

PUBLIC SECTOR

REPUTATION INDEX 2019



PHARMAC

Official Information released under the Official Information Act 1982



The Public Sector Reputation Index began in 2016 in response to demand from our Public Sector clients for rigorous, independent benchmarks of their reputation.

We took our globally validated reputation measurement framework, RepZ, and customised it to the needs of the New Zealand Public Sector.

In 2019, we have:

- Surveyed 2,750 New Zealanders
- Included five new agencies
- Added three new reputational attributes
- Drilled down in more detail to understand the communication channels where reputation grows



50

NEW ZEALAND PUBLIC SECTOR AGENCIES



New agencies in 2019 include Callaghan Innovation, the Ministry of Civil Defence and Emergency Management, the Office of the Children's Commissioner, NIWA and the State Services Commission.



2750

INTERVIEWS CONDUCTED
TO REFLECT THE VIEWS
OF ALL NEW ZEALANDERS



Nationally representative
sample by age, gender,
region, ethnicity and
income

Online surveys
conducted
between 9 April
and 8 May 2019



Uses our globally validated RepZ framework, customised to the nuances of the New Zealand Public Sector, with reputation measured across four fundamental pillars.

TRUST

- Listens to the public's point of view
- Uses taxpayer money responsibly
- Is trustworthy
- Can be relied upon to protect individuals' personal information

SOCIAL RESPONSIBILITY

- Behaves in a responsible way towards the environment
- Is a positive influence on society
- Has a positive impact on people's mental and physical wellbeing
- Helps people make a worthwhile contribution to society
- Protects our environment for future generations

LEADERSHIP

- Is a forward looking organisation
- Contributes to economic growth
- Is easy to deal with in a digital environment

FAIRNESS

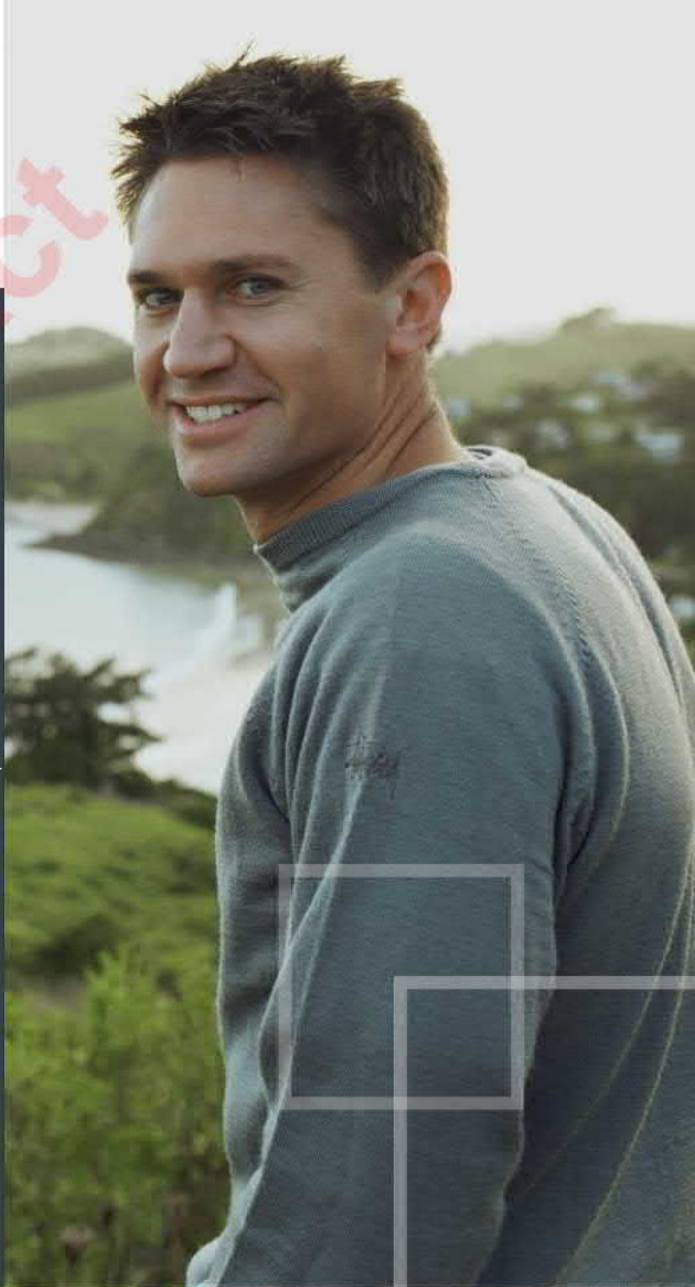
- Treats their employees well
- Deals fairly with people regardless of their background or role

Three new measures in 2019 which reflect the growing importance of wellbeing and kaitiakitanga to agency reputation.

Has a positive impact on people's mental and physical wellbeing

Helps people make a worthwhile contribution to society

Protects our environment for future generations



Official Information Act

How are New Zealand's public sector agencies performing this year?



New Zealand Public Sector agencies have a healthy reputation with most RepZ scores in the mid to high range. But what does a high, mid and low score mean?

18%

54%

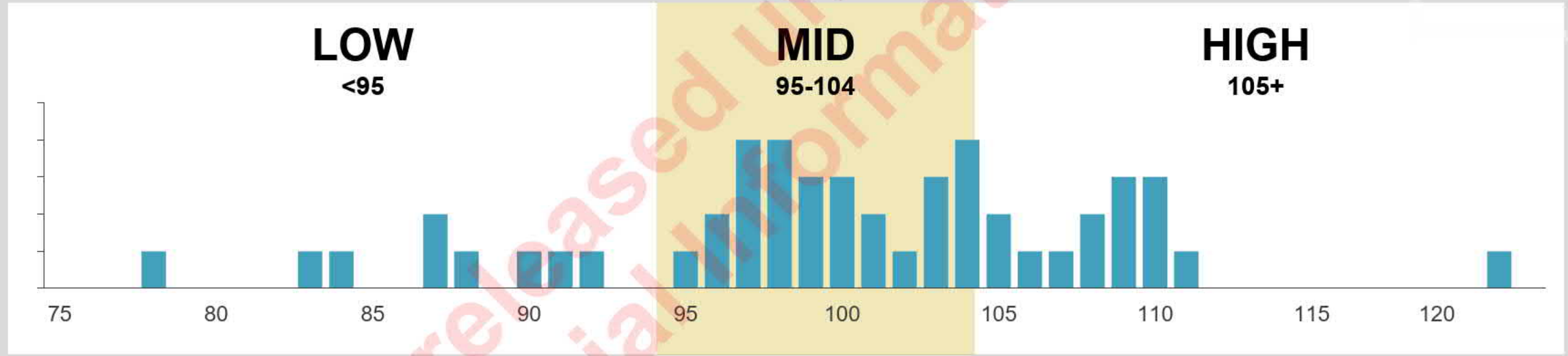
28%

LOW
<95

MID
95-104

HIGH
105+

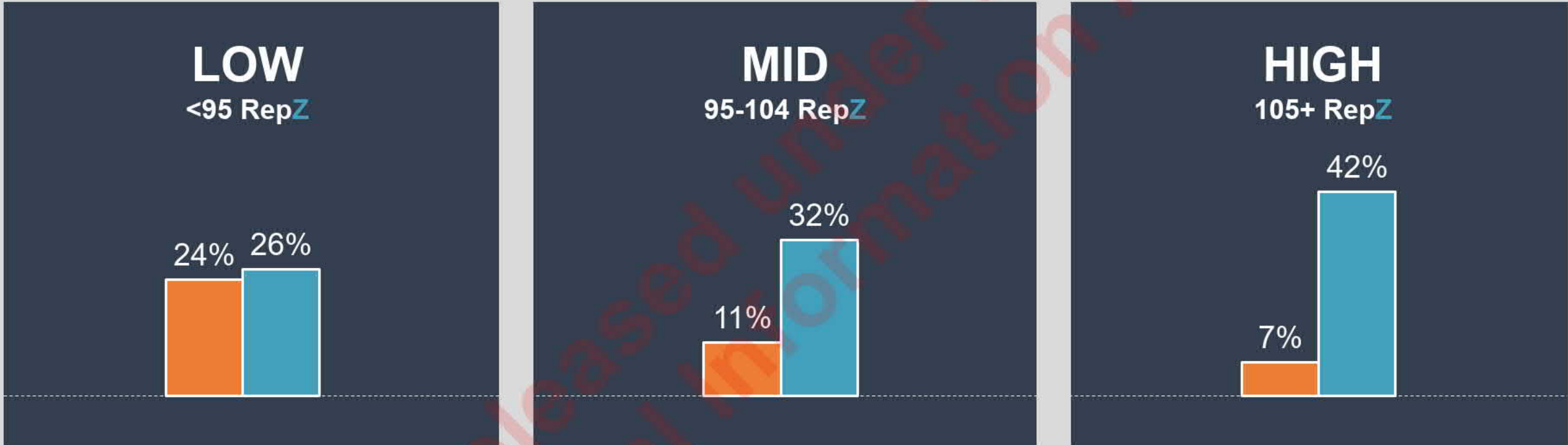
NUMBER OF AGENCIES



BRITTLE ←

→ RESILIENT

A high performing agency is rated six times more positively than negatively across the 14 reputational attributes. Low performing agencies are more polarising in their public perception – with an equal mix of positive and negative ratings.



