



13 June 2025

Hon Paula Bennett
Chair
Pharmac
PO Box 10254
Wellington 6143

Dear Paula

Firstly, I want to thank you, the Board and the staff of Pharmac. I appreciate the work from Pharmac to respond to my 2024/25 Letter of Expectations and the unprecedented budget uplift provided by the Government in June 2024.

The Government is committed to policies that improve the lives of New Zealanders and address the healthcare challenges they face. Despite a difficult fiscal and economic environment, Pharmac remains well placed to deliver more medicines, improve the efficiency of the organisation and develop productive partnerships with the health sector.

This letter sets out my expectations to you as Chair of Pharmac for 2025/26. It seeks to build on what was contained in the 2024/25 letter. I intend to release this letter publicly.

Improving access to medicines and medical technology

I have been clear we need to continue to innovate and optimise within Pharmac to ensure we are delivering greatest value for the largest number of New Zealanders we can through improving access to new medicines and medical technologies. This is how we drive better health outcomes and productivity. There is also a need to continue to explore how the different roles Pharmac undertakes in relation to health technology assessment and procurement can be optimised and made fit-for-purpose.

I would like to see work on:

1. How the current statutory objectives and functions of Pharmac are working with a view to updating. Any updates could include reflecting the wider fiscal impacts to government, and broader societal and non-health outcomes, of funding medicines and medical devices. Please report back to me on this work in December 2025.

2. Updating Pharmac's assessment methodologies and approach, including:
 - a. The wider fiscal impacts to the government of funding medicines and medical devices, and how you consider societal impacts.
 - b. Appropriate processes and methodologies for ensuring that those living with a disease, and their carers and family, can participate and provide input into the decision-making processes.
3. Evaluating and evolving the different roles Pharmac undertakes in relation to health technology assessment and procurement to ensure they are fit-for-purpose.
4. Pharmac making budget requests to me as its responsible Minister, in a manner which maintains independence but supports additional investment. This should include exploring with stakeholders different methods for funding medicines.

Building productive partnerships

Pharmac must have a culture which is professional and respects stakeholders. This is important to ensure positive productive relationships with stakeholders and public trust is maintained.

I would like to see work on:

5. Prioritising improvements in the timeliness of assessment and decision-making and publication processes. I expect you to continue to report results publicly.
6. Partnership and engagement work being strengthened to ensure all stakeholders understand what Pharmac does and how it works. This should include identifying opportunities for collaboration including:
 - Supporting the implementation of the rare disorder's strategy.
 - Contributing to a medicines and medical devices strategy.
7. Partnering with government and non-government stakeholders, including the medicines and medical devices industries, to identify and pursue opportunities that improve horizon scanning, enable process efficiencies, support funding and planning for emerging technologies, and ultimately deliver better health outcomes.

Continuous improvement of organisational culture

I expect Pharmac to renew its organisational culture and sharpen its strategic focus, ensuring it plays a more visible and constructive role across the wider health system. You have identified areas for improvement across Pharmac already and I agree with the broad approach. I also expect that Pharmac contributes to broader health system priorities.

Please ensure that:

8. Progress is made on implementing recommendations from the Board commissioned external reviews into workplace culture and consumer engagement. This should include initiatives such as a consumer reference group.
9. A new vision and strategy is developed that supports the organisation to be more outwardly stakeholder focused including ensuring this is reflected in the annual Statement of Performance Expectations, and a revised Statement of Intent by June 2026.
10. Pharmac is investing in data and digital infrastructure to enhance core functions and improve decision making, collaboration and transparency.
11. Pharmac continues to contribute to the Government's health priorities including:
 - a. The Government Policy Statement on Health 2024-2027.
 - b. National health targets.
 - c. New Zealand Health Plan and associated Pae Ora strategies.
12. Pharmac's work gives effect to the Cabinet Circular (24) 5: *Needs-based Service Provision*, to meet the Government's expectations for how the targeting, commissioning and design of public services should be based on the needs of all New Zealanders.
13. Pharmac is delivering the agreed outcomes from the medical devices review including working collaboratively with the Ministry of Health, Health New Zealand, medical devices industry and other stakeholders.

I look forward to working with you as we continue to ensure New Zealanders get timely access to medicines and medical devices.

Yours sincerely



Hon David Seymour
Associate Minister for Health