei-Chun Lee BPharm MCom MPS FACP

Mr Stuart Ludington BPharm MPS

Mr Paul Sinclair BPharm

Mr Carl Cooper BA, MEd, GDip(Music Perf), BPharm AACP

The five Ministerial nominees were:

i. a local pharmacist who has expertise in working at a hospital pharmacy:

Ms Terry Anne Maunsell BPharm FSHP

ii. a local pharmacist involved in conducting approved programs of study for the pharmacy profession:

Mrs Helen Violet Dowling BPharm DipHospPharm (Admin) GradDipQlinHCare CHP FSHP AICD

iii. an Australian lawyer:

Ms Zoe Bojanac LLB

iv. two persons who are not pharmacists, to represent the community:

Ms Marilyn Starr

Ms Carolyn Burlew FAICD

## President and Deputy President

The President and Deputy President positions are prescribed in Clause 10 Schedule 5C of the Law. The President of the Council during the reporting period was Mrs Helen Violet Dowling and the Deputy President was Ms Alison Joy Aylott.

## Remuneration

Remuneration for members of the Council is as follows:

President	\$33,264 per annum
Deputy President	\$22,176 per annum
Members	\$11,088 per annum

Additionally, Council members receive sitting fees of \$462 per day and \$231 per half day for the conduct of Council Inquiries and attendance at committee meetings and other regulatory activities if held on a day other than the monthly Council meeting. Council members are reimbursed for expenses incurred when travelling on official business at Council direction.

Members of panels and tribunals also receive remuneration and reimbursement of expenses.

## Attendance at Council Meetings

The Council's ordinary monthly meetings were held on the second Wednesday of each month. In addition to 12 ordinary meetings, the Council held three extraordinary meetings.

Attendance at Council meetings was as follows:

Name	Meetings Attended	Leave of Absence Granted
Ms Alison Aylott	13	2
Ms Zoe Bojanac	15	0
Ms Carolyn Burlew	11	4
Mr Carl Cooper	14	0
Mrs Helen Dowling	14	1
Mr Adrian Lee	12	3
Mr Stuart Ludington	15	0
Ms Terry Maunsell	13	2
Mr Paul Sinclair	13	2
Ms Marilyn Starr	14	1

There were no absences of members without leave during the reporting period.

### Committees of the Council

Section 41F of the Law provides that the Council may establish committees to assist it with the exercise of its functions. Members of committees need not be Council members.

The following committees supported the Council during the reporting period:

- Notifications Committee
- Ownership Committee
- Communication Committee
- Policy, Practice and Legal Issues Committee
- Finance Committee
- Education and Research Committee.

### Notifications Committee

This Committee reviews all new complaints in consultation with the HCCC. Complaints referred to the Council for management following consultation with the HCCC are dealt with according to the provisions of the Law.

Meetings of this Committee are held on the third Thursday of each month and are attended by a senior officer of the HCCC.

The Committee met on 12 occasions.

Membership and attendance was as follows:

Member	Meetings Attended
Ms Alison Aylott ( <i>Chair</i> )	11
Ms Zoe Bojanac	9
Mrs Helen Dowling	11
Mr Stuart Ludington	12
Ms Marilyn Starr	10

### Casual Member

Ms Carolyn Burlew	2
Mr Carl Cooper	1
Mr Adrian Lee	4
Ms Terry Maunsell	2
Mr Paul Sinclair	2

### Ownership Committee

The ownership of pharmacy businesses in NSW is governed by the Law. Assessment of applications for changes in ownership of existing pharmacies, proposed ownership in a new pharmacy and the registration of pharmacy premises was undertaken by Council staff under the direction of the Executive Officer.

The Ownership Committee considers complex matters related to pharmacy ownership and makes recommendations to the Council on:

- what action may be taken in response to breaches of the Law of a serious nature related to ownership, usually after consultation with the Council's Legal Officer
- policy and procedural matters when advice is sought from the Executive Officer or the Legal Officer. This could occur when there are unusual circumstances not covered by existing policies and procedures
- when a need becomes apparent for changes to the Law relating to ownership.

The Committee met 12 times. Membership and attendance at meetings was as follows:

Member	Meetings Attended
Ms Alison Aylott	10
Mrs Helen Dowling	11
Mr Adrian Lee ( <i>Chair</i> )	10
Mr Stuart Ludington	11
Ms Tuyet Wallis	12
Ms Maria Watts	11

## Communications Committee

The Communications Committee assists the Council to carry out the following functions:

- to publish and distribute information concerning the Law and the Regulations to pharmacists, consumers and other interested people via the Council's Newsletter
- to publish reports, information and advice to the general public concerning pharmaceutical matters
- to review, assess and determine the content of the Council's website and newsletter.

The Communications Committee met on four occasions. In addition to formal meetings, the Committee consulted as necessary by emailed correspondence between meeting dates.

Membership and attendance at meetings was as follows:

Member	Meetings Attended
Ms Alison Aylott	4
Mrs Helen Dowling	4
Ms Terry Maunsell	3
Mr Geoff Pritchard	3
Ms Marilyn Starr ( <i>Chair</i> )	4

## Policy, Practice and Legal Issues Committee

The functions of the Policy, Practice and Legal Issues Committee are to ensure that the Council's policies, procedures and guidelines are appropriate, to formulate submissions in response to calls for stakeholder comment from pharmaceutical and related agencies and to provide assistance with the review of any proposed legislative change.

During the reporting period the Committee prepared submissions in response to calls for comment as follows:

Agency	Consultation
AHPRA	<ul style="list-style-type: none"> <li>• Revised international criminal history check</li> <li>• Review of the common criminal history and English language skills registration standards</li> </ul>
Australian Health Ministers Advisory Council (AHMAC)	<ul style="list-style-type: none"> <li>• National Code of Conduct for health care workers</li> </ul>
Ministry of Health (Pharmaceutical Services)	<ul style="list-style-type: none"> <li>• Review of Poisons &amp; Therapeutic Goods Legislation</li> </ul>
NSW Health	<ul style="list-style-type: none"> <li>• Rural Health Plan</li> </ul>

Pharmacy Board of Australia

- Revised guidelines on compounding (extemporaneous dispensing)
- Draft professional practice profile for pharmacists undertaking complex compounding
- Review of the following registration standards and guidelines: Professional Indemnity Insurance, Continuing Professional Development (CPD), Recency of practice, Supervised practice, Exams for eligibility for general registration

The Pharmacy Guild of Australia

- 5th Community Pharmacy Agreement

The Committee's work during the reporting period was actioned by way of emailed consultation in lieu of formal meetings. Membership of the Committee was as follows:

### Member

Ms Zoe Bojanac

Ms Carolyn Burlew

Mrs Helen Dowling

Mr Adrian Lee

Ms Terry Maunsell (*Chair*)

## Finance Committee

The function of the Finance Committee is to review, manage and make recommendations to Council in relation to the following:

- Council's budget and financial reports
- The Service Level Agreement between the HPCA and the Council
- Pharmacy premises application fees
- All other financial matters of relevance.

The Committee met on 10 occasions.

Membership and attendance at meetings was as follows:

Member	Meetings Attended
Ms Carolyn Burlew	8
Mrs Helen Dowling	10
Mr Adrian Lee	8
Ms Terry Maunsell	9
Mr Paul Sinclair ( <i>Chair</i> )	9



## Education and Research Committee

Section 41S of the Law allows the Council to establish an Education and Research Account to provide funds for education and research relevant to its regulatory functions and for meeting any associated administrative costs.

The Council's Education and Research Committee met twice. Membership and attendance at meetings was as follows:

Member	Meetings Attended
Ms Carolyn Burlew	2
Mr Carl Cooper ( <i>Chair</i> )	2
Mrs Helen Dowling	1
Ms Margaret Duguid	2
Ms Terry Maunsell	2

Following recommendations of the Committee, the Council awarded a total of \$15,400 from the Education and Research account to part fund the following three Research and Project Grant proposals:

- Pharmacy Students and Professional Identity - Developing a tool for measuring professionalism among pharmacy students
- Research study into the introduction of a clinical pharmacist into a general practice anticoagulant clinic and an evaluation of the outcomes
- Pharmacy students as mystery shoppers: Improving the supply of non-prescription medicines

## Regulatory Committees and Panels

Part 8 of the Law prescribes the committees, panels and disciplinary bodies that support the Council in undertaking its regulatory activities. The activities and decisions of these bodies are reported in the section *Regulatory Activities*.

### Assessment Committee

An Assessment Committee may be established under section 172 of the Law. The Council has no Assessment Committee as it is satisfied that its current processes for dealing with complaints are adequate and that the establishment of an Assessment Committee is unnecessary.

### Impaired Registrants Panels

Impaired Registrants Panels are established under section 173 of the Law to deal with matters concerning practitioners who may have a physical or mental impairment which affects or is likely to affect their capacity to practise,

or students to undertake clinical training. The Panel consists of two or three members appointed by the Council. At least one member must be a registered medical practitioner and at least one member must be a registered pharmacist. Panellists are drawn from a pool of members who are experienced in working with practitioners demonstrating problems with their health.

Refer to the Appendix for members in 2013/2014.

## Performance Review Panels

Performance Review Panels are established under section 174 of the Law to review the professional performance of a pharmacist. Three members are appointed to each Panel: two must be pharmacists and one person who has not at any time been registered as a pharmacist.

The Panel members are listed in the Appendix.

## Pharmacy Tribunal and NSW Civil and Administrative Tribunal

The Pharmacy Tribunal of NSW was established under section 165 of the Law and comprised four members: the Chairperson or Deputy Chairperson being an Australian lawyer appointed by the Governor; two registered pharmacists and a lay member appointed by the Council.

The Pharmacy Tribunal ceased on 31 December 2013 with the commencement of the NSW Civil and Administrative Tribunal (NCAT) on 1 January 2014. The NCAT exercises jurisdiction for all matters previously dealt with by the 14 distinct health profession Tribunals. Health practitioner matters are now dealt with in the Health Practitioner Division List in the Occupational Division of NCAT. The Council nominates two registered practitioners and a lay member to NCAT for appointment to a Tribunal.

Tribunal members in 2013/2014 are listed in the Appendix.

## Executive Officer

Under section 41Q of the Law the Council's Executive Officer is responsible for the affairs of the Council subject to any directions of the Council.

Ms Nina Beeston is the Executive Officer of the Council.



## Meetings and Conferences

The Council was represented at the following meetings and conferences during the reporting period:

Name	Attendance
Ms Alison Aylott Ms Maria Watts Mrs Helen Dowling	Meetings of the Chairs and Chief Executive Officers of Pharmacy Premises Registering Authorities of Australia (PPRAA)
Ms Carolyn Burlew	2013 National Registration and Accreditation Scheme (NRAS) Combined Meeting HPCA Advisory Committee meetings HPCA Cost Allocation Steering Committee
Mrs Helen Dowling	Council Presidents' Forums Strategic Planning Workshop
Mr Paul Sinclair	HPCA Audit and Risk Committee meetings

The Council and the Pharmacy Board of Australia held a joint meeting on 17 October 2013. The meeting allowed for discussion about issues relevant to the profession that have emerged since the commencement of the National Registration and Accreditation Scheme (NRAS).

## Other Council Activities

A specification for the replacement of the pharmacy business registration database was developed and evaluation of suitable systems was undertaken during the early part of 2013. The new database (NuRx) was implemented during the reporting period.

## Overseas Travel

There was no overseas travel during the reporting period.

## Promotion of Council Activities

The Council's website is updated regularly and is the principal medium for disseminating information to pharmacists, pharmacy students and the public.

The Council also distributes a regular electronic newsletter to all pharmacists with a principal place of practice in NSW and pharmacy proprietors in the other Australian states and territories. Newsletters may be accessed on the Council's website.

## Complaints Received About Council Administrative Processes

The Council acknowledges that the trust and confidence of the public are essential to its role and values all forms of feedback. A complaint handling policy and procedures are in place for addressing complaints regarding the Council's administrative processes, activities, staff or service delivery.

No complaints were received during the reporting period.

## Legislative Changes

Details of the legislative changes in 2013/2014 are in the Appendix.

# Regulatory Activities



The Council has two primary responsibilities:

- in conjunction with the HCCC, the protection of the public by managing performance, conduct and health concerns about pharmacists practising and pharmacy students training in NSW
- the regulation of NSW pharmacy premises and the maintenance of a Register of Pharmacies.

This section details the Council's regulatory programs and results for the year.

## National Registration of Health Practitioners

NSW health practitioners are registered under the National Registration and Accreditation Scheme. Through the Scheme, the Pharmacy Board of Australia is responsible for registering pharmacists and pharmacy students and for determining the requirements for registration as a pharmacist in Australia.

The Pharmacy Board of Australia approves accredited programs of study which provide the necessary qualifications for registration. It also develops and approves standards, codes and guidelines for the profession which inform the Council's regulatory activities.

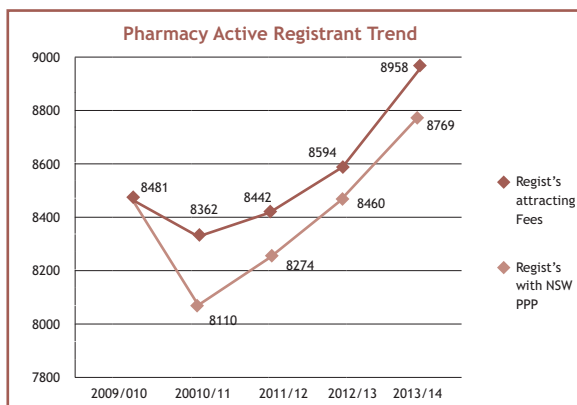
Further information about the operations of the Pharmacy Board of Australia can be obtained from its website ([www.pharmacyboard.gov.au](http://www.pharmacyboard.gov.au)) or the website of the Australian Health Practitioner Regulation Agency (AHPRA) ([www.ahpra.gov.au](http://www.ahpra.gov.au)).

