

Pharmaceutical Management Agency
Te Pātaka Whaioranga

STATEMENT OF INTENT

*He Tauākī
Whakamaunga Atu*

2023/24 – 2026/27

PHARMAC
TE PĀTAKA WHAIORANGA

Te Kāwanatanga o Aotearoa
New Zealand Government



Hon Steve Maharey
Chair
June 2023



Dr Peter Bramley
Deputy Chair
June 2023

Presented to the House of Representatives pursuant to Section 149(3) of the Crown Entities Act 2004

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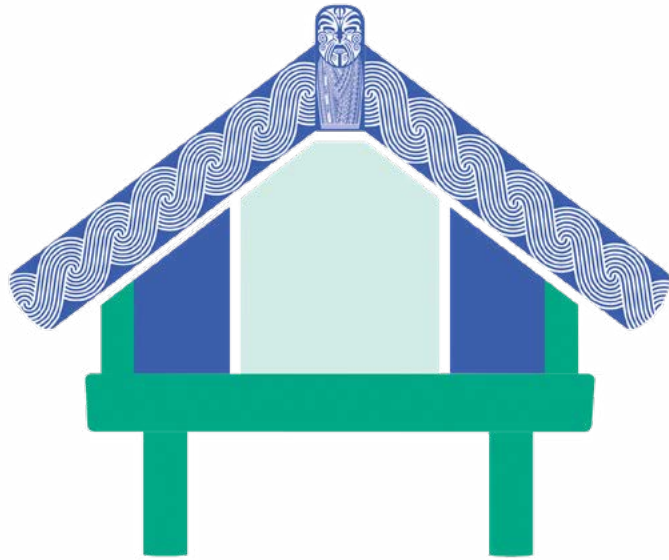
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PĀTAKA

Te Pātaka Whaioranga, ‘the storehouse of wellbeing’, sums up the part we play in managing and safeguarding something that is valuable to all New Zealanders – the pursuit of wellbeing.

The term was gifted to Te Pātaka Whaioranga Pharmac by our Kaumātua, Bill Kaua ONZM.

A pātaka has many literal and metaphorical associations in te reo Māori. It refers, literally, to the raised platform for food storage and protection of taonga and is also a symbol of safeguarding of things that are precious to the community.

In the Te Pātaka Whaioranga Pharmac context, the concept of the pātaka symbolises a solid and reliable structure safeguarding the continuous flow of supplies, such as medicines, vaccines, and medical devices, and it’s our role to keep the flow constant and maintain availability for the benefit of all New Zealanders.



WHAKATAUĀKĪ

Ki te kāhore he whakakitenga ka ngaro te iwi -
without foresight or vision the people will be lost.

This whakatauākī by Kingi Tawhiao Potatau Te
Wherowhoero shows the urgency of unification and
strong leadership.

Foreword From the Board Chair

Tena koutou katoa.

We are proud to present Te Pātaka Whaioranga Pharmac's Statement of Intent which sets out our strategic intentions for 2023/24 – 2026/27.

Our Statement of Intent has been developed to give effect to the Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act), which sets the scene for generational changes to the health and disability system in New Zealand. The Pae Ora Act sets out a long-term pathway for all agencies across the health and disability system to:

- protect, promote, and improve the health of all New Zealanders
- achieve equity in health outcomes among New Zealand's population groups, including by striving to eliminate health disparities, in particular for Māori as te Tiriti o Waitangi partners
- build towards pae ora (healthy futures) for all New Zealanders.

This pathway is reflected strongly in our new strategic direction and our new vision, **He Rongoā Pai, He Ahu Pae Ora**. Through our work with medicines, vaccines, medical devices, and related products, we will *"build on our existing foundations and work together towards a future of health and wellbeing for our whānau."*

In developing our strategic direction, we have taken the opportunity to reflect on the outcomes of the Pharmac Review, Government response to the Review, and how we give effect to and embed the health and disability system reforms.

The recommendations of the review are consistent with the strategy that we have developed and our strategic priorities and focus over recent years.

We know that success relies on working collaboratively across the system. This means working closely with our partners across the health and disability system, our advisory network, consumer groups, and suppliers.

We must strive to improve our own systems and processes, leading to better and more transparent decision making. We must get better at working for and with Māori, Pacific peoples, disabled people, and people experiencing poverty. Our approach must complement work that is taking place across the health and disability system.

We must continue to respond to emerging needs. This means responding to unexpected events (such as pandemics or natural disasters) and ensuring New Zealanders can continue to get access to medicines, vaccines, medical devices, and related products that they need.

Pharmac makes an important contribution to the health and wellbeing of all New Zealanders. Despite only being a small part of the global market, we pay some of the lowest prices for medicines, vaccines, medical devices, and related products. This is because we negotiate with and encourage competition between suppliers. The savings we make by doing this are all used to fund other products, giving more people access to better health outcomes.

Our Statement of Intent 2023/24 - 2026/2027 sets a new direction for the next four years and we look forward to meeting the opportunities and challenges ahead. With the support of partners across the health and disability system, our advisory network, and our dedicated staff, we are well placed to build a healthy future for New Zealanders.

A handwritten signature in black ink that reads "Steve Maharey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Hon Steve Maharey MA (Hons), CNZM
Chair



Wāhinga kōrero

Kei te mihi rā ki a koutou i roto i ngā tini āhuatanga o te wā. Ka rere tonu ngā mihi ki a rātou mā kua riro. No reira kei ngā mate, haere atu koutou. Tātau e awhi nei ki te whakatinana i ngā wawata me ngā moemoea o rātau mā, tēnā anō tātau katoa.

Ko Pae ora te wawata nui e ārahi ana i ngā mahi a te ao hauora Māori. Ko te ariā matua o taua kaupapa ko ngā hononga i waenga i ngā pou e toru e hāngai ana ki te oranga o te whānau, arā, ko te mauri ora, ko te whānau ora me te waiora. He kaupapa hōhonu ēnā e kauawhi ana, e whakaū ana hoki i te mātauranga Māori ki roto tonu i te korokoro o te ao hurihuri. Kei te whakatakoto hoki a pae ora i ngā aronga ki te whakatahurianga nui o te rāngai hauora. Hei tā te ao whakaterere waka, kua whārikihia ngā tohutohu ki tētahi ara hou, ki tētahi toronga hou e ārahi ana i a tātou ki tētahi wāhi hou e ara mai ana i te pae.

He tohu tō mātou whakakitenga mō Te Pātaka Whaioranga, arā, mō 'He rongoā pai, he ahu pae ora' o tō mātou pono ki te anga whānui o Pae ora. He whakakitenga tērā e mau ana ki ngā rā o nātata nei, e tiro whakamua ana hoki ki ngā rā o āpōpō i runga i te ngākau harikoa. He tohu te kupu 'ahu' o te wairua hākoakoa me ngā painga e haramai ana. Kei te tonoa tātou ki te whai i te auahatanga, ki te whakahoahoa i ngā momo whao, ki te waihanganga i ngā rauemi kia tutuki ā tātou whāinga – otirā, ki te whakaea i ngā mea katoa e tika ana ki te whakatutuki i ō tātou wawata katoa e pā ana ki te mana taurite i te ao hauora, ki te kaupare atu hoki i ngā wero kia tutuki pai te mahi.