REPUTATION ATTRIBUTE % Negative % Positive

Each agency is rated across 14 reputation attributes using a seven point agree/disagree scale. The percentages in the charts above represent the average agree/disagree across the 50 agencies on the 14 attributes in each of the RepZ ranges.

Who are the top performing Public Sector agencies in 2019?



OVERALL REPUTATION

REPZ TOP 10

2019



Fire and Emergency remains the benchmark agency when it comes to reputation.

There are three new entrants to the top ten in 2019: Callaghan Innovation, Ministry of Civil Defence and Emergency Management, and NIWA.



TOP 5

ON EACH PILLAR



Highest scoring agencies on each of the four pillars

Trust

Social responsibility

Leadership

Fairness

1				
2				
3				
4				
5				

TOP 5

MOVERS & SHAKERS



Who's improved their RepZ score by five or more points since 2018?

Housing New Zealand
Housing New Zealand Corporation

WORKSAFE
NEW ZEALAND | MAHI HAUMARU
AOTEAROA

EQC
EARTHQUAKE COMMISSION
Kōmihana Rūwhenua

MINISTRY OF HEALTH
MANATŪ HAUORA

 **DEPARTMENT OF CORRECTIONS**
ARA POUTAMA AOTEAROA



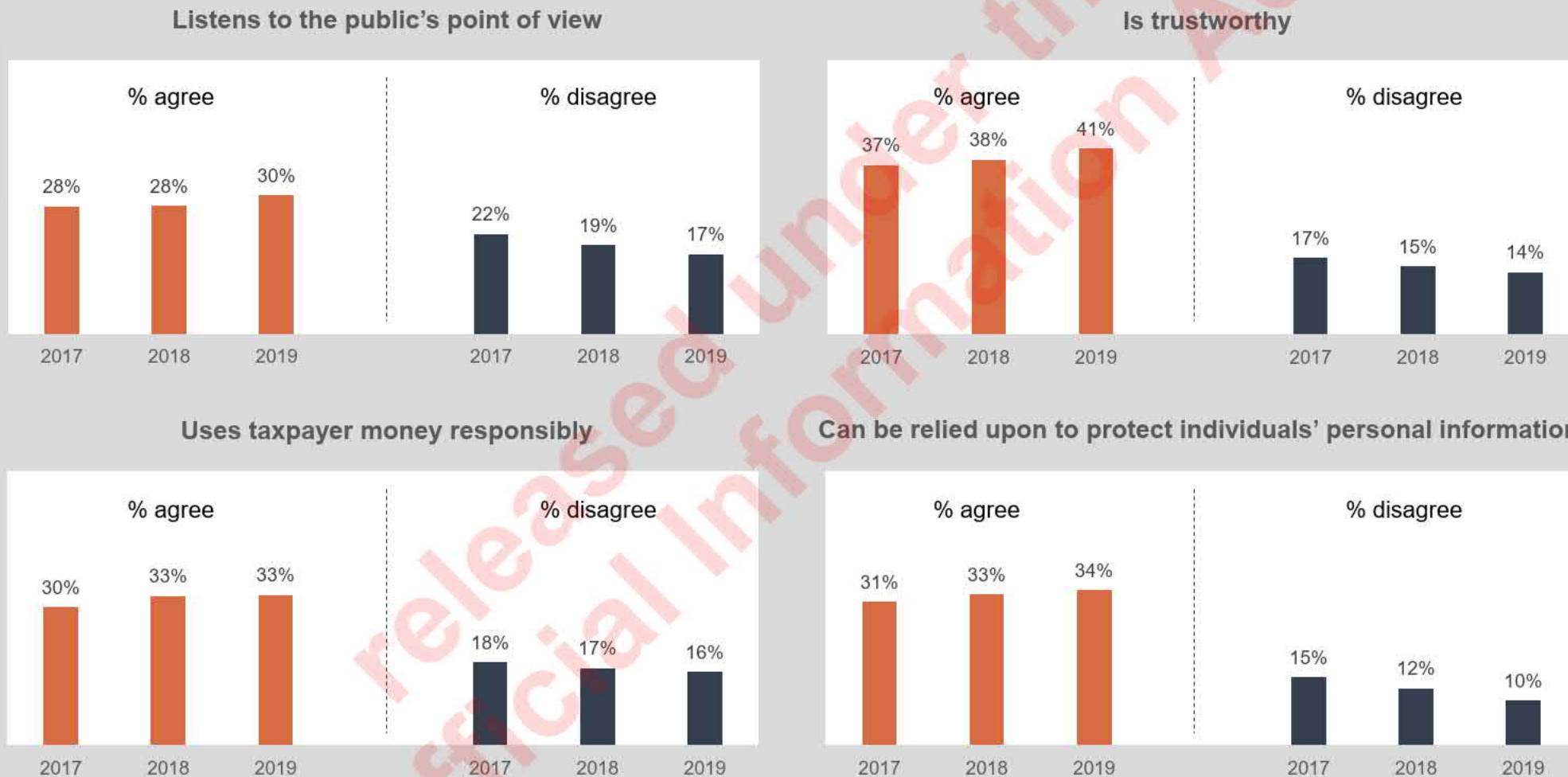
What general reputation trends are we seeing?



In 2019, trust is more important than ever for building a strong reputation.



Globally, we are seeing falling levels of trust in government and public organisations*. However New Zealand bucks this trend, with our public sector agencies continuing to show improvements on all four drivers of trust.



Let's take
a closer look
at how
PHARMAC
did this year...



6 BENCHMARK AGENCIES

In 2019 we asked respondents about 50 different public sector agencies. PHARMAC selected six of these agencies as benchmarks. Connecting the benchmark agencies and PHARMAC, is a focus on regulation.



PHARMAC's RepZ score declined by 4 points in 2019 reflecting decreases across all four pillars. PHARMAC's trust and leadership scores saw the greatest drop from last year.

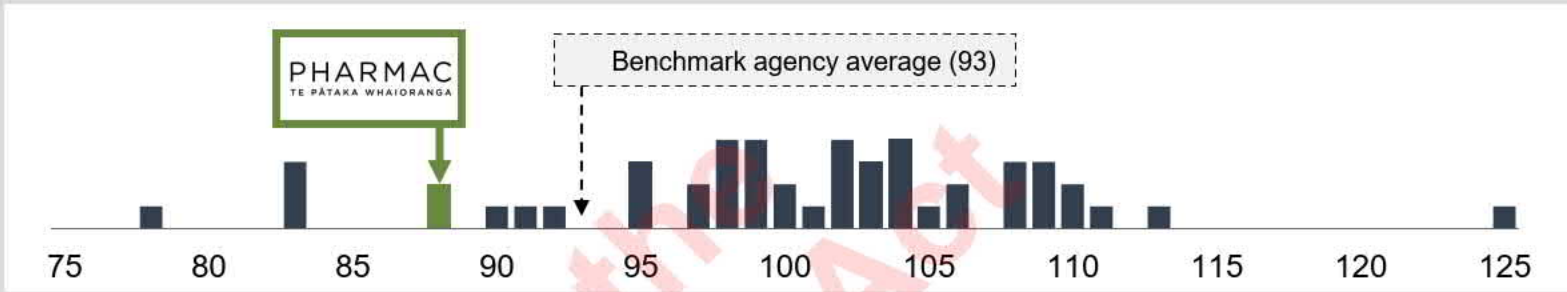


PHARMAC sits behind the benchmark agencies on all four pillars.

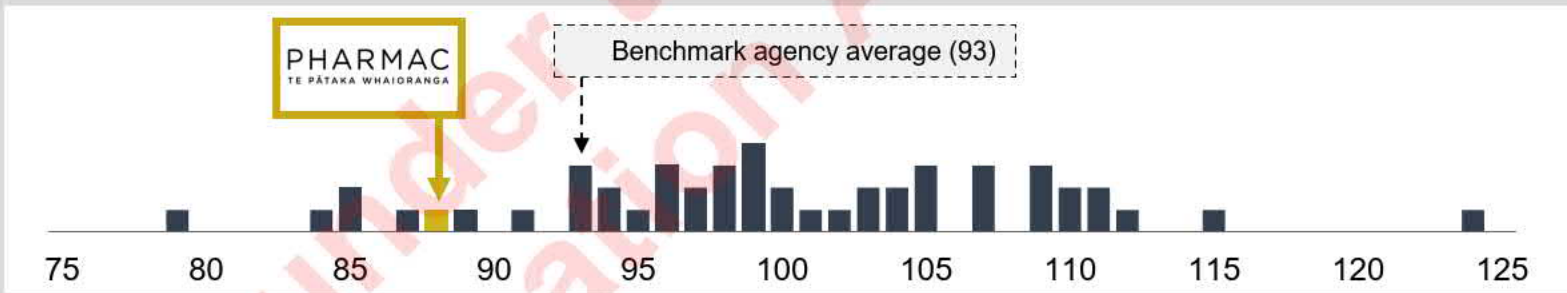
The largest gap for PHARMAC to close is on the leadership pillar.