## Pharmacist Registrations in NSW

Information about registration and registrant numbers included in this section of the Report provides context for the Council's regulatory activities and functions as they relate to pharmacists and pharmacy students. Pharmacist registration data is supplied by AHPRA.

At 30 June 2014, there were 8,769 registered pharmacists whose principal place of practice was in NSW. This represents 31% of the total number of pharmacists registered under the Scheme across Australia.

The graph shows the trend in the number of pharmacists registered in NSW from 2009/2010 to 2013/2014. There was a 3.7% increase in 2013/2014 (309 practitioners) compared with 2012/2013.



Registrations by registration type as at 30 June 2014 were as follows:

Registration Type	Principal Place of Practice (PPP) in NSW	NSW Share of registrants with no PPP listed	Registrants for whom fees were paid to NSW (PPP + no PPP)
General	7,868	126	7,994
Limited	5	0	5
Provisional	638	0	638
Non-practising	258	63	321
<b>Total</b>	<b>8,769</b>	<b>189</b>	<b>8,958</b>

Pharmacy students are also registered. AHPRA advised that the number of NSW pharmacy students registered as at 30 June 2014 was 2,033. Figures are based on students' residential addresses, not the location of the education provider.

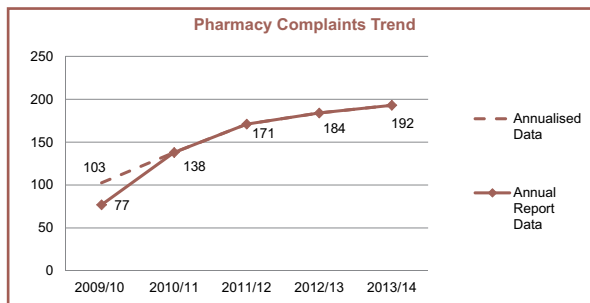
## Complaints Received

Any person may make a complaint against a pharmacist or pharmacy student. Complaints may relate to the conduct, health or performance of a pharmacist or the health or conduct of a registered pharmacy student. A complaint may be made to the Council, HCCC, or AHPRA.

The *Health Care Complaints Act 1993* requires the Council and the HCCC to advise each other about complaints received and to consult concerning the course of action to be taken. A complaint made to the Council is deemed to be also made to the HCCC, and vice versa.

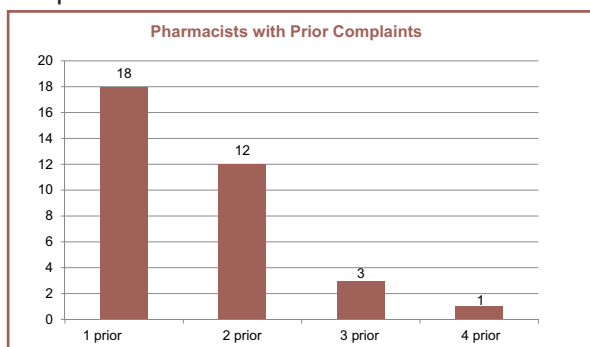
There were 192 new complaints received during the reporting period. All complaints received were referred to the Council's Notifications Committee for consideration in consultation with the HCCC.

The following graph indicates the trend in complaints received since 2009/2010. There has been a consistent upward trend since 2009.



The percentage of pharmacists about whom complaints were received was 1.98%. This compares with 2.04% in 2012/2013 and 1.59% in 2011/2012.

A number of pharmacists who were the subject of a complaint in 2013/2014 had one or more complaints in the past. The graph below provides data on pharmacists with prior complaints.



The volume of complaints managed by the Council was as follows:

Complaints	2013/2014	2012/2013 <sup>^</sup>
Case volume open* at year beginning	88	77
New notifications received	192	184
Notifications closed	181	173
Case volume open* at year end	99	88
<b>Total case volume managed</b>	<b>280</b>	<b>261</b>

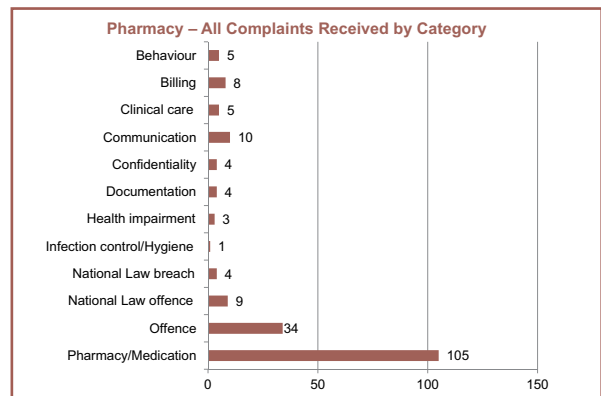
\* See Glossary for definition of open matters.

<sup>^</sup> Differs to 2012/2013 Annual Report due to data cleansing

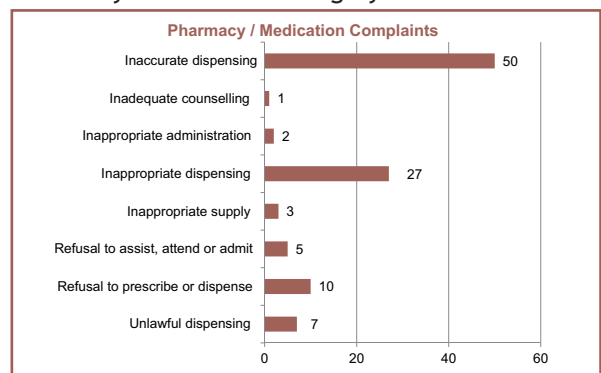
Once received, complaints are classified to the conduct, health or performance stream, depending on the nature of the complaint. In some instances, more than one stream may be applicable however one primary stream is identified based on the comparative level of seriousness of the issues. Of 192 new complaints, 116 were classified as performance, 73 as conduct and three as health.

Complaints are also allocated to an issue category. The Council has adopted the AHPRA issue categories to facilitate reporting across jurisdictions.

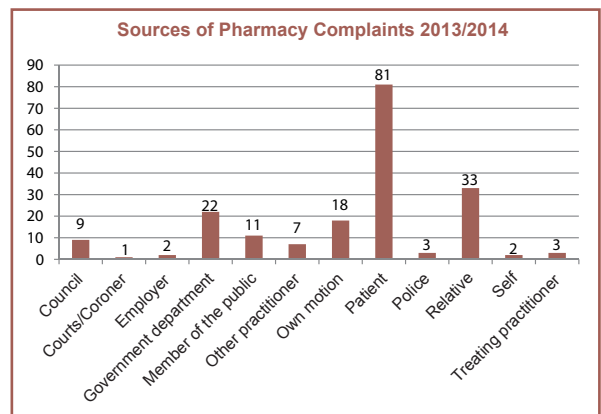
The number of complaints received by the issue category was as follows:



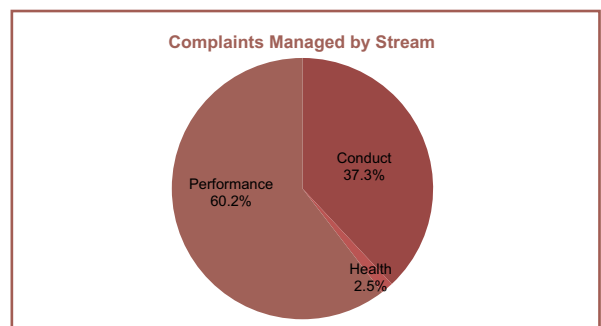
A breakdown of the 105 complaints in the Pharmacy/Medication category is as follows:



The sources of complaints received in 2013/2014 were:



The breakdown by stream of the 280 complaints managed is provided in the following graph.



## Mandatory Notifications

The Law requires health practitioners, employers and education providers to make mandatory notifications to AHPRA if they believe a pharmacist or student has behaved in a way that constitutes notifiable conduct. AHPRA then refers the matter to the Council for management.

Mandatory notifications about six pharmacists were received as follows:

Category	Number
Impairment	1
Departure from standards	5

Mandatory notifications represent 3.1% of all complaints received in the reporting period.

The status of mandatory notifications was as follows:

Status of Mandatory Notifications	2013/2014	2012/2013
Mandatory notifications received during prior period but not completed at year beginning	4	4
New mandatory notifications received	6	5
Mandatory notifications closed	6	5
Mandatory notifications open at year end	4	4
<b>Total case volume managed</b>	<b>10*</b>	<b>9*</b>

\*Data vary from the data published in the AHPRA Annual Report. An error was identified subsequent to the submission of data to AHPRA.

Three of the mandatory notifications were received from other health practitioners, one from a pharmacist's treating practitioner, one from a hospital and one from an employer.

Although two matters were considered, none of the mandatory notifications resulted in the Council taking immediate action under section 150 of the Law.

## Complaints Management

A decision is made by the Council in consultation with the HCCC about which agency will manage the matter. Sometimes this decision is deferred until further assessment is undertaken.

Information on the processes for making and managing complaints is available on the Council's website.

Following an assessment of each complaint, the HCCC and the Council determine whether the matter requires some form of action or should be discontinued. A complaint may be discontinued if the matter falls outside the jurisdiction of the Council or the HCCC; if it does not raise issues of sufficient seriousness to warrant further action, if the issues of

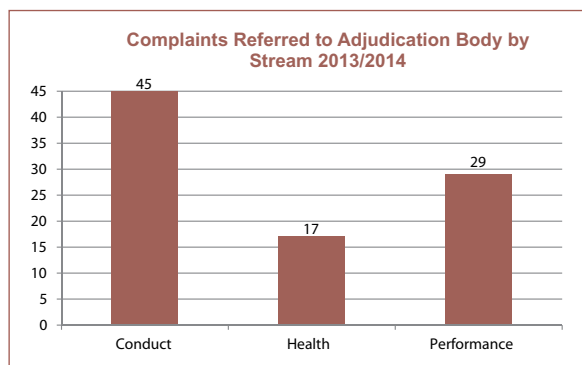
concern have been adequately addressed by the practitioner, or if the parties have resolved the matter.

Further assessment or investigation occurs when it is decided that action is required. Following consultation with the HCCC the majority of complaints were either discontinued or referred to the Council for further management. Other outcomes included:

- referral to another body (AHPRA, Medicare, Therapeutic Goods Administration) where the matter was outside the jurisdiction of the Council or HCCC
- resolution of the matter during the assessment process
- withdrawal of the complaint.

Of the total complaints managed, 20.7% (58) were referred for management by way of Council Inquiry, an IRP, PRP or Tribunal, or by a Council section 150 Inquiry. Of these 58 matters, 48 (82.8%) were completed and 14 matters had not been finalised as at 30 June 2014.

Complaints that were referred to or managed by an adjudication body (58) or counselling (33) were as follows:

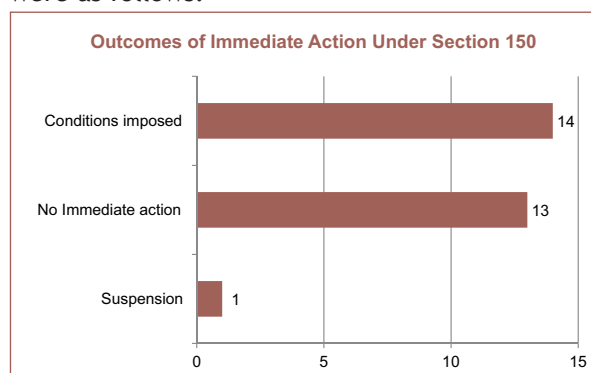


## Protective Orders - Immediate Action under section 150 of the Law

The Council must exercise its powers to either suspend or impose conditions on a pharmacist's registration if it is satisfied that such action is appropriate for the protection of the health or safety of any person, or is otherwise in the public interest.

During the reporting period, the Council considered taking immediate action on 30 occasions and exercised its powers on 15 occasions. Action was taken in response to complaints involving breaches of the Law, criminal offences, impairment, drug abuse and medication supply irregularities.

Outcomes following section 150 proceedings were as follows:



### Health Program

The object of the Council’s health program is to protect the public, while maintaining the high standards the public is entitled to expect, and enabling pharmacists with an impairment to remain in practice when it is safe to do so.

The Council managed seven matters in the health stream: three new matters and four carried over from the prior period. Of the new matters, two involved mental health issues and one involved a physical impairment.

### Council Appointed Practitioner Assessments

The Council may refer a pharmacist or student, who is the subject of a complaint (including self-notification), for a health assessment to determine whether the person has an impairment. The assessment may involve medical, physical, psychiatric or psychological examination or testing.

The Council referred pharmacists for a health assessment on eight occasions. On three occasions, the health assessment formed part of the Council’s assessment of a new complaint and resulted in referral of the pharmacist to an Impaired Registrants Panel.

### Impaired Registrants Panels

The Council may convene an Impaired Registrants Panel (IRP) to deal with matters concerning pharmacists or pharmacy students who are impaired. This means the person has a mental or physical impairment, condition or disorder that, for a pharmacist, detrimentally affects or is likely to detrimentally affect their capacity to practise; and for the student, detrimentally affects or is likely to detrimentally affect their capacity to undertake clinical training.