He tino taurite te whakatūnga o Te Pou Hauora Māori o te mahinga ngātahi o tō mātou tari kāwanatanga ki te Māori. Ahakoa te roa, he iti matakahi ka whanake mai te kaupapa o Te Pātaka Whaioranga. Ahakoa ngā āinga o te wā, kua whakaae mātou ki te whakatūnga o tētahi Pou Hauora Māori. Kua whakaae mai hoki te ao Māori. He tohu tēnei o tētahi huringa nui o te whakaaro, ā, he hiahia ki te whakawātea i tētahi wāhi, i tētahi wā me tētahi tūranga mō te Māori, kia whakaatu atu mātou i ā mātou taonga, ā, kia pakari anō tō mātou tū i roto i tēnei whakahaere.

Kei raro i te kaupapa o pae ora, me whakapau kaha te pūnaha whānui ki ngā pātuinga tāngata. He ariā nui tēnei e whakakotahi ana i ngā tāngata i raro i te kaupapa kotahi. Ko ngā uaratanga o te whakahaere te anga e tū tōtika ai ngā pātuinga me ngā hononga whaihua. Ka tutuki ā mātou whāinga, ka eke ngā mahi ki te taumata e tika ana i runga i tō mātou kaha ki te tūhono atu ki ētahi atu. I runga i tērā whakaaro, ehara i te mea e whai ana mātou i te whakaūnga anake o ā mātou uara, engari ko te whakatinanatanga hoki o aua uara i roto i ā mātou mahi katoa.

He tohu Te Pātaka Whaioranga o te hanganga kaha, o te hanganga whaihua, waihoki he hanganga whakamarumaruru. Koia anō te āhua o te momo whakahaere e whāia ana e mātou, o ā mātou mahi hoki ki te taha o ngā whānau, o ngā hapu me ngā tini momo hapori. Kei mua tonu i ō tātou aroaro te āhua o tētahi Pātaka e tiro atu ana ki te pae, e whakahau ana i a tātou ki te anga atu ki te wāhi kotahi; ā, kei reira tō tātou tauranga e kimokimo mai ana, arā, ko te pae ora – e ora nui ai tātou i ngā rā o anamata.

Tautoko te whānau, kia angitu, kia whai hua.

Nā Pāpā Wiremu Kaua

Foreword from kaumatua/matua

Pae ora is the guiding vision for Māori Health. It is premised on the idea that the health and wellbeing of whānau is built upon the 3 interconnected elements of mauri ora, whānau ora and wai ora. A holistic concept that embraces and positions mātauranga Māori within an ever-evolving contemporary context. Pae ora also sets out our direction for a transformed health sector. To indulge in a navigation metaphor, it lays down a course for change and exploration- one that leads us to a new place on the horizon.

Our vision for Te Pātaka Whaioranga, He rongoā pai, he ahu pae ora, demonstrates our commitment to the overarching framework of Pae ora. A vision that draws from our recent past and looks positively to the future. Ahu, an inherently optimistic word, points toward something better. It asks us to be innovative, to design the tools and build in the resources we need to reach our goals- in a sense to do what it takes to meet our collective aspirations for health equity, to meet our challenges and succeed.

The creation of the Māori Directorate is a wonderful example of how we as a government agency can work together in partnership with Māori. Although some time in the making, it is a small but critical development in the story of Te Pātaka Whaioranga. In this changing landscape we have affirmed that the time is right for a Māori Directorate. It has been met with wide approval in te ao Māori. It signals an important shift in perception and a willingness to provide wā, the space, time, and physical presence for Māori to demonstrate our value and thrive in the organisation.

Pae ora requires a system-wide investment in partnerships. A key concept that brings people together in a shared purpose. Ngā uaratanga, our organisational values are a framework for partnership and effective engagement. Our ability to connect with others will determine our accomplishments and successes. With this in mind, we look to not only embed our values but to fully express them in everything we do.

Te Pātaka Whaioranga is a symbolic representation of a strong, productive, and protective structure. It speaks to the organisation we are aspiring to be and the role we play in serving whānau, hapu, and our many diverse communities. We have before us an image of a Pātaka that looks out to the horizon, compelling us all to turn our gaze in the same direction; and there we get a glimpse of our ultimate destination; Pae ora, our healthy futures.

Kōia anō te mihinui



Document purpose

Te kaupapa

This four-year Statement of Intent has been prepared in accordance with the Crown Entities Act 2004 and should be read in conjunction with each year's Annual Statement of Performance Expectations.

The Statement of Intent sets out the strategic direction and intended impacts for Te Pātaka Whaioranga Pharmac for the four financial years through to 30 June 2027.

Our commitments and performance measures for each financial year will be updated annually in our Statement of Performance Expectations and will be reported on in our Annual Report.

Our operating context

Ā mātou whakahaere

The past few years have stretched and tested the health systems of every country. New Zealand has not been immune to the impact of the global COVID-19 pandemic, the growing demands and expectations on the health and disability sector, and the need for fiscal restraint in the wake of likely economic pressures across our public services.

A changing landscape also provides opportunity. The introduction of the Pae Ora Act sets the scene for once-in-a-generation changes to the health and disability system in New Zealand. In the period 2023 to 2027 we will look to embed and deliver on the expectations of the Pae Ora Act in all that we do and as part of the health and disability system.

Pae Ora (Healthy Futures) Act 2022

The Pae Ora (Healthy Futures) Act 2022¹ (the Pae Ora Act) came into force on 1 July 2022, replacing the New Zealand Public Health and Disability Act 2000.

The Pae Ora Act provides a new structure and new accountability arrangements for the publicly-funded health and disability system. It is intended to bring about a step-change in how health entities work collectively to eliminate health disparities, in particular for Māori, and to build towards pae ora (healthy futures) for all New Zealanders.

Te Pātaka Whaioranga Pharmac, alongside all health entities, will be guided by a series of health sector principles when performing a function or exercising a power or duty under the Pae Ora Act. To help give effect to the legislation, all sector agencies will align to a framework of policy statements, health-based strategies, and operational plans to be developed by the Minister of Health, Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora.

¹ <https://www.legislation.govt.nz/act/public/2022/0030/latest/versions.aspx>

We are focused on supporting and contributing to the success of the health reforms, including the implementation of:

- the interim Government Policy Statement on Health 2022–2024²
- Te Pae Tata: the interim New Zealand Health Plan 2022³ and Whakamaua: Māori Health Action Plan 2020–2025
- the Code of expectations for consumer and whānau engagement.

Health outcomes are improving but equity is still an issue

For most people, the health sector delivers outcomes that compare well with health outcomes in other countries around the world. We have a dedicated and highly skilled workforce, and our communities are engaged and focused.

However, the system remains under pressure and does not cater well for all. Health outcomes are not equitable across populations and life course, particularly for Māori, Pacific peoples, disabled people, those residing in rural areas, and people experiencing poverty. Access to health services is variable and rural New Zealanders face further issues. The distribution of our health resources and workforce is not always well matched to the needs of our diverse populations. There remains a need to address racism in all its forms, the long term effects of colonisation and to develop a workforce that more closely reflects the people and communities it serves.

The health and disability system reforms will provide the foundation for improving health outcomes, tackling inequity, and honouring our obligations to te Tiriti o Waitangi. Creating a new system based on collaboration and partnership, and establishing clear and consistent roles and responsibilities, will better set up our organisations for success.

