

APC and WE Fee 2018/19 Consultation Feedback

Thank you – especially to those people who provided a submission – for considering the Council’s consultation document(s) on the proposed Annual Practising Certificate (APC) fee and the proposed Written Exam (WE) fee (released 1 November and closed 1 December 2017).

- **Council has decided to proceed with the proposed APC fee increase**
- **Council has decided to postpone its decision on the proposed WE fee increase**

Submissions Received

The Council was seeking greater engagement on its fee proposals and was pleased to receive 170 submissions (over three times more than in the past). We hope this was partly influenced by the ease of the electronic submission form, as well as the extensive detail provided on Council work, both completed and proposed. Of the 170 submissions:

- 94% were from individuals;
- 48% commented on both proposed fees; 47% on the proposed APC fee only and 5% on the proposed WE fee;
- 35% of individuals stated Auckland as their primary location;
- 49% of submissions were from community pharmacists and 18% from hospital pharmacists.

APC Fee Increase

The Council reviewed and considered all submissions but believed it had no option but to proceed with its proposed APC fee increase for the reasons stated in the [consultation document](#). The decision therefore is to increase the fee to \$792.65 (GST incl.) from \$666.15 (GST incl.) for an APC effective from 1 April 2018. The table below outlines the specific fees for 2018-19 practising year:

	APC \$	Disc Levy \$	Total Fee \$	GST \$	Total Fee incl GST \$	From 2017/18
Interns APC Fee	331.94	92.50	424.44	63.67	488.11	<i>No change</i>
Pharmacists APC Practising	596.76	92.50	689.26	103.39	792.65	<i>Changed</i>
Pharmacists Prescriber APC Practising	675.02	92.50	767.52	115.13	882.65	<i>Changed</i>
APC Reinstate to Practice (RTP) (full year)	683.72	92.50	776.22	116.43	892.65	<i>Changed</i>
Application for Registration & APC Recognised Equivalent Qualification Route (REQR)	896.76	92.50	989.26	148.39	1,137.65	<i>Changed</i>
Application for Registration & APC Trans Tasman Mutual Recognition (TTMR)	896.76	92.50	989.26	148.39	1,137.65	<i>Changed</i>
Pharmacists APC Non Practising	79.43	0.00	79.43	11.91	91.34	<i>No change</i>

A few submissions supported the Council position, but the majority did not agree with the increase. The Council is conscious that it is a significant increase and has debated and scrutinised the rationale for the increase extensively. The Council began by preparing its business plan for the 2017-18 financial year and future years. The business as usual work was reviewed, alongside the projected new work.

The Council has an increasing workload. We believe, even after considerable scrutiny, that the Council must help the innovation and development of the pharmacy sector by taking on this additional work. However, we continue working, along with key organisations, such as the Pharmaceutical Society, to find the most efficient way of undertaking the work.

Core Themes of Submissions

There were different opinions on the APC fee increase but the core themes behind the responses were:

- Level of APC fee increase relative to pharmacists' salaries and rate of change;
- Level of APC fee comparable to the level of income for part-time pharmacists;
- The level of increase (i.e. affordability);
- Understanding the Council's costs and how this compares to the changes in the budgets of pharmacies/DHBs;
- Fee is too high for the services pharmacists receive from the Council;
- Fee is too high for young pharmacists;
- Fee has increased significantly for three years consecutively;
- Combined costs of the Council's APC fee and compulsory membership fees are too high.

These themes emphasise how the majority of pharmacists feel about the fee increase. The Council is conscious of these perspectives and hence it has been a difficult decision to go ahead with the fee increase as proposed. The Council felt it had little option and needed to balance the negative feedback with the inevitable requirement for the Council to contribute significant resource to "enabling" the innovations necessary for the roles of pharmacists in New Zealand.

The Council's Response to Individual's Submissions

Some specific responses are:

- Some responders suggested we were comparing incomes of various health practitioners when we mentioned the fee of other regulatory authorities. This was not our intention; the workload and functions of the authorities are very similar, and our intention was to demonstrate that our proposed fee was in alignment. The dilemma is other regulatory authorities have varying numbers of practitioners which, of course, means the cost for individual practitioners differs.
- There have been significant fee increases in the last three years. We are conscious of this but believe this is significantly offset by the fact that we have had over six years of no fee increase prior to the last three years.

