



Quarter Three Performance Report
January to March 2026

1. Introduction

The Quarterly Report provides a summary of key achievements and progress against Pharmac's strategic priorities and annual commitments for 2025/26. These commitments are documented in the 2025/26 Statement of Performance Expectations (SPE).

Appendices provide summaries of medicines spending highlights, progress against the Letter of Expectations and results for SPE performance measures.

Overall, Pharmac are progressing well, delivering multiple programmes of work and are on-track to meet the significant majority of expectations.

2. Highlights for the Quarter

Pharmac are working with MBIE on an all of Government response to the situation in the Middle East. This includes monitoring supply chain risks, including the supply of medicines and medical devices to New Zealand.

Pharmac completed its first fast-track assessment pilot – successfully supporting broader efforts to improve timeliness and reduce the funding application backlog. Seven low-budget, low-risk applications were assessed using a more proportionate, right-sized approach.

Work has commenced on reviewing the consultation process – with the aim of increasing the participation of consumers across our expert advisory network.

Pharmac commenced the review of the Exceptional Circumstances Framework – with the aim of making the framework and process simpler and clearer for New Zealanders who rely on it to be considered for funded access to medicines.

The new Medical Devices Supplier Reference Group met for the first time in March. The group provides structured supplier insights to support the transition to a coordinated national procurement model with Health NZ.

Pharmac consulted on a provisional agreement for drug-eluting stents with estimated savings of \$1.2 million per year for Health NZ.

Recent funding announcements, which will help New Zealanders access a wider range of critical treatments, include:

- funding of nitisinone for people with the rare disorders tyrosinemia type 1 and alkaptonuria (from 1 February 2026)
- funding of ferric derisomaltose (Monofer) in hospitals for people who have experienced serious reactions after other iron infusions (from 1 March 2026)
- widening of access to two medicines and funding of a new medicine for people with cystic fibrosis (from 1 April 2026)
- widening access to brentuximab vedotin for people with systemic anaplastic large cell lymphoma (sALCL) (from 1 April 2026).

Pharmac has confirmed changes to the Special Authority and Hospital Indication Restrictions criteria for four biologic medicines: infliximab, etanercept, secukinumab, and rituximab. These medicines are used to treat a range of autoimmune and inflammatory conditions.

Pharmac has begun work to update the Pharmaceutical Schedule to make it easier to use for prescribers and pharmacists dispensing medicines, faster to update, and fit for a modern health system.

3. Strategic Priorities and work programme

The following sections describe progress made against the strategic priorities documented in the 2025/26 SPE. Pharmac’s current strategy is built around improving the way we manage and invest in medicines and medical devices. Pharmac’s three strategic priorities are:

- **Enhanced assessment and decision making:** Improving our assessment and decision-making processes by increasing consumer input and participation; improving timeliness and transparency; increasing efficiency; and updating our approach to include wider fiscal impacts to the whole of Government – and consider societal impacts.
- **Strategic management of the medicines budget:** Planning and managing our budget over the medium-term to achieve the best health outcomes and deliver value for the public.
- **Strategic management of medical devices:** Developing and implementing an integrated approach to hospital medical devices to drive better value and more consistent and equitable access.

Pharmac’s strategic priorities are underpinned by priority areas under ‘Organisational Excellence’.

The table below illustrates the alignment – as well as how they align against the Minister’s 2025/26 Letter of Expectations (LoE).

Strategic priority	Sections in this report	LoE alignment*
Strategic Priority One: Enhanced Assessment & Decision-making	Building Horizon scanning capability	Building Productive Partnerships
	Assessment & decision-making	Improving access to medicines and medical technologies Building Productive Partnerships
Strategic Priority Two: Strategic Management of Medicines	Medicines Funding	Improving access to medicines and medical technologies

Strategic Priority Three: Strategic Management of Medical Devices	Medical Devices	Improving access to medicines and medical technologies
Organisational Excellence	Reset programme	Improving access to medicines and medical technologies Building Productive Partnerships Continuous Improvement of Organisational Culture
	Engagement Strategy	Building Productive Partnerships
	Data & Digital	Continuous Improvement of Organisational Culture
	Health Needs	Continuous Improvement of Organisational Culture
	Organisational Culture	Continuous Improvement of Organisational Culture

* An update against all expectations in the LoE is included as Appendix B.