Te Tiriti o Waitangi

Te Pātaka Whaioranga Pharmac will rightly be judged by Māori for how effective we are in giving effect to te Tiriti, including working in partnership and contributing to improved health outcomes. Te Tiriti also embodies equity for Māori as tangata whenua and for all people as tangata Tiriti.

Pacific peoples and priority populations

Alongside Māori, the Pae Ora Act directs a stronger focus on health equity for priority populations, including Pacific and disabled people. This requires strong contributions from multiple agencies, including connection to overarching frameworks like the All-of-Government Pacific Wellbeing Strategy (and related work like the Pacific Wellbeing Outcomes Framework) and New Zealand Disability Strategy. These connections are also important to recognise and address multiple disadvantages that some people experience within priority populations.

² <https://www.health.govt.nz/system/files/documents/publications/hp8132-igps-v28.pdf>

³ <https://www.tewhātuora.govt.nz/publications/te-pae-tata-interim-new-zealand-health-plan-2022/>

Pharmac Review – Te Arotake i Te Pātaka Whaioranga

The final Pharmac Review report⁴ and Government response⁵ were published in 2022. The main outcome of the review was that Pharmac is doing an important job and performs well against its objectives but there are improvements to be made, including:

- securing equitable outcomes, especially for Māori, Pacific peoples, and disabled people
- engaging with and promoting participation and sharing decision making with Māori, and upholding the principles and articles of te Tiriti o Waitangi
- making our processes, decisions, and information more open and accessible to the public, consumer groups, and interest groups.
- incorporating consumer advice and lived experience into many aspects of our work and decision making, including for people with rare disorders
- strengthening collaboration with other health agencies to achieve more equitable health outcomes
- explaining the highly technical work we do and the impacts on people's health and doing this with equity of health outcomes clearly visible.

Rare disorders

The health and disability system needs to do more to improve the lives of people with rare disorders. There is scope for a range of agencies and stakeholders – within and outside the health and disability system – to work more effectively together. We are looking forward to supporting Manatū Hauora in its important work to develop a national rare disorders strategy.

Increasing expectations

There will always be strong advocacy for funding of new medicines, vaccines, medical devices, and related products, and more options than we can possibly fund. Some new medicines, vaccines, medical devices, and related products are very expensive and have incomplete or emerging evidence about their effectiveness. Our role is to make careful and transparent decisions, well-informed by evidence and all relevant information, about the best funding choices for New Zealand.

Hospital medical devices

Strategic management of hospital medical devices is a significant part of building Pharmac's and the sector's capability. We have made significant progress with building a strong foundation for medical device contracting and procurement since commencing this responsibility in 2012. We now need to continue this work, in collaboration with our sector partners, to maximise health benefits to New Zealanders by implementing an integrated approach to hospital medical devices which drives better value and more consistent and equitable access.

⁴ <https://www.health.govt.nz/publication/pharmac-review-final-report>

⁵ <https://www.health.govt.nz/about-ministry/information-releases/general-information-releases/government-response-independent-review-pharmac>

Environmental sustainability

The global pharmaceutical industry causes environmental impacts through the manufacture, disposal, and packaging of medicines, vaccines, medical devices, and related products. While very little pharmaceutical manufacturing occurs in New Zealand there are opportunities to improve sustainability through our procurement as well as looking at other opportunities for reducing Pharmac's carbon footprint.

Our commitment to te Tiriti o Waitangi

Tō mātou ngākau pūmau ki te Tiriti o

Te Pātaka Whaioranga Pharmac acknowledges te mana o te Tiriti (te Tiriti) o Waitangi and the ongoing partnership it instils between the Crown and Māori. Through our work on behalf of Aotearoa, we strive to achieve equitable health outcomes for and with Māori.


He Korowai Oranga: the Māori Health Strategy and Whakamaua: the Māori Health Action Plan set the overarching framework that guides the Government and the health and disability system to achieve the best health outcomes for Māori. We look forward to working collaboratively with our health sector partners, with te Tiriti partners and whānau Māori to deliver on the Government's vision for Māori health.

Te Pātaka Whaioranga's te Tiriti o Waitangi policy expresses our unequivocal commitment to upholding the principles and articles of te Tiriti o Waitangi and supports us to strive for excellence in enacting collaborative approaches in everything we say and do, both within our organisation and in our external relationships.

The policy sets out the expectations and requirements for Te Pātaka Whaioranga to uphold te Tiriti through the pursuit of equitable health outcomes for Māori, effective relationships with te Tiriti partners and whānau Māori, strong Māori leadership and involvement, cultural competence, safety and capability across the organisation, and improvements to our systems and processes.

It is only by consciously upholding te Tiriti that the parties can work together effectively to address the unjust, unfair, and avoidable health inequities experienced by Māori. Te Pātaka Whaioranga recognises that institutional racism in our systems and behaviours disadvantage Māori and are a significant contributor to inequitable health outcomes. Systematically examining and eliminating institutional racism, and introducing pro-equity measures, will help us to maximise our contribution to achieving equitable health outcomes for Māori to the fullest extent possible consistent with our statutory objectives and functions.

In implementing our policy, it should be noted that Te Pātaka Whaioranga is continuously working towards giving effect to the position statements set out. The policy sets the direction of what we want to achieve and our commitment to making rapid progress.

A young woman wearing a blue hijab and a blue uniform is smiling and looking towards an older man in a white coat. She is holding a clipboard. The background is a bright, modern interior, possibly a hospital or clinic.

Our role and function in the health and disability system

Tō mātou tūranga me ā mātou mahi i te pūnaha o te hauora me te hunga whaikaha

Our mandate

Pharmac's legislative objective is set out in section 68 of the Pae Ora Act:

“to secure for eligible people in need of pharmaceuticals, the best health outcomes that are reasonably achievable from pharmaceutical treatment and from within the amount of funding provided”.

We are a Crown entity and are accountable to the Minister of Health.

We manage funding for medicines, vaccines, medical devices, and related products

Therapeutic products are the most common intervention in health care. Ensuring New Zealanders have timely and equitable access to a wide range of effective medicines, vaccines, medical devices, and related products, and are able to use these well, is the key way in which Pharmac will contribute to wellbeing.

We help people live better, healthier lives by deciding which medicines, vaccines, medical devices, and related products should be funded for New Zealanders in a way that is affordable and easy to access. We undertake evidence-based critical appraisal of new treatments (or requests for expanded access to existing funded treatments) and manage the funding of medicines, vaccines, medical devices, and related products in the community and public hospitals. Our expert advisory network – Pharmacology and Therapeutics Advisory Committee (PTAC), Special Advisory Committees, Consumer Advisory Committee and Te Rōpu (Māori expertise) – provide critical input to Pharmac's decision-making processes.

We are also working towards applying the full Pharmac model to maximise health benefits to New Zealanders from hospital medical devices. To date, our focus has been on building a list of devices that are used in public hospitals through negotiating national contracts. This will help build a strong foundation for strategic management of hospital medical devices. The next step is to implement with our sector partners an integrated approach to hospital medical devices which drives better value and more consistent and equitable access.

