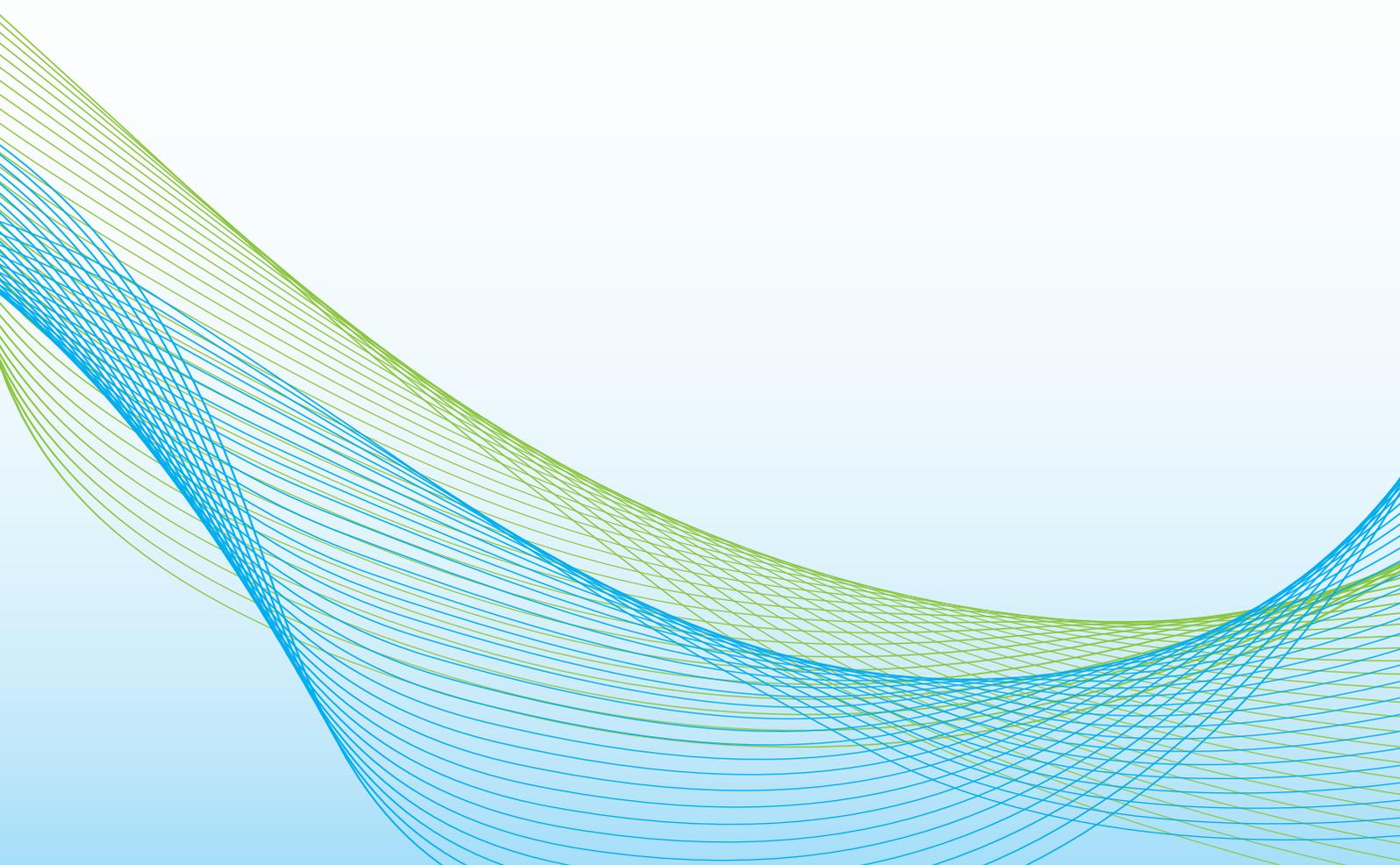




Australian Pharmacy Council Ltd

# ANNUAL REPORT

JULY 2012 - JUNE 2013



# APC year at a glance

In 2012 / 2013

We completed	5	Accreditation Site Evaluation SET visits of pharmacy degree programs
We completed	1	Pharmacist Prescriber course evaluation
We accredited	3	New pharmacy degree programs
We accredited	1	Pharmacist Prescriber course in New Zealand
We monitored	25	Pharmacy degree programs
We monitored	6	Intern Training programs
We developed	2	Sets of accreditation standards
We resolved	8	Pharmacy degree program conditions
We resolved	1	Intern Training program condition
We delivered	2,070	Intern written exams by computer delivery across Australia
We delivered	252	Exams for internationally trained pharmacists
We offered	12	Exam sessions in Australia and overseas
Our Clearing house delivered	3,786	Exam papers in 20 countries for 10 professions
We processed	495	Skills assessments for pharmacists
We added	1,933	New items to our APC examinations item bank
We answered	2,568	Examinations and Assessments phone calls
We replied to	2,782	Examinations and Assessments emails
We held	3	Stakeholder forums
We hosted	3	International guests and observers
We appointed	3	New committee members to APC committees
We welcomed	4	New full time staff members



Australian Pharmacy Council Ltd

## ANNUAL REPORT JULY 2012 - JUNE 2013

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## Introduction

The Australian Pharmacy Council was formed in 2002. Under the National Registration and Accreditation Scheme, the Australian Pharmacy Council Ltd is designated the independent accreditation agency for Australian pharmacy until July 2018 fulfilling the following functions:

- Accrediting pharmacy schools and programs; intern training programs; and accrediting agencies to accredit continuing professional development activities
- Conducting written examinations on behalf of the Pharmacy Board of Australia that must be passed prior to sitting the final oral competency assessment
- Assessing the qualifications and skills of overseas trained pharmacists and international students graduating from an Australian pharmacy program to determine their eligibility to apply to commence the registration process

The APC is a not-for-profit company limited by guarantee under the Corporations Act 2001 and registered with the Australian Securities and Investments Commission (ASIC). It is funded by grants and fees from its accreditation, assessment and examination services.

## Vision

The APC protects the public by the performance of accreditation and assessment activities that significantly contribute to the optimisation of health outcomes and to confidence in the delivery of competent pharmacy services in Australia.

## Mission

The APC is recognised as a leading accrediting agency as evidenced by:

- the development and implementation of accreditation standards
- promoting excellence in education, training, development and performance
- demonstrating independence and transparency
- consulting and collaborating with key national and international stakeholders

## Values

In all of its activities the APC maintains:

- independence and high ethical standards
- honesty and transparency in everything that it does
- accountability to clients and stakeholders
- evidence-based decision making and benchmarking
- high quality business processes and outcomes
- continuous improvement
- collaborative models of leadership



John Low *President*

## President's Message

The Australian Pharmacy Council (APC) is a not-for-profit company limited by guarantee under the Corporations Act 2001 and registered with the Australian Securities and Investments Commission (ASIC). Its funds are derived from the fees it receives from accreditation, assessment and examination services; it also receives an annual grant from the Pharmacy Board of Australia (PBA).

Since the *Health Practitioner National Law Act 2009* came into effect on 1 July 2010, pharmacy has been regulated by nationally consistent legislation. This legislative framework addresses the issues relating to the registration and accreditation of health practitioners. Pursuant to that legislation the Australian Pharmacy Council (APC) had been assigned the functions of accrediting educational providers and programs of study for the pharmacy profession and for assessing overseas trained pharmacists for an initial period of three years. It was recently informed that it had received a further assignment for a five-year period. The APC has also been appointed by the Pharmacy Board of Australia (PBA) as the entity responsible for delivering the written examination for interns.

The importance of an independent accrediting entity for the pharmacy profession under the *Health Practitioner National Law Act 2009* cannot be over-emphasised. The APC holds independence in all its accreditation activities and decision-making as one of its highest priorities. To that end, it has clear procedures in place for ensuring the independence of its activities; that it undertakes assessment and examination independently through a range of governing criteria; and, that it has clear procedures for identifying and managing conflicts of interest. While the APC has a professional and harmonious working relationship with the PBA, in the interest of such independence no standing committees of the APC have nominees or representatives for the PBA, nor are persons directly connected with the PBA members of the APC.

In addition to the recently completed standards, the *CPD Accreditation Standards 2012* and the *Standards for Assessing Authorities in Other Countries*, the APC recently complete a major review of the *Degree Program Accreditation Standards*. This document is the culmination of extensive research and consultation and I thank all those who gave so generously of their time and expertise to complete this project on time and on budget. In addition, the APC also completed accreditation of the University of Auckland and University of Otago postgraduate prescribing course against the *Accreditation Standards for the Prescribed Qualification: Pharmacist Prescriber Scope of Practice* for the Pharmacy Council of New Zealand.

While hospital and retail pharmacists have once again been removed from the Skilled Occupation List (SOL) as of July 2013 after returning to it on 1 July 2011, they do remain on the Consolidated Sponsored Occupation List (CSOL) and state-based lists. These irregular changes by the government of the day in regard to skilled-based immigration makes it very difficult for organisations such as the APC to predict the future demand for the assessment of overseas-trained pharmacists seeking migration to Australia. The lack of contemporary, robust workforce data is also a barrier to defensible decision-making by governments in this regard.

The Council is extremely fortunate with the skills and commitment brought to it by the current Council, and would like to sincerely thank all current and past Councillors for their commitment to and support for the APC. The continuing involvement of Ms Debra Rowett as Chair of the Accreditation Committee and Emeritus Professor Lloyd Sansom as Chair of the Examining Committee does much to enhance this critical work of the APC. I thank them, both for their continuing involvement in the work of the Council and the wisdom and skill they bring to their respective tasks.

In conclusion and in thanking the staff of the APC for their assistance, guidance, support and forbearance, I would like to thank Rachel Adkins, Director of Accreditation who filled the position of Acting CEO in the four months prior to the appointment of Bronwyn Clark with a calm maturity. I would like to welcome Bronwyn as APC's new Chief Executive Officer and although new to the position, Bronwyn has had a long association with APC serving on both the Examining and Accreditation Committees over a number of years - going back even before the change to the APC effected by the *Health Practitioner National Law Act* in July 2010. Bronwyn also brings a wide experience in and understanding of regulatory matters from her previous position as Chief Executive and Registrar of the Pharmacy Council of New Zealand. She continues the critical work initiated by our previous CEO, Lyn LeBlanc, in guiding the APC through a seemingly never-ending period of significant and sustained change, and is actively involved in broadening the skills of the staff to enable the organisation to respond rapidly to a changing work environment. She has already significantly contributed to the efficient and effective organisation we have today.

John Low *President*



Bronwyn Clark *Chief Executive Officer*

## CEO's Report

Over the past year, we have continued to consolidate our operations to progress our standing as a best practice accreditation council. This is in addition to completing a record number of accreditation visits to pharmacy programs and providing examinations to increasing numbers of candidates.

We were, therefore, delighted to hear early this year we had been awarded a further five-year assignment from the Pharmacy Board of Australia, as the accreditation authority under the National Registration and Accreditation Scheme (NRAS) until July 2018. This achievement is a vote of confidence in our ability to perform the accreditation function and is due to the steady direction of the Council and considerable hard work by staff within the organisation.