4. Strategic Priority One: Enhanced Assessment & Decision making

4.1. Horizon scanning

Pharmac has been exploring opportunities to further enhance horizon scanning activities. One immediate activity that will be progressed is to formally apply to join the EuroScan International Network (a global early awareness network that connects agencies to share practical intelligence on emerging health technologies).

Pharmac will share findings and engage with the Ministry of Health to discuss opportunities for an improved, co-ordinated and structured approach to horizon scanning across the health system. We will provide the Minister's office with a briefing on findings.

4.2. Improvements to Assessment & Decision-making

A dedicated internal taskforce has been established to lead and drive improvements to the advice and assessment of medicine funding applications. The taskforce has completed a comprehensive data clean-up of medicine funding applications and improved management reporting capability to establish an accurate and reliable view of application status across the system.

This has included simplifying and standardising the process steps and definitions so that consistent measurement of progress can be reported.

4.3. **Fast Track Pilot**

A key focus for the taskforce has been to undertake a fast-track pilot – exploring new approaches to create additional assessment capacity and support our broader efforts to improve timeliness and reduce the funding application backlog. We have now completed the first prioritisation for the pilot. Seven low-budget, low-risk applications have now been assessed using a more proportionate, right-sized approach. Over coming weeks, staff will consider next steps and options to extend the pilot.

4.4. **Consultation Process**

Pharmac has commenced a review of the consultation process. This will include drawing expertise from the Consumer and Patient Working Group, CAC and PTAC to ensure stakeholder perspectives are considered. A new supplier advisory group has been established to support delivery of the programme.

4.5. **Review of Exceptional Circumstances Framework**

Pharmac has commenced a review of how it funds medicines for people with exceptional clinical circumstances. The review aims to make the Framework simpler and clearer so that it better meets the needs of people who rely on it to be considered for funded access to medicines.

Staff initiated a public consultation on 17 March, on the current framework, supported by a discussion document. As part of the consultation, staff are trialling for the first time at Pharmac, the use of *Citizen Space* - a web-based digital engagement platform used by Ministries, Councils and Crown entities to run public and statutory consultations and community engagement online. Through this trial, we will assess the platform's accessibility, usability and functionality - including how it presents information and questions, how feedback is captured and how it supports reporting. What staff learn will feed into a wider work looking at options for improved engagement platforms.

4.6. **Societal Impacts Work**

Pharmac has incorporated a societal perspective in selected assessments to help show new treatments' value to society when we bid for budget, especially for big investments we cannot afford from usual budget parameters.

Pharmac commissioned two more societal perspective assessments from the iMTA at Erasmus University, The Netherlands. These assessments are on track and the final results are being considered.

In parallel, the Erasmus team has provided training to Pharmac staff. This covered how to incorporate societal impacts into estimates of the economic value and budgetary impact, so budget bids can reflect costs and savings of new pharmaceutical investments to other government budgets and wider society.

Pharmac already has an update to its health economic guidelines underway, to support fit-for-purpose health economic evaluations aligned with international best practice. Pharmac will consider what guidance is required to support pharmaceutical companies and other applicants to submit economic evaluations using a broader perspective.

That includes deciding if Pharmac requires economic evaluations to include broader impacts on public sector budgets and/or supplementary analyses from a societal perspective and if we require some or all budget impact analyses to include offsets to public sector budgets and wider society.

5. Strategic Priority Two - Strategic Management of Medicines

5.1. Supply Chain Management

5.1.1. All of Government Response – Middle East

Pharmac is part of an all of government (AOG) response, initiated by MBIE, to ensure a coordinated response to the conflict in the Middle East. As part of this response, staff began daily reporting into the Ministry of Health who is coordinating all health matters into the AOG response.

Pharmac has been closely monitoring supply chain risks following the conflict. This situation has the potential to cause disruptions to global supply chains, including the supply of medicines and medical devices to New Zealand, particularly where manufacturing, shipping routes, or freight logistics are affected.

In addition to the AOG response, Pharmac will continue to provide health agencies and Ministers with supply updates and the likelihood of patient level disruptions.