We manage vaccines in New Zealand

We manage the funding, purchasing, and distribution of the majority of government-funded vaccines in New Zealand. This includes vaccines on the National Immunisation Schedule (NIS). Our role in COVID-19 vaccines is slightly different to other vaccines we manage (refer to COVID-19 section), and vaccines required to manage outbreaks are funded by Te Whatu Ora.

We will work across the health and disability system, working closely with Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora, and other health entities to implement the vaccine programmes. We will also contribute to a cross-agency steering group, established to support and strengthen immunisation activity.

We fund treatments for people with exceptional circumstances

We may approve funding of a medicine, vaccine, medical device or related product for an individual with exceptional clinical circumstances. For example, a prescriber may want to prescribe a treatment that is not funded, or that is funded for other uses but not the particular health condition they are seeking to treat. The main way we make decisions in these situations is through a process called a Named Patient Pharmaceutical Assessment (NPPA), where a person's clinician makes an application for them to access funding for these treatments.

We promote funded treatments being used in the right way

We promote the responsible use of medicines, vaccines, medical devices, and related products in New Zealand. This means making sure funded treatments are not under-, over-, or mis-used. We do this by providing information and educational material to both health professionals and the public. We are committed to ensuring equitable access to the treatments we fund and to ensuring everyone uses treatments in the best way, so they get the health benefits those treatments offer.

We are also focused on priority population groups, especially Māori and Pacific peoples, to support them to live healthy lives through improved and timely access to and use of treatments.

Research

We collaborates with other agencies and organisations to contribute to research projects that are mutually beneficial, including providing funding and sharing data and information. We acknowledge the importance of both privacy and data sovereignty principles in this context.

Ngā uaratanga

Our values

Our values guide us to make decisions that create better health outcomes for New Zealanders. They ground our behaviour and influence our thinking, how we work, and who we work with.

Our five values are Whakarongo, Tūhono, Wānanga, Māia, and Kaitiakitanga.



Whakarongo | *Listen*

Āta whakarongo kia puaki te ngākau aroha.

We listen with intent and empathy to understand.

Whakarongo means listening with more than your ears. It involves perceiving with all senses – listening with intent and empathy, listening to understand. To do this well, we must seek out all voices. We must be ready to change our minds when needed, based on what we hear. With whakarongo shaping the way we communicate, people will trust us and know that we will always engage in a meaningful and empathetic way.



Tūhono | *Connect*

Kōtuitui kia piri, tūhono kia whakatatū te ara tika.

We connect with people, communities, the health system, and each other.

Tūhono means that everything in the universe is connected. It's a warm word that reminds us that relationships and connections are taonga that must be treasured. We combine tūhono with whakatatū, which means coming to an agreement or decision together. To help us find the best way forward for everyone, tūhono reminds us that we must connect with people, communities, the health system, and each other. We must see each other as people first and value tūhono with sincerity and purpose.



Wānanga | *Learn together*

Ma te māhirahira ka whāwhāki te māramatanga.

We draw on evidence and people's experiences to improve.

To keep growing and changing for the better, we must share our knowledge and ideas. We must be curious and always feed our appetite to learn. We must balance empirical evidence with the unique experiences people share. This way, we can reveal the best way forward. By combining māhirahira (curiosity), whāwhāki (revelation), and māramatanga (insight), we learn together. We wānanga with an open mind.



Māia | *Be courageous*

Tū te ihiihi, tū te wanawana, tū te wehiwehi.

We challenge ourselves.

Ihi, wana, and wehi are central to māia because challenging ourselves takes courage. These words are used in many haka as they capture the joy and excitement of life. They describe a wonder and gratitude for the world itself. To be courageous, we must be excited about what we can achieve and driven by a greater purpose. Māia ensures we face change with positivity, don't avoid difficult conversations, and continue to challenge ourselves and each other to do better.



Kaitiakitanga | *Preserve, protect, and shelter our future*

Hāpaitia te mana tangata hei whāriki mō ngā uri whakatipu.

We safeguard wellbeing for New Zealanders, now and for the future.

Kaitiakitanga is core to who we are. Te Pātaka Whaioranga, our te reo Māori name, means the storehouse of wellbeing. Whaioranga describes recovering to good health, and Te Pātaka symbolises the solid and reliable structure that safeguards supplies. For Pharmac, those are supplies of medicines and medical devices. As kaitiaki of Te Pātaka Whaioranga, we play our part to preserve, protect, and shelter the future wellbeing of everyone in New Zealand. We whakarongo, tūhono and wānanga with māia to strengthen Te Pātaka Whaioranga.

Who we work with

Ō mātou hoamahi

We are here for all New Zealanders

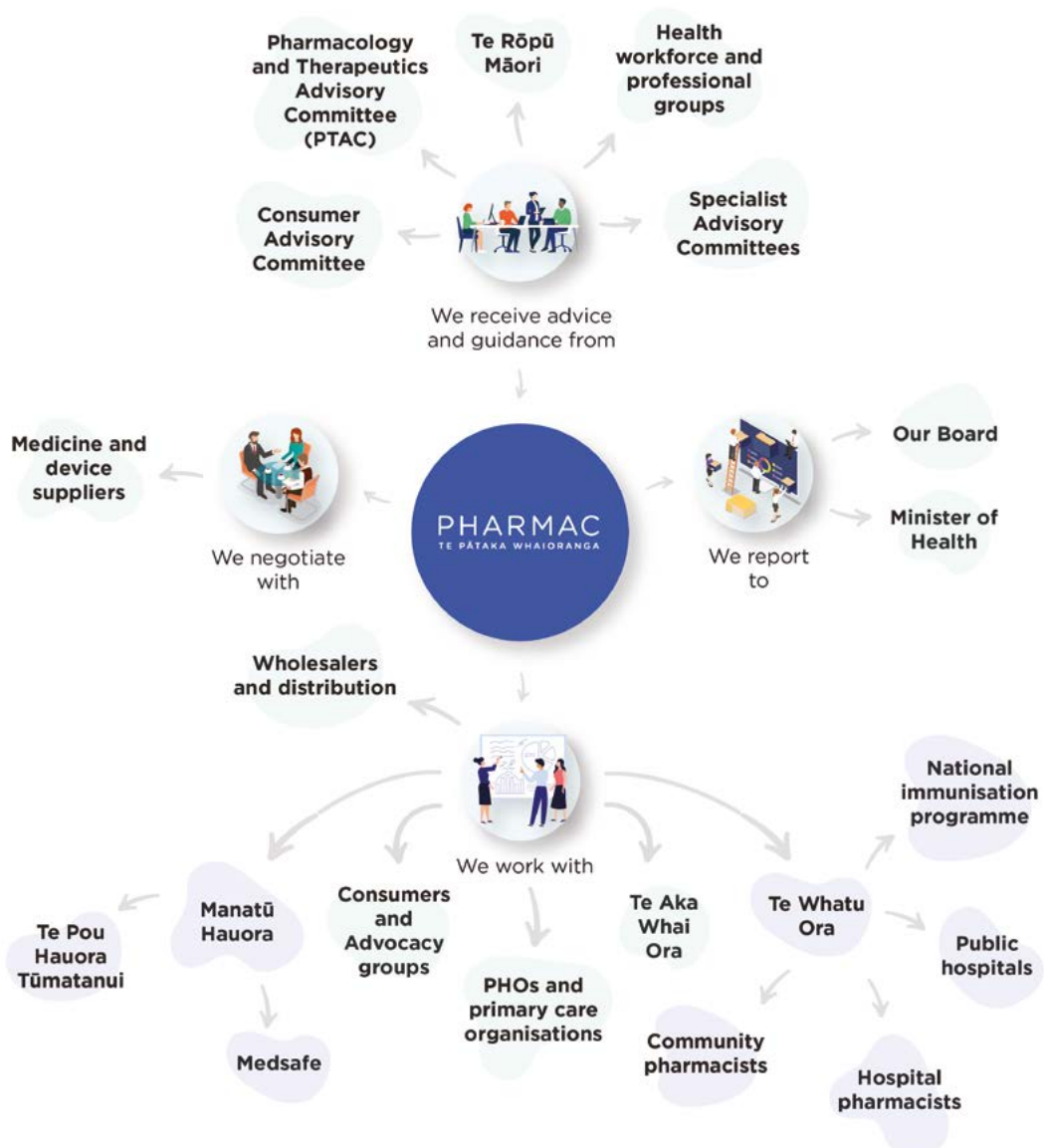
Te Pātaka Whaioranga Pharmac helps people live better, healthier lives by deciding which medicines, vaccines, medical devices, and related products should be funded for New Zealanders in a way that is affordable and easy to access.