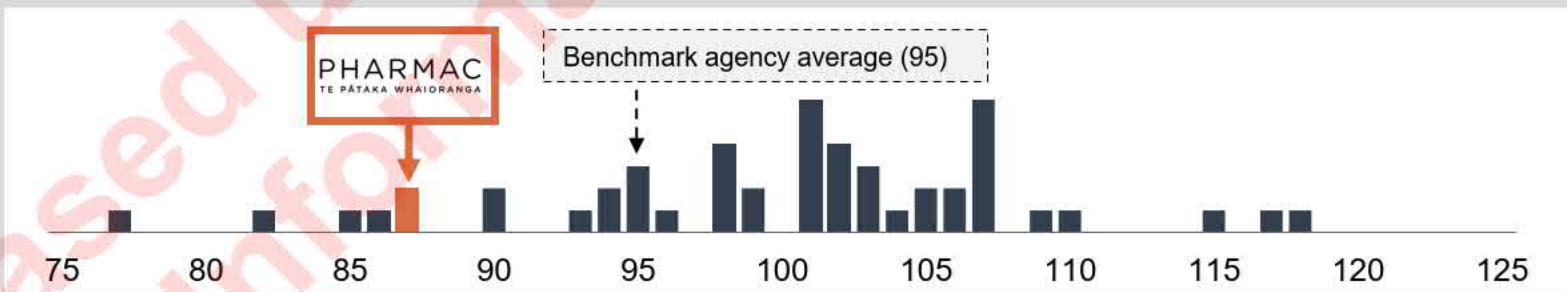
Trust



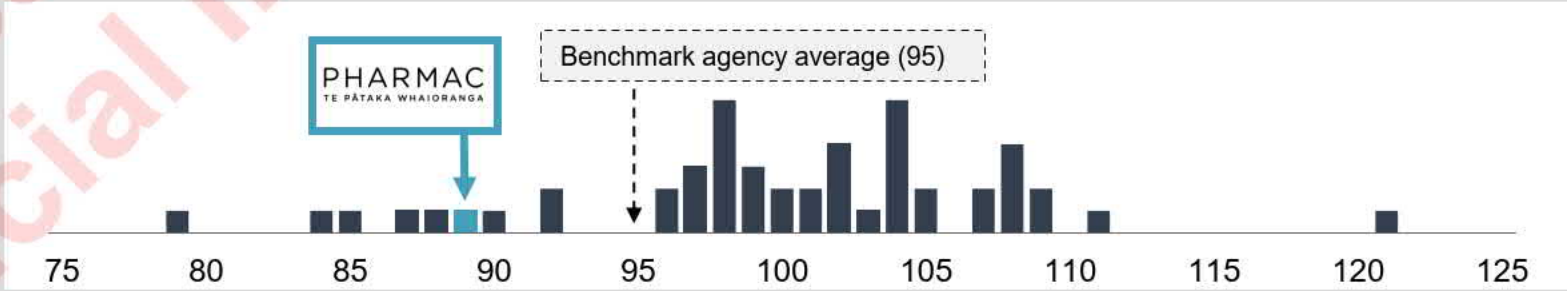
Social responsibility



Leadership



Fairness



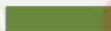
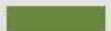








PHARMAC is a polarising organisation across most statements.











Considerably more people view PHARMAC in a negative light when it comes to perceptions of listening to the public.









Trust

	 % agree (rate 5 to 7 out of 7)	 % disagree (rate 1 to 3 out of 7)	Agree minus disagree
Is trustworthy	 26	 23	+3
Can be relied upon to protect individuals' personal information	 26	 10	+16
Uses taxpayer money responsibly	 25	 26	-1
Listens to the public's point of view	 20	 35	-15





Social responsibility

Has a positive impact on people's mental and physical wellbeing	 32	 25	+7
Is a positive influence on society ¹	 28	 22	+6
Helps people make a worthwhile contribution to society ¹	 24	 20	+4
Behaves in a responsible way towards the environment	 14	 15	-1
Protects our environment for future generations ¹	 13	 18	-5

Leadership

Is a forward looking organisation	 25	 22	+4
Contributes to economic growth	 21	 23	-2
Is easy to deal with in a digital environment	 12	 9	+2

Fairness

Deals fairly with people regardless of their background or role	 24	 20	+4
Treats their employees well	 10	 4	+6

Since 2018, New Zealanders perceptions of PHARMAC have either become for uncertain (e.g. trustworthy, positive influence, deals fairly with people) or moved in a negative direction (e.g. uses taxpayer money responsibly, forward looking, contributes to economic growth). These changes are reflected in the downward shift in RepZ scores.

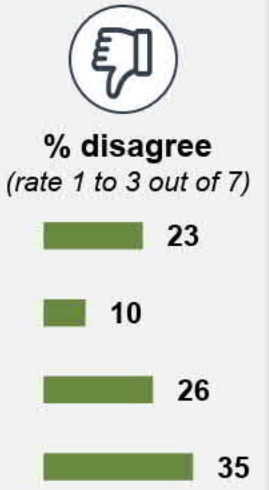


Trust

Is trustworthy
Can be relied upon to protect individuals' personal information
Uses taxpayer money responsibly
Listens to the public's point of view



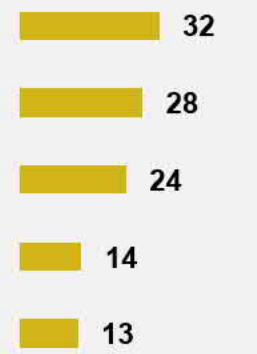
Difference to 2018



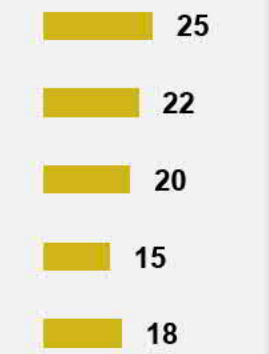
Difference to 2018

Social responsibility

Has a positive impact on people's mental and physical wellbeing
Is a positive influence on society¹
Helps people make a worthwhile contribution to society¹
Behaves in a responsible way towards the environment
Protects our environment for future generations¹



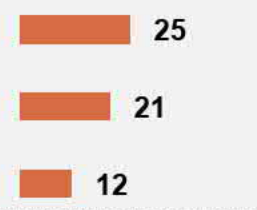
Difference to 2018



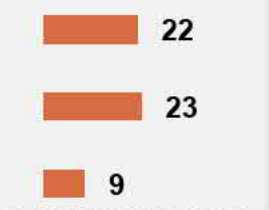
Difference to 2018

Leadership

Is a forward looking organisation
Contributes to economic growth
Is easy to deal with in a digital environment



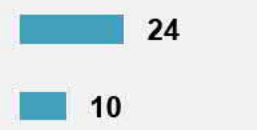
Difference to 2018



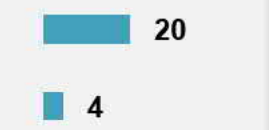
Difference to 2018

Fairness

Deals fairly with people regardless of their background or role
Treats their employees well



Difference to 2018

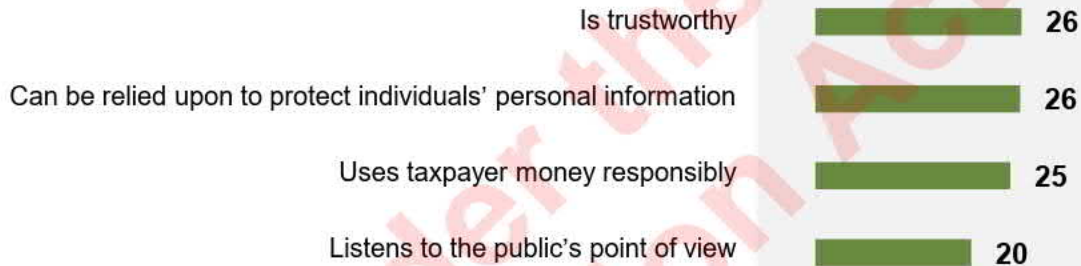


Difference to 2018

PHARMAC's scores are on par with benchmark agencies on "has a positive impact on mental and physical wellbeing". But across other attributes it is notably weaker, particularly for:

