

# **Taking a stance for the future of community pharmacy in New Zealand**

*By Clive Cannons, Pharmacist and Chair, Independent Community Pharmacy Group*

As a pharmacist and Chair of the Independent Community Pharmacy Group (ICPG), I see first-hand, every day, how important a strong, sustainable community pharmacy is to the health of New Zealanders.

That's why, with the backing of members around New Zealand, ICPG is taking the significant step of filing for a declaratory judgment - an action grounded not in confrontation, but in fairness, transparency, and the long-term viability of our sector.

A declaratory judgment is a sensible and measured legal tool. It does not seek penalties or damages. Instead, it asks the court to provide clarity. In this case, ICPG is seeking clear guidance on how key elements of the Integrated Community Pharmacy Services Agreement (ICPSA) and the National Annual Agreement Review (NAAR) process should be interpreted and applied.

Specifically, we are asking the court to confirm that reasonable cost pressures are clearly defined, that the obligation for NAAR to "consider reasonable cost pressures" is being interpreted correctly, and that NAAR must be both commenced and concluded before 1 July each year. These are not radical demands; they are fundamental expectations arising from an agreement that underpins the delivery of pharmacy services across the country.

The heart of the issue is implementation. The ICPSA clearly states that NAAR exists "to review reasonable cost pressure adjustments, and any other matters identified as important by Health NZ or pharmacies." In practice, however, this has not been delivered as a genuine review. Instead, Health New Zealand has taken a unilateral approach, presenting figures to the sector on a "take it or leave it" basis. That approach leaves community pharmacies with little meaningful input and results in financial adjustments that fail to reflect real-world cost pressures.

Equally concerning is the absence of a transparent methodology. There is currently no clear process by which cost pressure adjustments are calculated, tested, or scrutinised. Without transparency and accountability, trust is eroded, and the financial sustainability of community pharmacies is placed at risk. When pharmacies struggle to remain viable, it is patients and communities who ultimately feel the impact.

There has been some progress. ICPG's participation in NAAR for the first time in 2025 was an important step forward. Being at the table gave us access to critical information, strengthened working relationships, and provided a clearer view of how the process operates in reality. We successfully pushed for updates to the terms of reference and secured an undertaking from Health NZ to review the NAAR process. These are welcome developments, but they do not resolve the underlying systemic issues.

That is why filing for a declaratory judgment is both necessary and responsible. It is about ensuring that contractual obligations are clearly understood and properly honoured. A formal court declaration will define the rights and responsibilities of all parties and provide a foundation for a fairer, more transparent process going forward.

Community pharmacy plays a vital role in New Zealand's health system. Protecting its future requires clarity, collaboration, and respect for the agreements that govern our work. ICPG will continue to advocate for independent community pharmacies and for a system that allows us to deliver the high-quality care our communities deserve.

For more information about ICPG and our work, visit **[www.icpg.nz](http://www.icpg.nz)**.