Approximately 3.81 million New Zealanders access funded medicines and medical devices each year.

We play a key role in the health and disability system

The health and disability system established by the Pae Ora Act gives Pharmac a clear position retaining our role managing medicines, vaccines, medical devices, and related products. This was reinforced by the Government response to the Pharmac Review in 2022.

Figure 1: Health and Disability System Structure



We will work to form relationships and partnerships with all health agencies to find ways in which we can use their expertise to inform our assessment and decision making and ensure that we work in partnership as much as possible to achieve the best health outcomes from medicines, vaccines, medical devices, and related products.

As well as the health agencies we depend significantly on the work of others across the health and disability system. There are many people and organisations involved in ensuring medicines, vaccines, medical devices, and related products are available and used in New Zealand – and we will connect with and get the views of all these groups in the work that we do. This includes:

- companies who manufacture and supply medicines and medical devices to make sure we have good supply of effective products
- the people who prescribe these products so that they have the right information about the types of funded medicines, vaccines, medical devices, and related products available
- pharmacists who are medicine experts and who manage stockholding of medicines and provide advice to people when they are given a medicine
- consumer advocacy groups who have a strong understanding of the particular issues and concerns that their members have around access to and use of medicines, vaccines, medical devices, and related products
- Māori health agencies
- a range of other healthcare professionals involved in the administration and use of medicines, vaccines, medical devices, and related products.

We will also look to work closely with other government agencies not in the health and disability system such as Whaikaha (Ministry of Disabled People), Ministry for Pacific Peoples, and the Ministry of Foreign Affairs and Trade.





Our strategy

Tā mātou rautaki

Strategic context

Pae Ora (Healthy Futures) Act 2022

The Pae Ora Act sets out a long-term pathway for all agencies across the health and disability system to:

- protect, promote, and improve the health of all New Zealanders
- achieve equity in health outcomes among New Zealand's population groups, including by striving to eliminate health disparities, in particular for Māori
- build towards pae ora (healthy futures) for all New Zealanders.

The Pae Ora Act is the foundation for our vision and strategy and will underpin all our work. As we build our relationships and partnerships, we will take the opportunity to review the way that we work and re-think how we can better align with the principles and priorities of the system.

Interim Government Policy Statement and Pae Ora strategies

The Government has outlined in the Pae Ora Act and interim Government Policy Statement on Health its expectations for the health and disability system. Our work will help give effect to this, and to the strategies and plans currently under development by Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora.

One of those strategies is the Hauora Māori Strategy which will set the direction of the new health and disability system for improving Māori health and wellbeing. This will be foundational in setting the direction for how Pharmac, and the system, will uphold and deliver on its Tiriti o Waitangi obligations and Hauora Māori priorities, reflecting the direction and approach set out in He Korowai Oranga and Whakamaua.

Strategic framework

Our strategic framework sets out our vision, our strategic priorities, and our values – and outlines our contribution to the principles and outcomes of the health and disability system.

Health Sector Principles

Pae Ora - Healthy Futures

The health sector should be equitable, including equitable outcomes for Māori

The health sector should engage with Māori, population groups, and others to reflect their needs and aspirations

Pae Ora Healthy Futures

Mauri ora (healthy individuals)
Protect, promote, and improve the health of all New Zealanders

Our mandate

To secure the best health outcomes that are reasonably achievable from pharmaceutical treatment and from within the amount of funding provided

Our vision He Rongoā Pai, He Ahu Pae Ora

Through our work with medicines, vaccines, medical devices, and related products, we will *"build on our existing foundations and work together towards a future of health and wellbeing for our whānau."*

Health Sector Outcomes Interim Government Policy Statement

Our strategic priorities

Where we are focusing our efforts to make the biggest impact to the health sector outcomes

Our values Ngā uaratanga

The health sector should provide opportunities for Māori to exercise decision-making authority

The health sector should provide choice of quality services to Māori and other population groups

The health sector should protect and promote people's health and wellbeing

**Whānau ora
(healthy families)**

Achieve equity in health outcomes among New Zealand's population groups, including by striving to eliminate health disparities, in particular for Māori

**Wai ora
(healthy environments)**

Build towards pae ora (healthy futures for all New Zealanders)

Embedding Te Tiriti o Waitangi across the system

Achieving equity in health outcomes

Laying the foundations for the success of the system

Developing the workforce of the future

Keeping people well and independent in their communities

Ensuring a financially stable health system

Strategic management of the Combined Pharmaceutical Budget

Enhanced assessment & decision-making

Strategic management of medical devices





Our vision

Tō mātou whakakitenga

The Pae Ora Act affirms our role, responsibilities, and obligations as kaitiaki for the hauora of our mokopuna – now and into the future. In demonstrating and leading on this commitment to action, we have set out a new vision for Te Pātaka Whāioranga:

He Rongoā Pai, He Ahu Pae Ora.

This is a narrative that speaks to ancestry and the lineage to our kaitiaki, Hine-Ahu-One. Weaving through whakapapa, time, and space to the present, “we build on our existing foundations and work together towards a future of health and wellbeing for our whānau.” To guide us through the challenges, we draw on our values of Tūhono, Whakarongo, Wānanga, Māia, and Kaitiakitanga to drive the connection to hauora through our work in medicines and medical devices.



Our strategic priorities

Ā mātou whāinga tōmua

Our strategy is built around shaping improvements in the way that we manage and invest in medicines and medical devices. These improvements will be centred in three key areas.

1. *Strategic management of the Combined Pharmaceutical Budget (CPB):* There are significant opportunities to better plan and manage the Budget over a medium-term horizon to ensure that we achieve the best health outcomes and health equity for New Zealanders from medicines, vaccines, and related products, while staying within the fixed budget set by Government.
2. *Enhanced assessment and decision making:* Making improvements to ensure that we make high-quality, evidence-based, and timely funding decisions that achieve equitable health outcomes. We need clear and consistent processes for assessment and decision making, including clarity of how equity considerations and te Tiriti are embedded throughout our work.
3. *Strategic management of medical devices:* We have built strong foundations for medical device contracting and procurement. With our sector partners there are significant opportunities to maximise health benefits to New Zealanders by implementing an integrated approach to hospital medical devices, which drives better value and more consistent and equitable access.