An IRP is non-disciplinary and aims to assist pharmacists to manage their impairment while remaining in professional practice as long as this poses no risk to the public, and students to complete their training. The Panel’s role is to inquire into and assess the matter, obtaining reports and other information from any source it considers appropriate, and to make recommendations to the Council.

The Panel may counsel the pharmacist. The Panel may also recommend the Council to counsel the pharmacist, impose conditions on registration, or suspend a pharmacist’s registration for a period. The Council may impose conditions or suspend registration if satisfied the pharmacist or student has voluntarily agreed to the action.

One of the matters referred to an IRP related to drug abuse and five concerned mental health issues. No matters involving students were referred to an IRP.

The outcomes of matters following an IRP were:

Outcomes	Number
Conditions imposed on registration by agreement	3
No further action	1
Did not proceed	1

### Performance Program

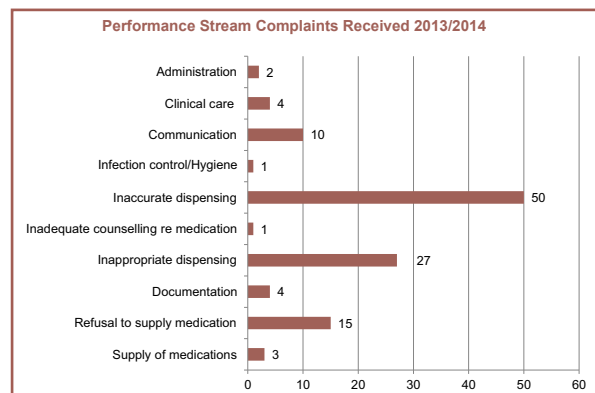
Performance issues generally relate to concerns about the standard of a pharmacist’s clinical performance, that is, whether the knowledge, skill or judgement possessed, or care exercised, is significantly below the standard reasonably expected of a pharmacist of an equivalent level of training or experience.

The Council’s performance program provides an avenue for education and retraining where inadequacies in competence are identified, while at all times ensuring that the public is appropriately protected. The program aims to address patterns of practice rather than one-off incidents unless a single incident is thought to be indicative of a broader problem.

There were 172 matters managed in the performance stream: 55 carried over from the previous period and 117 new matters.



The graph shows complaints received during this period by performance issue:



\*Note: There may be more than one issue for each matter

### Performance Assessments

To assist it in determining a course of action the Council may require a pharmacist to participate in a performance assessment to establish whether their performance is at a standard expected of a similarly trained or experienced pharmacist. Assessments are intended to be broad-based and not limited to the substance of the triggering complaint.

The assessment is generally conducted in the pharmacist's practice environment by an assessor appointed by the Council who is experienced in the area of practice of the pharmacist being assessed.

Two matters were referred for a performance assessment and two assessments were undertaken. One matter was referred to a Performance Review Panel.

### Performance Review Panel

If a pharmacist's professional performance is assessed to be unsatisfactory, the Council may refer the matter to a Performance Review Panel (PRP). The role of the PRP is to review the pharmacist's professional performance by examining the evidence placed before it and to determine whether their performance meets the standard reasonably expected of a pharmacist of an equivalent level of training or experience.

Where deficiencies are identified, the PRP will determine the remediation required. A PRP may order that a pharmacist undertake supervision, complete an educational course, or engage in additional continuing professional development. It may also impose conditions on practice to ensure the public is protected while the pharmacist is undertaking remediation.

There was one PRP held which resulted in Orders and remedial conditions being imposed on the pharmacist's registration.

### Conduct Program

Conduct issues generally relate to behavioural acts or omissions and often go to the question of character and may be categorised as unsatisfactory professional conduct or professional misconduct.

The total number of complaints managed in the conduct stream was 101: 29 carried over from the previous period and 72 new matters. The new matters involved the following conduct related issues:



\*There may be more than one issue for each matter

### Investigations by the Health Care Complaints Commission (HCCC)

A number of complaints were investigated by the HCCC with the following outcomes:

- referred to the Director of Proceedings for consideration of prosecution before a Tribunal
- referral to the Council for further management
- no further action.

### Council Inquiry

Complaints of unsatisfactory professional conduct may be dealt with under Part 8 Division 3 Subdivision 5 of the Law by way of disciplinary proceedings held at a meeting of the Council. Possible outcomes of a Council Inquiry include a caution or reprimand, imposition of conditions on registration, an order requiring medical or psychiatric treatment or counselling, completion of an educational course or some other action.

The status of matters referred to a Council Inquiry was as follows:

Status of Council Inquiries	2013/2014	2012/2013
Matters referred to an Inquiry but not completed at reporting year beginning	6	3
Matters referred to an Inquiry	3	4
Matters where an Inquiry was completed	6	1
Matters referred to an Inquiry but not completed at reporting year end	3	6
<b>Total case volume managed</b>	<b>9</b>	<b>7</b>



Of the six matters finalised in 2013/2014, five related to breaches of the *Poisons and Therapeutic Goods Act 1966* (NSW), and one related to a criminal conviction under the *Crimes Act 1900* (NSW). All pharmacists were found guilty of unsatisfactory professional conduct.

### Reviews by the Council

Pharmacists who have had conditions imposed on registration or had their registration suspended as a result of Council's immediate action powers under section 150 of the Law or on the recommendation of an IRP may request a review of the conditions or suspension by the Council. During 2013/2014 the Council received five applications for review of conditions imposed under section 150 of the Law. Council altered conditions of registration in response to two of the reviews and affirmed its original decision in response to the remaining two. One request for review was not finalised.

### Pharmacy Tribunal and NSW Civil and Administrative Tribunal

Tribunals deal with serious complaints that may lead to suspension or cancellation of registration, appeals against Council decisions regarding disciplinary matters and appeals against decisions of the National Board in relation to registration matters.

Matters may be referred to a Tribunal by the Council or the HCCC Director of Proceedings. Hearings are generally open to the public unless otherwise directed by the Tribunal. Notices of hearings are posted on the Council's website one week prior to the first hearing day.

The Pharmacy Tribunal was replaced by the NSW Civil and Administrative Tribunal (NCAT) on 1 January 2014.

Tribunal Matters	2013/2014	2012/2013
Matters referred to a Tribunal but not completed year beginning	2	5
New matters referred to a Tribunal	5	0
Matters completed by a Tribunal	4	3
Matters referred to a Tribunal but not completed by year end	3	2
<b>Total case volume managed</b>	<b>7</b>	<b>5</b>

The Tribunal finalised the following matters:

Name	Date of Decision	Outcome Summary
HCCC v Margaret Hinde [2013] NSWPH 5	11.9.13	Critical compliance conditions imposed.

HCCC v Susan Shaffer [2013] NSWPH 6	10.9.13	Reprimanded. Critical compliance conditions imposed.
Nicholas Bova v Pharmacy Council	12.5.14	Conditions imposed by the Council varied by consent.
HCCC v Geoffrey James Arthur	N/A	Complaint withdrawn. Pharmacist no longer registered.

NCAT decisions are published on the NSW Caselaw website ([www.caselaw.nsw.gov.au](http://www.caselaw.nsw.gov.au)) and may be accessed via the Council's website. The Reasons for Decision of the former Tribunals are published in full on the Australasian Legal Information Institute website ([www.austlii.edu.au](http://www.austlii.edu.au)).

### Tribunal Reviews and Appeals

Pharmacists who have had restrictions or conditions placed on their practice or registration may request a review or appeal to the Tribunal.

The Tribunal dealt with one appeal against a decision of Council to impose conditions of registration under section 150 of the Law. The appeal was finalised with the conditions being varied by consent.

### Appeals to the Supreme Court

Pharmacists may appeal a decision made by the Tribunal to the Supreme Court. There were no appeals to the Supreme Court in 2013/2014.

### Complaint Outcomes

The outcomes of all 180 complaints closed in 2013/2014 are summarised below. The majority of matters were dealt with expeditiously and did not require investigation by the HCCC or referral to a regulatory or adjudication body. The outcomes of these matters were as follows:

Outcomes	Number
No further action	83
Discontinued at assessment stage	39
No further action following counselling	21
No further action with advice	21
Withdrawn	5
Conditions imposed	4
Conditions and reprimand	2
Resolved prior to assessment	1
Referred to Pharmaceutical Services	1
Referred to Pharmacy Board of Australia	1
Reprimand	1
Would be conditions if registered	1

\*There may be more than one outcome for a matter

There were 122 complaints closed with an outcome of either no further action or discontinued at assessment stage. Management of these complaints involved seeking documentation and/or a response from the relevant pharmacist or pharmacists. Following examination of the evidence provided the complaints were found to be either not substantiated or the pharmacist/s response satisfactorily addressed the issues of concern. The stage at which matters were closed is as follows:

Stage* at Closure of Complaints	Number
Assessment	134 <sup>^</sup>
Health	2
Performance	21
Investigation	5
Panel (Council Inquiries and IRPs)	12 <sup>^</sup>
Tribunal and Court	6
Appeal / Court	0

\*See Glossary for description of each stage.

<sup>^</sup> Differs to figures published by AHPRA

## Complaints Received Under Former Pharmacy Practice Act 2006

The Council finalised two complaints lodged with the former Pharmacy Board of New South Wales. Complex matters may take a number of years to finalise. One complaint is to be finalised upon the return of the pharmacist to Australia.

Matters under the former Act	2013/2014	2012/2013
Open matters under former Act at year beginning	3	7
Matters under former Act closed	2	4
Matters under former Act open at year end	1	3

Of the complaints closed, one pharmacist was reprimanded and had conditions imposed and conditions were imposed on the other pharmacist's registration.

## Counselling

The Council may direct a pharmacist or pharmacy student to attend counselling. This is a non-disciplinary process that enables the Council to address performance or conduct concerns in an informal but sound and influential manner. Counselling is usually conducted by two Council members.

The Council managed 28 complaints by directing 32 pharmacists to attend counselling. Some

matters involved more than one pharmacist being counselled. There were no students referred to counselling.

Some of the issues managed by counselling were:

- Communication with patients/prescribers
- Dealing with forged prescriptions
- Dispensing procedure
- Pharmacy staffing levels

Outcomes of the 28 complaints are summarised below.

Outcomes	Number
No further action following counselling	11
Information/amended personal or practice procedures sought, followed by no further action	10
Complaint to be further considered upon receipt of additional information/amended documentation	4
Counselling to be conducted in the next reporting period	3

Council members who conducted counselling were:

- Ms Alison Aylott
- Mrs Helen Dowling
- Mr Stuart Ludington
- Ms Marilyn Starr

## Matters Referred to Another Entity

The Council referred two matters to other entities as follows:

Entity	Reason(s) for Referral	Number
Pharmaceutical Services Ministry of Health	Complaint relating to administration of methadone	1
Pharmacy Board of Australia	Advertising - not within the Council's jurisdiction	1

## Matters Referred to HCCC for Assisted Resolution and Conciliation

The Council may refer a complaint to the HCCC for assisted resolution or conciliation to be dealt with under the *Health Care Complaints Act 1993*. There were no matters referred to the HCCC for these actions.

## Outcomes of Mandatory Notifications

The outcomes of the six mandatory notifications completed were as follows:

Outcome	Number <sup>^</sup>
No further action	5
Advice provided / No further action	1

<sup>^</sup> Differs to figures published by AHPRA

## Monitoring and Compliance of Orders and Conditions

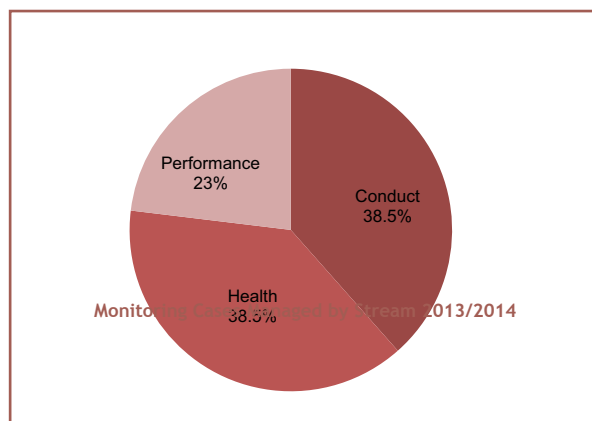
The Council is responsible for monitoring compliance with orders made and conditions imposed by an adjudication body. Conditions fall into two categories:

- a) public conditions, which are published on the AHPRA website ([www.ahpra.gov.au](http://www.ahpra.gov.au)) or
- b) private conditions, which relate to impairment.

The status of monitoring cases is as follows:

Status of Monitoring Cases	2013/2014	2012/2013
Practitioners monitored as at year beginning	28	29
Practitioners commencing monitoring	11	16
Practitioners for which monitoring was completed	9	17
Practitioners under monitoring as at year end	30	28
<b>Total practitioners managed</b>	<b>39</b>	<b>45</b>

\*Data vary from the data published in the AHPRA Annual Report. An error was identified after the submission of data to AHPRA.



The following categories of orders or conditions of registration were monitored:

Matters Monitored	Number
Practice restrictions including: not to practise, not to work as pharmacist in charge/sole pharmacist, to enter the pharmacy for administrative purposes only	39
Mentoring and/or auditing requirement	17
Review by treating practitioner: psychiatrist, psychologist drug and alcohol physician	15
Undertake a course/training, present a tutorial, or submit a regular report	14
Not to possess, supply, manufacture or dispense Schedule 4 and /or Schedule 8 drugs	10
Continuing Professional Development (CPD) requirement	8
Professional membership requirement	7
Urine Drug Testing	4
Carbohydrate-Deficient Transferrin Testing	2

\*Note: There may be more than one matter for each practitioner

The Council referred pharmacists for a health

assessment review on five occasions and there were 15 reviews by IRPs.