5.2. Medicines funding

5.2.1. Improving Access to Medicines

In March, the Board approved a proposal to widen access to Trikafta and Kalydeco and fund Alyftrek for the treatment of cystic fibrosis (CF) from 1 April 2026.

A decision to widen access to brentuximab vedotin for the first-line treatment of systemic anaplastic large cell lymphoma was made in March under Delegated Authority and came into effect from 1 April 2026.

Also in March, the Board approved a proposal to widen access to nivolumab and ipilimumab from 1 May 2026 for the treatment of resectable stage IIIB to IV melanoma for people who meet certain criteria.

5.2.2. Budget 2026

Pharmac continues to work proactively on options to support additional funding for the Budget process. Following your recent bilateral meeting with the Minister of Finance and meeting with Pharmac staff, Pharmac worked with the Ministry of Health to provide you with revised options for a Budget 2026 bid.

5.2.3. Implementation of 12-Month Prescriptions

The Government announced its intention to allow prescriptions to be written for 12 months at a time from 1 February 2026. We are working closely with Health NZ and the Ministry of Health to implement the policy.

We are engaging with the Ministry of Health to access the contingency funding of \$27 million per annum allocated in Budget 2025 to cover full year costs. We are working with the Ministry to provide you with advice on how the funding can be drawn down.

5.2.4. Funding Ambulance medicines

Pharmac is continuing to work with Health NZ, ACC and the Ministry of Health on the potential transfer of responsibility for funding ambulance medicines. Responsible Ministers have all agreed for the transfer to occur. Pharmac issued a public consultation on the necessary Pharmaceutical Schedule changes in March, for implementation from 1 July 2026.

5.2.5. Updating commercial approaches

Pharmac are considering commercial models for emerging therapies. Pharmac are currently in discussions with suppliers on gene therapies and pan-tumour treatments. In addition, staff are engaging more broadly with sector stakeholders on therapies that involve significant service delivery components, such as CAR-T and weight-loss treatments.

6. Strategic Priority Three: Strategic Management of Medical Devices

The Ministry of Health led the first six-monthly progress report on the joint procurement model. Ministers have signed this report out, confirming that implementation is progressing as expected and identifying priority areas for the next phase.

Pharmac and Health NZ have begun the phased transition of 93 supplier contracts, marking the shift from planning to implementation under the Joint Ministerial Letter of Expectations. Joint communications have been issued to suppliers and transition documents are being released in an orderly sequence. The first contracts have now been transferred to Health NZ.

The HTA Service Level Agreement is now operational. Pharmac is progressing two commissioned HTAs.

Pharmac and Health NZ have produced the first system-wide view of procurement priorities. Work is underway to translate this into an agreed and resourced annual Medical Devices Plan.

The new Medical Devices Supplier Reference Group met for the first time in March. The group provides structured supplier insights to support the transition to a coordinated national procurement model.

Pharmac consulted on a provisional agreement for Drug-eluting stents with estimated savings of \$1.2 million per year for Health NZ.

Pharmac and Health NZ issued a shared update to suppliers outlining progress and next steps. Engagement remains strong, with suppliers seeking clarification as transition activity progresses.

7. Organisational Excellence

7.1. Reset programme update

The Reset Programme continues to progress as planned. The third 90-day action plan (January–March 2026) has been completed. Given the phased structure of the programme, some actions span multiple quarters.

Key achievements in quarter three include:

- Consumer feedback on the engagement and consultation process for the Exceptional Circumstances Framework review has been received and incorporated.
- A joined-up communications approach has been endorsed by the Consumer and Patient Working Group.

Actions in progress include:

- Clearing the application backlog.
- Establishing target timeframes for medicine funding applications.
- Strengthening Pharmac's consultation process.
- Embedding lived experience.

A dedicated internal taskforce is leading improvements to the advice and assessment of medicine funding applications, supported by consumer, clinical and supplier input.

7.2. Consumer relations team and Engagement strategy

The consumer relations function is now established within the External Engagement team. Early work has focused on standing up core capability - completing induction, embedding consistent engagement practice and building working relationships across operational teams. The team will focus on establishing clear and consistent messaging for consumer-facing conversations, supporting operational engagement where interest or complexity is highest and strengthening core relationships and broadening connection with new consumer groups.