We intend te Tiriti o Waitangi, health equity, and collaboration and engagement to be key components of Pharmac’s activities and initiatives. Underpinned by organisational excellence, they are integral to everything that we do.

The following framework outlines our strategic priorities, and the key factors that are woven throughout our work.





**Strategic priority 1:
Strategic management
of the Combined
Pharmaceutical Budget**

Te whāinga tōmua 1: Kia
āta whakahaerehia te
katoa o te tahua pūtea mō
te rongoa

Our core role is to secure the best health outcomes from medicines, medical devices, vaccines, and related products for New Zealanders while staying within the fixed budget set by Government. Our budget has increased over time to enable us to fund new products, widen access to products already funded, and meet other costs such as those related to population growth and demographic changes.

We now directly manage a Vote Health appropriation for the Combined Pharmaceutical Budget. The CPB comprises Government expenditure for all medicines that are administered in public hospitals as well as medicines, medical devices, vaccines, and related products dispensed through community pharmacies, and vaccines, haemophilia treatments, and other health products provided in other primary care settings (such as nicotine replacement therapies).

New multi-year funding arrangements for the health and disability system are due to come into effect from July 2024, bringing significant opportunities for Pharmac to better plan and manage the Combined Pharmaceutical Budget in the medium term.

What we want to achieve

To achieve the best health outcomes for medicines, vaccines, medical devices and related products, we need to better optimise funding available and take a longer-term view of how and where we direct funding to achieve improved health outcomes and health equity.

Through this priority we will seek to:

- use multi-year funding arrangements to take a longer-term view of spending decisions and the impact on the system. We want to ensure that we have funding available for both new investments and unplanned expenditure when we need it, and that we make the right mix of spending decisions across the breadth of our business
- update and adapt our commercial activities to accommodate the expansion in Pharmac's scope, changes in the (New Zealand and global) pharmaceutical market, and broader Government procurement objectives
- enhance how pharmaceuticals are reimbursed in different settings⁶, to make it easier for New Zealanders to collect their medicines, improve our understanding of how and where pharmaceuticals are used, and to ensure an efficient and effective use of available funding.

⁶ By different settings we mean the range of different types of places where reimbursement occurs, for example community pharmacy, hospital pharmacy, general practice, and so on.

Responding to COVID-19

We have played an important role in New Zealand's response to COVID-19. Our work will be ongoing, working in close collaboration and partnership with others across the health and disability system, and will include:

- advising on purchasing and access decisions that support the outcomes of the COVID-19 immunisation programme, and ensuring that they are responsive to emerging needs and changing priorities
- securing supply of COVID-19 treatments through a portfolio management approach
- working closely with the health sector, government agencies, suppliers, logistics providers, and wholesalers to minimise the impact of supply issues.

Strengthening our focus on engagement, equitable access and Māori health aspirations

Our funding decisions make a huge difference to health outcomes for many New Zealanders. However, many people are still missing out on the potential benefits, and some people miss out more than others.

Through our work we will expect to see improved health outcomes across all population groups, improvements in health equity, and an increase in the number of New Zealanders benefitting from our medicines, devices, vaccines, and related products.

Strengthening our focus will be reflected in:


- the development of our engagement strategy, which will give effect to stronger collaboration and partnership, particularly with Māori
- progressing our health equity work through our equity policy and subsequent roadmap
- the review and revision of Te Whaioranga, providing a framework for advancing our aspirations for and with Māori.

How we will measure our success

Because we work in a dynamic environment and as part of a health and disability system, we recognise that some external factors will be beyond our control. We will continue to evolve our performance framework, working collaboratively and collectively with our partners across the system. Key measures will include:

- the progress of our equity development work, including implementation of an equity policy and implementation plan across our work
- the number of New Zealanders benefitting from our medicines, vaccines, medical devices, and related products
- consumer experience
- the value of our investment (access compared to subsidy).

We will assess and report progress on performance measures annually. More detail on how we will assess our performance, and the measures and targets used, is provided in our Statement of Performance Expectations.



**Strategic priority 2:
Enhanced assessment
and decision making**

Te whāinga tōmua 2: Kia
pai ake ngā aromatawai
me ngā whakatau

We want to continually improve how we assess and make funding decisions. To do this we must take proactive steps to respond to the health needs of New Zealanders, incorporating more diverse perspectives, health equity considerations, and te Tiriti throughout our work.

We will continue to build on our work over recent years to increase transparency and make our funding assessment and decision-making processes faster, clearer, and simpler. We will work to ensure stakeholders have confidence that we have genuinely listened to and taken on board feedback.

What we want to achieve

We want to ensure we undertake high quality assessment and decision-making processes for medicines, vaccines, medical devices, and related products. We must bring diverse perspectives into our decision making, strengthening our understanding of the needs and aspirations of Māori, Pacific peoples, consumers, and those with lived experiences in a wide range of health and disability areas. Our assessments and funding decisions must be evidence-based, inclusive, and timely to achieve the best possible health outcomes.

Increasing the diversity of voices in our decision making will take time but we are committed to doing so. Choosing which products to fund is critically important and often challenging. Receiving high-quality advice and hearing from a range of perspectives ensures we are making the most informed decisions we can.

We need to provide more opportunities for Māori to exercise decision-making authority on matters of importance to Māori. While this may be a long-term aim, we must take action now to provide a pathway for this aspiration.

Through this priority we will seek to:

- enhance how we assess and make decisions on funding proposals to make these processes more timely and transparent, better coordinated with sector partners, and centred around health equity and other pae ora health sector principles
- strengthen the voice of the New Zealand public in our consideration of funding proposals
- ensure people benefit from funding decisions we make by improving implementation, enhancing monitoring of our funding decisions, and removing barriers to the optimal use of products.

Strengthening our focus on engagement, equitable access, and Māori health aspirations

Our aim is to look at how we can better incorporate more views and perspectives into our assessment and decision making. We will do this by increasingly drawing from a diverse network, including consumers, Māori, and Pacific voices, who can bring different perspectives to our work. Additionally, we will seek those with lived experience of health conditions and interactions with the health and disability system, who can offer insights on the health of diverse communities across the motu. Strengthening our focus will be reflected in:

- the development of our engagement practices, which will reflect the increased diversity of views and expertise in assessment and decision making
- increased transparency of our assessment and decision-making processes
- progressing our health equity work by aligning our assessment and decision-making processes (and associated operating procedures) to our equity policy and implementation plan across our work
- incorporating more Māori expertise in our assessment and decision making, in line with advancing our aspirations for and with Māori
- exploring opportunities to exercise tino rangatiratanga, with Māori exercising decision-making in areas of importance to Māori.

How we will measure our success

We recognise that re-assessing and enhancing our assessment and decision-making processes will require significant improvements to our internal processes – and draw from diverse expertise across New Zealand.

Key measures will include:

- the growing diversity of our workforce and advisory groups
- the extent to which funding is targeted to priority population groups (through assessing the use of equity criteria)
- the timeliness of our decision making
- consumer experience.