Throughout the year effective working relationships with AHPRA facilitated compliance monitoring across both organisations.

## Regulation of Pharmacy Businesses

Pharmacies	2013/2014	2012/2013
Number of registered pharmacies as at 30 June	1,891	1,872

### Register of Pharmacies

Clause 14 of Schedule 5F of the Law requires the Council to keep a Register of Pharmacies. Changes to the Register of Pharmacies occur upon the approval of applications to the Council, satisfactory inspection of premises where required and payment of the relevant fee.

The Council approved 429 pharmacy applications:

Applications	Approvals
Change of Pharmacy Ownership	191
Change of Pharmacy Name	112
Change of Pharmacy Address	73
New Pharmacy	40
Acquisition of a pecuniary interest in a pharmacy business by acquiring shares in a Pharmacist's Body Corporate and / or appointment of new director(s)	10
Copy of the Register of Pharmacies	2
Professional Services Room	1
Relocation of Professional Services Room	0

The Council received notices of closure of 20 pharmacies.

### Revocation of Pharmacy Approval

Under Schedule 5F Clause 12(10)(c) of the Law, the Council may revoke an approval of pharmacy premises if the Council becomes aware the premises are no longer being used as a pharmacy.

The Council revoked the registration of one pharmacy, following a period of three months during which the pharmacy had been closed for business.

### Offences under Schedule 5F of the Law

Schedule 5F of the Law sets out provisions related to the holding of pecuniary interests in pharmacy businesses and the responsibilities of pharmacy owners which, if contravened, may give rise to a Council initiated Local Court prosecution.

The Council finalised two Local Court prosecutions:

- Against a pharmacy owner who contravened Clause 11(1) of the Law in that the owner allowed the pharmacy to operate without a pharmacist present. The pharmacy owner

was found guilty and convicted, and ordered to pay a fine of \$3,000, court costs and the Council's costs of \$10,000.

- Against a pharmacist who was the pharmacist in charge of a pharmacy business who contravened Clause 11(1) of the Law in that the pharmacist in charge allowed the pharmacy to operate without a pharmacist present. The Council withdrew the charge against the pharmacist in charge.

### Pharmacy Inspectors

Pharmacy inspectors have the State-wide function of conducting inspections and investigations to enforce compliance with the Law and the Regulations. This includes inspection of existing, new and relocating pharmacies and investigation of complaints against pharmacists. The position also has responsibilities under the *Poisons and Therapeutic Goods Act 1966* regarding safe handling of medications.

Pharmacy inspectors are appointed as authorised persons under section 164 of the Law, with powers under section 164A to enter and inspect premises, to copy and/or seize records and to require persons to answer questions.

Pharmacy inspectors undertake the following:

- routine inspections - pharmacies across NSW are routinely inspected every 18 months to ensure compliance with the requirements of the Law and Regulations
- application approval inspections - the approval by the Council of an application related to the relocation of an existing pharmacy or the establishment of a new pharmacy business is subject to a satisfactory inspection to ensure compliance with the legislative requirements prior to commencing business on a new site
- complaints inspections - the Council's Notifications Committee may request an inspection be conducted as part of its process of making inquiries into a complaint. During the reporting period inspections were conducted following receipt of the following types of complaints:
  - operating a pharmacy without a pharmacist in charge
  - dispensing error
  - physical condition of the pharmacy and storage of stock
  - inadequate record keeping
  - smoking/drinking alcohol on the premises

- drug destructions - pharmacy inspectors are authorised by the NSW Ministry of Health Pharmaceutical Services Unit to destroy and dispose of unusable Schedule 8 medication.

The Council was assisted by two pharmacy inspectors who undertook the following activities:

Activity	2013/2014	2012/2013
Routine inspections	1,521	1,516
Inspections of relocated pharmacies and new pharmacy premises	101	105
Compliance/Complaint related inspections	33	18
Drug destructions	272	261

### Fees

Schedule 5F Clause 12(5) of the Law provides that an application for approval of a pharmacy premises or a registration of pecuniary interest in a pharmacy business must be accompanied by the fee decided by the Council.

The fees applying during the reporting period were as follows:

Application	Fee
New Pharmacy plus Inspection fee	\$512.50 \$307.50
Professional Services Room Application plus Inspection fee	\$153.75 \$307.50
Relocation or Expansion/Reduction in size on Pharmacy Premises Application plus Inspection fee	\$153.75 \$307.50
Relocation or Expansion/Reduction in size of Professional Services Room Application plus Inspection fee	\$153.75 \$307.50
Change of Pharmacy Ownership Application	\$512.50
Change of Pharmacy Name Application	\$512.50
Acquisition of pecuniary interest by acquiring shares in a Pharmacist's Body Corporate and/or appointment of new Director/s	\$512.50
Renewal of Pharmacy Registration	\$307.50
Late fee - Renewal of Pharmacy Registration	\$75.00
Copy of the Register of Pharmacies	\$768.75

The Council reviewed the fees during the reporting period and determined that a CPI increase of 2.6% would apply from 1 July 2014.

New Pharmacy and Change of Pharmacy Ownership applications received by Council may include proposals for business structures involving trusts. The Council refers trust

agreements for external legal review, the cost of which is met by the applicant. There were 19 trust agreements referred for external legal review at an average cost to the applicant of \$1,900.

All application forms are available on the Council's website.



# Management and Administration



## Shared Services

The HPCA provides shared executive and corporate services to the 14 NSW health professional Councils to support their regulatory activities.

On behalf of the Councils, the HPCA liaises with:

- AHPRA regarding financial, registration and reporting matters
- the HCCC on complaints management issues, and
- the Ministry of Health on human resources and providing advice and responses to the Minister for Health and the Secretary on regulatory matters and member appointments.

This coordinated approach provides efficiencies through shared services that would be costly for each Council to implement on its own. It also allows the Council to direct its attention to protection of the public by concentrating on its core regulatory functions.

The Council and the HPCA have signed a three year service level agreement (SLA) effective from 1 July 2012. The SLA outlines the services the HPCA provides and key performance indicators against which performance is assessed annually. It provides certainty and a shared understanding for the Council and the HPCA on the range and quality of services provided.

The HPCA Advisory Committee was established in October 2013 to advise on strategy and improvements to services the HPCA provides to Councils and to support communication with the Ministry of Health and the Secretary on matters relating to Council regulatory practices and emerging issues. The Committee is chaired by the Ministry's Director of Legal and Regulatory Services and includes selected Council Presidents and the HPCA Director. A priority for the Committee will be a response to the NRAS review and a review of the Law in 2015.

## Strategic Planning

In February 2014 the Council held a strategic planning workshop to commence development of its strategic framework and to determine strategic priorities to 2017. This has resulted in the establishment of three key strategic priorities:

- Efficiency and Effectiveness - to review, evaluate and improve Council's current processes, procedures and supporting administrative functions
- Communication - to develop communication methods and channels to raise awareness of

and confidence in Council

- Relationships with stakeholders - to establish partnerships internally and externally with relevant stakeholders, to strengthen collaboration and improve Council's communication with these partners to increase awareness and connectivity of Council.

The Council has identified timeframes and allocated resources to ensure it meets its strategic objectives for 2014/2015.

In April 2014 the Council Presidents and senior HPCA staff participated in a facilitated planning session to agree a shared strategic vision and priorities for the next three years. A broad Strategic Framework was outlined and further work is underway to develop a strategic plan. The first priorities focus on communication and stakeholder engagement, in particular to improve Council websites and electronic communication, including newsletters and to develop a research plan. These plans will be developed during 2014/2015.

## Business Process Improvement

A process improvement plan is being implemented that brings together the recommendations of the business process reviews completed in 2012 and 2013. It also includes the priorities in the records management plan and the workforce management plan. A priority in 2014/2015 is to develop a regulatory handbook for use by staff in Council teams that will bring together the complaints management business process maps and other key business processes, resources and information guides. This will promote consistency in the way complaints and notifications are managed from receipt to resolution by the Council.

A project to publish an electronic conditions handbook is underway to promote consistent decision making and monitoring. The handbook includes generic information about the regulatory adjudication bodies and considerations when drafting conditions; information unique to individual professions that decision-makers need to take into account when imposing conditions, and a set of resources. The first tranche of conditions is nearing completion and covers procedural conditions, limiting practice conditions and prescribing and drug conditions.

A series of process indicators has been developed as a mechanism for Councils to report



on qualitative aspects of their work and to supplement the current quantitative measures in place. The indicators will also identify areas where there is a need to focus on strategies for improvement and support consistent and regular reporting across Councils.

A major initiative this year was implementation in February 2014 of a technology solution for the preparation and distribution of Council and committee meeting papers. Diligent Boardbooks software was selected through a comprehensive tender and evaluation process.

Staff upload the agenda papers to a secure Internet portal from which Council members download them to iPads prior to their meeting. The Boardbooks application allows members to read and annotate the papers on their iPad during the meeting when the agenda is discussed. The system eliminates the need to print large agenda packs for all members for each meeting, saves on mailing and courier costs, enhances security over confidential information and provides members with a lightweight and effective means of viewing Council material.

### Research

The Council continues to participate in and contribute to an Australian Research Council (ARC) research project in partnership with the University of Sydney, the Medical, Psychology, Dental and Nursing and Midwifery Councils, the HCCC and AHPRA. The project involves a number of studies to enable comparative review of the notifications and complaint systems in NSW compared with other States, inform best practice and investigate complainants' expectations and experiences under the two systems. The project outcomes will be progressively reported in 2014 and 2015.

This year complaints data from July 2012 to June 2014 has been collected from each of the participating professions across Australia and is being analysed. Staff and members of tribunals, committees and panels participated in a survey to determine their priorities in handling complaints and decision-making, and will be reported later in 2014. A survey of complainants commenced and a range of complaints are being selected for a series of case studies.

### Audit and Risk Management

NSW Treasury has granted the Council an exemption from the *Internal Audit and Risk Management Policy for the NSW Public Sector* (TPP09-05) on the grounds that it is a small

agency for which the administrative and cost burden of full compliance would be prohibitive. Nevertheless the Council has appropriate internal audit and risk management practices in line with the core requirements of TPP09-05.

In 2013/2014 the HPCA Audit and Risk Committee continued to review and monitor the Risk Register, discussed and monitored internal audits and reviews, and received high level summaries on the Council's financial reports.

The HPCA implemented the recommendations of the Audit Office of NSW 2012/2013 Management Letter, and improved the finance working papers in preparation for the 2014 audit. A repeat recommendation that the HPCA has a memorandum of understanding (MOU) with the Ministry of Health for the services the Ministry provides has been completed with the MOU being signed in May 2014.

### Internal Audit

IAB is commissioned to undertake the internal audits nominated in the internal audit plan. In 2013/2014 an audit of monitoring of practitioners with orders and/or conditions on their registration was completed and the recommendations are being implemented. Standard operating procedures for dealing with monitoring cases have been documented and will be published following consultation with staff.

Implementation of the recommendations of the audit of the HPCA's workforce management framework was also completed. Position descriptions have been updated and the performance management framework is being implemented in accordance with the *Government Sector Employment Act 2013*.

An internal audit of complaint handling by Council teams was undertaken in June 2014 and the report and recommendations will be considered in the next financial year.

### Information Management and Systems

An Information and Communications Technology (ICT) strategic plan is being developed that formally identifies the ICT infrastructure, capability and priorities for the next three years. An ICT Steering Committee has been established and includes a Ministry of Health IT professional to inform the Committee on developments within the health sector and provide expert advice on proposed ICT projects. Further system modifications were made to the case management system (MaCS) to improve usability and reporting. The MaCS user group

guides priorities and contributes to user testing. Staff received training and support as changes were made and the accuracy and reliability of reporting is improving.

The TRIM records management system has been further embedded in practice. Training has been a focus and priorities developed to promote the use of TRIM to meet State Records compliance requirements. Planning is underway to upgrade and integrate TRIM to one platform at the Pitt Street and Gladesville sites. A request for quote was issued and a successful provider selected.

A TRIM user group has been established to finalise the file and document naming conventions for regulatory activities that will be applied consistently across all Council teams. The user group members also provide back up support and training within their work groups. A new pharmacy business registration database, NuRx, was also developed and implemented.

### Information Security

The Council has adopted the NSW Government *Digital Information Security Policy*. As the Councils' shared services provider the HPCA has submitted an attestation statement to the Department of Finance and Services which outlines the timeframes for compliance with the core requirements of the Policy.

The Council is also required to present an attestation statement in the Annual Report, which is in the Appendix.

### Access to Information - Government Information Public Access (GIPA)

The Council is committed to the principles of the *Government Information (Public Access) Act 2009* (GIPA Act) and provides access to policies, publications and information through the Council website. The Council complies with the *Government Information (Public Access) Regulation 2009* regarding annual reporting requirements.

The Agency Information Guide was updated and is accessible on the website.

### Review of Proactive Release Program

The Council reviewed its program for the release of government information to identify the type of information that can be made publicly available.

All new and revised policies and other information are publicly released on the website. In addition, the Council reviewed the program and the policy register including monitoring the completion and approval of

relevant information.