Operationally, we have implemented new processes and infrastructure to assist us in our delivery of services. We commissioned a review of our complete information systems and this Information Systems Strategic Plan (ISSP) will assist us to implement systems to meet our requirements for the next five years. The completion of the new Examination Item Bank has been a major piece of work for our examinations team, and this allows us to house, sort and review our exam material in a way that helps us ensure greater security and deliver our examinations in the most efficient way. We have also created three new full-time equivalent positions within the APC organisation to assist with our work.

As part of continuous improvement, this year our accreditation team completed a major benchmarking exercise, resulting in a review of the processes around accreditation of degree programs. The results include new timelines for applications, revised membership of the evaluation teams that conduct reviews and the introduction of new training for these team members. The feedback we have received on these changes has been positive, and we will continue to develop and review our processes to respond to stakeholders.

This year we have developed and implemented two sets of accreditation standards following a wide consultation process as laid out in the *Health Practitioner Regulation National Law Act 2009* (the National Law) and the Australian Health Practitioner Regulation Agency's (AHPRA) *Procedures for development of accreditation standards*.

These standards are:

- Accreditation Standards for Pharmacy Programs in Australia and New Zealand, 2012 and
- Accreditation Standards for Continuing Professional Development Activities, 2013.

Both these sets of standards have been endorsed by the Pharmacy Board of Australia, and we were pleased to receive funding from the Pharmacy Board of Australia for the production of the former.

A focus for this year has been to improve our communication with our stakeholders and establish our role as a leader in the sector. This is by use of our website, face-to-face workshops and attending meetings and conferences. We enjoy a very productive working relationship with the Pharmacy Board of Australia, and in particular with the Chair and Executive Officer. We also continue to work collaboratively with other accreditation councils within Australia and New Zealand as part of the Health Professions Accreditation Councils' forum, and in March we re-signed our Memorandum of Understanding with the Pharmacy Council of New Zealand. We are planning an education event titled the *APC Accreditation Colloquium – Innovation and Drivers to Quality Education* to be held in July 2013. We have invited a UK academic to be the keynote at this event and have received enrolments from over 60 participants. We plan to offer this as an annual forum for discussion of pharmacy education into the future.

On the international front, this year we have formalised our relationships with the American Accreditation Council for Pharmacy Education (ACPE) by way of a Memorandum of Understanding. We have also held meetings with our colleagues from the General Pharmaceutical Council of the United Kingdom. Most recently we have been accepted as an observer member of the International Pharmacists Federation (FIP). Further international developments are planned as part of our International Engagement Strategy to allow us to continue to develop our services and processes.

We could not fulfil our role without the assistance of the members of the pharmacy profession who assist us as committee members, assessors, evaluators, exam writers and exam reviewers. We are also ably assisted by community members in our Council and committees. I would like to thank each of these people for their work and support. I am also grateful for the direction and support of the Council and committees, and most notably John Low, as President.

No organisation can be successful without capable and committed staff, and I am most grateful to the team for their work and dedication. I would particularly like to thank Rachel Adkins who as Acting Chief Executive Officer for four months, ensured the organisation was well cared for until my arrival in November 2012.

The next period for us will be one of constant change, but we are working to ensure we remain a contemporary and nimble organisation that is able to achieve our goal to ensure the standards of education and training of the pharmacy profession promote and protect the health of the public.

Bronwyn Clark *Chief Executive Officer*

# Strategic Directions Planning

The APC reports to the PBA and AHPRA against a *Quality Framework for the Accreditation Function* that was developed by AHPRA, the national boards and the health professions accreditation councils. The Quality Framework has eight domains. The APC meets these domains in the following ways:

**Governance** - The Australian Pharmacy Council (APC) has robust, credible and sustainable governance processes and policies.

**Independence** – There are clear procedures in place for ensuring the independence of the APC's accreditation activities, including clear procedures for identifying and managing conflicts of interest.

**Operational management** – The APC has mechanisms in place to ensure operational efficiency and effectiveness. Key performance indicators are used to assess the APC's performance against its strategic priorities. There are robust systems for ensuring confidentiality and managing information.

**Accreditation standards** – The APC currently accredits 33 programs and four CPD Accrediting Organisations against a range of standards for the accreditation of pharmacy education programs and activities that the APC is responsible for developing, maintaining and applying. These standards meet relevant Australian and international benchmarks, are based on available research and evidence and are developed with extensive stakeholder consultation. Standards are reviewed regularly and review and development of the standards accords with the *AHPRA Procedures for development of accreditation standards* and the National Law.

**Processes for accreditation of education providers and programs of study** - The APC has a range of processes and supporting material in place to ensure consistency, transparency and equity in undertaking accreditation decisions. These ensure selection and training of suitable reviewers, fair and robust accreditation decisions and engagement of accredited providers in the ongoing quality improvement of pharmacy education programs.

**Assessing authorities in other countries** – The APC has set standards and procedures that “*assess examining and/or accrediting authorities in other countries consistent with the National Law*”. There are three standards and associated indicators for the identification of countries with comparable learning and practice environments to Australia.

**Assessing overseas qualified practitioners** - The APC assesses applicants using established and recognised tools such as the Country Education Profiles Online tool and an overall primary assessment of qualifications, registration, work experience and letters of good standing. The secondary assessment uses multiple choice questions that have been developed by pharmacists, trialed and monitored for performance. “The Examining Committee monitors its examinations for statistical reliability. It also uses examination results to inform analysis of candidate performance by country of origin.”

**Stakeholder collaboration** - The APC has in place a range of mechanisms under a Stakeholder Engagement Strategy to build stakeholder support and collaboration, both within Australia and internationally. The APC has processes for engaging with governments, education institutions, health professional organisations, health providers, the national boards and the community.

The domains have been incorporated into the strategic priorities for the organisation and the governance reporting tool Balanced Scorecard was used to identify four strategic areas.

# Strategic Priorities 2012-2015

## 1. Services and Responsibilities

- a) Accreditation activities are conducted independently, fairly, consistently, without undue influence of any party, transparently and to a high quality against standardised processes.
- b) Documented standards and processes are applied to assessing overseas trained professionals and international students graduating from an Australian pharmacy program for eligibility to enter the registration process in Australia.
- c) There is recognised excellence and efficiency in the development, conduct and marking of the knowledge based and competency based examinations.
- d) There is recognised excellence and efficiency in the delivery and conduct of the examination consortium's national and international examination services.

## 2. Internal Processes and Performance

- a) All governance processes are clear, effective and transparent, demonstrating competence and professionalism, management of conflicts of interest and risks, and underpin the selection of the governing body and committee membership.
- b) Accreditation processes are monitored, reviewed, improved and implemented inter alia accreditation of CPD, training and evaluation of SET members.
- c) Examination processes are monitored, reviewed, improved and implemented inter alia collection of statistics on examination questions, item writing and validation.
- d) Standards developed use the *AHPRA Procedures for development of accreditation standards*, meet relevant benchmarks, are evidence based using available research, and reviewed regularly.
- e) The development of standards complies with the National Law inter alia involves wide ranging consultation.

## Strategic Priorities 2012-2015 (cont'd)

### 3. Stakeholders and Relationships

- a) APC lobbies/influences; engages with governments; engages with the pharmacy profession, health professions and the community through effective, consistent and ongoing communication leading to increased recognition of the delivery of high quality accreditation and examination services.
- b) Collaboration occurs with stakeholders including national and international accreditation organisations, examining authorities, community and professional organisations; and there is national and international leadership in accreditation, examination delivery and related areas.
- c) There is satisfaction with the quality and value of the APC services.

### 4. Resources (People and Finances)

- a) Staff capability is maintained through ongoing staff development, appropriate recruitment and selection to align with the APC corporate goals and values.
- b) Identification of strategic business opportunities will be made that contribute to the financial viability and sustainability of the APC.
- c) There is effective and efficient management of resources (including investments) balanced with the setting of a fee structures appropriate to the principles of the National Law.

## Australian Pharmacy Council Councillors

Councillor	Qualifications	Term of Appointment
Mr John Low (President)	PhC, MSHP	1 July 2010 – 1 July 2013 Reappointed 13 May 2013 - present
Mr John Jackson	BPharm, GradDipHosPharm, MPH, FSHP, MPS	1 July 2010 – 1 July 2013 Reappointed 13 May 2013 - present
Dr Ian Coombes	BPharm(Hons), MSc, PhD	1 July 2010 – 30 June 2012 Reappointed 28 May 2012 - present
Ms Lenette Mullen	FPS, GAICD	1 July 2010 – 30 June 2011 Reappointed 15 June 2011 to present
Mr Mark Bedford	DipPharm, RegPharmNZ, AFNZIM	2 March 2011 - present
Professor Emeritus Lloyd Sansom, AO	PhC, BSc, PhD(Adel), FPS, Hon.DHlth(N'cle), Hon.DSc(Qld), DUniv(Griff)	26 March 2009 – present
Ms Debra Rowett	BPharm, CGP	26 March 2009 – present
Professor Nick Shaw	BSc(Hons), PhD, MPS, CSci, CChem, FRSC, FRPharms	1 July 2010 – 30 June 2012 Reappointed 28 May 2012 - present
Ms Gayle Ginnane	BA, BEcon, MDefStud, GDSS, FAICD, MAIM, MIPAA	23 December 2011 - present
Ms Tricia Greenway	BA, TPTC	25 May 2012 - present



**Mr John Low, PhC, CertIV AWT**

Mr John Low is President of the Australian Pharmacy Council, held since July 2010.

He has had a long and distinguished career in pharmacy, in particular in hospital pharmacy, regulation and publication. His current interests are those of accreditation, regulation and workforce issues surrounding the profession.

In his role with APC, John aims to ensure Council has contemporary standards and fulfils its governance responsibilities.

John has an active role with the Health Professions Accreditation Councils' Forum, and is on the Health Workforce Australia Health Practitioners Prescribing Pathway's steering committee. His qualifications in pharmacy are PhC (NZ), and Cert IV in Workplace Training and Assessing.



**Mr John Jackson, BPharm, GradDipHospPharm, MPubHealth**

Mr Jackson is the Vice President of the Australian Pharmacy Council, a member of the Accreditation Committee and a member of the FARM committee.

He practises in institutional pharmacy with particular interests in health, medicines and pharmacy policy, funding of pharmaceuticals, quality use of medicines, patient safety and standards in pharmacy practice.

He brings to Council expertise from a number of areas of pharmacy practice, extensive experience in the governance of the pharmacy profession and the policy framework that underpins the practice of pharmacists.

John is President, Western Pacific Pharmaceutical Forum, Chairs the Advisory Committee on Medicines Scheduling, Department of Health and Ageing, and sits on the Board of the Pharmaceutical Society of Australia and is a Member, Health Service Medication Expert Advisory Group of the Australian Commission on Safety & Quality in Health Care.

A Fellow of the Society of Hospital Pharmacists of Australia, his other pharmacy qualifications include a Bachelor of Pharmacy, Graduate Diploma in Hospital Pharmacy and Master of Public Health.