We will assess and report progress on performance measures annually. More detail on how we will assess our performance, and the measures used, is provided in our Statement of Performance Expectations.



**Strategic priority 3:
Strategic management of
medical devices**

Te whāinga tōmua 3: Kia āta
whakahaerehia ngā pūrere
hauora

Our work in hospital medical devices is based on our successful track record in managing medicines and controlling cost growth, along with a desire for more consistent and transparent decision making about medical device expenditure with a clear goal of improving health outcomes.

The Government response to the Pharmac Review in June 2022 reaffirmed Pharmac's role in the management of medical devices given its strong fit with Pharmac's capability, noting the need for Pharmac and Te Whatu Ora to work collaboratively together.

What we want to achieve

We have built strong foundations for medical device contracting and procurement since commencing this responsibility in 2012. Working in collaboration with our sector partners, there are significant opportunities to maximise health benefits to New Zealanders by implementing an integrated approach to the strategic management of hospital medical devices, which drives better value and more consistent and equitable access.

Given the significant change involved with transitioning to a centralised model, we are taking a staged approach. The programme is structured to deliver changes, and benefits, in three sequential levels of management (national contracting, investment management (fairer access) and budget management) as capacity and capability is built over time.

Through this priority we will seek to:

- improve value for money and health benefits from hospital medical devices
- increased national consistency and equity of access to hospital medical devices
- increased transparency of funding decisions about medical devices purchased by Te Whatu Ora hospitals
- growth of medical device expenditure managed to an agreed pathway.

Strengthening our focus on engagement, equitable access, and Māori health aspirations

Our medical device work has had significant external input over the years. We will continue to engage widely to ensure strategic management of hospital medical devices delivers equitable outcomes for Māori and Pacific peoples, and meets the needs of the health and disability system. This includes integrating an equity lens and diverse voices in strategy development as well as ensuring alignment with the planning and goals of our sector partners.

Strengthening this focus will be reflected in our engagement and operational practices in line with our engagement strategy, equity and te Tiriti policies.

How we will measure our success

Due to the developing nature of our medical devices work, performance measures will continue to evolve. Key measures will include:

- the increase in the number of hospital medical devices on the schedule/list for Te Whatu Ora hospitals to access/purchase
- the development of a methodology demonstrating the value of our medical devices work.

Pharmac will assess and report progress on performance measures annually. More detail on how we will assess our performance, and the measures used, is provided in



Organisational excellence

Te hiranga tara ā-whare

Our strategic priorities will be supported by a set of organisation-wide strategies and initiatives that help guide improvement and implementation.

We will take an organisational excellence approach to consider how we organise ourselves to deliver our work. This includes designing our work to demonstrate improved progress towards equity in access, quality of care and outcomes, and a focus on groups who have been most poorly served by the system.

Te Whaioranga

Te Whaioranga provides a framework for Te Pātaka Whaioranga Pharmac to strengthen our engagement and collaboration with Māori communities, empowering Māori whānau through education, information, and best practice to make guided and informed choices about the best use of medicines, vaccines, medical devices, and related products.

This work will help us strengthen our collaboration with Māori through all our activities. We will treasure wānanga with Te Rōpū (external Māori expertise). We will continue to work to build our Māori capability and capacity across the organisation, assist the organisation in meeting its Tiriti accountabilities, and shape an organisation that understands how to work and partner with Māori.

Reviewing and refreshing Te Whaioranga and framework in partnership with Māori will be a key focus and priority.

Health equity

Health equity is a key priority for the health and disability system. Many New Zealanders are not benefitting from health and disability services. Health inequity arises from adverse impacts of wider social and economic determinants of health, for example, education, poverty, discrimination, quality of housing.

We will make the best contribution to health equity through the work that we do. Developing and implementing our te Tiriti and health equity policies will be key priorities, providing a pathway to understanding and acting on how we can better address these inequities, including barriers to accessing medicines, vaccines, medical devices, and related products.

Pacific Responsiveness Strategy

Our Pacific Responsiveness Strategy 2017-2026 provides strategic direction and a framework for Te Pātaka Whaioranga Pharmac to improve Pacific peoples' health. The strategy will be updated during 2024-2027. The purpose of our Pacific Responsiveness Strategy is to support Pacific people in New Zealand to live healthy lives through improved and timely access to, and use of, medicines, vaccines, medical devices, and related products.

We will continue to play a vital role in the Pacific strategy work underway in Manatū Hauora and Ministry for Pacific Peoples.

Strengthening our collaboration and engagement

We want to be a trusted, respected part of the health and disability system. This includes gaining trust and confidence from Māori, which can only be attained through building collaborative and partnerships-based approaches across all aspects of our work.

Leading by example, we will help build greater alignment across the system for all aspects of medicines, vaccines, medical devices, and related products, including building stronger relationships with a range of stakeholders who are central to our work. In doing this, we will also give effect to the Health System Principles of the Pae Ora Act and the Health Quality and Safety Commission's Code of Consumer and Whānau Engagement. Working collaboratively with Māori will be a central and critical part of our engagement.

The success of our work relies on others in the health and disability system. For most New Zealanders, information about medicines, vaccines, medical devices, and related products comes from their health professional, including their GP, hospital specialists, or pharmacists. Health professionals act as a conduit for us. While keeping all New Zealanders informed about our work is essential, our engagement efforts will focus on health partners and health professionals.

Effective engagement relies on a willingness to engage and trust that feedback will be received respectfully and considered. To do this, engagement will be based on clear expectations and be culturally appropriate.

How we receive expert advice

Te Pātaka Whaioranga Pharmac has a range of committees and subcommittees that provide us with expert advice to support the decisions we make. This includes experts who provide us with clinical advice, consumer advisers, and specialist advisers covering a range of many topics. We will continue to ensure that our advice is drawn from a diverse range of backgrounds who can bring both evidence-based perspectives and insights about how our decisions impact the people of New Zealand.

Strengthening our policies and operating procedures

We must ensure that we design our work to align with the principles and priorities of the Pae Ora Act. We will continue to strengthen our internal policies and operating procedures to ensure we embed pae ora, and can demonstrate, where possible, practical improved progress towards health equity and health outcomes.

This will include recognition of tino rangatiratanga in the development of our policies.

Building our People Strategy/capability

Our success requires the right people in the right roles, working collaboratively, and committed to achieving our goals. Our kaimahi are committed to helping people live better and healthier lives and are our most valuable asset. We have specialist expertise across a number of areas including clinical, pharmaceutical assessment, health economics, and procurement and contracting. We are committed to investing in our kaimahi to ensure they have the tools they need to deliver the best work that they can. We will also provide opportunities to develop our kaimahi, including taking on new roles, internally and externally, undertaking training and development, and supporting formal qualifications.

We offer regular training to directly support Te Whaioranga, including te reo Māori classes and te Tiriti o Waitangi capability training. Our Pacific Responsiveness Strategy also guides our focus for strengthening our Pacific capability.

Te Pātaka Whaioranga Pharmac as a good employer

Te Pātaka Whaioranga Pharmac will always strive to be a good employer. We focus on developing effective individual and organisational leadership. All kaimahi are expected to act with respect, integrity, and accountability. We invest in programmes and activities that support leadership development and, where possible, kaimahi advancement. We encourage openness in the workplace, including providing regular opportunities for kaimahi to contribute to and be actively involved in Pharmac decisions. Policies and procedures are regularly reviewed to ensure they are fit for purpose.