New and revised policies and documents released on the Council website are:

- Annual Report 2012/2013
- Business Continuity Management Plan
- Council/HPCA Strategic Framework Summary (April 2014)
- Handbook for Council, Committee and Panel members
- HPCA Strategic Action Plan 2013/2014
- Managing email access policy and procedures
- Media and communication policy and procedures
- Council newsletter
- Staff handbook
- *YourSay* staff survey report summary.

### Number of Access Applications Received

The Council received two formal access applications (including withdrawn applications excluding invalid applications).

### Number of Refused Applications for Schedule 1 Information - Clause 7(c)

The Council refused no applications (either wholly or partly) for the disclosure of information (information for which there is conclusive presumption of overriding public interest against disclosure).

The Council's GIPA statistics are reported in the Appendix.

### Privacy

The Council is subject to the provisions of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

The Council received no complaints regarding privacy matters.

The Council has adopted the NSW Health Privacy Management policy pending development of a specific privacy management plan. A number of staff attended privacy awareness training conducted by the Office of the Information and Privacy Commissioner.

### Public Interest Disclosures

The Council is subject to the provisions of the *Public Interest Disclosures Act 1994* and the reporting requirements of the *Public Interest Disclosures Regulation 2011*. Staff and Council members comply with the policy and information is available on the requirements and processes for making and managing disclosures. The Council provides six monthly reports to the NSW Ombudsman and Ministry of Health.

There were no public interest disclosures (PIDs)

made by staff or Council members during the year. The PID statistics are reported in the Appendix.

### Human Resources

The HPCA staff who support the Council are employed under Part 4 of the *Government Sector Employment Act 2013*.

As at 30 June 2014 the HPCA employed 97 permanent full-time equivalent (FTE) staff and three temporary FTE staff, of whom 7 FTE staff provided secretariat support directly to the Council. The organisation chart is provided in the Appendix.

### Learning and Development

Learning and development opportunities are available to staff to ensure that they have the skills and knowledge to support the Council's core business and the HPCA's organisational priorities.

Staff attended training sessions on:

- GIPA and privacy provisions
- Writing procedures and policy documents, and minute taking
- Dealing with difficult complainants
- TRIM records management system and Monitoring and Complaints System (MaCS) for case management
- Understanding of the *Health Practitioner Regulation Law (NSW)* - regulatory responsibilities and Council processes to protect the public
- *Government Sector Employment Act 2013* requirements. Managers and staff also attended training on the Performance Management Framework.

The *Government Sector Employment Act 2013* requires agencies to implement a Performance Management Framework and for all employees to have a performance agreement. Performance agreements are being developed and staff and managers are working on their individual priorities and identifying training needs.

The first all staff forum was held in July 2013, which brought staff together to hear about priority, strategic and operational issues and to provide an opportunity for discussion about matters of interest. It also enabled staff from across teams and work groups to meet and share ideas. The forum included discussion on the common issues raised through the *YourSay* staff survey that was conducted through the Ministry of Health.

The second forum was held in February 2014 and included staff led discussion to develop

team building and communication activities. The forums have been well received by staff and will be held twice each year. Each forum includes a presentation and discussion on an aspect in the Code of Conduct.

Induction sessions for members of Councils, committees and panels were held in September and October 2013. These annual events aim to introduce new members to their legislative and regulatory responsibilities and were very well received. A number of long-standing members also participated and reported that the workshops provide a valuable opportunity to refresh their knowledge and share their experiences.

A series of seminars on the Council's core programs was also initiated. The Conduct Program seminar in June 2014 was attended by over 70 members from all Councils, committees and panels as well as practitioners who provide assessments, counselling and other services to the Council. Sessions focused on the management of complaints about practitioners' conduct, including progression to a tribunal. The conduct and content of the seminar received overwhelmingly positive feedback.

Seminars on the Performance Program and the Health Program are being planned for 2014/2015.

The Handbook for members of Councils, committees and panels was also revised and is available on the Council website.

### Workforce Diversity

The HPCA recognises the value of workforce diversity and encourages and aims to attract and retain people with diverse skills, experience and background. Appointments to the Council, committees and panels are also made on the understanding that diversity of knowledge, experience and background supports the Council's regulatory activities.

The workforce diversity statistics provided by the Public Service Commission are in the Appendix.

### Multicultural Policies and Services Program

The Council applies the NSW Government's *Principles of Multiculturalism* and ensures that information and services are available to meet the diverse language needs of the people of NSW.

The Council and the HPCA websites provide advice on how to access translating and interpreting services in 19 languages for people making an inquiry or a complaint. A number of

HPCA staff are also able to provide assistance in translating and interpreting in a range of languages.

Responsibility for the registration and accreditation of overseas trained health professionals rests with the National Board. The Council supports the National Board's commitment to providing opportunities for overseas trained health practitioners to be registered and practise in Australia.

The following strategies are in place to address the *Principles of Multiculturalism*:

- promoting a culturally diverse workforce, membership of Committees and participation in the Council's regulatory activities
- maintaining ongoing commitment to the *Principles of Multiculturalism* and the requirements of relevant legislation and Government policy.

The HPCA is organising cultural awareness and diversity training for staff and members. Staff are also encouraged to complete the Health Education and Training Institute's online cultural training modules.

### Disability Services

The Council supports the NSW Government's *Disability Policy Framework* and the Principles outlined in Schedule 1 of the *Disability Services Act 1993*.

The HPCA maintains a range of strategies to implement these requirements including:

- workplace assessment and adjustments to support staff and members with a disability
- assistance from external providers to prepare and coordinate return to work plans for staff with work related injuries and/or temporary disabilities
- provision of ergonomic furniture and equipment for all staff, including those requiring workplace adjustment
- access to disabled washrooms
- a TTY service and a hearing loop in hearing rooms available for the hearing impaired.

### Occupational Health and Safety

The Work Health and Safety Committee oversees the workplace environment to ensure compliance with legislation and government policy. Committee members participated in training in the legislative requirements and new members received appropriate induction. Fire wardens undertook refresher training and the outcomes of an evacuation drill were reviewed.

### Waste Management (WRAPP)

The HPCA manages implementation of the NSW Government's WRAPP on behalf of the Council. During the year the HPCA maintained efforts to reduce waste, recycle paper products, consumables and equipment, and to purchase resources with recycled content, with the following results:

- purchased all A4 copy paper with 50% recycled content
- recycled 95% of total paper waste
- recycled 100% of paper/cardboard packaging; separated and directed packaging material to the building's centralised recycling systems
- provided paper recycling containers at each workstation to divert paper from waste bins and landfill
- sent 100% of toner cartridges for recycling.

The following waste avoidance strategies are in place:

- scrap recycled paper diverted for use as message pads and notetaking
- increased use of email for internal communication and with Council members. The introduction of the Boardbooks technology for the distribution and management of Council meeting papers has significantly reduced the use of paper. It will be progressively extended to other meetings to further reduce dependence on printed papers.
- clients referred to Council websites for access to publications and other information as an alternative to providing hard copy documents
- use of double-sided printing as much as possible
- inclusion of "please consider the environment before printing" note on email communication.

The HPCA also participates in the Sydney Central Recycling Program managed by the owners of the Pitt Street building. The Program aims to improve recycling activity with increased use of centrally located colour-coded bins. An opportunity to dispose of electronic equipment securely is provided twice a year.

### Consultants

The health professional Councils together commissioned six consultancies related to Council business process improvement, system improvements and the ongoing development of the HPCA's shared services to Councils.



The Council made the following contribution to these consultancies:

#### Engagements costing less than \$50,000

Service Provided	Number	Cost inc. GST \$
Council business processes	2	945
Financial management	2	1,880
Governance	2	1,453
<b>Total</b>	<b>6</b>	<b>4,278</b>

#### Insurance

The Council's insurance activities are conducted by the HPCA through the Ministry of Health's insurance cover with the NSW Treasury Managed Fund, and include:

- legal liability - public liability, professional indemnity, product liability
- Comprehensive Motor Vehicle Insurance Policy
- Personal Accident Policy for volunteer workers
- property coverage, and
- workers compensation.

#### Financial Management

The HPCA provides financial management services to the Council including the payment of accounts, budget preparation and monitoring and coordination of regular financial reporting to the Council.

In signing the Service Level Agreement, the Council endorsed revised cost allocation methodologies for the distribution of shared costs across all Councils. The methodologies are largely based on Council activity and provide a formula to apportion shared services staff, facilities and other resources. The methodologies were reviewed in 2013/2014 to ensure they are equitable and the best means of cost allocation. The review concluded that the existing formulae are equitable and the most effective means of calculating Councils' individual contributions to shared costs. Minor adjustments were made to the methodologies following consultation with all Councils.

#### Format

The accounts of the Council's administrative operations, including the Education and Research activities, together with the Independent Auditor's Report are set out in the Financial Statements.

#### Performance

The Council's accounts performance as reported in the Financial Statements is as follows:

	\$
Operating expenditure	1,920,837
Revenue	2,525,709
Net profit/(loss)	551,234
Net cash reserves (cash and cash equivalents minus current liabilities)*	2,075,711
*Included in the net cash reserves is Education and Research bank account balance of:	50,983

#### Investment Performance

The Council's banking arrangements transferred to Westpac Banking Corporation in accordance with the agreement between NSW Treasury and Westpac Banking Corporation for the provision of transactional banking.

The guaranteed credit interest rate is calculated on daily balances as per the Reserve Bank of Australia cash rate plus an agreed fixed margin for five years.

#### Payments Performance

The consolidated accounts payable performance report for all 14 Councils is in the Appendix.

#### Budget

The budget for the period 1 July 2014 to 30 June 2015 is as follow:

	\$
Revenue	2,570,670
Operating expenses	2,293,417
Education and research	20,000
Net Profit/(Loss)	257,253



**PHARMACY COUNCIL OF NEW SOUTH WALES**

**YEAR ENDED 30 JUNE 2014**

**STATEMENT BY MEMBERS OF THE COUNCIL**

Pursuant to s 41C(1B) *Public Finance and Audit Act 1983* , and in accordance with the resolution of the members of the Pharmacy Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Pharmacy Council of New South Wales as at 30 June 2014 and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of Australian Accounting Standards, Accounting Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* , and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Helen Dowling  
President

Date: 17.10.14

Paul Sinclair  
Council Member

Date: 18.10.14





## INDEPENDENT AUDITOR'S REPORT

### Pharmacy Council of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Pharmacy Council of New South Wales (the Council), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

### The Council's Responsibility for the Financial Statements

The members of the Council are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Council, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Council
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



C J Giumelli  
Director, Financial Audit Services

20 October 2014  
SYDNEY



## Pharmacy Council of New South Wales

Statement of Comprehensive Income  
for the Year Ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>EXPENSES EXCLUDING LOSSES</b>			
Operating expenses			
Personnel services	2(a)	(902,544)	(880,104)
Other operating expenses	2(b)	(544,639)	(572,402)
Depreciation and amortisation	2(c)	(82,878)	(60,628)
Finance costs	2(d)	(1,200)	(1,320)
Other expenses	2(e)	(389,576)	(387,040)
<b>Total Expenses Excluding Losses</b>		<b>(1,920,837)</b>	<b>(1,901,494)</b>
<b>REVENUE</b>			
Registration fees		2,171,376	2,044,633
Interest revenue	5(a)	91,052	68,876
Other revenue	5(b)	263,281	222,056
<b>Total Revenue</b>		<b>2,525,709</b>	<b>2,335,565</b>
Gain/(Loss) on disposal/additions	6	(53,638)	132,753
<b>Net Result</b>		<b>551,234</b>	<b>566,824</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>551,234</b>	<b>566,824</b>

The accompanying notes form part of these financial statements.



## Pharmacy Council of New South Wales

Statement of Financial Position  
as at 30 June 2014

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	3,650,227	3,091,562
Receivables	8	41,656	26,221
<b>Total Current Assets</b>		<b>3,691,883</b>	<b>3,117,783</b>
<b>Non-Current Assets</b>			
Plant and equipment	9		
Leasehold improvements		34,635	118,081
Motor vehicles		44,104	37,824
Furniture and fittings		9,649	25,321
Other		12,678	19,707
Total plant and equipment		101,066	200,933
Intangible assets	10	176,687	76,015
<b>Total Non-Current Assets</b>		<b>277,753</b>	<b>276,948</b>
<b>Total Assets</b>		<b>3,969,636</b>	<b>3,394,731</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11	343,774	378,215
Fees in advance	12	1,230,742	1,168,657
<b>Total Current Liabilities</b>		<b>1,574,516</b>	<b>1,546,872</b>
<b>Non-Current Liabilities</b>			
Fees in advance	12	4,133	5,841
Provisions	13	28,385	30,650
<b>Total Non-Current Liabilities</b>		<b>32,518</b>	<b>36,491</b>
<b>Total Liabilities</b>		<b>1,607,034</b>	<b>1,583,363</b>
<b>Net Assets</b>		<b>2,362,602</b>	<b>1,811,368</b>
<b>EQUITY</b>			
Accumulated funds		2,362,602	1,811,368
<b>Total Equity</b>		<b>2,362,602</b>	<b>1,811,368</b>

The accompanying notes form part of these financial statements.



## Pharmacy Council of New South Wales

Statement of Changes In Equity  
for the Year Ended 30 June 2014

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	Notes	Accumulated Funds
		\$
<b>Balance at 1 July 2013</b>		1,811,368
<b>Net Result for the Year</b>		551,234
Other comprehensive income		-
<b>Balance at 30 June 2014</b>		<u><u>2,362,602</u></u>
<b>Balance at 1 July 2012</b>		1,244,544
<b>Net Result for the Year</b>		566,824
Other comprehensive income		-
<b>Balance at 30 June 2013</b>		<u><u>1,811,368</u></u>

The accompanying notes form part of these financial statements.





