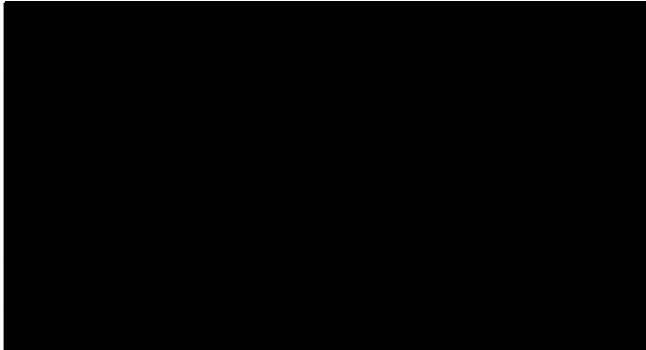


25 November 2020



I refer to your Official Information Request dated 3 November 2020 requesting the following information:

**I would like to file an OIA request please.**

**Are you able to kindly send me any briefing papers or emails between DHB staff relating to the arrival of Chemist Warehouse in your district and its effect on patient care?**

Please see the attached record of a response to a request made by the Auckland DHB Board on 13 December 2017, for a report on risk associated with Chemist Warehouse. Please note that parts of the attachment have been redacted as the information in those parts does not fall within the scope of your request.

You are entitled to seek a review of the response by the Ombudsman under section 28(3) of the Official Information Act. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that this response, or an edited version of this response, may be published on the Auckland District Health Boards website.

Yours faithfully



Ailsa Claire, OBE  
Chief Executive of Te Toka Tumai (Auckland District Health Board)



## Daniel Tsai (WDHB)

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**From:** Tim Wood (WDHB)  
**Sent:** Tuesday, 23 January 2018 15:28  
**To:** Debbie Holdsworth (ADHB)  
**Cc:** z\_EA Planning and Funding (WDHB)  
**Subject:** Draft response - Confidential Board 13 December 2017 - Item 11 General Business - Pharmacies Minute Extract

Hi Debbie

Here is a draft response to the Board resolution. Let me know if you are happy or want changes.

### Chemist Warehouse

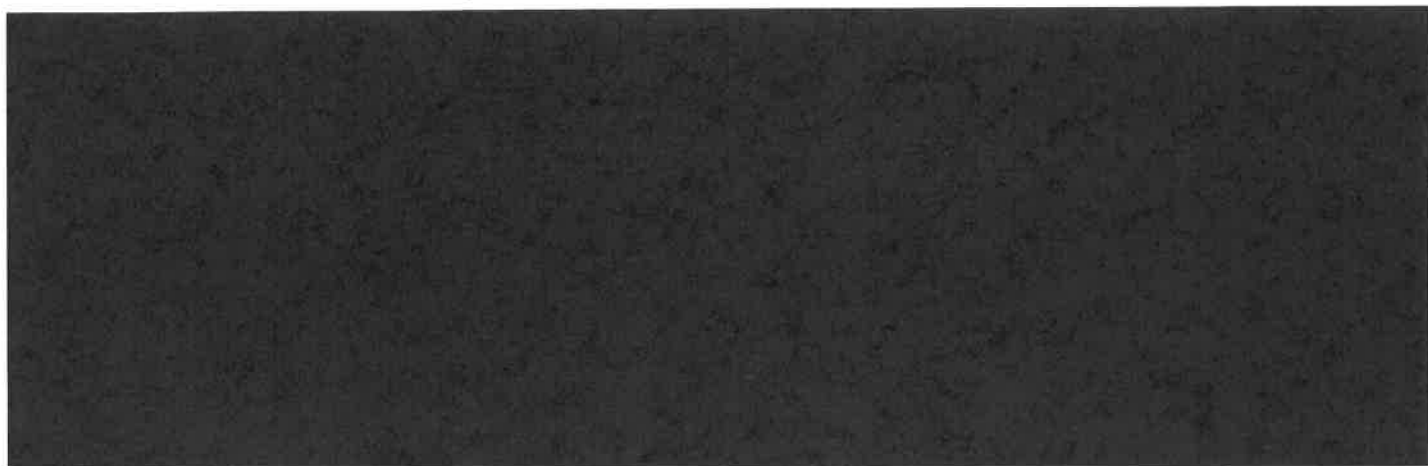
Chemist Warehouse is an Australian provider who has noted its intention to enter in to the New Zealand community pharmacy market and grow its presence rapidly. They have opened their first store in St Lukes and have a second planned to open in South Auckland early in 2018. They are reported as stating they intend to have up to 10 pharmacies in metropolitan Auckland.

Chemist Warehouse presence in New Zealand further reflects the shift in community pharmacy ownership models already seen. Greencross Healthcare have had a strong presence here for many years. Greencross fully own or have shareholding in numerous community pharmacies. More recently both Countdown and Nirvana have been expanding their pharmacy networks. It is unclear as to what long term impact these new ownership models will have. However, competition within the community pharmacy sector looks to be strong for the next several years while these players continue to make their presence felt. It is expected that some existing community pharmacies may become less viable and may lead to some closures. Considering that there are over 300 community pharmacies in metropolitan Auckland the closure of some is unlikely to have any material effect on patient access. The Funder will monitor any closures to ensure that patient access is not unduly compromised.

Chemist Warehouse heavily discounts and appears to work on a high volume low margin basis leveraging off their bulk purchasing power. Noting that in Australia Chemist Warehouse is the sixth largest retailer in Australia with an annual turnover of A\$4.4 billion (NZ\$4.7bn) in 2016, and the biggest online pharmacy retailer in Australia. Further Chemist Warehouse are fully discounting the prescription co-payment of \$5. The removal of the prescription co-payment and lower cost to over the counter medicines helps address one of the barriers to medicines for those least able to pay.

As with all pharmacies they are all licensed by Medicines Control, Ministry of Health, and as such meet the required standards. There is no evidence that these 'corporate' pharmacies provide service of a quality any different to that of independently owned pharmacies.

There is no apparent risk with this new market entrant, in fact patients look likely to benefit from a cost perspective.





Regards

**Tim Wood**

Deputy Director Funding

Development & Funding Manager Primary Healthcare  
Auckland and Waitemata DHBs  
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AUCKLAND CITY 0740

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**From:** Michelle Webb (ADHB)


**Sent:** Wednesday, 20 December 2017 12:31 p.m.

**To:** Debbie Holdsworth (ADHB); Tim Wood (WDHB)

**Cc:** Anna Micallef (WDHB)

**Subject:** Confidential Board 13 December 2017 - Item 11 General Business - Pharmacies Minute Extract

Hi Debbie and Tim

Please see the attached minute extract detailing a request made by Board member Sharon Shea for a report on risk associated with the Chemist Warehouse 

Kind regards,

Michelle Webb on behalf of:

**Marlene Skelton**

Corporate Business Manager | Finance and Business Support Services  
Ph: 09 630 9943 Ext: 22345 | Mob: 021 917 630

**Auckland District Health Board**

Level 1 | Building 37 | Park Road | Grafton | Auckland

[MarleneS@adhb.govt.nz](mailto:MarleneS@adhb.govt.nz)