Equal opportunities

We are an equal opportunities employer and recruit the best person for the role. Vacancies are advertised to attract a range of candidates, with the approach varying according to circumstances and role type. We have a strong and diverse employer brand and work to extend this has been supported through social media channels such as Facebook, Twitter, and LinkedIn. An induction programme is in place to help new kaimahi familiarise themselves with Pharmac's operations as quickly as possible. Pharmac considers equity and diversity in all decisions. As a Crown entity, we support the Crown to give effect to te Tiriti o Waitangi.

Pay Gap – Kia Toipoto

Kia Toipoto is a comprehensive set of actions to help close gender, Māori, Pacific, and ethnic groups in the Public Service.

The goals for Kia Toipoto are to:

- make substantial progress toward closing gender, Māori, Pacific and ethnic pay gaps
- accelerate progress for wāhine Māori, Pacific women, and women from ethnic communities
- create fairer workplaces for all, including disabled people and members of rainbow communities.

Our flexible work practices, such as working from home, will also increase access to employment for rural workers and tāngata whaikaha.

Inclusivity and diversity

Te Pātaka Whaioranga is committed to providing an equitable work environment where inclusion is embedded as part of our purpose, values and our tikanga. Our kaimahi are encouraged to be themselves and are committed to diversity and inclusion.

We also seek to strengthen diversity in the workplace, and will aim for a workforce that reflects New Zealand society.

Anti-racism programme

As a Crown entity, Te Pātaka Whaioranga has a responsibility to support the way the health and disability system understands, reacts, responds to, and addresses racism. Eliminating all forms of racism is critical to achieving health equity and the vision of pae ora - healthy futures for all New Zealanders.

To help identify and address systemic and other forms of racism as a determinant of health inequities Pharmac will establish and integrate an anti-racism programme across all aspects of our work. In 2023/24, we will have completed a programme of external research in conjunction with Auckland University of Technology. This will provide the basis for developing actions to:

- develop a shared language and terminology around anti-racism
- understand what effective anti-racism action looks like in Te Pātaka Whaioranga Pharmac
- form an internal anti-racism change team and promote collective responsibility
- enable the necessary dialogue to take action against racism.

Harassment, discrimination and bullying prevention

We do not tolerate any bullying, discrimination, or harassment. Conduct and behaviour expectations are clearly communicated through our Bullying, Harassment and Discrimination Policy, which is provided to kaimahi at the induction stage. Existing kaimahi are regularly reminded about policies and expectations, including specific workshops for managers on this topic. Our new Code of Conduct also further cements our zero tolerance of any form of bullying, discrimination and harassment.

Health, safety, and wellbeing environment

Te Pātaka Whaioranga Pharmac aims to provide a working environment and management process which supports the health, safety, and wellbeing of our kaimahi.

The health and safety management system provides a framework to create a healthy and safe workplace culture. The intent of the frameworks is to deliver strong and clear health and safety requirements to be compliant with the relevant health and safety legislation and best practice recommendations.

The framework ensures all staff have a clear understanding of obligations, roles, and responsibilities for health and safety and processes in place, and how to engage and participate in health and safety matters.

The Board Health and Safety Committee and Senior Leadership Team understand critical health and safety risks and controls and ensure resources are in place to support a successful health and safety management system that can measure the effectiveness of health and safety practices in place.

Developing our ICT capability

Te Pātaka Whaioranga Pharmac will continue to improve the systems that New Zealanders use to apply for access to medicines, vaccines, medical devices, and related products, or to look up the progress of applications. We will be investing in systems to support the strategic management of medical devices and to integrate those systems more closely with Te Whatu Ora. We will also focus on improving the ability to look up and enquire on Pharmac's work in medicines, vaccines, medical devices, and related products for New Zealanders – making it simpler and clearer to find the information they are looking for.

We will be working closer with our suppliers and Te Whatu Ora on streamlining the data between us to reduce duplication of effort in managing our contracts.

Developing our data and insights capability

Evidence is a key part of our decision making and so we will continue to improve the range of data we have and ensure it is managed as an asset and shared across the health and disability system. We will ensure our data and information products are timely, high quality, and accurate – and enable insight and analysis on demographic data specific to Māori and our priority population groups. We treat data about Māori as a taonga.

Investment is required in the next few years to develop our capability to work across the sector to deliver data that is accessible and useful for all New Zealanders, and the data tools and systems to deliver our data stewardship responsibilities. We will need to work closely with our sector partners to reduce duplication and ensure data is well understood and well managed. We acknowledge the importance of both privacy and data sovereignty principles in this context.

Carbon reduction

As a Crown entity we actively support New Zealand's greenhouse gas emissions reduction goals to levels that meet international agreements. Te Pātaka Whaioranga Pharmac is a member of the Carbon Neutral Government Programme to reduce net carbon emissions. We encourage innovative thinking to find smarter ways of being more energy efficient, increase environmental awareness in our activities, and implement sustainable procurement initiatives.

We are required to report annually on our progress to reduce carbon emissions. Our Carbon Emissions Reduction Plan provides the basis for setting our emissions reporting, reduction targets, and meeting the Government's broader objective of achieving carbon neutrality by 2025.

Financial management

We operate in a financially responsible manner consistent with section 51 of the Crown Entities Act 2004. We have an Audit and Risk Committee which assists the Pharmac Board in performing its oversight responsibilities relating to the financial management of Pharmac.

The CPB comprises Government expenditure for all medicines that are administered in public hospitals as well as medicines, medical devices, vaccines, and related products dispensed through community pharmacies, and vaccines, haemophilia treatments, and other health products provided in other primary care settings (such as nicotine replacement therapies).

Te Pātaka Whaioranga Pharmac's role is to ensure that spending does not exceed this budget while ensuring that the available funding is spent on the products that provide the biggest health gain.

Managing risk

Te Pātaka Whaioranga Pharmac will continue to enhance its organisational risk framework to ensure risks are defined in terms of uncertainty, so that equal emphasis is on upside opportunities as well as downside threats so that all risks are effectively identified, assessed, managed, and monitored.

Our Audit and Risk Committee assists the Pharmac Board in performing its oversight responsibilities relating to risk management of Pharmac. This Committee and our Board receive regular reporting to provide transparency and confidence in how success is achieved, and associated risks are managed.

How we will measure our success

Our success will rely on building our internal capability to better support the work that we do. This comprises a range of measures that will include:

- public trust in Pharmac (including Māori trust and confidence)
- proportion of Māori and under-represented groups in our workforce
- Implementing the recommendations from the review of bias and racism
- reducing carbon emissions.

Te Pātaka Whaioranga Pharmac will assess and report progress on performance measures annually through our Annual Report and our Year in Review. More detail on how we will assess our performance, and the measures and targets used, is provided in our Statement of Performance Expectations.

PHARMAC
TE PĀTAKA WHAIORANGA

Pharmaceutical Management Agency
Level 9, 40 Mercer Street, PO Box 10254, Wellington 6143, New Zealand
Phone: 64 4 460 4990 - Fax: 64 4 460 4995 - www.pharmac.govt.nz
Freephone Information line (8am–5pm weekdays) 0800 66 00 50

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