## Pharmacy Council of New South Wales

Statement of Cash Flows  
for the Year Ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Personnel services		(888,101)	(885,729)
Other		(1,003,854)	(905,689)
<b>Total Payments</b>		<b>(1,891,955)</b>	<b>(1,791,418)</b>
<b>Receipts</b>			
Receipts from registration fees		2,233,486	2,097,346
Interest received		96,480	70,486
Other		257,976	212,781
<b>Total Receipts</b>		<b>2,587,942</b>	<b>2,380,614</b>
<b>Net Cash Flows from Operating Activities</b>	17	<b>695,987</b>	<b>589,196</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		11,716	12,898
Purchases of plant and equipment and intangible assets		(149,038)	(55,466)
<b>Net Cash Flows from Investing Activities</b>		<b>(137,322)</b>	<b>(42,568)</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>558,665</b>	<b>546,628</b>
Opening cash and cash equivalents		3,091,562	2,544,934
<b>Closing Cash and Cash Equivalents</b>	7	<b>3,650,227</b>	<b>3,091,562</b>

The accompanying notes form part of these financial statements.



# Pharmacy Council of New South Wales

## Notes to the Financial Statements

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Reporting Entity

The Pharmacy Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the *Health Practitioner Regulation National Law (NSW) No 86a* (the Law).

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Council on 18 October 2014.

#### b. Basis of Preparation

The Council has adopted the going concern basis in the preparation of the financial statements.

The Council's financial statements are general purpose financial statements and have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations), and
- the requirements of the *Public Finance and Audit Act 1983* and Regulation.

The financial statements have been prepared on the basis of historical cost.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

#### c. Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

#### d. Significant Accounting Judgments, Estimates and Assumptions

Effective from 1 July 2012, the Health Professional Councils Authority (HPCA) introduced an agreed cost sharing arrangement for the distribution of pooled costs between health professional Councils. This was a change from the cost sharing arrangements from prior years.

These indirect costs are shown as part of the Council's statement of comprehensive income under the following expense line items:

1. Personnel services
2. Rent and building expenses
3. Contracted labour
4. Depreciation and amortisation
5. Postage and communication
6. Printing and stationery

#### e. Insurance

The Council's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

#### f. Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

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#### **g. Income Recognition**

Income is measured at the fair value of the consideration or contribution received or receivable.

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable during 2014 by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2014 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Other revenue comprises of monies received by the Pharmacy Council for the regulation of pharmacy businesses in NSW (as per the Law, Schedule 5F). This includes fees for annual registration of pharmacy premises, new or varied applications for pharmacy businesses and acquisition of pecuniary interest in pharmacy body corporate.

#### **h. Personnel Services**

In accordance with an agreed Memorandum of Understanding the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

#### **i. Interest Revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### **j. Assets**

##### **i. Acquisitions of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Council. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their historical cost at the date of acquisition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

##### **ii. Capitalisation Thresholds**

The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. Shared use assets that cost over \$5,000 at the time of purchase by the HPCA are capitalised. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method. The minimum capitalisation threshold limits applied to the Council for the asset are \$449 (2012/2013 - \$437) (all Council shared use asset), or \$706 (2012/2013 - \$667) (Pitt Street shared use asset), whichever is applicable.

## Pharmacy Council of New South Wales

### Notes to the Financial Statements

#### iii. Impairment of Plant and Equipment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the entity are regarded as immaterial.

#### iv. Depreciation of Plant, Equipment and Leasehold Improvements

Depreciation and amortisation is provided for on a straight-line basis for all depreciable assets so as to write off the amounts of each asset as it is consumed over its useful life to the Council.

Depreciation and amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation rates used are as follows:

Plant and equipment 20% - 25%

Furniture and fittings 16% - 20%

Motor vehicles 25% - 29%

Leasehold improvements 17% - 27.8%

#### v. Fair Value of Plant and Equipment

There has been no revaluation on any of the Council's plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

#### vi. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

#### vii. Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

The Council's intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

#### viii. Loans and Receivables

Loans and receivables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

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#### k. Liabilities

##### i. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rates are measured at the original invoice amount where the effect of discounting is immaterial.

##### ii. Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 14/04 'Accounting for Long Service Leave and Annual Leave', the Council's annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. All superannuation benefits are provided on an accumulation basis - there are no defined benefits. Contributions are made by the entity to an employee superannuation fund and are charged as an expense when incurred.

##### iii. Provision for Make Good

Provisions include the Council's proportionate liability (allocated to the Council using an appropriate allocation method) of the estimated make good liability, discounted to today's present value.

#### l. Equity

##### Accumulated Funds

The category 'Accumulated Funds' includes all current period funds.

#### m. Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

#### n. Cash and cash equivalents

Cash and cash equivalent assets in the statement of financial position would normally comprise cash on hand, cash at bank and short-term deposits and include deposits in the NSW Treasury Corporation's Hour-Glass cash facility, other Treasury Corporation deposits (less than 90 days) and other at-call deposits that are not quoted in the active market.

Bank overdrafts are included within liabilities.

#### o. Adoption of New and Revised Accounting Standards

A number of new standards were applied from 1 July 2013, including AASB 13 Fair Value Measurement and AASB 119 Employee Benefits. The application of these new standards did not have a significant impact on the financial statements.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Council.

NSW Treasury issued TC 14/03 circular which states none of the new revised Standards of Interpretations are to be adopted early.

The standards that are relevant to the Council are as follows:

- a) AASB 9, AASB 2010-7 and AASB Financial Instruments 2012-6 regarding financial instruments (2015/2016)
- b) AASB 10 Consolidated Financial Statements with NFP guidance
- c) AASB 12 Disclosure of interests in other entities.



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

#### 2. EXPENSES EXCLUDING LOSSES

##### a. Personnel Services Expenses

Personnel services expenses are acquired from the MOH and comprise the following:

	2014 \$	2013 \$
Salaries and wages (including recreation leave)	767,356	745,639
Superannuation	80,292	87,475
Payroll taxes	48,815	44,146
Workers compensation insurance	6,081	2,844
	<u>902,544</u>	<u>880,104</u>

##### b. Other Operating Expenses

	2014 \$	2013 \$
Auditor's remuneration	15,265	14,350
Rent and building expenses	134,680	157,338
Council fees	144,144	138,785
Sitting fees	120,054	153,218
NSW Civil & Administrative Tribunal fixed costs	13,500	-
Contracted labour	116,996	108,711
	<u>544,639</u>	<u>572,402</u>

##### c. Depreciation and Amortisation Expense

	2014 \$	2013 \$
<b>Depreciation</b>		
Motor vehicles	13,340	12,406
Furniture and fittings	3,252	6,330
Other	12,386	13,919
	<u>28,978</u>	<u>32,655</u>
<b>Amortisation</b>		
Leasehold improvement	35,942	7,627
Intangible assets	17,958	20,346
	<u>53,900</u>	<u>27,973</u>
<b>Total Depreciation and Amortisation</b>	<u>82,878</u>	<u>60,628</u>





## Pharmacy Council of New South Wales

### Notes to the Financial Statements

#### d. Finance Costs

	2014 \$	2013 \$
Unwinding of discount rate on make good provision	1,200	1,320
	<u>1,200</u>	<u>1,320</u>

#### e. Other Expenses

	2014 \$	2013 \$
Subsistence and transport	99,438	98,748
Fees for service	217,690	195,151
Postage and communication	20,004	17,922
Printing and stationery	26,591	19,989
Equipment and furniture	46	1,192
General administration expenses	23,968	54,038
Loss on re-allocation of Make good	1,839	-
	<u>389,576</u>	<u>387,040</u>

### 3. EDUCATION AND RESEARCH

There has been no Education and Research expenditure during the Financial Year 2014.

### 4. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council's accounts are managed by the NSW Ministry of Health (MOH). Executive and administrative support functions are provided by the HPCA, which is an executive agency of the MOH.

In accordance with an agreed Memorandum of Understanding salaries, and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

### 5. (a) INTEREST REVENUE



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

	2014 \$	2013 \$
Interest revenue from financial assets not at fair value through profit or loss	91,052	68,876
	<u>91,052</u>	<u>68,876</u>

During the year, in accordance with the agreement between NSW Treasury and Westpac Banking Corporation on 1 April 2013 for the provision of Transactional Banking, the HPCA on behalf of the Council, transitioned all current banking arrangements to Westpac Banking Corporation.

The guaranteed credit interest rate is calculated on daily balances as per the RBA cash rate plus an agreed fixed margin for five years.

	2014 %	2013 %
Average Interest Rate	2.56	2.83

#### (b) OTHER REVENUE

	2014 \$	2013 \$
Make good revenue resulting from decrease in make good provision	5,304	9,334
Legal Fee Recoveries	20,932	15,000
External Consulting Fee Recoveries	57,810	44,611
Application Fees	176,406	150,909
Other Revenue	2,829	2,202
	<u>263,281</u>	<u>222,056</u>

#### 6. GAIN/(LOSS) ON DISPOSAL/ADDITIONS

	2014 \$	2013 \$
<b>Plant and equipment</b>		
Net book value (disposed)/acquired during the year	(57,565)	74,883
Proceeds from sale/acquisition costs	1,785	12,919
	<u>(55,780)</u>	<u>87,802</u>
<b>Intangible assets</b>		
Net book value (disposed)/acquired during the year	2,142	44,951
Proceeds from sale/acquisition costs	-	-
	<u>2,142</u>	<u>44,951</u>
<b>Total Gain/(loss) on Disposal/Additions</b>	<u>(53,638)</u>	<u>132,753</u>

Included in the above Gain/(Loss) on disposal are adjustments arising from the Council's prior year decision to adopt a significant accounting policy, an agreed cost sharing arrangement for the distribution of pooled costs between health professional Councils and to dispose or acquire of a portion of its share of the opening carrying values of the pooled assets. Refer Note 1 (d).



# Pharmacy Council of New South Wales

## Notes to the Financial Statements

### 7. CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash at bank and on hand	50,983	184,339
Short-term bank deposits	-	-
Cash at bank - held by HPCA*	3,599,244	2,907,223
	<u>3,650,227</u>	<u>3,091,562</u>

\* This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

The Council operates the bank accounts shown below:

	2014 \$	2013 \$
Operating account**	-	184,339
Education and research account**	50,983	-
	<u>50,983</u>	<u>184,339</u>

\*\* managed by the HPCA, executive agency of the MOH.

### 8. RECEIVABLES

	2014 \$	2013 \$
Prepayments	9,607	2,685
Other receivables	15,674	(155)
Interest receivable	18	5,445
Trade receivables	19,667	20,566
Less: allowance for impairment	(3,310)	(2,320)
	<u>41,656</u>	<u>26,221</u>

#### Movement in the Allowance for Impairment

Balance at 1 July 2013	2,320	2,361
Amounts written off during the year	-	-
Amounts recovered during the year	-	(1,241)
Increase/(decrease) in allowance recognised in profit or loss	990	1,200
<b>Balance at 30 June 2014</b>	<u>3,310</u>	<u>2,320</u>

The trade receivables include monies that AHPRA has collected from registrants as at 30 June 2014 and has remitted the monies to HPCA in July 2014.

## Pharmacy Council of New South Wales

### Notes to the Financial Statements

#### Analysis of Trade Debtors Overdue

2014	Total	Past due but not impaired	Considered impaired
	\$	\$	\$
< 3 months overdue	2,063	2,063	-
3-6 months overdue	4,538	4,538	-
> 6 months overdue	4,518	1,208	3,310
<b>2013</b>			
< 3 months overdue	5,611	-	-
3-6 months overdue	990	-	-
> 6 months overdue	2,530	210	2,320

#### Notes

1. Each column in the table represents the 'gross receivables'.
2. The ageing analysis excludes statutory receivables that are not past due and not impaired.