- Contributes to economic growth
- Is easy to deal with in a digital environment

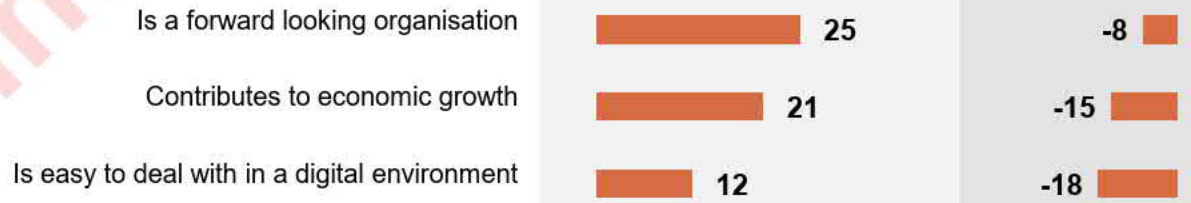
Trust



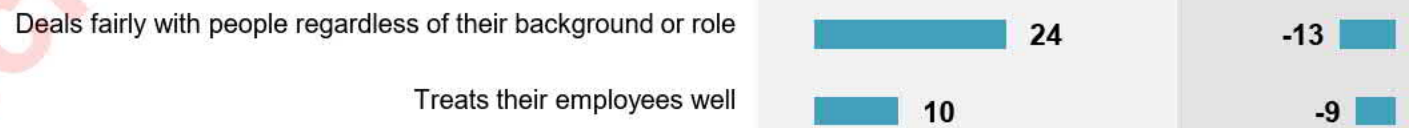
Social responsibility



Leadership



Fairness



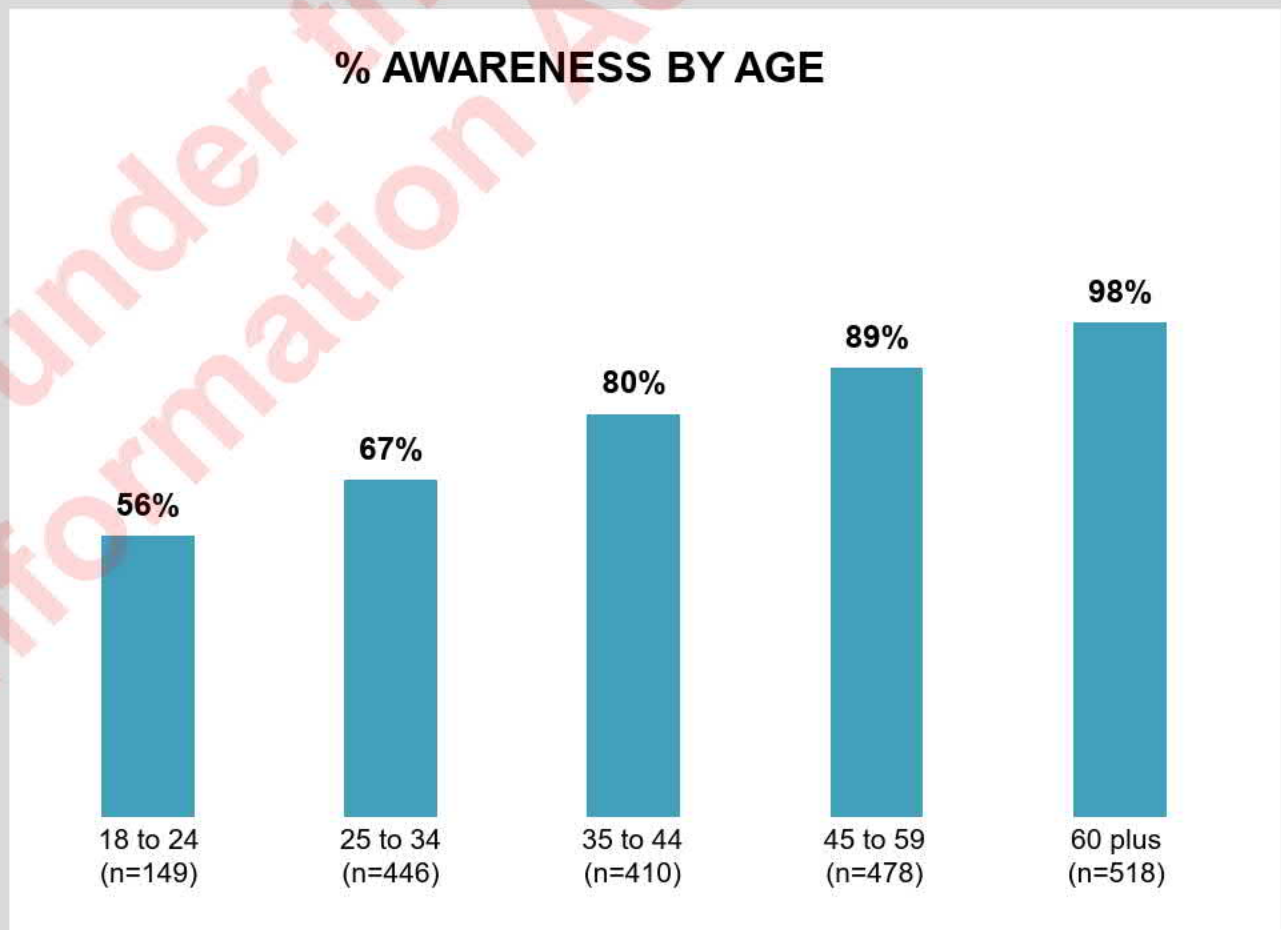
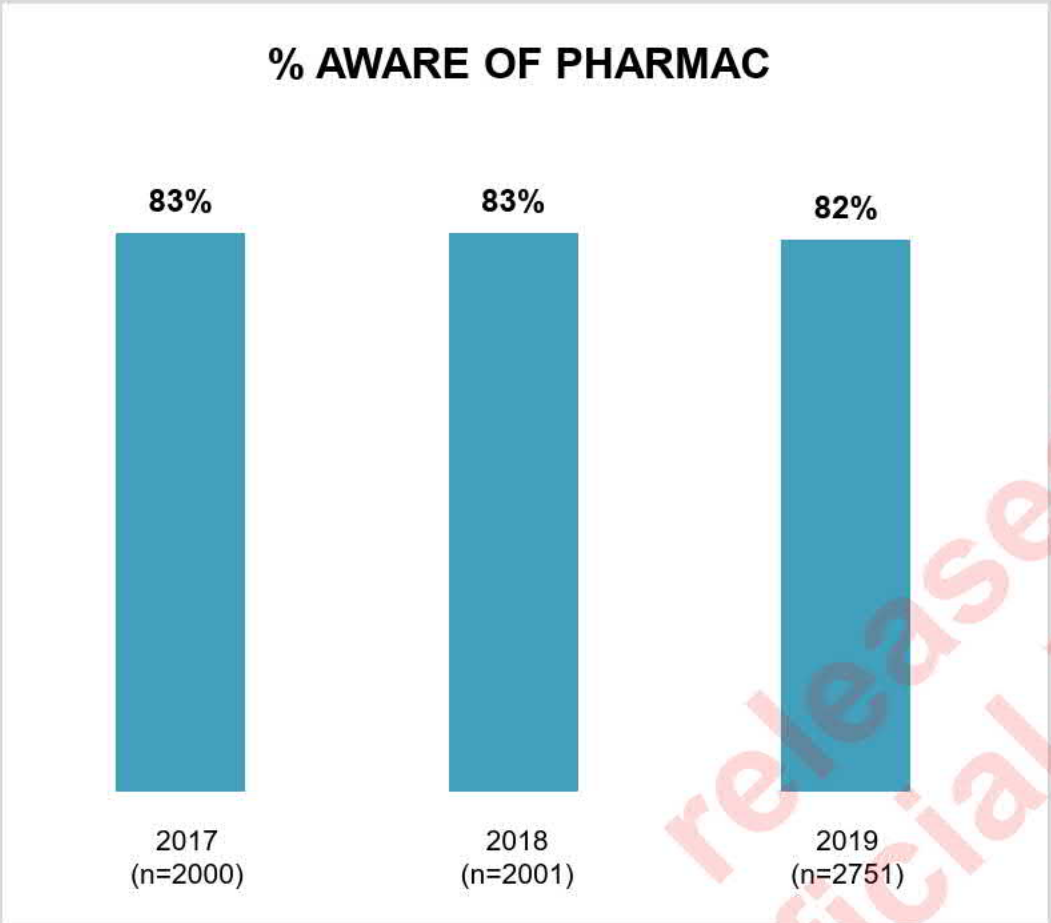
Growing your reputation



Awareness



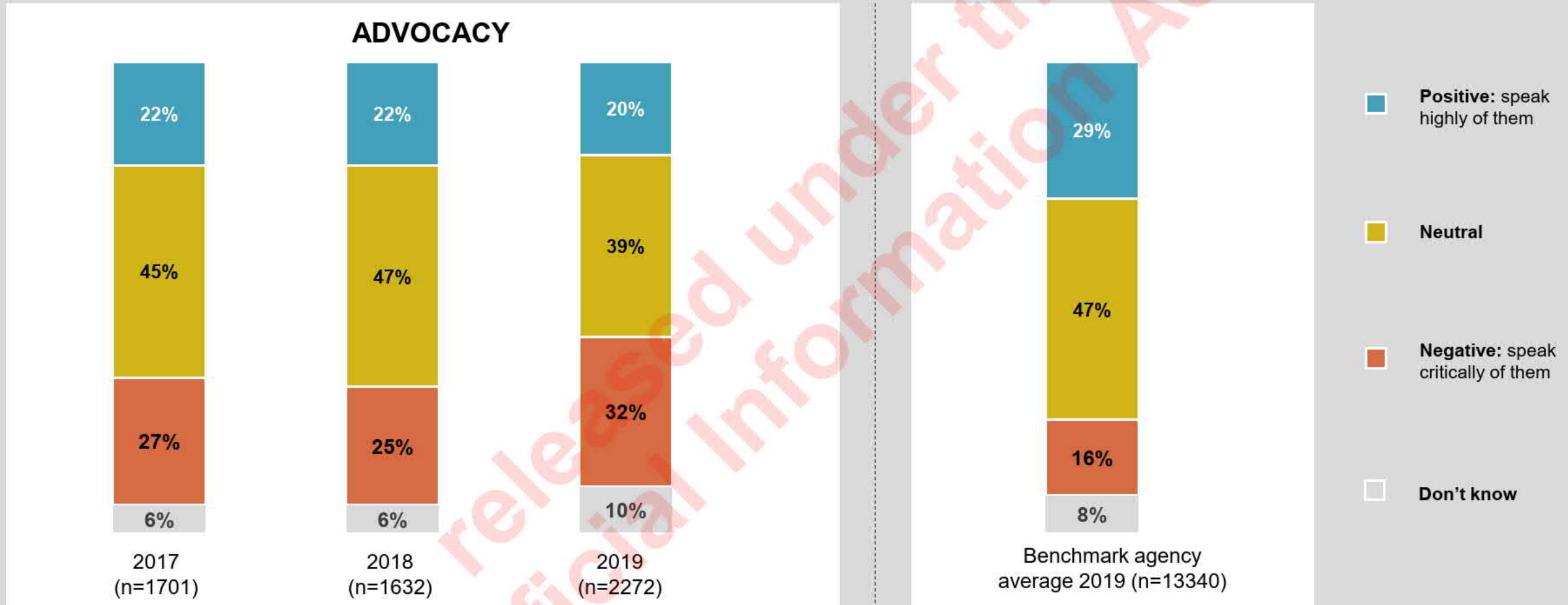
Four out of five New Zealanders are aware of PHARMAC. Younger people are least aware with almost all those aged 60 plus knowing about the agency.