Planning is underway for a Stakeholder Engagement Framework with initial work focused on defining Pharmac's future consumer advisory function.

7.3. Health Equity

Pharmac's revised Equity Policy was published on Pharmac's website in December 2025. The policy sets out Pharmac's operating context and role in the wider health sector and recognises Pharmac's limited direct levers to achieve health equity, so we work in strong partnership with other health and public sector agencies to support the Government's health priorities. Over March, we continued working closely with the Ministry of Health on the development of their health-needs guidance in response to Cabinet Circular (24) 5, with formal advice and timing for release currently expected mid-April. We also continue to deliver on the Equity Implementation Plan with members across other directorates, ensuring consistent application of equity and health-needs considerations as MoH guidance is finalised.

7.4. Communications Approach

Pharmac has reviewed its communications approach. A revised framework identifies the objectives, channels and audiences, and the tools we will use to measure our impact. It will be supported by a range of plans and policies covering media engagement, enhancing Pharmac's reputation, and working with consumer groups on our external communications.

7.5. Data and digital strategy

Pharmac's data and digital strategy is a medium-term plan to optimise data and digital services - and enhance delivery of Pharmac's strategic business intentions.

The work to implement the data and digital strategy is now accelerating, under the following workstreams:

7.5.1. Redevelopment of Pharmaceutical Schedule

The Schedule Redevelopment project is progressing well, and Pharmac are working closely with Health NZ to align delivery of the Schedule with the new Special Authority system that they are delivering. Development has now commenced with the documentation of detailed business requirements underway. Engagement is also underway with vendors who provide systems to pharmacies and general practitioners that integrate to the schedule

7.5.2. Development of funding entitlements system

Responsibility for the development of the funding entitlements system is with Health NZ and the work is being delivered by the HSAAP programme. Pharmac is working closely with Health NZ on the delivery of this project.

7.5.3. Development of external portals for clinicians, Health NZ, pharmacists, supplier and the wider audience portals

The work is scheduled to be delivered following the Schedule redevelopment.

7.5.4. New contract management system

Requirements for the system are being gathered, and we are investigating the use of the NZ Government common operating model to guide the renewal of our processes. The procurement plan will be developed over the next quarter – and staff anticipate appointing a Project Manager in April.

7.5.5. Improved application development tools to improve workflow

Several new tools have been implemented to support the development and checking of code changes, the creation of environments in a repeatable and consistent way, as well as supporting testing. Work continues with implementing the full suite of these and refining the use of them

7.6. Using Artificial Intelligence (AI)

The AI working group will be reviewing and proposing to the Senior Leadership Team a new Policy for the adoption and use of AI and the guardrails for its implementation. There will also a series of more detailed proof of concepts undertaken to develop a clearer understanding of the areas that will benefit most from early adoption of AI.

8. Organisational capability

8.1. People and Capability Strategy

Our People and Capability strategy identifies priorities for leadership and culture, workforce and employee experience.

One component of the work is an Engagement Action Plan, led by the People and Capability team. It encompasses a series of leadership clinics for leaders and feedback workshops for employees. Two of the three leadership workshops have been held, with the final leadership workshop and two staff workshops planned for April and May.

8.2. Workforce

The legislative changes to KiwiSaver from 1 April were successfully implemented, including the transition from a total remuneration model to a base-salary-only approach. The Collective Employment Agreement was varied, most staff signed new Individual Employment Agreements (IEAs) and payroll changes were completed by 1 April 2026 (the legislative deadline).

As agreed in the Terms of Settlement of the Collective Employment Agreement (CEA) between Pharmac and the PSA, a Joint Working Group (JWG) was established to collaborate on the remuneration framework. The group worked constructively to complete the CEA variation required due to the KiwiSaver changes and is scheduled to meet regularly until the end of May in preparation for collective bargaining in June.

9. Appendices

Appendix A: Medicines budget highlights.

Appendix B: Progress against 2025/26 Letter of Expectations.

Appendix C: SPE Performance measures 2025/26.