- There is concern that the Council suggested the proposed fee without serious consideration. The proposal was based on considerable work and debate between Council members and the operational team. The development of the fee proposal stemmed from extensive work on the following key aspects:
 - Sessions around our five-year strategy;
 - Robust business planning that included extensive discussion about work the Council must do in relation to meeting its obligations under the Health Practitioners Competence Assurance Act 2003 and what are the most critical, prioritised projects for 2018/19. We acknowledge we need to help people better understand the work we do and why. We will be continuing to work with the Pharmaceutical Society, in particular, on how we can do this work most efficiently involving as much of the sector as possible and therefore minimise our costs;
 - Some comments contested that projects were outside our core functions. We are constantly reviewing and prioritising the various work demands we receive. However, we appreciate the need to discuss our work more widely and will be participating in available forums to do this. We do want to better understand which projects people believe are outside our core functions;
 - Funding considerations in terms of the fee proposal and cashflow requirements of the Council over the next five years.
- We appreciate the impact of the APC fee and the intended fee increase has on the total income of part-time pharmacists. We cannot accept that our costs will necessarily be any different for that of a part-time pharmacist versus a full-time pharmacist, and we will be investigating options that may better reflect the cash flow implications – e.g. explore the possibility of making the fee payable quarterly and will begin dialogue with other regulators who offer similar arrangements.
- The comments around the Council work programme is a valid area of debate. There are many projects the Council has not accepted due to a system of prioritisation. The Council will continue to proactively explain what projects it is doing and why. A possibility could be making sure we present in various forums on the project work as well as dedicating part of our website to providing regular updates.

The Council's Response to Organisation Submissions

Although most responses were from individual pharmacists, we did receive submissions from the Pharmaceutical Society on behalf of its members and similarly from the Pharmacy Guild on behalf of its Pharmacy owner members. These organisations have challenged the fee increase based on their perspective of our reserves; efficiencies between regulatory authorities; but perhaps, most significantly, questioned our work programme and our functions. We are taking these responses very seriously and have commenced a series of engagements with the Pharmaceutical Society and the Pharmacy Guild, which are intended to ensure understanding of our functions and the requirements of the wider health environment both on pharmacists and ourselves. We will use these meetings to better ensure there is alignment in our work programmes and that duplication is avoided and efficiencies of shared work/resources between us are achieved.

APC Fee Summary

The Council has decided there is no choice but to increase the fee as proposed but is taking the feedback received seriously. As a result of the feedback we will be:

- Continuing consideration of our work programme, including providing greater information through forums/websites/newsletters on the work the Council is doing and/or may propose to do in the future to both help understanding and most critically “test” its priority and requirement;
- Considering whether alternative fee payment options can be effectively implemented that better address the financial circumstances for part-time pharmacists;
- Conducting our business planning earlier in future to enable greater discussion on the work requirements;
- Enhancing/increasing work programme alignment with our sector, (e.g. the Pharmaceutical Society and the Pharmacy Guild) to achieve a more integrated enhanced work programme between our organisations.

Written Exam Fee Summary

There were a few submissions that supported the proposed Written Exam fee, but the majority did not agree with the increase.

The Council has listened carefully to the comments and is conscious that this would be a significant fee increase. As such, the Council have agreed to further discuss the exam and its cost, including the implications of not increasing the fee. We will update you in March 2018, after the next Council meeting, on the next steps.

For now, the WE fee will remain at \$520 (GST incl.), which will apply to the upcoming March 2018 exam.

Again, the Council appreciates the feedback and the time respondents took to engage in the consultation. We have listened and will use the feedback throughout the year. It has been a difficult decision that required balancing several priorities. The pharmacy environment is changing, and we must change and continue, as a regulator, to do the best to assure public safety by ensuring pharmacists are competent and fit to practice.

Ngā mihi nui

Michael Pead
Chief Executive