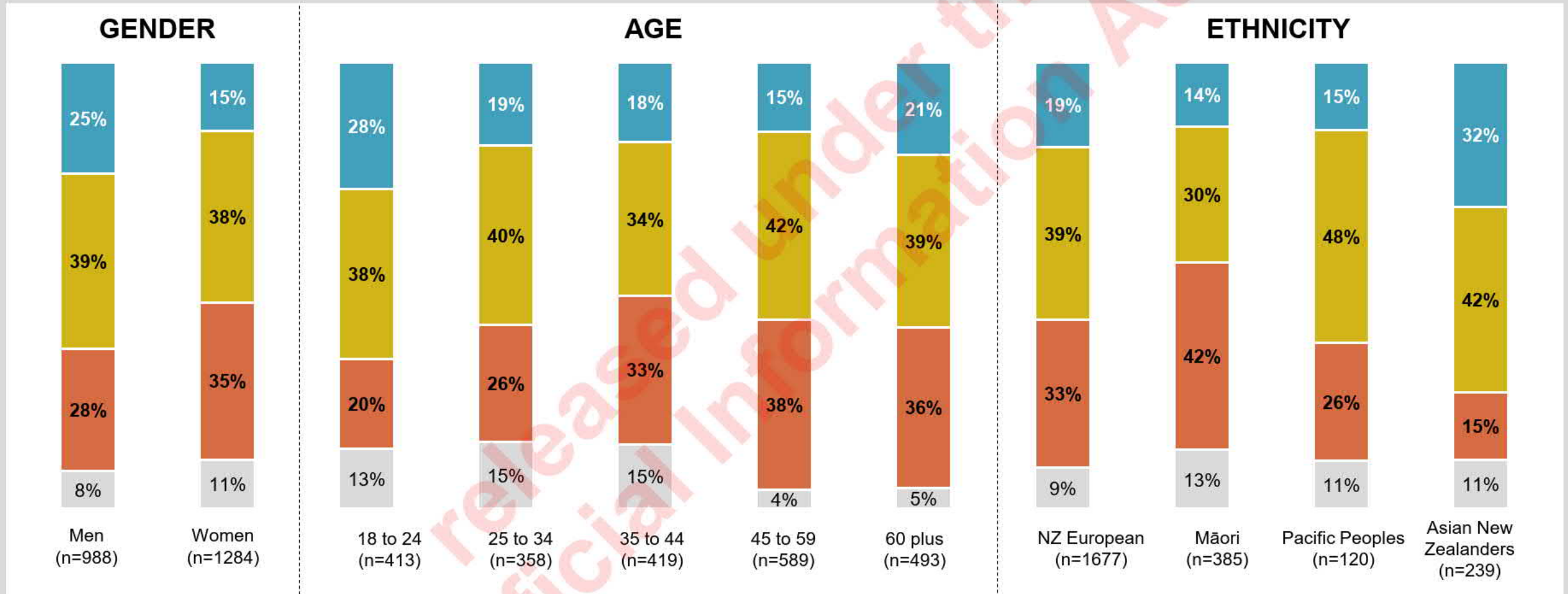
Advocacy



Advocacy is slightly lower in 2019 but the largest shift has been the increase in the number of people who feel critical, a significant increase of 7 percentage points. Criticism is twice as high for PHARMAC than for the benchmark agencies.



Men, 18 to 24-year olds, and Asian New Zealanders are most positive about PHARMAC. Māori, those aged 45-years and over, and women are amongst PHARMAC'S biggest critics. Advocacy is also higher amongst those with a degree or postgraduate qualification (26%).



Advocates praise PHARMAC for getting the most out of the funding available to them.



What advocates say about PHARMAC

"Without PHARMAC our ability to fund medicines in New Zealand would be much more difficult. The global trend has been to majorly increase expenditure with an increasing comorbid population. However with PHARMAC in NZ this has not been the case. I believe that our health dollar goes a lot further because of this agency and we are able to prescribe a lot more medicines and have medicines available because of them. Furthermore, they work based on the available evidence, and although at times it is very easy to be blindsided by the emotion of medicine, PHARMAC allows an evidence based approach so we are spending our money and giving people medicines that are backed up by science."

"Keeps the price of medicines down. Prevents big pharmaceutical companies from ripping off New Zealanders. Does the best they can to ensure govt money is targeted where it can do the most good."

"I have heard PHARMAC is the envy of other countries with the way they buy and control medicines."

"I think they do a great job balancing a variety of needs in a way that services all of NZ. Drugs would be more expensive if it wasn't for PHARMAC negotiating on behalf of the Health system."

"I believe they are doing a very good job - despite vocal and understandable opposition-in rationing our scarce health dollars and providing some counter to the power of large pharmaceutical companies."

"I appreciate and highly value the role they play in keeping medicines cheap and available for New Zealanders. I believe we get very good value for money based on the public health outcomes that are achieved. I also believe that PHARMAC is a significant benefit to the economic health of the country, by reducing lost productivity from ill health (due to easy / cheap access to medicine) and also preventing financial burden on the individual (therefore allowing increased spending in other sections of the economy)."

"I know that they make amazing deals for us with international pharma companies. Without them we wouldn't have the access to the drugs we have with our small economy. They are amazing."



On the other hand, critics feel PHARMAC has an uncaring attitude, and prioritises money over lives.



What critics say about PHARMAC

"There seems to always be negative responses to getting proven life saving drugs in New Zealand which are readily available in other countries - Australia for one."

"They lie and hedge when defending their non-delivery of life-saving drugs for New Zealanders. e.g. saying they need further proof of efficacy, when that proof has been substantiated by several other countries within our sphere of influence. But another time, when it suits, they will use those countries data as a reason to refuse funding. New Zealanders are dying prematurely because of PHARMAC; it seems they are either underfunded, or just don't care."

"I had a brother-in-law die because of there ridiculous funding rules."

"They have an uncaring attitude."

"The way that they wont listen to people in need of life saving drugs."

"PHARMAC seems to be resistant to finding some med's that could help many people."

"Fact they wont cover costs for kiwi women with breast cancer drug which would give affected women another 5 years of life."

"They seem to be more interested in making money off sick people instead of making drugs available at an affordable cost meaning more people would get better."

"Money over lives."

"I honesty cannot believe you need to ask this question. PHARMAC are not funding cancer drugs to save people's lives. Actually, every time I hear the name PHARMAC I am embarrassed and appalled that this is a New Zealand organization. Meanwhile this government gives billions of dollars to other useless causes."

"Cheap and won't fund much needed drugs. Only want profit and don't care about people."

"PHARMAC seems to be resistant to finding some med's that could help many people."