Appendix A - Medicines budget highlights

1.1. Investments for implementation in the 2025/26 financial year

Pharmac has invested in 25 access widenings and seven new listings for implementation in 2025/26 (as of 31 March 2026).

Decision type	No. of pharmaceuticals	Estimated new patients 2025/26	Estimated Gross spending 2025/26
Widened access ¹	25	219,410	\$24,355,000
New listing ²	7	142,999	\$10,860,000
Total	32	362,409	\$35,215,000

¹ Changes in access criteria for existing funded medicines, making them more accessible and/or available for a wider patient population(s).

² Any medicine not currently listed on the Pharmaceutical Schedule and any new presentations (e.g., tablet, infusion, injection) that represent a significant shift in treatment options for patients.

1.2. Medicines spending highlights

1.2.1. Funding of Trikafta for patients with Cystic Fibrosis (CF), regardless of age

In March we made the decision to widen access to Trikafta and Kalydeco to patients with cystic fibrosis, regardless of age, and to fund the new CF medicine Alyftrek, from 1 April 2026:

In response to consultation feedback, changes have been made to the wording of the Special Authority criteria to improve alignment across all three treatments and inclusion of the broadest eligible mutation lists.

We anticipate that around 35 people will benefit from this decision in the first year of funding.

1.2.2. Widening access to brentuximab for a rare type of lymphoma

In March 2026 the decision was made to widen access to brentuximab vedotin to include first line treatment for systemic anaplastic large cell lymphoma (sALCL) from 1 April 2026. Approximately 12 people are expected to benefit from this decision in the first year of funding.

1.2.3. Widening access to combination treatment for resectable melanoma

In February 2026 we issued a consultation on a proposal to widen access to nivolumab and ipilimumab for resectable melanoma from 1 May 2026. This was approved by the Board in March. This decision allows people to access nivolumab in combination with ipilimumab before surgery to help reduce the risk of melanoma returning. People would also be able to access treatment after surgery if they did not get a sufficient response from earlier treatment and surgery.

1.2.4. Funding two medicine combinations for chronic lymphocytic leukaemia (CLL)

In February we issued a consultation on a proposal to fund two fixed duration combination therapies for chronic lymphocytic leukaemia (CLL), a type of blood cancer.

- Venetoclax in combination with ibrutinib
- Venetoclax in combination with obinutuzumab

Both combinations would be funded 'first-line', meaning that people could receive them as their first treatment for CLL, if they meet specific criteria.

We estimate that between 80 and 90 people would receive one of the two combination therapy regimens per year.

1.2.5. Easier access to HIV medicines from March

From 1 March, all HIV medicines will be able to be dispensed in three-month amounts, rather than monthly, reducing pharmacy visits and making it easier for people to manage their treatment. This follows a public consultation which supported the change. People told us these changes would make HIV medicines more accessible and remove an unnecessary administrative burden on patients and healthcare providers.

We also consulted on the removal of Special Authority criteria for funded HIV medicines; as well as making two HIV medicines available on a Practitioner's Supply Order (PSO) for Post Exposure Prophylaxis (PEP). These changes were proposed to reduce barriers to treatment and allow prescribers to keep HIV medicines in their clinics.

After considering feedback, we decided not to remove Special Authority criteria or enable access for HIV medicines on the PSO at this stage. An alternative proposal that takes on board the feedback will be developed and consulted on in 2026.

1.2.6. Funding for rare disorder treatment

From 1 February 2026, nitisinone will be funded for people with the rare disorders tyrosinemia type 1 and alkaptonuria. Nitisinone was previously funded through Pharmac's Named Patient Pharmaceutical Assessment (NPPA) pathway. This decision makes it easier for clinicians to prescribe and for people to access treatment.

Approximately 10 people with these rare disorders would benefit from access to the medicine in the first year of funding.