**Ms Gayle Ginnane, BA, BEd, MDefStud, GradDipStratStud, FAICD, MAIM, IPAA**

Ms Ginnane is a community member of the Australian Pharmacy Council. As an independent director and consultant, she aims to bring a non-pharmacy and consumer perspective to the Council deliberations and to contribute through her knowledge of governance and process. Her time as CEO of the Private Health Insurance Administration Council assists her with an excellent knowledge of the overall health system in Australia. She would like to see better links between all parts of the health care system to seek better outcomes for patients.

Gayle serves on a wide variety of other Boards. She is the Chair of the National Blood Authority; Director, CIT Solutions Ltd; an Independent Chair, Finance Audit and Risk Monitoring Committee (Australian Pharmacy Council); Director, Australian Council for Education and Care Quality Authority (ACECQA); Director, Police Health; Director, ACT Medicare Local; Independent Chair, Finance Audit and Risk Committee, Professional Services Review (PSR); and is Trustee and Honorary Secretary, The Arthur Shakespeare Foundation for Scouting.

Ms Ginnane's holds a Graduate Diploma in Strategic Studies; Master of Defence Studies; Bachelor of Economics; and Bachelor of Arts.



**Dr Ian Coombes, BPharm, MSc, PhD**

Dr Coombes has a background in both hospital pharmacy and academia, both in Australia and the United Kingdom, and is currently a hospital pharmacy director. His particular interests are in competency-based development of clinical practice, medication safety and prescribing safety. He is also involved in developing clinical pharmacy services in Sri Lanka.

Ian sees his involvement with Council as providing hospital pharmacy input, practitioner development and evaluation and a research perspective.

His qualifications are Bachelor of Pharmacy, a Master of Science and a Doctor of Philosophy. He also sits on the Board of the Society of Hospital Pharmacists of Australia.



**Ms Lenette Mullen, DipPharm, PG DipPharm, CertIV AWT, GAICD, FPS**

Ms Mullen has a background in community pharmacy and pharmacy organisation administration. Her current interests are in the area of training, especially that of pharmacy assistants and pharmacy interns.

Lenette was a member of the Council of Pharmacy registering authorities, the precursor to the Australian Pharmacy Council. She wishes to see the Council grow to be an accrediting and examining body recognised as a leading organisation by all the health professions.

Lenette also sits on the National Executive of the Pharmacy Guild of Australia, is a Board member with the Pharmacy Registration Board of Western Australia and is on the Poisons Advisory Committee of Western Australia.

Her qualifications are Diploma of Pharmacy, Post Graduate Diploma in Community Pharmacy, Graduate Australian Institute of Company Directors, Cert IV in Workplace Training and Assessment and she is a Fellow of the Pharmaceutical Society of Western Australia.



**Ms Tricia Greenway, BA, TPTC**

Ms Greenway is a community member of the Australian Pharmacy Council. She is particularly interested in contributing to the availability of qualified and up-to-date pharmacists for the Australian community now and in the future.

Ms Greenway's qualifications are a Bachelor of Arts and Trained Primary Teacher's Certificate.

Ms Greenway has significant Board experience as follows: Recognition of Medical Specialties Advisory Committee Community Member for Australian Medical Council; Code of Conduct Advisory Committee Consumer Member for Medical Technology Association of Australia; Code Monitoring Committee Consumer Member for Medicines Australia; Advertising Code Committee Consumer Member of Therapeutic Goods Advertising Code Council for the Therapeutic Goods Administration; and Community Member of Advisory Committee on Complementary Medicines for Therapeutic Goods Administration.



**Mr Mark Bedford, DipPharm, RegPharmNZ, AFNZIM**

Mr Bedford is New Zealand pharmacist and the Pharmacy Council of New Zealand nominee to the Australian Pharmacy Council. He currently has an active involvement in community pharmacy in a medical centre providing high level patient centred services.

Mark is keen to foster ongoing relationships between Australia and New Zealand especially in the areas of accreditation. His qualifications are a Diploma in Pharmacy, and he is an Associate Fellow NZ Institute of Management. Mark is also a Registered Pharmacist in New Zealand and is currently the Deputy Chair of the Pharmacy Council of New Zealand.



**Emeritus Professor Lloyd Sansom, AO, PhC, BSc, PhD, FPS, Honorary DHealth, Hon DSc, DUniv, FPS**

Professor Sansom is a Councillor and also the Chair of the Examining Committee of the Australian Pharmacy Council. He has a particular research interest in pharmacokinetics, biopharmaceutics, the quality use of medicines and pharmaceutical policy.

In his role with the Council his intention is to contribute to the accreditation of programs and individuals to ensure the Australian public is provided with a pharmaceutical service of the highest standard. Professor Sansom is Chair of the South Australian Medication Advisory Committee, the Medication Reference Group of the Australian Safety and Quality Commission and the Codes of Conduct Advisory Group. He is a member of the Therapeutic Goods Advisory Council and a director of BellBerry Ltd a not-for-profit human research ethics company. Professor Sansom is a member of the international advisory board of NICE International and of the Policy Forum Committee of Health Technology Assessment International and a Faculty member of the Salzburg Global Seminar. He serves on a number of national committees relating to pharmaceutical policy.

Professor Sansom holds a number of qualifications including the title of Emeritus Professor at the University of South Australia. He has received honorary Doctorates from the University of Queensland, University of Newcastle and Griffith University and is a Fellow of the Pharmaceutical Society of Australia



**Ms Debra Rowett, PSM, BPharm, MAICD**

Debra Rowett is a Councillor and also the Chair of the Accreditation Committee of the Australian Pharmacy Council. Her particular areas of current practice are in research, training and service delivery in primary care. Debra has a particular interest in aged care, palliative care, pharmacoepidemiology and pharmacovigilance. She also has strong interest in health policy and workforce development.

Debra sees her place on Council to serve in the public interest to improve outcomes from medicines and to minimise harm through good policy and standards which build a skilled and competent workforce that is adaptive and able to meet the future health care needs of society. She wishes to contribute at an international level to enhance the Accreditation Standards and the processes by which we assess and monitor the training and development of the pharmacy workforce.

Debra holds a Bachelor of Pharmacy, is a Certified Geriatric Pharmacist through the Commission for Certification in Geriatric Pharmacy, United States of America, an accredited pharmacist and has completed Company Director training.

Debra is the Director, Drug and Therapeutics Information Service at the Repatriation General Hospital. Debra serves on a number of boards including as Chair, NPS Medicinewise Prescribing Intervention Expert Advisory Group, Executive Committee member of the South Australian Department of Health, Cardiovascular Clinical Network; Executive Committee member of Department of Veterans' Affairs Veterans' MATES project; Member, Drug Utilization Subcommittee; Member of national Scientific Subcommittee and Trials Management Committee of the Palliative Care Clinical Studies Collaborative; Chair, Committee of Specialty Practice (Academic Detailing) of Society of Hospital Pharmacists Australia.



**Professor Nick Shaw, BSc (Hons), PhD, CSci, CChem, FRSC, FRPharmS**

Professor Shaw is a Councillor and also a member of the Accreditation Committee of the Australian Pharmacy Council. He is currently the Head of School of Pharmacy at University of Queensland. In his role on the Council he aims to provide an academic perspective on issues such as accreditation, pharmacy workforce and the pharmacy degree and he is particularly interested in the education, curriculum development and workforce issues in pharmacy.

Professor Shaw's areas of research include: the application of bioanalytical methodologies to solve clinical and health-related problem; metabolite profiling methodology applied to nutrient profiles of tropical and other plants and secondary metabolite identification and quantitation from bacteria; drug metabolism, biopharmaceutics, drug delivery and pharmacokinetic studies. He is currently the Director of the Council of Pharmacy Schools of Australia and New Zealand.

Professor Shaw holds a Bachelor of Science in Pharmacy with Honours, and PhD from Manchester, UK and is a Fellow of the Royal Pharmaceutical Society.



**Seated:** Mr John Jackson, Mr John Low, Ms Bronwyn Clark

**Standing:** Ms Tricia Greenway, Mr Mark Bedford, Ms Gayle Ginnane, Dr Ian Coombes, Emeritus Professor Lloyd Sansom AO, Professor Nick Shaw, Mrs Debra Rowett, Ms Lenette Mullen

## Council meetings and attendance

**General meeting:** 28 - 29 August 2012, Canberra ACT

**Annual General meeting:** 19 - 20 November 2012, Canberra ACT

**General meeting:** 18 - 19 February 2013, Canberra ACT

**General meeting:** 13 - 14 May 2013, Canberra ACT

Councillor	Eligible to Attend	Attendance
Mr John Low	4	4
Mr John Jackson	4	4
Dr Ian Coombes	4	4
Ms Lenette Mullen	4	4
Mr Mark Bedford	4	4
Professor Emeritus Lloyd Sansom AO	4	4
Ms Debra Rowett	4	4
Professor Nick Shaw	4	4
Ms Gayle Ginnane	4	4
Ms Tricia Greenway	4	4



## Finance, Audit and Risk Monitoring Committee

### Scope

The Finance and Risk Monitoring Committee reviews the Australian Pharmacy Council's financial and compliance risks and makes recommendations to Council on managing the risks of the APC.

### New Committee Member

Ms Ros Jackson was appointed to the FARM Committee on 15 September 2012 for a three-year term. Ros is a Chartered Accountant and brings with her a wealth of financial and governance expertise, and has provided valuable advice and suggestions especially with APC's financial reporting.

Mr John Jackson (Councillor) was appointed for an additional three-year term from 14 May 2013.

### Activities

The Committee met five times throughout the 2012-13 financial year and addressed a myriad of issues including:

- Reviewing the risk management framework for the APC including the addition of a control rating.
- Determining the appropriateness of APC insurances resulting in consolidation of existing business policies and securing travel insurance.
- Overseeing the preparation of the 2013-14 annual budget including setting of fees and grants.
- Remuneration of Council and Committee members.
- Development of new policies and revision of existing delegation and investment policies.
- Addressing taxation issues including fringe benefits tax and income tax exemption.
- Monitoring assets including testing for impairment.

### Audit

The Committee oversaw the annual audit conducted by PricewaterhouseCoopers. The Committee agreed the scope of the audit and reviewed the audited financial statements. The auditor attended the FARM Committee meeting held in August 2013 answering questions from the Committee regarding the audit. The financial statements were unmodified with no items raised in the management letter.

### Internal Processes

An accountant was engaged by the APC to conduct six monthly reviews of APC's internal accounting processes and controls. A report was provided to Council on the scope and findings of the review. The report indicated no anomalies were found with the financial records and there were adequate controls through separation of functions and documentation.

### Investments

APC reserves are held in onshore interest bearing accounts. Tighter fiscal environment saw the cash rate drop 0.75% over 2012-13 financial year. The Committee was concerned with limiting exposure of cash investments to falling interest rates and instigated some longer term investments.

Gayle Ginnane *Chair, FARM Committee*



**Nathan Ford**  
 Director  
 Examinations and Assessments

## BUSINESS UNITS

### Examinations and Assessments

The APC Examinations and Assessments unit is responsible for the development and application of valid and reliable assessment and examination processes to pharmacists with overseas qualifications, international graduates of Australian and New Zealand pharmacy programs and intern pharmacists prior to commencing or completing their registration in Australia through AHPRA. The unit's activities are overseen by the APC Examining Committee, which is a standing committee of the Australian Pharmacy Council.