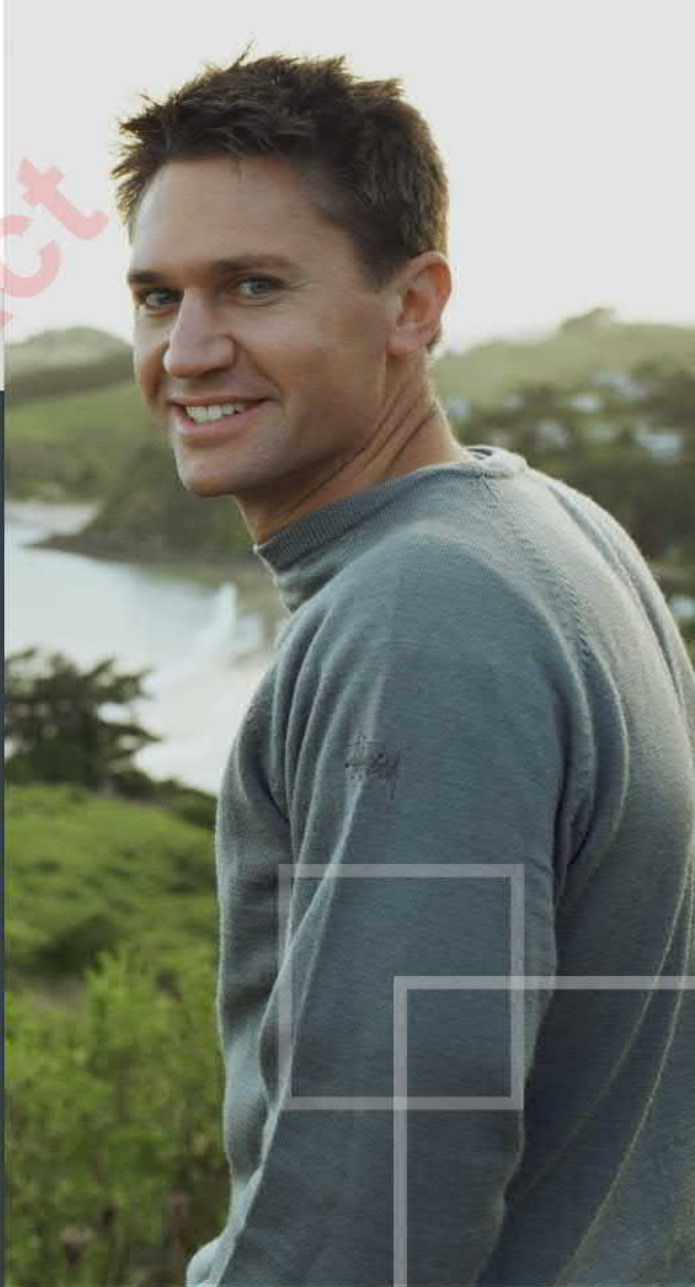
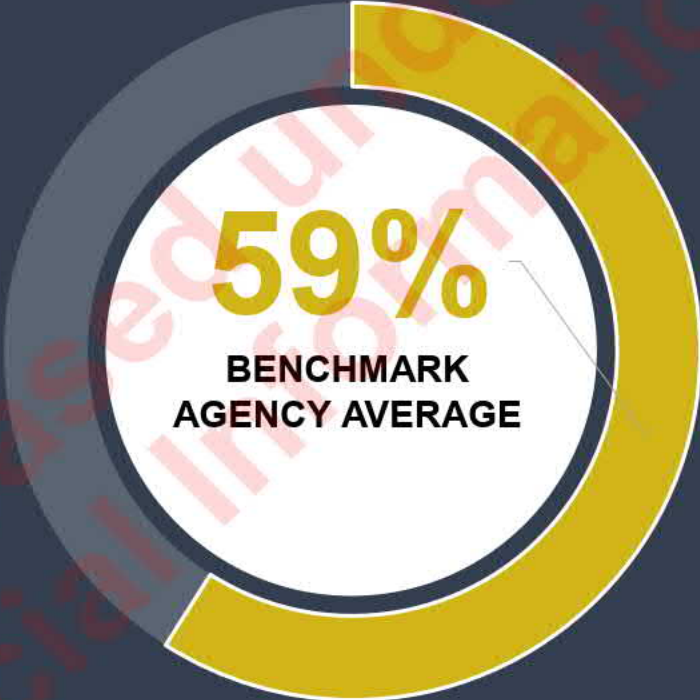
"Fact they won't cover costs for kiwi women with breast cancer drug which would give affected women another 5 years of life."

Sources of reputation



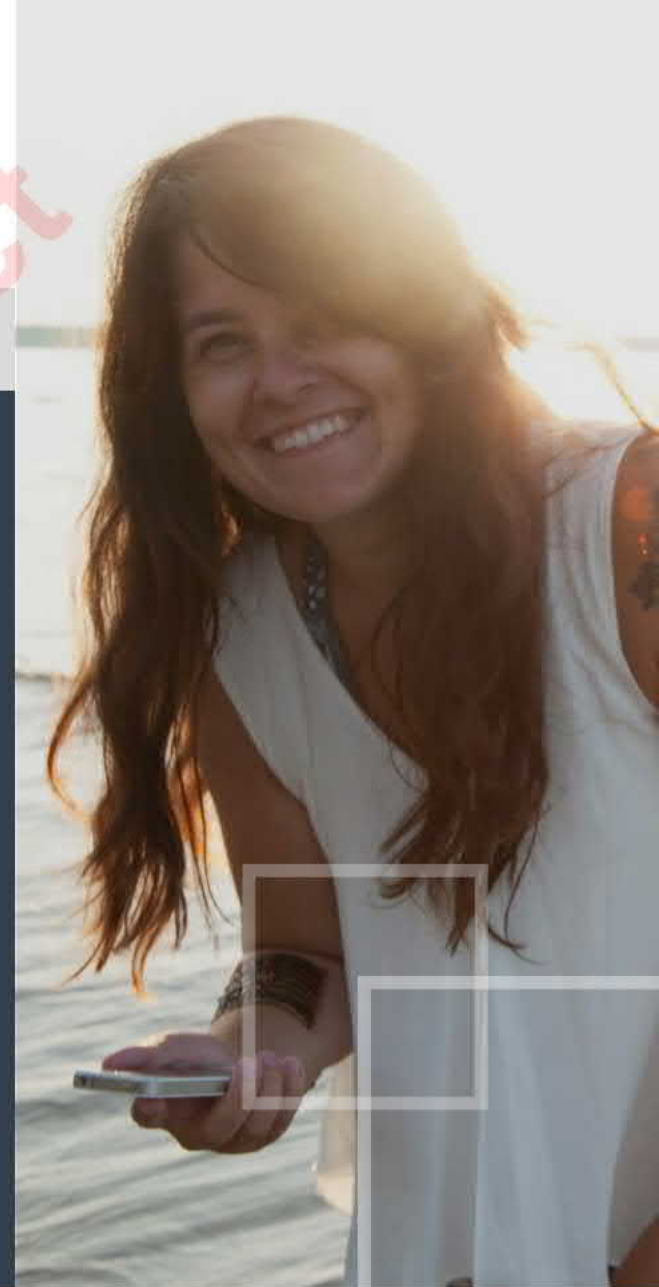
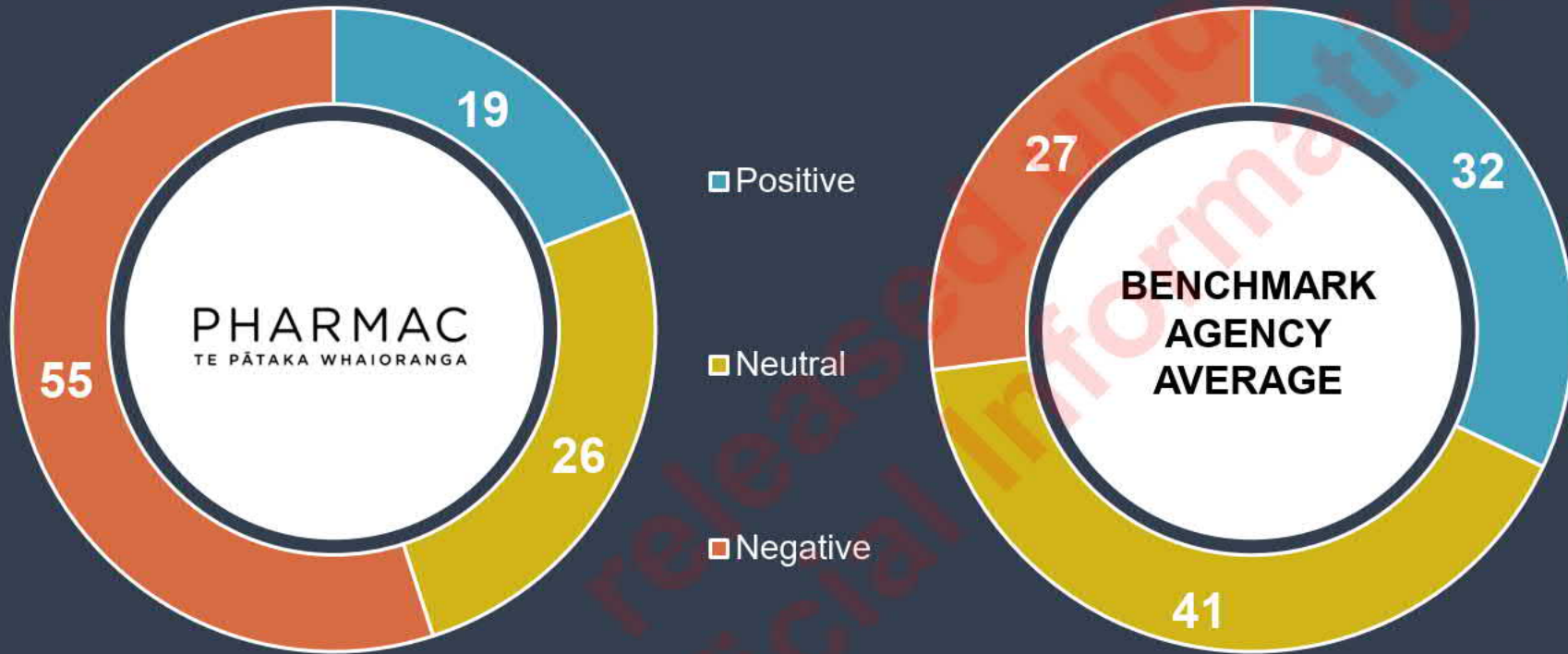
Sixty-two percent of those aware of PHARMAC have seen or heard something about them in the last 12 months. This is comparable to the benchmark agency average (59%).