#### 9. PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

	Leasehold Improvements	Motor Vehicles	Furniture & Fittings	Other	Total
	\$	\$	\$	\$	\$
<b>At 1 July 2013</b>					
Gross carrying amount	123,718	52,632	31,651	84,146	292,147
Accumulated depreciation and impairment	(5,637)	(14,808)	(6,330)	(64,439)	(91,214)
<b>Net Carrying Amount</b>	<b>118,081</b>	<b>37,824</b>	<b>25,321</b>	<b>19,707</b>	<b>200,933</b>
<b>At 30 June 2014</b>					
Gross carrying amount	64,819	58,976	16,261	93,565	233,621
Accumulated depreciation and impairment	(30,184)	(14,872)	(6,612)	(80,887)	(132,555)
<b>Net Carrying Amount</b>	<b>34,635</b>	<b>44,104</b>	<b>9,649</b>	<b>12,678</b>	<b>101,066</b>

## Pharmacy Council of New South Wales

### Notes to the Financial Statements

#### Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below:

	Leasehold Improvements	Motor Vehicles	Furniture & Fittings	Other	Total
	\$	\$	\$	\$	\$
<b>Year Ended 30 June 2014</b>					
Net carrying amount at start of year	118,081	37,824	25,321	19,707	200,933
Additions		28,737	-	3,812	32,549
Disposals	-	(9,931)	-	-	(9,931)
Other <sup>1</sup>	(47,504)	814	(12,420)	1,545	(57,565)
Depreciation	(35,942)	(13,340)	(3,252)	(12,386)	(64,920)
<b>Net Carrying Amount at End of Year</b>	<b>34,635</b>	<b>44,104</b>	<b>9,649</b>	<b>12,678</b>	<b>101,066</b>

	Leasehold Improvements	Motor Vehicles	Furniture & Fittings	Other	Total
	\$	\$	\$	\$	\$
<b>At 1 July 2012</b>					
Gross carrying amount	53,167	46,438	12,787	11,403	123,795
Accumulated depreciation and impairment	(224)	(10,567)	-	(9,829)	(20,620)
<b>Net Carrying Amount</b>	<b>52,943</b>	<b>35,871</b>	<b>12,787</b>	<b>1,574</b>	<b>103,175</b>

<b>At 30 June 2013</b>					
Gross carrying amount	123,718	52,632	31,651	84,146	292,147
Accumulated depreciation and impairment	(5,637)	(14,808)	(6,330)	(64,439)	(91,214)
<b>Net Carrying Amount</b>	<b>118,081</b>	<b>37,824</b>	<b>25,321</b>	<b>19,707</b>	<b>200,933</b>

#### Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below:

## Pharmacy Council of New South Wales

### Notes to the Financial Statements

	Leasehold Improvements	Motor Vehicles	Furniture & Fittings	Other	Total
	\$	\$	\$	\$	\$
<b>Year Ended 30 June 2013</b>					
Net carrying amount at start of year	52,943	35,871	12,787	1,574	103,175
Additions	2,636	27,622	-	2,857	33,115
Disposals	-	(14,041)	-	-	(14,041)
Depreciation	70,129	778	18,864	29,195	118,966
Other <sup>1</sup>	(7,627)	(12,406)	(6,330)	(13,919)	(40,282)
<b>Net Carrying Amount at End of Year</b>	<b>118,082</b>	<b>37,824</b>	<b>25,321</b>	<b>19,706</b>	<b>200,933</b>

1. Other includes:

- a. Adjustments required to opening balances due to the implementation of agreed Cost Allocation Methodology as at 1 July 2013 and 1 July 2012.
- b. Adjustments required to make good asset/liability in accordance with AASB 137.

#### 10. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

	Software Work in Progress	Software	Total
	\$	\$	\$
<b>At 1 July 2013</b>			
Cost (gross carrying amount)	41,638	152,718	194,356
Accumulated amortisation and impairment	-	(118,341)	(118,341)
<b>Net Carrying Amount</b>	<b>41,638</b>	<b>34,377</b>	<b>76,015</b>
<b>At 30 June 2014</b>			
Cost (gross carrying amount)	158,126	161,801	319,927
Accumulated amortisation and impairment	-	(143,240)	(143,240)
<b>Net Carrying Amount</b>	<b>158,126</b>	<b>18,561</b>	<b>176,687</b>





## Pharmacy Council of New South Wales

### Notes to the Financial Statements

	Software Work in Progress	Software	Total
	\$	\$	\$
<b>Year Ended 30 June 2014</b>			
Net carrying amount at start of year	41,638	34,377	76,015
Additions	116,488	-	116,488
Disposals	-	-	-
Other <sup>1</sup>	-	2,142	2,142
Amortisation	-	(17,958)	(17,958)
<b>Net Carrying Amount at End of Year</b>	<b>158,126</b>	<b>18,561</b>	<b>176,687</b>

	Software Work in Progress	Software	Total
	\$	\$	\$
<b>At 1 July 2012</b>			
Cost (gross carrying amount)	19,419	52,265	71,684
Accumulated amortisation and impairment	-	(42,625)	(42,625)
<b>Net Carrying Amount</b>	<b>19,419</b>	<b>9,640</b>	<b>29,059</b>

<b>At 30 June 2013</b>			
Cost (gross carrying amount)	41,638	152,718	194,356
Accumulated amortisation and impairment	-	(118,341)	(118,341)
<b>Net Carrying Amount</b>	<b>41,638</b>	<b>34,376</b>	<b>76,015</b>

	Software Work in Progress	Software	Total
	\$	\$	\$
<b>Year Ended 30 June 2012</b>			
Net carrying amount at start of year	19,419	9,640	29,059
Additions	22,219	132	22,351
Transfers	-	-	-
Disposals	-	44,951	44,951
Amortisation	-	(20,346)	(20,346)
<b>Net Carrying Amount at End of Year</b>	<b>41,638</b>	<b>34,377</b>	<b>76,015</b>

1. Other includes:

- a. Adjustments required to opening balances due to the agreed Cost Allocation Methodology as at 1 July 2013 & 1 July 2012.



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

#### 11. PAYABLES

	2014 \$	2013 \$
Personnel services - Ministry of Health	147,626	139,267
Trade and other payables	196,148	238,948
	<u>343,774</u>	<u>378,215</u>

#### 12. FEES IN ADVANCE

	2014 \$	2013 \$
<b>Current</b>		
Registration fees in advance	1,230,742	1,168,657
	<u>1,230,742</u>	<u>1,168,657</u>
<b>Non-Current</b>		
Registration fees in advance	4,133	5,841
	<u>4,133</u>	<u>5,841</u>

Registration fees in advance is the unearned revenue from NSW Regulatory Fees received on behalf of the Council by the HPCA from the AHPRA.

#### 13. PROVISIONS

	2014 \$	2013 \$
<b>Non-Current</b>		
Make good	28,385	30,650
	<u>28,385</u>	<u>30,650</u>

#### Movement in Provisions (other than personnel services)

Movements in each class of provision during the financial year, other than personnel services, are set out below:

	2014 \$	2013 \$
Carrying amount at the beginning of financial year	30,650	8,623
Increase in provisions recognised due to re-allocation of opening balances at beginning of year	1,839	38,762
Decrease in provisions recognised	(5,304)	(18,054)
Unwinding/change in discount rate	1,200	1,320
<b>Carrying Amount at the End of Year</b>	<u>28,385</u>	<u>30,650</u>



# Pharmacy Council of New South Wales

## Notes to the Financial Statements

The HPCA recognised a lease make good provision on entering into lease arrangements for Level 6, 477 Pitt Street. The provision was first included in the financial statements for 30 June 2011 and was based on a market-based estimate of the cost per square metre to make good the areas of the Pitt Street building that the HPCA occupies at the end of the lease.

As required under paragraph 59 of AASB 137, provisions are required to be reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the provision. The HPCA has recalculated the estimated lease make good provision as at 30 June 2014, taking into account the updated discount rate and inflation rates that are required under TC 11/17 and an updated estimate of the cost per square metre to make good the leased areas.

The impact of the changes to the three inputs to the overall lease make good provision has been to reduce the required provision as at 30 June 2014.

The lease arrangements for the Pitt Street building will expire in November 2016.

### 14. COMMITMENTS FOR EXPENDITURE

#### a. Capital Commitments

Aggregate capital expenditure contracted (2014) for the acquisition of duress alarm upgrade equipment at Level 6, 477 Pitt Street office for at balance date and not provided for.

Aggregate capital expenditure contracted (2013) was for the acquisition of a new Pharmacy ownership & registration system.

	2014	2013
	\$	\$
Not later than one year	1,134	170,500
Later than one year and not later than five years	-	-
<b>Total (including GST)</b>	<b>1,134</b>	<b>170,500</b>

#### b. Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2014	2013
	\$	\$
Not later than one year	159,090	186,171
Later than one year and not later than five years	239,575	483,130
<b>Total (including GST)</b>	<b>398,665</b>	<b>669,301</b>



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

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#### 15. RELATED PARTY TRANSACTIONS

The Council has only one related party, being the HPCA, an executive agency of the MOH.

The Council's accounts are managed by the MOH. Executive and administrative support functions are provided by the HPCA. All accounting transactions are carried out by the HPCA on behalf of the Council.

#### 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Health Professional Councils Authority received advice from the Ministry of Health and the Ministry's independent tax advisors to the effect that payments made to Council and Hearing members attract a pay as you go (PAYG) withholding tax obligation and superannuation guarantee levy payments. As a result of that advice, the Health Professional Councils Authority had undertaken an audit of the financial records.

The impact of the superannuation back pay adjustments and administration fees has been included in the annual accounts as well as an estimate of the nominal interest as at 30 June 2014. However, the nominal interest component cannot be finally determined until the voluntary disclosure of the superannuation guarantee charge statements by the Health Professional Councils Authority on behalf of the Council are submitted and agreed to by the Australian Taxation Office for all the affected Council and Hearing members.

The variation between the accrued estimated nominal interest and the final agreed amount are considered to be immaterial.

There are no material contingent assets as at 30 June 2014.

#### 17. RECONCILIATION OF NET RESULT TO CASH FLOWS FROM OPERATING ACTIVITIES

	2014 \$	2013 \$
Net result	551,234	566,824
Depreciation and amortisation	82,878	60,628
Allowance for impairment	-	41
(Increase)/Decrease in receivables	(15,435)	12,354
Increase/(Decrease) in fees in advance	60,376	59,634
Increase/(Decrease) in payables	(34,438)	30,460
Increase/(Decrease) in provisions	(2,266)	(141,889)
Net gain/(loss) on sale of plant and equipment	53,638	1,144
<b>Net Cash used on Operating Activities</b>	<b>695,987</b>	<b>589,196</b>



# Pharmacy Council of New South Wales

## Notes to the Financial Statements

### 18. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the Council's operations. The Council's main risks arising from financial instruments are outlined below, together with the Council's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees on policies for managing each of these risks.

#### a. Financial Instrument Categories

Financial Assets Class	Note	Category	Carrying Amount 2014 \$	Carrying Amount 2013 \$
Cash and Cash Equivalents	7	N/A	3,650,227	3,091,562
Receivables <sup>1</sup>	8	Loans and receivables (measured at amortised cost)	16,375	23,691

Financial Liabilities Class	Note	Category	Carrying Amount 2014 \$	Carrying Amount 2013 \$
Payables <sup>2</sup>	11	Financial liabilities (measured at amortised cost)	343,774	378,215

#### Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).
3. There are no financial instruments accounted for at fair value.



## Pharmacy Council of New South Wales

### Notes to the Financial Statements

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#### **b. Credit Risk**

Credit risk arises when there is the possibility of the Council's debtors defaulting on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Council, including cash, receivables, and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

##### **Cash**

Cash comprises cash on hand and bank balances held by the Council and the HPCA on behalf of the Council. Interest is earned on the daily bank balances.

##### **Receivables - Trade Debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. The Council is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

#### **c. Liquidity Risk**

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of the Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

All payables are current and will not attract interest payments.

#### **d. Market Risk**

The Council does not have exposure to market risk on financial instruments.

#### **e. Interest Rate Risk**

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

### **19. EVENTS AFTER THE REPORTING PERIOD**

There are no events after the reporting period to be included in the financial statements as of 30 June 2014.

**End of Audited Financial Statements**



# Appendix

## Members of Tribunals and Panels 2013/2014

### Tribunal members

Chairperson	Mr Peter Dwyer	
Deputy Chairpersons	Mr Mark Lynch Ms Joanne Muller Mr Nicholas O'Neill	
Professional members	Mrs Elizabeth Anderson Mr Russell Benda Mr Jonathan Chen	Mrs Elizabeth Frost Mr David Prestwick Mrs Anne Reynolds
Lay members	Ms Margaret Knibb	Dr Noel Greenaway

### Impaired Review Panels

Registered medical practitioners Professional members	Dr John Adams Mrs Alexandra Bennett Mrs Margaret Duguid Mrs Anne Reynolds	
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### Performance Registrants Panels

Chairperson/Lay person Professional members	Ms Rosemary Kusuma Mr Jonathan Chen Ms Zaheeda Patel	
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## Legislative Changes

### Health Practitioner Regulation National Law

The NSW Parliament passed the *Civil and Administrative Legislation (Repeal and Amendment) Act 2013*. The *Civil and Administrative Legislation (Repeal and Amendment) Act* commenced on 1 January 2014 and is one part of the suite of legislation that established the Civil and Administrative Tribunal of New South Wales (NCAT).

The *Civil and Administrative Legislation (Repeal and Amendment) Act* amended the *Health Practitioner Regulation National Law (NSW)* (the Law) to abolish each of the 14 separate health practitioner Tribunals and to incorporate their functions within the Health Practitioner Division List of the Occupational Division of NCAT. NCAT is now the responsible Tribunal as defined in section 5 of the Law.

Extensive consequential amendments were required to Part 8 of the Law along with minor consequential amendments to Part 5A of the Law and to the *Health Practitioner Regulation (New South Wales) Regulation 2010*.

## Digital Information Security Annual Attestation Statement for the 2013/2014 financial year

I, Mrs Helen Dowling, President of the Pharmacy Council of New South Wales, am of the opinion that the Pharmacy Council had an Information Security Management System in place during the financial year being reported on which is materially consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector with the following exceptions:

### Core Requirement 1 - Information Security Management System

Policy PD2013\_033, *Electronic Information Security Policy - NSW Health* applies to the Pharmacy Council. Agreement has been received that at its next update the Policy will be amended in view of the changes in NSW since 1 July 2010 following the enactment of the *Health Practitioner Regulation National Law (NSW)* and the commencement of the National Registration and Accreditation Scheme.

The Health Professional Councils Authority's *ICT Strategic Plan*, to be finalised in 2014/2015, will implement the Ministry of Health Policy Directive PD2013\_033 for the Pharmacy Council.

## Core Requirement 2 - Compliance with Minimum Controls

Full adoption of DFS C2013-5 *Information Classification and Labelling Guidelines* will be completed in 2014/2015.