The Examinations and Assessments unit is responsible for the management and delivery of 12 major pharmacy examination sessions annually, both in Australia and internationally and the delivery of the Clearing House examinations on behalf of other professions.

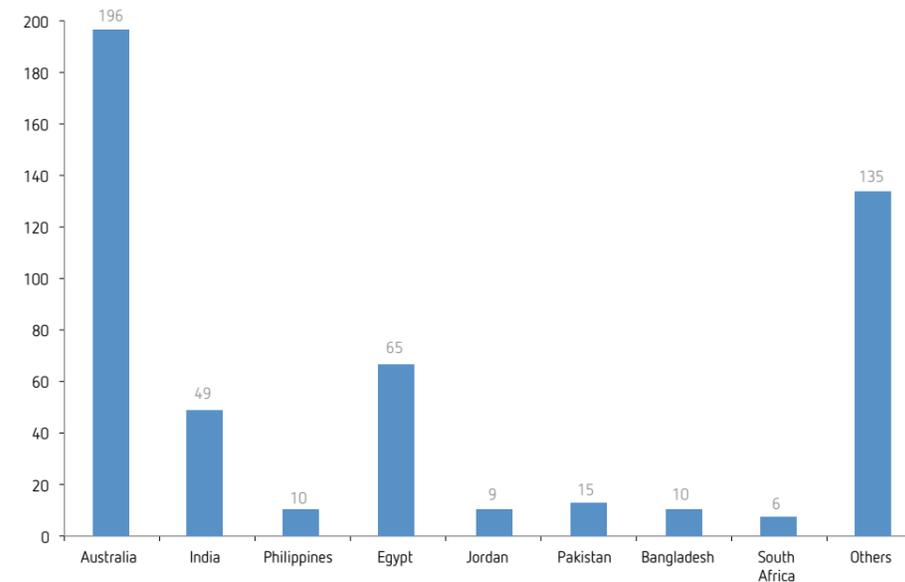
#### Assessment of overseas qualified pharmacists

Our unit assesses the qualifications and skills of pharmacists with overseas qualifications and international graduates of Australian and New Zealand pharmacy programs through the collection, analysis and verification of qualifications, registration status and work experience.

Overseas qualified pharmacists are, if deemed eligible, classified into one of two streams – Stream A or Stream B. Overseas trained pharmacists who meet all the eligibility requirements and hold a qualification and current registration in the United States of America, the United Kingdom, Canada and Ireland are placed into Stream B. All other eligible overseas trained pharmacists are placed in Stream A.

In 2012-2013, we undertook 495 skills assessments including 173 eligibility assessments of Stream A applicants, 64 eligibility assessments of Stream B applicants and 258 assessments of international graduates of Australian or New Zealand programs. This represents an overall increase of 1 assessment on the 2011-2012 financial year.

#### Assessment Chart



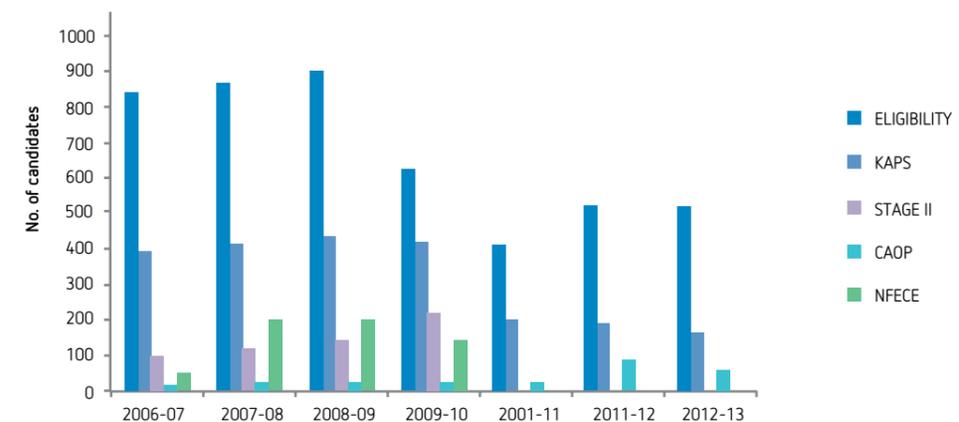
#### Examination of overseas qualified pharmacists

Stream A candidates must pass the Knowledge Assessment of Pharmaceutical Sciences (KAPS) examination. This examination is designed to establish whether or not the candidate's knowledge of basic pharmaceutical science is appropriate to contemporary Australian pharmacy practice. The KAPS examination is offered twice annually in all capital cities in Australia and in approximately 25 international sites in Europe, Asia, Africa and South America.

Stream B candidates must pass the Competency Assessment of Overseas Pharmacists (CAOP) examination. This examination determines whether the candidate's pharmaceutical competence is aligned with the *National Competency Standards Framework for Pharmacists in Australia, 2010*. The CAOP examination is offered four times annually in London, Auckland and all Australian capitals.

This chart shows the total examinations and assessment from 2006/7 to 2012/13.

#### Total Assessments and Examinations (2006-2013)





## 2012-2013 Special Projects

Throughout 2012-2013, in collaboration with ChartSmart Consulting Pty, we have been working on the upgrading of the APC's itembanks. This work, which was begun in the previous financial year, will be complete in September 2013 and will significantly improve APC's capacity and flexibility in the delivery of its examinations. Operating in parallel to the itembank development project, we have worked with a variety of item writers across Australia and New Zealand to develop new items for inclusion on APC examinations. At the close of the 2012-2013 financial year, the APC's item writers had produced 1,255 new Intern Written Examination and 678 new KAPS items.

After a review of its charter, the Examining Committee decided at its meeting in December 2012 to include two new positions on the Committee to ensure the breadth and diversity of its membership aligned with the APC's key stakeholders. One position will be filled by a psychometrician specialising in the development and analysis of examinations and the other will be filled by an early career pharmacist who has passed the Intern Written Examination within the last three years.

At the same meeting, the Examining Committee resolved that in the interests of administrative efficiency and item security, the CAOP examination would move to computer-based delivery. The first CAOP session to be delivered via computer will be in September 2013.

2012-2013 also saw the implementation of the Examining Committee's Monitoring Framework. This framework is comprised of numerous reports and analyses that cover the full range of Examination and Assessments activity. The framework allows Examinations and Assessments staff to collate and evaluate a wide range of data on its activities and to develop continuous improvements in the delivery of examinations and assessment of overseas pharmacists.

In May 2013, the APC delivered a survey to over 1,300 interns regarding their experience of the Intern Written Examination, intern year and employment. The data from this survey will inform quality assurance measures and future strategic decisions by the APC and will also be used to inform the Australian Pharmacy Liaison Forum discussions on workforce planning.

**Nathan Ford** *Director Examinations and Assessments*

We would like to thank the Examining Committee for their hard work and valuable contributions through the year.



**Standing:** L to R Dr Betty Chaar, Ms Sue Scott, Ms Dianne Wilkins, Mrs Barbara Moore, Dr Mark Rowe, Professor Jo-anne Brien, Associate Professor Kay Stewart (Deputy Chair), Associate Professor Treasure McGuire

**Seated:** L to R Ms Bronwyn Clark (APC CEO), Professor Emeritus Lloyd Sansom AO (Chair), Mr Nathan Ford (APC Director, Examinations and Assessments)



Rachel Adkins  
Director  
Accreditation

## Accreditation

The 2012-2013 year has been one of significant change in the accreditation section of the Australian Pharmacy Council (APC).

The early half of 2012 saw the start of the review of the *Accreditation Standards for Degree Programs in Australia and New Zealand* via an extensive period of public consultation, including workshops in each state and territory and in Wellington, New Zealand. Responding to clear feedback received throughout the consultation, we hosted a further workshop in July 2012. Participants from the earlier public consultation were invited to discuss the future curriculum requirements for pharmacy education. One of the key messages taken away from that workshop was that educators strongly prefer outcome-based accreditation measures to the current use of prescriptive indicative curriculums.

While the review of the Accreditation Standards continued, our accreditation team were benchmarking, reviewing and revising accreditation processes. The introduction of the *Health Practitioners Regulation National Law Act 2009* (National Law) in July 2010 was responsible for a significant period of change, but in the early part of 2012 the interpretation of the National Law undertaken by the Australian Health Practitioners Registration Agency (AHPRA) required further change to our accreditation processes.

Since 1999 the APC Accreditation Committee, then the New Zealand and Australian Pharmacy Schools Accreditation Committee (NAPSAC), accredited new pharmacy schools using a three-level accreditation system of preliminary, provisional and full accreditation. In 2012, the APC altered the accreditation language to align with the National Law. As a result, all pharmacy programs became *accredited, accredited with conditions, or not accredited*. This change presented the Accreditation Committee with a number of challenges, primarily regarding the consideration of new schools of pharmacy.

Benchmarking pharmacy against the other health professions and the pharmacy accreditation organisations overseas provided the impetus for alteration of the process for accreditation of new schools of pharmacy. A system of full application and site evaluation replaced preliminary accreditation, which was no longer

supported under the National Law. The new system requires a new pharmacy school to become *accredited or accredited with conditions* prior to enrolling students. Following on from the revised accreditation processes for new schools, the processes relating to the accreditation of new programs within currently accredited schools have also changed. The focus has shifted to requirements for demonstration of compliance against the standards prior to student enrolment.

This has all been undertaken in a time when the language of risk has fully entered the vocabulary of everyone involved in APC accreditation activities. Our accreditation team now focuses on three main areas of risk when considering accredited degree programs:

- Risk to Students
- Risk to Public Safety
- Risk to Professional Reputation

These risks, and the way in which the Accreditation Standards are interpreted within the context of these risks, are now explained in the *APC Regulatory Risk Framework*, a document developed in late 2012. These categories of risk represent the mechanism by which the APC will target appropriate conditions for accredited programs in the future.

The *APC Regulatory Risk Framework* is one of many initiatives introduced in the 2012-2013 financial year that enhance the rigour and transparency of APC accreditation of degree programs. In addition, the APC made the following improvements:

- Use of a single Accreditation Outcome Notification report provided to both the Pharmacy Board of Australia (PBA) and the accredited pharmacy school, increasing transparency in the reporting of accreditation assessments.
- Revision of the Site Evaluation Team (SET) to include a second academic member, a qualified APC auditor and secretariat support on all university site evaluation teams.
- Development of online training modules for site evaluation team members to further support their skill in evaluating degree programs.

The revised *Accreditation Standards for Degree Programs in Australia and New Zealand* were finalised at the end of 2012. Again, in a first for the APC, our accreditation team held a workshop with pharmacy academics from across Australia and New Zealand to discuss the implementation of the revised Standards and how evidence might be gathered to support the Standards. The revised Standards are a testament to the collaborative nature of the profession. What began as an update of Standards that were only three years old, has led to movement in a progressive direction that will allow pharmacy education to innovate and prepare future practitioners for a profession that is still defining how it will grow into the demand for health services in the future.