Appendix B – Progress against 2025/26 Letter of Expectations

1. Improving access to medicines and medical technology

Expectation	How we plan to meet the expectation	Quarterly progress
<p>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.</p>	<p>We will work with the Ministry of Health to explore opportunities for updating the legislation with respect to Pharmac.</p>	<p>Departmental report from the Ministry of Health provided to the Health Select Committee.</p> <p>The Healthy Futures (Pae Ora) Amendment Bill 2025 is waiting it's second reading.</p>
<p>2 Updating Pharmac's assessment methodologies and approach, including:</p> <p>a. The wider fiscal impacts to the government of funding medicines and medical devices, and how you consider societal impacts.</p> <p>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.</p>	<p>In line with our Enhanced Assessment and Decision-making strategic priority, we will:</p> <ul style="list-style-type: none"> • pursue opportunities for Budget 2026 (assessing fiscal and societal impacts) • revise our methods for cost-utility analysis to enable us to consider wider fiscal impacts to government and societal impacts • review how we seek expert advice • report on how we have increased consumer participation across our assessment and decision-making processes. 	<p>We have advanced our societal impacts work and have used it to prepare our submission to Budget 2026. Future work is budget dependent.</p> <p>Work continues via the Reset Programme to explore opportunities for how we seek expert advice and increased consumer input to our medicines assessment processes.</p>

Expectation		How we plan to meet the expectation	Quarterly progress
3	Evaluating and evolving the different roles Pharmac undertakes in relation to health technology assessment and procurement to ensure they are fit-for-purpose.	We will continue to explore international funding models and best practice for assessment and procurement. This will include progressing work on societal impacts, utilising expertise from the Netherlands.	<p>Work is underway to explore opportunities for improvements across our health technology assessment (HTA) process.</p> <p>We have completed our first fast-track assessment pilot prioritisation process.</p> <p>New HTA process for medical devices in place with Health NZ.</p>
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.	We will work with you, the Ministry of Health and Treasury to pursue opportunities for progressing budget requests in the lead up to Budget 2026. This will include next steps for assessing wider fiscal impacts and societal impacts.	We put forward a budget bid for Budget 2026 and continue to work with the Ministry of Health, Health NZ, Ministers, and Treasury on next steps.

2. Building Productive Partnerships

Expectation		How we plan to meet the expectation	Quarterly progress
5	Prioritising improvements in the timeliness of assessment and decision-making and publication processes. I expect you to continue to report results publicly.	<p>Pharmac will continue to report publicly on the progress of our timeliness measures.</p> <p>Improvement steps include:</p> <ul style="list-style-type: none"> developing and testing new approaches for the publication of expert advisory meeting records/provisional recommendations reducing the backlog of funding applications waiting for assessment (reduced by 7%) testing/piloting rapid assessment processes 	<p>The focus of the quarter has been on:</p> <ul style="list-style-type: none"> reducing the backlog of funding applications waiting for assessment assessing the consultation process a (pilot) fast track assessment processes definitions and data clean-up activity <p>Provisional publication of records (within 30 days)</p>

Expectation	How we plan to meet the expectation	Quarterly progress	
		<ul style="list-style-type: none"> streamlining assessment process with suppliers (and reflect this in updated guidelines). 	<p>from advisory meetings progressing well.</p> <p>Improvements to our information and engagement are increasing transparency.</p>
6	<p>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:</p> <ul style="list-style-type: none"> Supporting the implementation of the rare disorder's strategy. Contributing to a medicines and medical devices strategy. 	<p>We will continue to report on how we are increasing consumer participation across our assessment and decision-making processes. This will include the establishment of the Consumer Working Group and ongoing work with the Consumer Advisory Committee.</p> <p>We will also work with the Ministry of Health and Health NZ on the Rare Disorders, Medicines, and Medical Devices strategies and policies.</p>	<p>Consumer and Patient working group has been established and is meeting fortnightly.</p> <p>Pharmac's consumer processes and consumer function under review in quarter four to identify next steps for 2026/27.</p> <p>We will input to the Rare Disorders Strategy implementation plan being led by the Ministry of Health.</p>
7	<p>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.</p>	<p>Pharmac undertakes multiple horizon-scanning activities across its work. Collectively, these activities form a substantial foundation for anticipating innovations and their system impacts. There are however opportunities to further enhance horizon scanning activities within Pharmac and this will be explored as part of our planning for 2026/27 and outyears.</p>	<p>Formal application to join the EuroScan International Network (a global early awareness network that connects agencies to share practical intelligence on emerging health technologies).</p> <p>Work is underway to share findings and engage with the Ministry of Health to discuss opportunities for an improved, co-ordinated and structured approach to horizon scanning across the health system.</p>