An information security review is planned for 2015/2016 as a prelude to seeking ISO 27001 Certification.

## Core Requirement 3 - Compliance by Shared Service Provider

The Health Professional Councils Authority provided its Digital Information Security Annual Attestation for the 2013/2014 Financial Year to the ICT Board on 30 June 2014.

## Core Requirement 4 - Certified Compliance with AS/NZS ISO/IEC 27001

Compliance for ISO 27001 Certification is to be sought in 2015/2016.

## Government Information (Public Access) Act 2009 (GIPA) Statistics 2013/2014

Table A: Number of applications by type of applicant and outcome\*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	1	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	1	0	0	0	0	0	0

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	1	0	0	0	0	0	0
Access applications (other than personal information applications)	1	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

\* A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	1	0	1
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

\* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

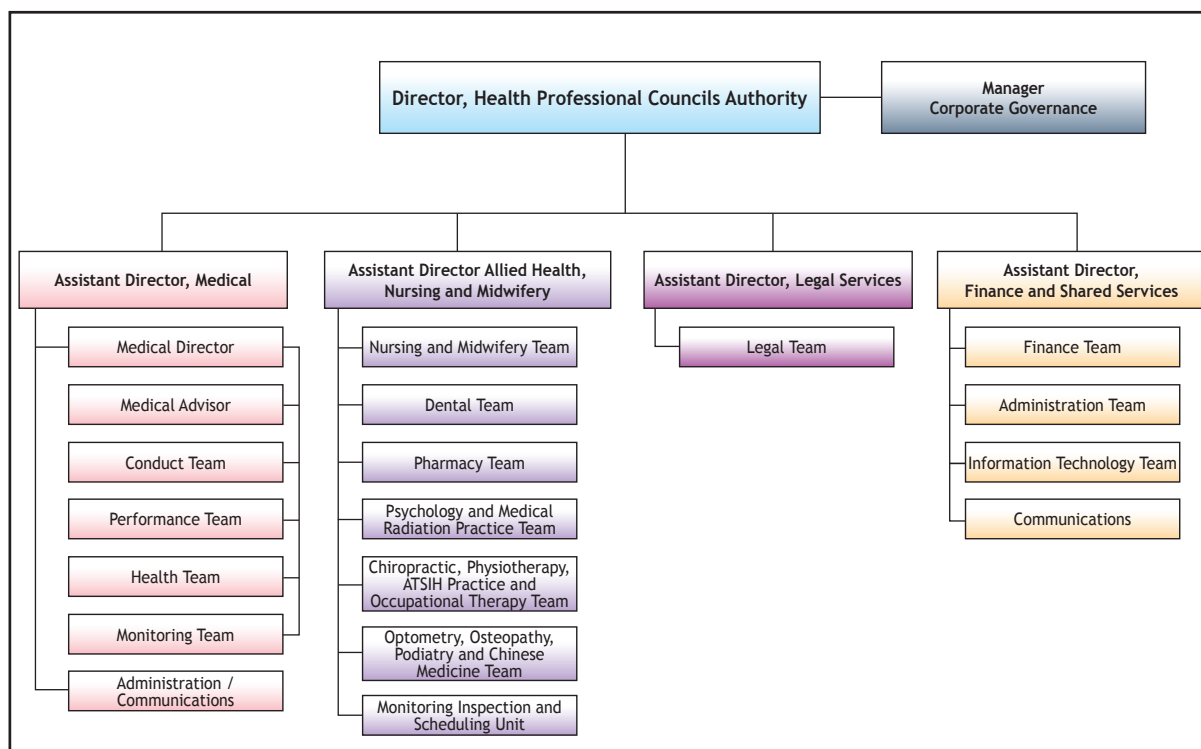
**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

## ***Public Interest Disclosure Statistics July 2013 - June 2014***

	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs	0	0	0
Number of PIDs received	0	0	0
Of PIDs received, number primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Number of PIDs finalised	0	0	0

## HPCA Organisation Chart as at 30 June 2014



## Workforce diversity statistics

### Trends in the Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark/Target	2012	2013	2014
Women	50%	N/A	N/A	85.1%
Aboriginal People and Torres Strait Islanders	2.60%	N/A	N/A	0.0%
People whose First Language Spoken as a Child was not English	19.00%	N/A	N/A	2.3%
People with a Disability	N/A	N/A	N/A	0.0%
People with a Disability Requiring Work-Related Adjustment	1.50%	N/A	N/A	0.0%

### Trends in the Distribution of Workforce Diversity Groups

Workforce Diversity Group	Benchmark/Target	2012	2013	2014
Women	100	N/A	N/A	N/A
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	N/A	N/A	N/A
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

## Payments Performance

Quarter	Current (within due date) \$	Less than 30 days overdue \$	Between 30 to 60 days overdue \$	Between 60 to 90 days overdue \$	More than 90 days overdue \$
<b>All suppliers</b>					
September	1,832,116	6,704	-	-	-
December	1,137,594	2,880	-	-	-
March	1,327,468	4,705	2,316	2,494	-
June	1,585,322	11,586	68	2,658	-
<b>Small business suppliers</b>					
September	636,714	5,204	-	-	-
December	178,388	2,400	-	-	-
March	399,398	2,720	2,316	2,494	-
June	291,675	9,455	68	2,376	-

Measure	Sept	Dec	Mar	June
<b>All suppliers</b>				
Number of accounts due for payment	203	121	210	133
Number of accounts paid on time	195	117	205	121
% of accounts paid on time (based on number of accounts)	96.1	96.7	97.6	91
\$ amount of accounts due for payment	1,838,819	1,140,474	1,336,982	1,599,633
\$ amount of accounts paid on time	1,832,116	1,137,594	1,327,468	1,585,322
% of accounts paid on time (based on \$)	99.6	99.7	99.3	99.1
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Measure	Sept	Dec	Mar	June
<b>Small business suppliers</b>				
Number of accounts due for payment	173	101	181	101
Number of accounts paid on time	167	97	177	92
% of accounts paid on time (based on number of accounts)	97	96	98	91
\$ amount of accounts due for payment	641,918	180,788	406,927	303,574
\$ amount of accounts paid on time	636,714	178,388	399,398	291,675
% of accounts paid on time (based on \$)	99	99	98	96
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

# Glossary

## Adjudication Body

The Council, a panel, tribunal or court can be declared an adjudication body for the purposes of the Law

## Cancellation

- A Council may recommend the cancellation of a practitioner's registration to the Tribunal Chair if the practitioner does not have sufficient physical and mental capacity to practise the profession
- A Council may recommend the cancellation of a student's registration if the student has an impairment
- The Tribunal may order the cancellation of a practitioner's or student's registration if it is satisfied that the practitioner is not competent to practise or is guilty of professional misconduct, or if the practitioner/student is unfit in the public interest to practise/to undertake clinical training or is not a suitable person for registration in the profession
- The Tribunal must cancel a practitioner's or student's registration if he/she has contravened a critical compliance order

## Closed Complaint

A complaint is closed when a final outcome/decision has been determined by the Council or other decision-making entity under the Law, such as a Tribunal, Professional Standards Committee, Performance Review Panel or Court. This decision disposes of the matter

## Complainant

A person who makes a complaint to a health complaint entity:

- A health professional Council of NSW
- Health Professional Councils Authority (HPCA)
- Health Care Complaints Commission (HCCC)
- Australian Health Practitioner Regulation Agency (AHPRA)

## Conciliation

The Council may refer a complaint to the HCCC for conciliation, whereby the parties involved can negotiate a resolution

## Caution

A caution is a formal warning intended to act as a deterrent to a practitioner not to repeat conduct. This is a less serious outcome than a reprimand

## Condition

A condition aims to restrict a practitioner's practice in some way or may relate to the management of the practitioner's health, to protect the public. Conditions on practice are displayed on the public register maintained by AHPRA

## Notification

A notification can be either a voluntary notification or a mandatory notification. A voluntary notification is about behaviour which presents a risk but is not as serious as a mandatory notification

## Notifiable Conduct/Mandatory Reporting

Notifiable conduct includes practising whilst intoxicated, engaging in sexual misconduct, placing the public at risk of substantial harm due to an impairment or a significant departure from accepted professional standards

## Open Matter

A complaint remains open until such time as a final outcome/decision has been determined by the Council or other decision-making entity under the Law, such as a Tribunal, Professional Standards Committee, Performance Review Panel or Court. This decision disposes of the matter



## Order

An order is a decision, condition or restriction placed on a practitioner's registration or practice

## Professional Misconduct

Unsatisfactory professional conduct of a sufficiently serious nature to justify suspension or cancellation of the practitioner's registration

## Reprimand

A reprimand is a formal rebuke or chastisement for inappropriate and unacceptable conduct and appears on a practitioner's registration

## Stage

This refers to the stage at which a matter was at any point in time. These are:

- Assessment by the HCCC and/or Council to determine the course of action to be taken
- Health: the matters primarily relate to determining if the practitioner has a health issue that impacts on practice and the support of the practitioner in managing the health issues to remain in practice
- Performance: the matters primarily relate to determining if the practitioner has a performance issue that impacts on practice and the support of the practitioner in managing the performance issues to remain in practice
- Investigation by the HCCC or being considered by the HCCC for prosecution
- Panel: the matter has been referred to or is being considered by an Impaired Registrants Panel (IRP), a Performance Review Panel (PRP) and Inquiry at a meeting of the Council [except for medical, nursing and midwifery practitioners] or a Professional Standards Committee (PSC) [only for medical, nursing and midwifery practitioners]
- Tribunal: the matter has been referred to or is being heard by the Tribunal
- Appeal/Court: appeals against the decisions of an adjudication body

## Stream

Health: a practitioner who may have a physical or mental impairment, disability, condition or disorder that detrimentally affects, or is likely to detrimentally affect their capacity to practise their profession

Conduct: behaviour by a practitioner that may be categorised as professional misconduct or unsatisfactory professional conduct

Performance: professional performance that is considered unsatisfactory because it is below the standard reasonably expected of a practitioner of an equivalent level of training or experience

## Supervision

Supervision is the performing of one's duties or practice under the supervision of another similarly qualified practitioner

## Suspension

- A Council may suspend a practitioner's registration for an interim period if it determines that immediate action is required to protect the health or safety any person(s) or the action is in the public interest
- With the voluntary agreement of the practitioner or student, a Council may suspend registration if recommended by an Impaired Registrants Panel
- A Council may recommend the suspension of a practitioner's registration to the Tribunal Chair if the practitioner does not have sufficient physical and mental capacity to practice the profession. It may recommend the suspension of a student's registration if the student has an impairment
- The Tribunal may order the suspension of a practitioner's or student's registration if it is satisfied that the practitioner is not competent to practise or is guilty of professional misconduct, or if the practitioner/student is unfit in the public interest to practise/to undertake clinical training or is not a suitable person for registration in the profession

## Unsatisfactory Professional Conduct

Conduct which is:

- significantly below reasonable standards
- in contravention of the Law or regulations
- in contravention of conditions of registration
- failure to comply with order/decision of a Tribunal
- accepting or offering a benefit for referral or recommendation to a health service provider or a health product
- engaging in over servicing
- failure to disclose pecuniary interest in giving a referral or recommendation
- permitting assistants not registered in the profession to provide services requiring professional discretion or skill, or
- other unethical or improper behaviour
- practising pharmacy for remuneration at a pharmacy in the course of employment by, or in association with, a non-pharmacist
- the supply of precursor drugs, or preparations, admixtures, extracts or other substances containing a proportion of precursor drugs, by the pharmacist in circumstances in which the supply of the drugs, preparations, admixtures, extracts or other substances is unnecessary, not reasonably required, or excessive
- if the pharmacist is the owner of, or otherwise has a pecuniary interest in, a pharmacy business, failing to display at or near the main entrance of each premises in which the business is carried on the owner's name
- if the pharmacist is the pharmacist in charge of a pharmacy, failing to display adjacent to the area where dispensing is carried on in the pharmacy the name of the pharmacist in charge followed by the words "PHARMACIST IN CHARGE"
- if the pharmacist is the owner of, or otherwise has a pecuniary interest in, a pharmacy business, failing to ensure drug price information displayed in premises in which the business is carried on does not contravene the Price Information Code of Practice (within the meaning of Schedule 5F).

# Abbreviations

AABS	Australian Accounting Standards Board	IAB	Internal Audit Bureau
AHPRA	Australian Health Practitioner Regulation Agency	IRP	Impaired Registrants Panel
ARC	Australian Research Council	MaCS	Monitoring and Complaints System
ATO	Australian Taxation Office	MOH	Ministry of Health
AustLII	Australasian Legal Information Institute	NB	National Board
CAP	Council appointed practitioner	NCAT	NSW Civil and Administrative Tribunal
CPI	Consumer Price Index	NRAS	National Registration and Accreditation Scheme
DP	Director of Proceedings	PA	Performance Assessment
DPP	Director of Public Prosecutions	PRP	Performance Review Panel
FTE	Full-time Equivalent	SLA	Service level agreement
GIPA Act	<i>Government Information (Public Access) Act 2009</i>	The Law	<i>Health Practitioner Regulation National Law (NSW) No 86a</i>
GST	Goods and Services Tax	TRIM	Total Records Information Management - the document management system used by the HPCA
HAC	Health Administration Corporation	WRAPP	Waste Reduction and Purchasing Policy
HCCC	Health Care Complaints Commission		
HPCA	Health Professional Councils Authority		

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