In February 2013 the PBA approved the revised Accreditation Standards without revision.

The other significant change for us has come in the form of PBA approved *Accreditation Standards for Continuing Professional Development Activities*. We have been undertaking the accreditation of CPD accrediting bodies since 2009. Organisations are accredited against specific criteria to assess the suitability of that organisation to accredit CPD activities for pharmacist lifelong learning. While this system has been a significant step forward for pharmacy, its development has presented some challenges. The model was reviewed by a panel

of stakeholders in 2012 and the result of that review was the development of the Accreditation Standards. With the introduction of the Accreditation Standards in the latter half of 2013, we will focus on the refinement of the CPD accreditation process and the monitoring of CPD activity quality in partnership with the four CPD Accrediting Organisations.

To support the work of the accreditation team we welcomed an additional member, Beccy Watson, to the newly created position of Accreditation Coordinator. This brings the total number of FTE devoted to accreditation up to 3.4.

Accreditation continues to be a challenging and stimulating environment while the ongoing health and education reforms have a direct impact on the work of the accreditation team. Within that changing environment we continue to strive to be responsive to the needs of all of our stakeholders. The 2012-2013 year demonstrated the value of proactive stakeholder engagement, and saw establishment of a role for APC in facilitating and encouraging communication about the process of accreditation and the quality of pharmacy education more broadly.

I would like to thank the chair of the Accreditation Committee, Debra Rowett, for her support and guidance and my team for their hard work and enthusiasm. The work of accreditation cannot be done in isolation and I cannot overstate the valuable contribution the members of the profession, both from practice and academia, have made to the development of APC in the past twelve months. APC accreditation will continue to develop in the foreseeable future and it would not have been possible without the dedication of all involved.

**Rachel Adkins** *Director Accreditation*

We would like to thank the Accreditation Committee for their hard work and valuable contributions through the year.



**Standing:** L to R Mr Andrew Matthews, Professor Gabrielle Cooper, Ms Judith Dikstein, Mr John Jackson, Associate Professor Dr Charles Mitchell, Professor Colin Chapman, Mrs Barbara Moore, Ms Leeza Silverman (APC Assistant Director, Accreditation), Associate Professor Nerida Smith

**Seated:** L to R Ms Rachel Adkins (APC Director, Accreditation), Mrs Debra Rowett (Chair), Ms Bronwyn Clark (APC CEO)

**Absent:** Professor Nick Shaw, and Mr Chris Braithwaite, Ms Sue Kirsas

## Summary of Accreditation Committee Activities

There are 21 accredited pharmacy schools delivering Bachelor and/or Master of Pharmacy programs throughout Australia and New Zealand. The APC has accredited seven ITP providers in Australia, and one in New Zealand. There are four organisations that are accredited to accredit CPD.

Accreditation applications and outcomes for the period are listed below.

## Completed Accreditation Applications 1 July 2012 - 30 June 2013

University Programs	Pharmacy School/ Program	Accreditation status	Date of notification
Charles Sturt University	BPharm	Accreditation with Conditions	Dec 2012
University of Canberra	BPharm	Accreditation with Conditions	Dec 2012
Griffith University	BPharmSci/MPharm	Accreditation with Conditions	Sept 2012
Monash University	BPharm	Accreditation	Dec 2012
University of Newcastle	MPharm	Accreditation	Dec 2012
Queensland University of Technology	BPharm	Accreditation with Conditions	Dec 2012
RMIT	BPharm	Accreditation with Conditions	Dec 2012
University of Queensland	BPharm	Accredited	Oct 2012
University of Technology Sydney	MPharm	Accreditation with Conditions	Dec 2012

# Other Australian Pharmacy Council Activities

## Clearing House

The 2012/2013 year has seen an increase in the total number of examination papers administered by the Clearing House due to the an increase in the number of Dentistry candidates sitting in the March 2013 session.

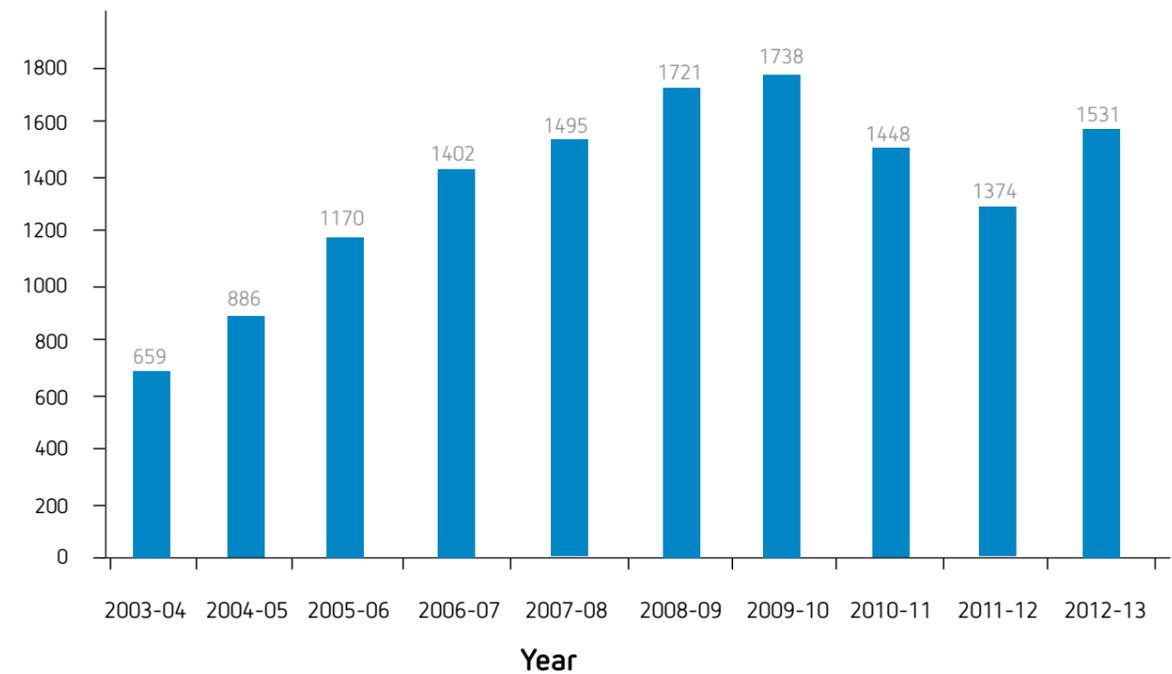
The Clearing House administers examinations on behalf of the following ten professions both in Australia and overseas:

- Australian Dental Council
- Australian and New Zealand Society of Nuclear Medicine
- Australian and New Zealand Osteopathic Council
- Australian Physiotherapy Council
- Australian Institute of Medical Scientists
- Australasian Veterinary Boards Council Inc
- Dietitians Association of Australia
- Pharmacy Council of New Zealand
- National Accreditation Authority for Translators and Interpreters Ltd
- Australian Pharmacy Council

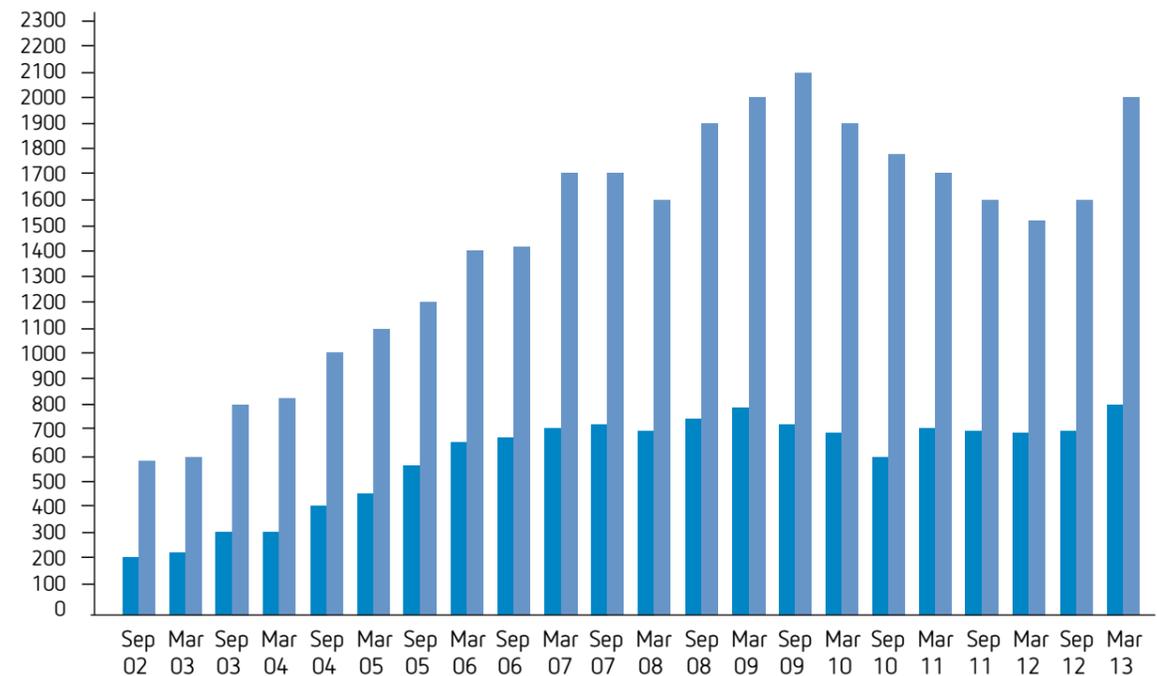
In 2012/2013, 3786 examinations were administered by the Clearing House. As part of the quality assurance processes, updated service agreements for the next financial year (2013-14) were signed with examination venue providers. The following charts show the number of candidates administered by the Clearing House and total number of papers managed.

1. A graph showing numbers of candidates administered by the Clearing House from the FY 2003/04-2012/13 is at Attachment A.
2. A graph reflecting the number of candidates and the number of papers managed by the Clearing House across the previous 22 sessions is at Attachment B.
3. A graph reflecting the top 10 venues for the professional examinations in the FY 2012/13 is at Attachment C.