3. Continuous Improvement of Organisational culture

Expectation	How we plan to meet the expectation	Quarterly progress
<p>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. This should include the involvement of patient groups.</p>	<p>We have established a 12 month “reset” programme to respond to recent external reviews. This includes the establishment of the Consumer Working Group to support the programme, alongside our ongoing commitment to increase consumer input and voice in our assessment and decision-making.</p>	<p>Delivered through the 12-month reset programme and supported by Consumer and Patient Working Group.</p> <p>90-day action plans underway.</p> <p>Monthly progress reports for the Reset Programme are published on Pharmac's website.</p>
<p>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.</p>	<p>We will work with stakeholders to revise our vision and strategy by June 2026.</p>	<p>Vision and strategy reviewed and endorsed by the Board.</p> <p>A draft Statement of Intent and 2026/27 Statement of Performance Expectations will be reviewed by the Minister and stakeholders in quarter four.</p>
<p>10 Pharmac is investing in data and digital infrastructure to enhance core functions and improve decision making, collaboration and transparency.</p>	<p>Our Data and Digital strategy reflects the steps ahead. Investments over the next 12 months will include the scoping and development of enhancements for the Pharmaceutical Schedule and other externally facing systems as budget allows.</p>	<p>Work underway to develop new Pharmaceutical Schedule system.</p> <p>Broader two-year data and digital programme agreed.</p>
<p>11 Pharmac continues to contribute to the Government's health priorities including:</p> <ul style="list-style-type: none"> a. The Government Policy Statement on Health 2024-2027. b. National health targets. c. New Zealand Health Plan and associated Pae Ora strategies. 	<p>Our commitments to the Government Policy Statement, national health targets, and associated plans and strategies, are reflected in our statutory reports (Statement of Intent and annual Statement of Performance Expectations).</p>	<p>Pharmac continues to work closely with the sector to align against health priorities, plans, and accountabilities</p>

Expectation		How we plan to meet the expectation	Quarterly progress
12	Pharmac's work gives effect to the Cabinet Circular (24) 5: <i>Needs-based Service Provision</i> , 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.	We will revise our policies and procedures to ensure alignment with Cabinet Circular (24) 5: Needs-based Service Provision.	Pharmac continues to progress a programme of work to implement the equity policy and improve health outcomes for New Zealanders with high health needs. We have recently released, via the Kauneke update, a summary of funded medicines (in the last quarter) that will make a real difference to these high needs health groups.
13	Pharmac is delivering the agreed outcomes from the medical devices review including working collaboratively with the Ministry of Health, Health NZ, medical devices industry and other stakeholders.	We are implementing the joint national procurement model in line with the Joint Ministerial Letter of Expectations. A transitional implementation plan has been agreed with Health NZ and is now being delivered, including the commencement of supplier contract transitions.	<p>The Service Level Agreement with Health NZ for Health Technology Assessment services is fully operational, and the first commissioned HTAs are underway to support evidence-based procurement and investment decisions.</p> <p>Pharmac and Health NZ are progressing a joint benefits and value measurement framework to support system-wide reporting. Ministers have now received and signed out the first six-monthly joint progress report, which confirms implementation is on track and outlines priority areas for the next phase.</p>