% SEEN OR HEARD SOMETHING



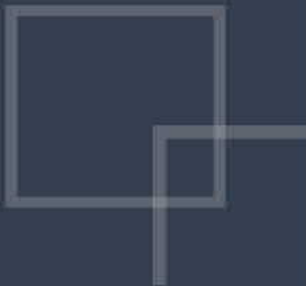
However, more than half of what people are seeing or hearing about PHARMAC is negative (this is the highest of the 50 agencies measured in 2019). There is an opportunity for PHARMAC to flip the narrative by sharing its success stories more widely.

% WHO RATE THE INFORMATION THEY HAVE SEEN AS POSITIVE / NEGATIVE



In 2019 we've taken a closer look at "source of reputation", breaking down media into more granular detail.

News media is the dominant influence on Public Sector reputation with 40% of people saying it is the main influence on their opinions of each agency. This is where PHARMAC sits.



SOURCE OF REPUTATION

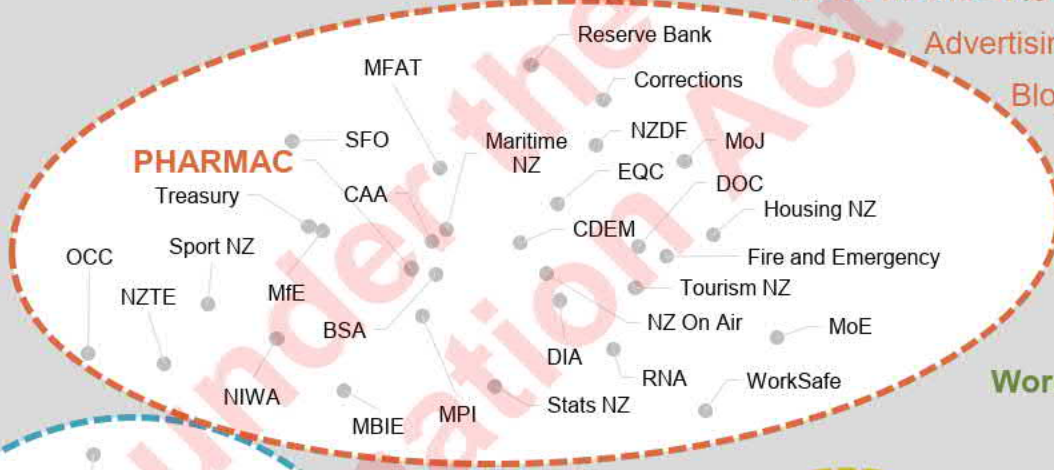
MEDIA & COMMS

Average source of media across all 50 agencies

News media 40%

Advertising / communications 6%

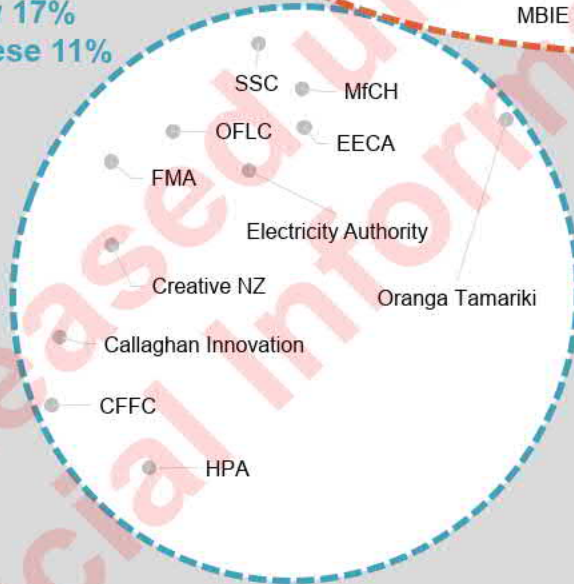
Bloggers / commentators 4%



IMPRESSION

Don't know 17%

None of these 11%



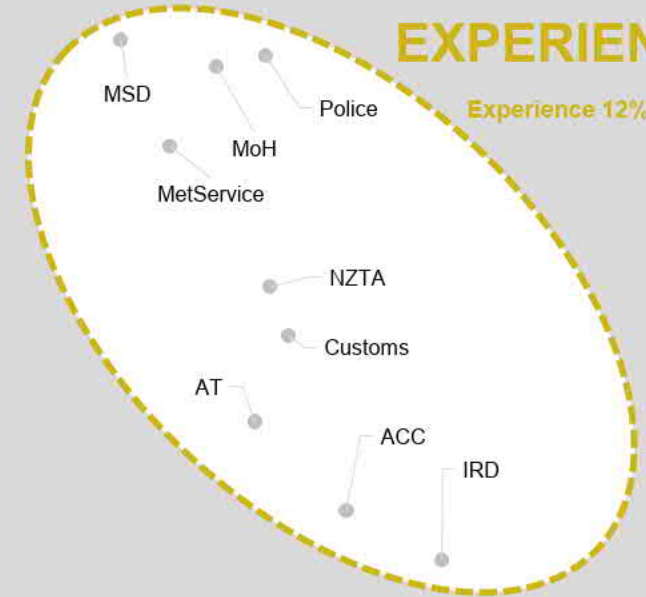
CONVERSATION

Social media 4%

Word of mouth 8%

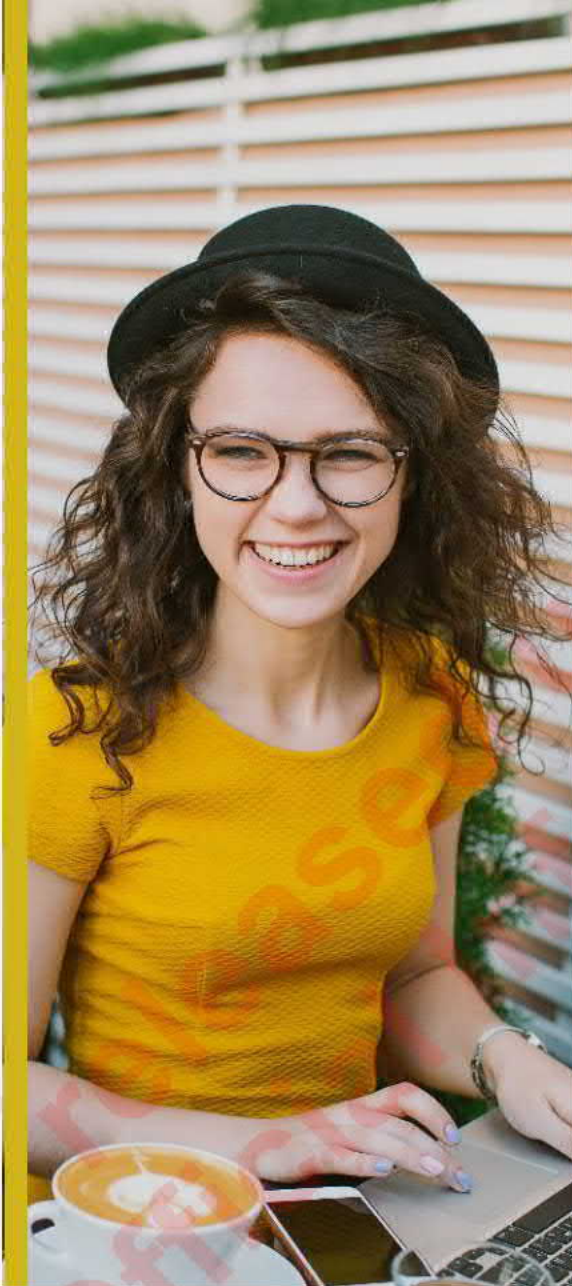
EXPERIENCE

Experience 12%



INFLUENCES ON REPUTATION

The news media has by far the biggest influence on public perceptions of PHARMAC.