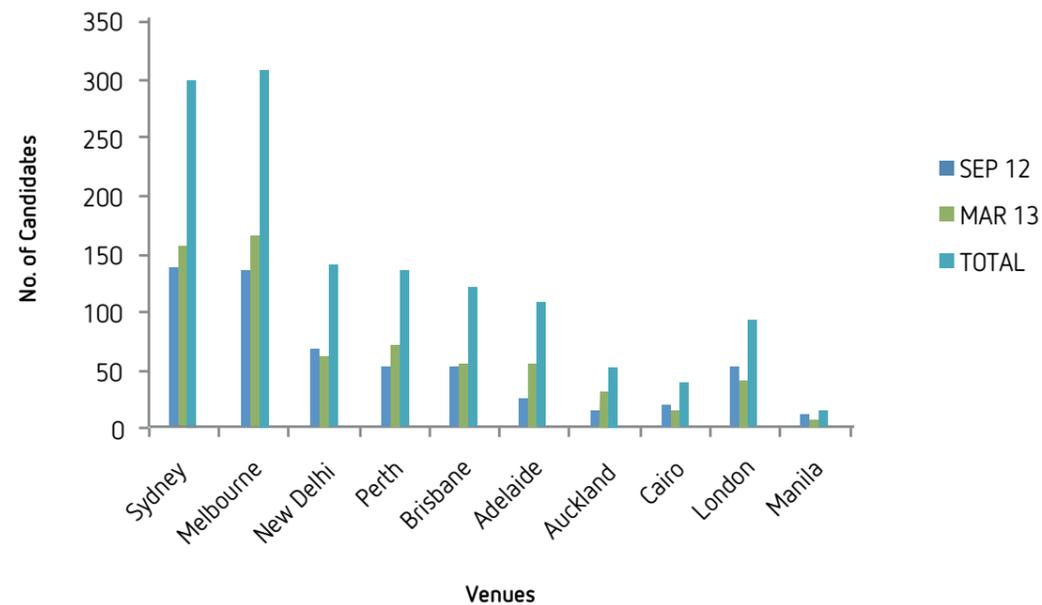
Candidate Numbers 2003 to 2013



Number of Candidates and Papers Managed



## Top Ten venues for the Professional Examinations



## Collaboration and Representation

The APC works collaboratively within the health and higher education sphere by memberships and representation with the following groups and forums.

### Australian Pharmacy Liaison Forum

The Australian Pharmacy Liaison Forum (APLF) is an independent coalition of representatives from ten national pharmacy organisations which works together on issues of national importance to the pharmacy profession and the public. The APC provides secretariat services for the APLF and the President and CEO attend meetings.

### Advanced Pharmacy Practice Framework Steering Committee

The APC is a member of the Advanced Pharmacy Practice Framework Steering Committee (APPFSC), which is a profession-wide collaborative forum working on a number of projects associated with the national competency standards for pharmacists.

### Health Professions Accreditation Councils' Forum

The APC is member of this forum which comprises the eleven Australian Health Professions Councils appointed under the National Registration and Accreditation Scheme (NRAS). The Forum members work together on issues of national and international importance to the regulated health professions, and meets regularly. The Forum also holds an annual Accreditation workshop, in which APC takes a leadership role.

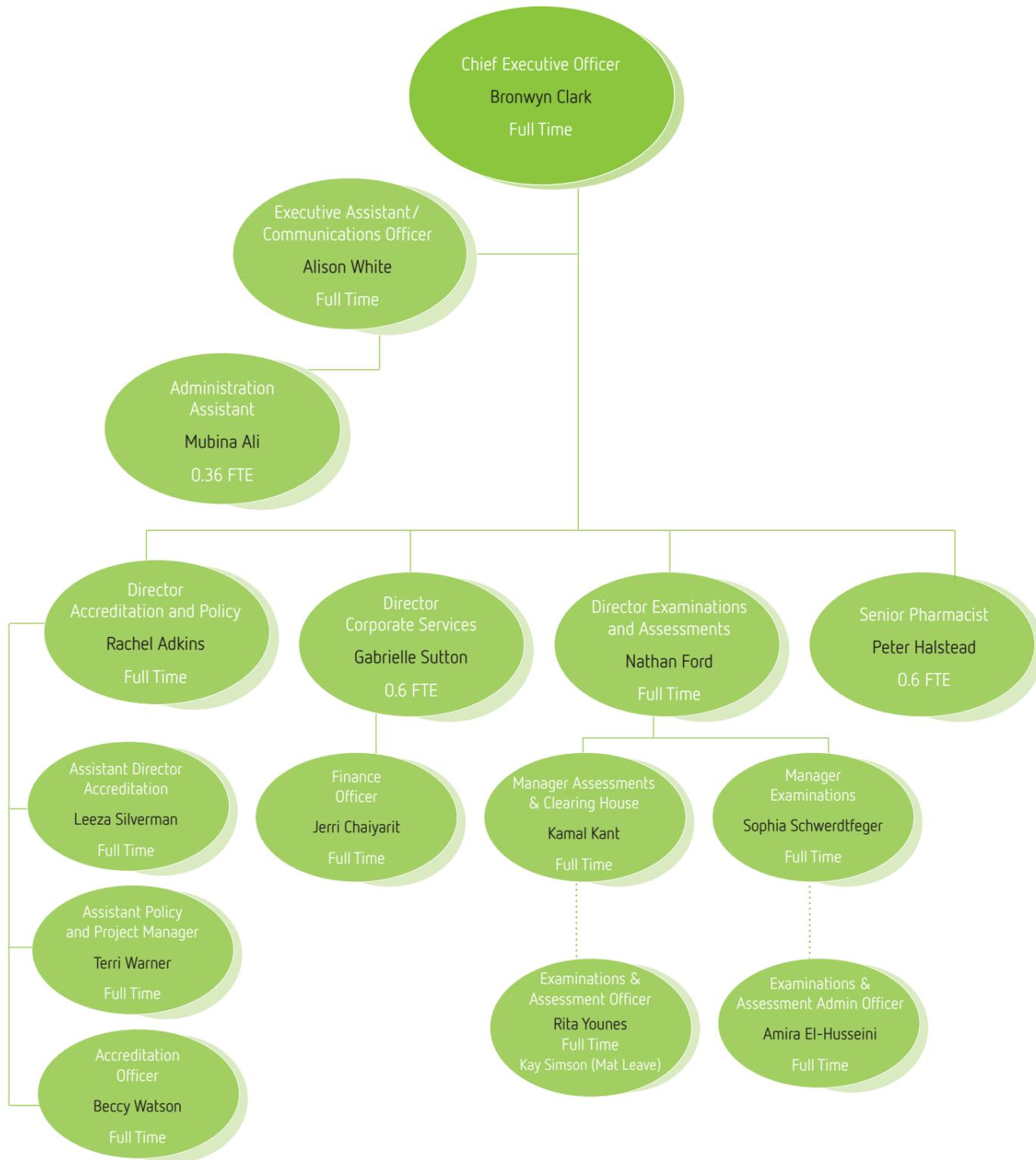
### Professions Australia

The APC is an Associate Member of Professions Australia which is a national organisation of professional associations. It advances and promotes professionalism for the benefit of the community. It does this by communicating the benefits of professionalism and ethical practices and providing government with reliable and objective advice on relevant issues.

### International Pharmacists Federation

The APC is an observer member of the International Pharmacists Federation (FIP), which is the global federation for pharmacists and pharmaceutical scientists. The FIP hold an annual congress that the APC President and CEO attend to meet with international colleagues.

## Australian Pharmacy Council Organisational Chart



### APC Staff as of June 2013

**Seated:** Rachel Adkins, Bronwyn Clark, Nathan Ford, Gabrielle Sutton

**Standing:** Amira El-Husseini, Mubina Ali, Kamal Kant, Rita Younes, Terri Warner, Sophia Schwerdtfeger, Leeza Silverman, Alison White, Jerri Chaiyarit

**Absent:** Peter Halstead, Kay Simson, Beccy Watson



Australian Pharmacy Council Ltd

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

ABN 45 568 153 354

The financial statements for 2012-13 were prepared according to the Australian Accounting Standards and the Corporations Act 2001, and were audited by PricewaterhouseCoopers. The auditors issued an unmodified audit report after doing a comprehensive check of bank accounts, income and expenditure, fixed assets, and journals for irregularities, fraud and any items that could lead to fraud. The audited financial statements for 2012-13 follow this summary.

The financial statements were also analysed and reviewed by the Finance, Audit and Risk Monitoring Committee, a subcommittee of the directors. That Committee reviewed the audit scope prior to the audit and met with the auditor following the audit to ask questions.

In 2012-13, total revenue was \$3,361,730 and total expenditure was \$3,012,304.

# Directors' Report

Your Directors present this report on the Australian Pharmacy Council Limited (the entity) for the financial year ended 30 June 2013.

## Directors

The names of each person who has been a director during the year and to the date of this report are:

Mr John Low  
Mr John Jackson  
Dr Ian Coombes  
Ms Lenette Mullen  
Mr Mark Bedford  
Professor Emeritus Lloyd Sansom, AO  
Mrs Debra Rowett  
Professor Nick Shaw  
Ms Gayle Ginnane  
Ms Tricia Greenway

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Company Secretary

Bronwyn Clark was appointed a Company Secretary on 20 November 2012, and joins Rachel Adkins who continues as a Company Secretary.

## Principal Activities

The principal activities of APC during the financial year were:

- the application of assessment procedures within the Commonwealth of Australia and overseas, which may be used to determine professional competence;
- the accreditation of pharmacy education providers and/or courses which may be relied upon for the registration of pharmacists;
- the accreditation of continuing pharmacy education or professional development providers and/or activities that may be offered to registered pharmacists, which may be relied upon for the re-registration of pharmacists;
- the production of new standards for programs of study and assessment of overseas practitioners;
- co-operating with state, national and international associations, authorities and organisations in a manner consistent with the attainment of these purposes.

No significant changes in the nature of APC's activities occurred during the financial year.

## Operating Results

The surplus of the entity amounted to \$349,426; (2012: \$915,094).

## Dividends Paid or Recommended

No dividends are allowed under the *Corporations Act 2001* and therefore none were paid.

# Directors' Report (cont'd)

## Review of Operations & Significant Changes in State of Affairs

The year has been one of consolidation of operations for the APC. Contributing to the stability of the APC are the following:

- The Pharmacy Board of Australia announced on 25 January 2013 that the assignment of the APC as the accreditation body for pharmacy would continue for a further five year period from 1 July 2013 until 1 July 2018
- The Pharmacy Board of Australia continues to provide an annual grant for accreditation services.
- The Pharmacy Board of Australia requested APC to review the standards for degree programs in 2012 and provided the requisite funding for this substantial project
- A stable number of pharmacy graduates and an increase in the numbers of unsuccessful candidates have contributed to the profitability of the examination activities of the APC.

## After Balance Date Events

There were no after balance date events.

## Future Developments

The APC expects a moderate increase in operations as a result of developments which will fall within the scope of the *Health Practitioner Regulation National Law Act 2009* and the provision of additional services to the Pharmacy Council of New Zealand which will further expand the accreditation and examination functions of the organisation.

On 30 April 2013 the Minister for Immigration and Citizenship announced that from 1 July 2013 onwards 'pharmacist', in all its former connotations, will be removed from the Skilled Occupations List. This means that independent (un-sponsored) general skilled migration by virtue of holding a qualification as a pharmacist is no longer possible, and the temporary graduate visa pathway will not apply to international graduates of Australian programs. This may result in a substantive reduction of the fee-for-service activities undertaken by the entity after 1 July 2013.

The profession of pharmacy, through the Advanced Pharmacy Practice Framework Steering Committee, has signalled its intent to request credentialing services for pharmacists seeking recognition as advanced pharmacists from the APC.

## Environmental Issues

The APC's operations are regulated by the *Health Practitioner Regulation National Law Act 2009* as the assigned accreditation body for pharmacy.