Appendix C - SPE Performance measures 2025/26

Strategic Priority One: Enhanced Assessment and Decision-making

SPE Performance measure	2024/25 result	2025/26 Annual Target (from SPE)	Q3 Result/Status	Commentary
A reduction in the average time to assess and rank new applications – average for last 5 years	27.2 months	< 21.5 months (proposals received in last 5 years).	29 months	Work is underway to segment the process steps and seek improvement.
A reduction in the average time to assess and rank new applications – average for all proposals	40.7 months	< 39.3 months (all proposals).	29 months	Work is underway to segment the process steps and seek improvement.
A reduction in average time to publish Pharmacology and Therapeutics Advisory Committee (PTAC) records.	PTAC = 82 days	< 60 days.	84.5 days	Work is underway to segment the process steps and seek improvement.
A reduction in average time to publish Advisory Committee records (SACs).	SAC = 97 days	< 90 days.	102 days	Work is underway to segment the process steps and seek improvement.
A reduction in average time to publish provisional record recommendations (for PTAC and Advisory Committee records)	New measure (not measured in 2024/25).	Achieved PTAC: Average time of less than 30 days. Advisory committees: Average time of less than 30 days.	100% to date (less than 30 days)	New measure.
A reduction in the number of applications yet to be ranked (backlog)	N/A	< 150 applications	213 applications Q1 = 232 Q2 = 224	Downward trend continues
The number of medicines (volume) and the range of medicines (mix) have increased over time	Volume and mix go up compared to previous years.	Volume and mix go up compared to previous years.	Result available at year end	From 2015, the number of medicines (volume) and the range of medicines (mix) have increased over time, meaning we are seeing more, and varied medicines funded in New Zealand. Over the same period, the average subsidies paid have

SPE Performance measure	2024/25 result	2025/26 Annual Target (from SPE)	Q3 Result/Status	Commentary
within budget ¹				gone down, signalling that Pharmac is managing overall costs while still expanding access.

Strategic Priority Two: Strategic Management of Medicines Budget

SPE Performance measure	2024/25 result	2025/26 Annual Target (from SPE)	Q3 Result/Status	Commentary
Increase in the number of New Zealanders receiving funded medicines.	4,102,683 people.	>0 (Total number is accumulated during the year as decisions come into effect.) ²	Full results available at year end.	We will continue to track the number of people receiving funded medicines throughout the year.
Increase in the number of new medicines funded.	52	>0 (Total number is accumulated during the year as decisions are made) ³	5 to date Full results available at year end.	We will continue to track the number of new medicines funded throughout the year.
Access is widened to an increased number of medicines that are already funded.	31	>0 (Total number is accumulated during the year as decisions come into effect.) ³	25 to date Full results available at year end.	We will continue to track the number of access widenings throughout the year.
Increase the estimated number of New Zealanders benefitting from new medicines funded.	89,436 people	>0 (Total number is accumulated during the year as decisions come into effect.) ³	Estimated 362,409 to date Full results available at year end.	We will continue to track the estimated numbers benefitting throughout the year.
Average time from funding application received to first	Average all = 95 months	No target set. Many decisions rely on factors	Average all = 40 months.	Dependent on available funds in the medicines budget.

¹ Measure is influenced by work undertaken for both strategic priority 1 (Strategic Management of Medicines) and strategic priority 2 (Assessment & Decision-making).

² Volume based targets are not set for these measures. This is due to our statutory objective (to get the best health outcomes we can) rather than to fund medicines for the most people we can. How we define "best health outcomes" is captured in our Factors for Consideration.

SPE Performance measure	2024/25 result	2025/26 Annual Target (from SPE)	Q3 Result/Status	Commentary
decision date.	Average for last 5 years = 36 months	outside of Pharmac's control (such as budget availability).	Average for last 5 years = 33 months	
Percentage of decisions on initial Named Patient Pharmaceutical Applications (NPPA) made within 10 working days.	79%	>75%	67%	Volume of applications has increased.

Strategic Priority Three: Strategic Management of Medical Devices

SPE Performance measure	2024/25 result	2025/26 Annual Target (from SPE)	Q3 Result/Status	Commentary
Manage expenditure on hospital medical devices under Pharmac contract to within 1% of budget for the year. (New measure in 24/25)	0.44 percent	To within 1%	0.28%	Price movement is tracking at 0.28%, and to date we are on track to remain within the target.

Organisational Excellence

SPE Performance measure	2024/25 result	2025/26 Annual Target (from SPE)	Q3 Result/Status	Commentary
Increased public trust in Pharmac. Sourced from an external survey.	60	>60	Result available at year end	External survey to be undertaken in 2026.
Assessment of consumer engagement (based on the Consumer Quality Safety Marker (CQSM) self-assessment).	In March 2025, our self-assessment score was an overall 2 out of 4. With a 2, 2, and 3 rating across the three domains.	Seek to attain a score of 3 or more across the three CQSM domains.	In September 2025, our self-assessment score was an overall 2 out of 4. With a 2, 2, and 3 rating across the three domains.	Next self-assessment scheduled for March 2026.