## Options

No options over issued shares or interests in the APC were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

## Information on Directors

Mr John Low

Qualifications — PhC, MSHP

Mr John Jackson

Qualifications — B Pharm, Grad Dip Hos Pharm, MPH, FSHP, MPS, MAICD

Dr Ian Coombes

Qualifications — BPharm(Hons), MSc, PhD

## Directors' Report (cont'd)

### Information on Directors (cont'd)

Ms Lenette Mullen

Qualifications — FPS, GAICD

Mr Mark Bedford

Qualifications — DipPharm, RegPharmNZ, AFNZIM

Professor Emeritus Lloyd Sansom, AO

Qualifications — PhC, BSc, PhD(Ade), FPS, Hon.DHlth(N'cle), Hon DSc(Qld), DUniv(Griff)

Mrs Debra Rowett

Qualifications — B Pharm, CGP

Professor Nick Shaw

Qualifications — BSc(Hons), PhD, MPS, CSci, CChem, FRSC, FRPharms

Ms Gayle Ginnane

Qualifications — BA, BEcon, MDefStud, GDSS, FAICD, MAIM, MIPAA

Ms Tricia Greenway

Qualifications — BA, TPTC

### Meetings of Directors

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director was as follows:

	Directors' Meetings		Finance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr John Low	4	4		
Mr John Jackson	4	4	5	5
Dr Ian Coombes	4	4		
Ms Lenette Mullen	4	4		
Mr Mark Bedford	4	4		
Professor Emeritus Lloyd Sansom	4	4		
Mrs Debra Rowett	4	4		
Professor Nick Shaw	4	4		
Ms Gayle Ginnane	4	4	5	5
Ms Tricia Greenway	4	4		

## Directors' Report (cont'd)

### Indemnifying Officers or Auditor

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of APC.

### Proceedings on Behalf of APC

No person has applied for leave of Court to bring proceedings on behalf of APC or intervene in any proceedings to which APC is a party for the purpose of taking responsibility on behalf of APC for all or any part of those proceedings.

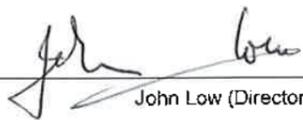
APC was not a party to any such proceedings during the year.

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 5 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director

Director   
John Low (Director)

Director

Director   
Gayle Ginnane (Director)

Dated this 26<sup>th</sup> day of August 2013

# Auditor's Independence Declaration



## Auditor's Independence Declaration

As lead auditor for the audit of Australian Pharmacy Council Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Pharmacy Council Limited during the period.

Shane Bellchambers  
Partner  
PricewaterhouseCoopers

26 August 2013

# Financial Statements

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Revenue from continuing operations</b>	2	3,188,511	3,201,907
Other revenue	2	173,219	187,317
Employee benefits expense		(1,338,464)	(1,040,662)
Depreciation and amortisation expense	3	(39,139)	(35,183)
Consultants expense		(209,357)	(160,104)
Examinations expense		(642,001)	(487,944)
Board/ Committee members expense		(376,208)	(232,247)
Occupancy expenses		(131,696)	(137,625)
Other Expenses		(275,439)	(289,365)
<b>Surplus before income tax</b>		<b>349,426</b>	<b>915,094</b>
Income tax expense	1(i)	-	-
<b>Surplus for the year</b>		<b>349,426</b>	<b>915,094</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>
Surplus attributable to members of APC		349,426	915,094
<b>Total comprehensive income attributable to members of APC</b>		<b>349,426</b>	<b>915,094</b>

The accompanying notes form part of these financial statements.

PricewaterhouseCoopers, ABN 52 780 433 757  
28 Sydney Avenue Barton ACT 2600  
GPO Box 1955 Canberra ACT 2601  
T +61 2 6271 3000, F +61 2 6271 3999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation

# Financial Statements (cont'd)

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,980,033	3,777,038
Trade and other receivables	5	96,484	117,307
Other assets	6	101,080	24,607
<b>TOTAL CURRENT ASSETS</b>		<b>4,177,597</b>	<b>3,918,952</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	53,724	77,109
Intangibles	8	113,438	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>167,162</b>	<b>77,109</b>
<b>TOTAL ASSETS</b>		<b>4,344,759</b>	<b>3,996,061</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	218,257	236,684
Other current liabilities	10	301,850	286,200
<b>TOTAL CURRENT LIABILITIES</b>		<b>520,107</b>	<b>522,884</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions		2,049	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,049</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>522,156</b>	<b>522,884</b>
<b>NET ASSETS</b>		<b>3,822,603</b>	<b>3,473,177</b>
<b>EQUITY</b>			
Retained earnings		3,822,603	3,473,177
<b>TOTAL EQUITY</b>		<b>3,822,603</b>	<b>3,473,177</b>

The accompanying notes form part of these financial statements.

# Financial Statements (cont'd)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Retained Earnings \$	Total \$
<b>Balance at 30 June 2011</b>	2,558,083	2,558,083
Surplus attributable to APC	915,094	915,094
<b>Balance at 30 June 2012</b>	<b>3,473,177</b>	<b>3,473,177</b>
Surplus attributable to APC	349,426	349,426
<b>Balance at 30 June 2013</b>	<b>3,822,603</b>	<b>3,822,603</b>

The accompanying notes form part of these financial statements.

# Financial Statements (cont'd)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and members		3,346,929	3,297,507
Payments to suppliers and employees		(3,200,190)	(2,408,698)
Interest received		184,787	188,502
GST (paid) from the ATO		661	(33,380)
<b>Net cash generated from operating activities</b>	14b	<u>332,187</u>	<u>1,043,931</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(15,754)	(38,725)
Purchase of software		(113,438)	
<b>Net cash (used) in investing activities</b>		<u>(129,192)</u>	<u>(38,725)</u>
<b>Net increase in cash held</b>		<u>202,995</u>	<u>1,005,206</u>
Cash and cash equivalents at beginning of the financial year		3,777,038	2,771,832
<b>Cash and cash equivalents at the end of the financial year</b>	14a	<u>3,980,033</u>	<u>3,777,038</u>

The accompanying notes form part of these financial statements.

# Financial Statements (cont'd)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The financial statements are for Australian Pharmacy Council Limited (APC) as an individual entity, incorporated and domiciled in Australia. Australian Pharmacy Council Limited is a company limited by guarantee.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting Policies

##### a. Revenue

Revenue from provision of services is recognised upon delivery of services to customers.

Grant revenue is recognised in the statement of comprehensive income when APC obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to APC and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby APC incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

##### b. Plant and Equipment

Each class of plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by APC to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to APC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b. Plant and Equipment (Continued)

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

#### Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the asset's useful life to APC commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computer equipment	33 – 100%
Office equipment	20 – 100%
Office furniture and fittings	20 – 100%
Professional library	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### c. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### d. Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when APC becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that APC commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs. Subsequent to initial recognition these instruments are set out below.

#### Classification and subsequent measurement

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where applicable, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;

### d. Financial Instruments (Continued)

- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in gain or loss.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby APC no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in gain or loss.

### e. Impairment of Assets

At the end of each reporting period, APC reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when APC would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, APC estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

### f. Employee Benefits

Provision is made for APC's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by APC to an employee superannuation fund and are charged as expenses when incurred.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**h. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**i. Income Tax**

No provision for income tax has been raised as APC is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**j. Provisions**

Provisions are recognised when APC has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**k. Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**l. Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by APC during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**m. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within APC.

**Key Estimates**

*Impairment*

APC assesses impairment at each reporting date by evaluation of conditions and events specific to APC that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key Judgments**

*Provision for Impairment of Receivables*

APC believes that the full amount of all debt is recoverable, and no provision for impairment of receivables has been made at 30 June 2013.

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**n. Adoption of New and Revised Accounting Standards**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. APC has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the company is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

- AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: *Consolidated and Separated Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the company's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This Standard is not expected to significantly impact the company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only but is not expected to significantly impact the company's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company's financial statements.

- AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the company's financial statements.

- AASB 119: *Employee Benefits* (September 2011) and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) (applicable for

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
  - (i) for an offer that may be withdrawn – when the employee accepts;
  - (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
  - (iii) where the termination is associated with a restructuring of activities under AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and if earlier than the first two conditions – when the related restructuring costs are recognised.

These Standards are not expected to significantly impact the company's financial statements.

- AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the company's financial statements.

- AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the company's financial statements.

- AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009–2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial*

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting to clarify the requirements for presenting comparative information;

- AASB 118: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;

## NOTE 2: REVENUE AND OTHER INCOME

	2013	2012
	\$	\$
<b>Revenue</b>		
— Accreditation fees	402,500	392,498
— Assessment fees	311,160	307,169
— Examination fees	342,200	378,185
— Written Exam	1,015,512	1,003,458
— Clearing House	611,577	526,519
— Pharmacy Board of Australia	382,254	400,000
— Other income	123,308	194,078
	<u>3,188,511</u>	<u>3,201,907</u>
<b>Other revenue</b>		
— Interest received	173,219	187,317
<b>Total Revenue</b>	<u>3,361,730</u>	<u>3,389,224</u>

## NOTE 3: SURPLUS FOR THE YEAR

Depreciation and Amortisation	39,139	35,183
Total Depreciation and Amortisation	<u>39,139</u>	<u>35,183</u>
Rental expense on operating leases		
— minimum lease payments	92,208	108,475
Total rental expense	<u>92,208</u>	<u>108,475</u>
Auditor Remuneration		
— audit services	10,400	10,000
Total Audit Remuneration	<u>10,400</u>	<u>10,000</u>

## NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT	2013	2012
Cash at bank	881,525	819,955
Short-term deposits	3,098,495	2,956,962
Cash on hand	13	121
	<u>3,980,033</u>	<u>3,777,038</u>

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2013	2012
		\$	\$
<b>CURRENT</b>			
Trade debtors		18,062	18,417
GST Receivable		6,436	15,336
Accrued Interest		71,986	83,554
Total current trade and other receivables		<u>96,484</u>	<u>117,307</u>

### (i) Provision for Impairment of Receivables

Current trade receivables are non-interest bearing loans and generally are receivable within 60 days. A provision for impairment is recognised against trade receivables where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2013 (2012: Nil).

### (ii) Credit Risk — Trade and Other Receivables

APC does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details APC's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between APC and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to APC.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31–60	61–90	> 90	
	\$	\$	\$	\$	\$	\$	\$
<b>2013</b>							
Trade debtors	18,062	-	18,062	-	-	-	18,062
Accrued Interest	71,986	-	71,986	-	-	-	71,986
Total	<u>90,048</u>	<u>-</u>	<u>90,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,048</u>

### 2012

Trade debtors	18,417	-	3,417	7,500	7,500	-	3,417
Accrued Interest	83,554	-	83,554	-	-	-	83,554
Total	<u>101,971</u>	<u>-</u>	<u>86,971</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>86,971</u>

APC does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 6: OTHER ASSETS

	2013	2012
	\$	\$
CURRENT		
Prepayments	101,080	24,607
	<u>101,080</u>	<u>24,607</u>

## NOTE 7: PLANT AND EQUIPMENT

	2013	2012
	\$	\$
Computer equipment - at cost	86,246	80,605
Less accumulated depreciation	(63,843)	(41,363)
	<u>22,403</u>	<u>39,242</u>
Office equipment - at cost	41,850	36,557
Less accumulated depreciation	(18,609)	(11,523)
	<u>23,241</u>	<u>25,034</u>
Office furniture and fittings - at cost	58,099	53,279
Less accumulated depreciation	(50,019)	(40,446)
	<u>8,080</u>	<u>12,833</u>
Professional library - at cost	1,639	1,639
Less accumulated depreciation	(1,639)	(1,639)
	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>53,724</u>	<u>77,109</u>

During the year items of plant and equipment with a nil carrying amount have been derecognised. There has been no impact to the carrying amount as a result.

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 7: PLANT AND EQUIPMENT (CONT'D)

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment	Office Equipment	Office Furniture and Fittings	Total
	\$	\$	\$	\$
<b>2013</b>				
Balance at the beginning of the year	39,242	25,034	12,833	77,109
Additions at cost	5,641	5,293	4,820	15,754
Depreciation expense	(22,480)	(7,086)	(9,573)	(39,139)
Carrying amount at end of year	<u>22,403</u>	<u>23,241</u>	<u>8,080</u>	<u>53,724</u>
<b>2012</b>				
Balance at the beginning of the year	43,827	7,124	22,615	73,566
Additions at cost	15,069	21,077	2,580	38,726
Depreciation expense	(19,654)	(3,167)	(12,362)	(35,183)
Carrying amount at end of year	<u>39,242</u>	<u>25,034</u>	<u>12,833</u>	<u>77,109</u>

## NOTE 8: INTANGIBLES

	2013	2012
	\$	\$
Software - at cost	113,438	-
Less accumulated depreciation	-	-
	<u>113,438</u>	<u>-</u>

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the current financial year:

	Software	Total
	\$	\$
<b>2013</b>		
Balance at the beginning of the year	-	-
Additions at cost	113,438	113,438
Depreciation expense	-	-
Carrying amount at end of year	<u>113,438</u>	<u>113,438</u>

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 9: TRADE AND OTHER PAYABLES

	Note	2013 \$	2012 \$
<b>CURRENT</b>			
Trade payables		103,842	109,969
Accrued Expenses		18,911	38,361
Accrued Payroll		17,988	8,693
PAYG Payable		22,772	17,480
Employee leave entitlements		54,744	62,181
	9a	<u>218,257</u>	<u>236,684</u>
<b>a. Financial liabilities at amortised cost classified as trade and other payables</b>			
Trade and other payables		218,257	236,684
Less PAYG Payable		(22,772)	(17,480)
Less employee superannuation entitlements		(9,916)	-
Less employee leave entitlements		(54,744)	(62,180)
Financial liabilities as trade and other payables	15	<u>130,825</u>	<u>157,024</u>

## NOTE 10: OTHER CURRENT LIABILITIES

Exam fees in advance	121,850	121,200
Accreditation Fees in Advance	180,000	165,000
Total Other Current Liabilities	<u>301,850</u>	<u>286,200</u>

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 11: CAPITAL AND LEASING COMMITMENTS

	2013 \$	2012 \$
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable — minimum lease payments		
— not later than 12 months	95,896	92,208
— later than 12 months but not later than 5 years	99,732	195,628
Minimum lease payments	<u>195,628</u>	<u>287,836</u>
Receivable – Minimum lease payments		
— not later than 12 months	-	(9,618)
	<u>-</u>	<u>(9,618)</u>
Net Commitment payable by maturity		
— not later than 12 months	95,896	82,590
— later than 12 months but not later than 5 years	99,732	195,628
	<u>195,628</u>	<u>278,218</u>
APC has a property lease which expires on 30 June 2015.		
<b>Other Capital Commitments</b>		
IT infrastructure upgrade (not later than 12 months)	-	-
IT infrastructure upgrade (later than 12 months but not later than 5 years)	242,000	178,030
Website Re-Development	77,000	11,900
Total Other Capital Commitments	<u>319,000</u>	<u>189,930</u>

# Financial Statements (cont'd)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits	Post-employment Benefits	Total
	\$	\$	\$
<b>2013</b>			
Total compensation	440,952	37,713	478,665
<b>2012</b>			
Total compensation	407,601	36,449	444,050

### NOTE 13: RELATED PARTY TRANSACTIONS

a. During the year ended 30 June 2013, the Directors were paid a sitting fee and travel expenses in relation to their attendance at meetings, conferences, participation in site audits and item writing.

	2013	2012
<b>Related Party Payments to Individuals –</b>		
John Low	34,427	21,443
John Jackson	11,104	7,198
Lenette Mullen	4,940	2,228
Ian Coombes	3,037	3,262
Mark Bedford	7,723	1,751
Lloyd Sansom AO	15,870	4,688
Nick Shaw	14,458	4,871
Mary Edwards	-	1,750
Debra Rowett	17,230	9,733
Judith Dikstein	-	11,026
Patricia Greenway	3,721	-
Gayle Ginnane	6,310	3,962
<b>Total Payments to Individuals</b>	<b>118,820</b>	<b>71,912</b>
<b>Total Related Party Transactions Paid</b>	<b>118,820</b>	<b>71,912</b>

There are 10 councillors at any one time on the APC Council (Board)

# Financial Statements (cont'd)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 14: CASH FLOW INFORMATION

	Note	2013 \$	2012 \$
<b>a. Reconciliation of Cash</b>			
Cash at bank		881,525	819,955
Other cash		3,098,508	2,957,083
	4	3,980,033	3,777,038
<b>b. Reconciliation of Cashflow from Operations with Surplus after Income Tax</b>			
Surplus after income tax		349,426	915,094
Non cash flows			
Depreciation and amortisation		39,139	35,183
Changes in assets and liabilities			
Decrease in trade and other receivables		20,823	22,080
(Increase) in other assets		(76,473)	(12,341)
(Decrease)/ Increase in trade and other payables		(18,427)	150,963
Increase /(Decrease) in other current liabilities		15,650	(67,048)
Increases in provisions		2,049	-
<b>Net Cash from / (used by) Operating Activities</b>		<b>332,187</b>	<b>1,043,931</b>

### NOTE 15: FINANCIAL RISK MANAGEMENT

APC's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2013 \$	2012 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	3,980,033	3,777,038
Loans and receivables	5	90,048	101,971
<b>Total Financial Assets</b>		<b>4,070,081</b>	<b>3,879,009</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	9a	130,825	157,024
<b>Total Financial Liabilities</b>		<b>130,825</b>	<b>157,024</b>

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 15: FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial Risk Management Policies

APC's Finance, Audit and Risk Monitoring (FARM) Committee is responsible for, among other issues, monitoring that financial risk exposures of APC are managed. The FARM Committee monitors APC's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk. Discussions on monitoring and managing financial risk exposures are held, reported to, and approved by the Council.

The FARM Committee's overall risk management strategy seeks to ensure that APC meets its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

### Specific Financial Risk Exposures and Management

The main risks APC is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

#### a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for APC.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by APC securing trade and other receivables. APC has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

#### b. Liquidity risk

Liquidity risk arises from the possibility that APC might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. APC manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid trade and other receivables.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 15: FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables (excluding estimated annual leave and deferred income)	130,825	157,024	-	-	-	-	130,825	157,024
<b>Total expected outflows</b>	<b>130,825</b>	<b>157,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,825</b>	<b>157,024</b>
<b>Financial Assets — cash flows realisable</b>								
Cash and cash equivalents	3,980,033	3,777,038	-	-	-	-	3,980,033	3,777,038
Trade and other receivables	90,048	101,971	-	-	-	-	90,048	101,971
<b>Total anticipated inflows</b>	<b>4,070,081</b>	<b>3,879,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,070,081</b>	<b>3,879,009</b>
<b>Net inflow on financial instruments</b>	<b>3,939,256</b>	<b>3,721,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,937,207</b>	<b>3,721,985</b>

#### c. Market Risk

##### Interest rate risk

APC is not exposed to any significant interest rate risk since cash balances are maintained at fixed and variable rates and borrowings of APC are not considered significant.

##### Foreign currency risk

The APC has limited exposure to foreign currency fluctuations. The provider of computer delivery examinations invoices APC in USD. The foreign currency risk in the books of APC is considered immaterial and is therefore monitored but not hedged.

##### Sensitivity Analysis

The following table illustrates sensitivities to APC's exposures to changes in interest rates and equity prices. The table indicates the impact on how income and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Income \$
<b>Year ended 30 June 2013</b>	
+/-1% in interest rates	30,277
+/-10% in USD currency	28,439
<b>Year Ended 30 June 2012</b>	
+/-1% in interest rates	25,019
+/-10% in USD currency	24,999

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 15: FINANCIAL RISK MANAGEMENT (CONT'D)

### Net Fair Values

#### Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

	Footnote	2013		2012	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	3,980,033	3,980,033	3,777,038	3,777,038
Trade and other receivables	(i)	90,048	90,048	101,971	101,971
<b>Total financial assets</b>		<b>4,070,081</b>	<b>4,070,081</b>	<b>3,879,009</b>	<b>3,879,009</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	130,825	130,825	157,024	157,024
<b>Total financial liabilities</b>		<b>130,825</b>	<b>130,825</b>	<b>157,024</b>	<b>157,024</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

## NOTE 16: CAPITAL MANAGEMENT

Management controls the capital of APC to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The Finance Audit, Risk Monitoring (FARM) Committee ensures that the overall risk management strategy is in line with this objective.

The FARM Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

APC's capital consists of financial assets only.

Management effectively manages APC's capital by assessing APC's financial risks and responding to changes in these risks and in the market.

There have been no changes to the strategy adopted by management to control the capital of APC since the previous year. The strategy of APC is to maintain a nil gearing ratio.

The gearing ratios for the years ended 30 June 2013 and 30 June 2012 are as follows:

	Note	2013	2012
		\$	\$
Total borrowings		Nil	Nil

# Financial Statements (cont'd)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 17: ENTITY DETAILS

The registered office of APC is:

Australian Pharmacy Council  
Level 2 Ethos House  
28-36 Ainslie Place  
CANBERRA ACT 2601

The principal place of business is:

Australian Pharmacy Council  
Level 2 Ethos House  
28-36 Ainslie Place  
CANBERRA ACT 2601

## NOTE 18: MEMBERS' GUARANTEE

APC is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If APC is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of APC. At 30 June 2013 the number of members was 28.

# Directors' Declaration

# Auditor's Independent Report



The directors of APC declare that:

1. The financial statements and notes, as set out on pages 6 to 28, are in accordance with the *Corporations Act 2001*:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of APC.
2. In the directors' opinion there are reasonable grounds to believe that APC will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

John Low (Director)

Gayle Ginnane (Director)

Dated this 26<sup>th</sup> day of August 2013

## Independent auditor's report to the members of Australian Pharmacy Council

### Report on the financial report

We have audited the accompanying Statement of Financial Position of Australian Pharmacy Council Limited (the company), which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757  
28 Sydney Avenue Barton ACT 2600  
GPO Box 1955 Canberra ACT 2601  
T +61 2 6271 3000, F +61 2 6271 3999, [www.pwc.com.au](http://www.pwc.com.au)

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