WHAT HAS THE GREATEST IMPACT ON PEOPLE'S VIEWS OF PHARMAC

What I've seen or heard from news organisations **56%**

My experience dealing with PHARMAC **9%**

What my friends or family have told me **6%**

What I've seen or heard posted by independent bloggers and commentators **3%**

Advertising or information directly from PHARMAC **2%**

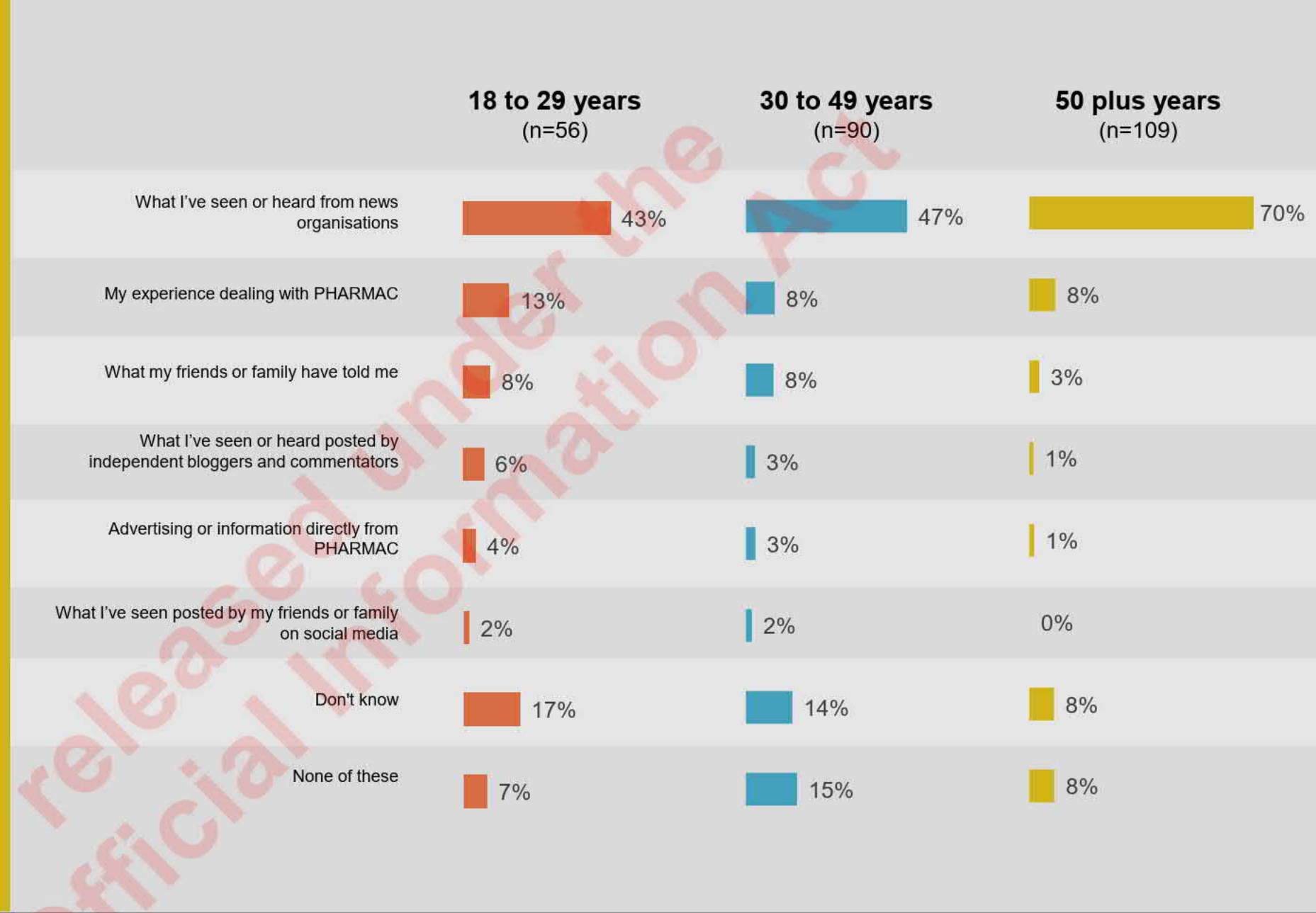
What I've seen posted by my friends or family on social media **1%**

Don't know **12%**

None of these **11%**

INFLUENCES ON REPUTATION BY AGE

The news media has a much bigger impact on those aged 50 plus.



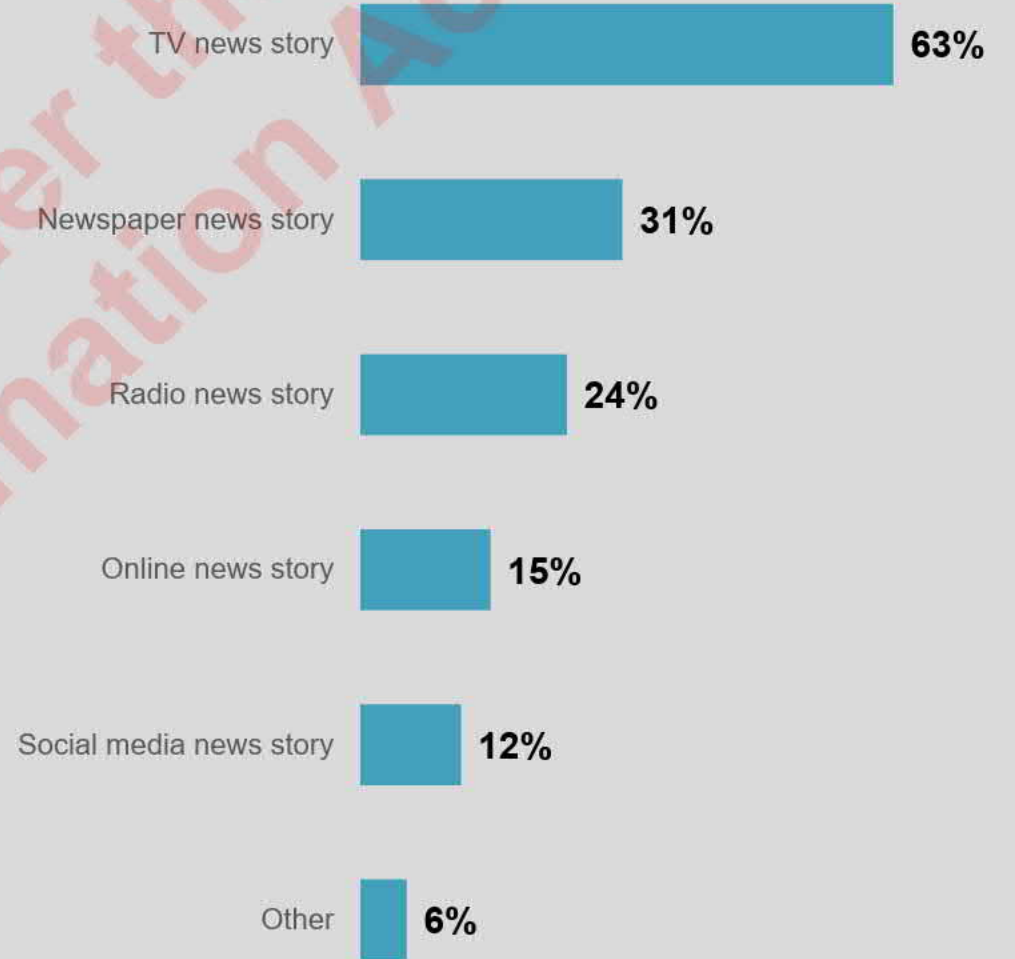
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INFLUENCES ON REPUTATION

Of those who said the news media has the biggest impact on perceptions, two thirds said TV news stories had the most influence.



WHAT PEOPLE HAVE SEEN OR HEARD FROM NEWS ORGANISATIONS

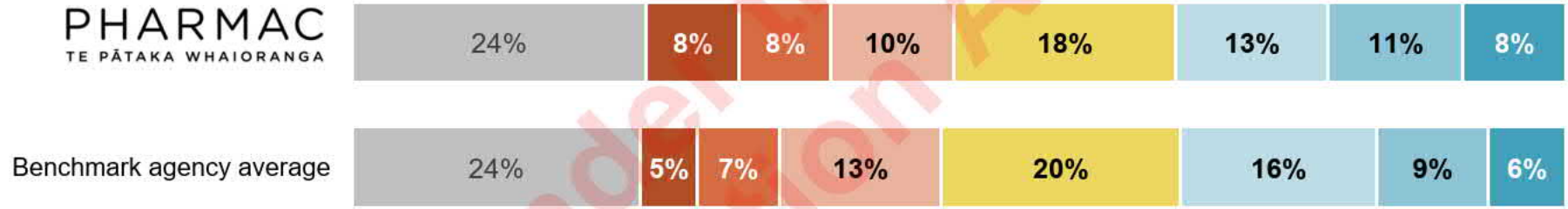


Wellbeing



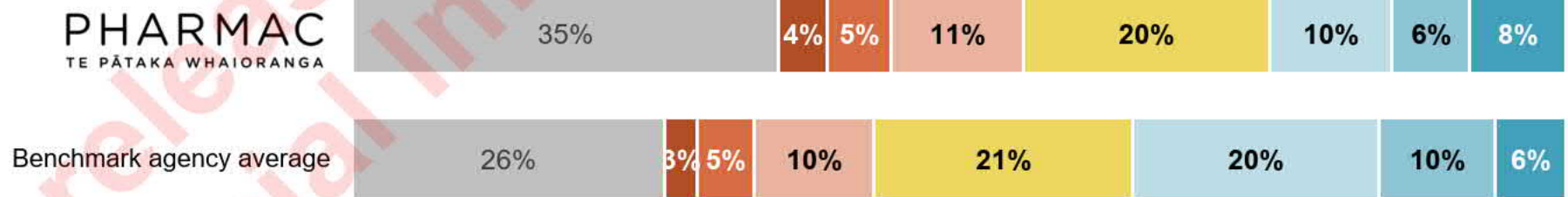
Two new statements related to wellbeing were included in 2019. The main opportunity for PHARMAC is to improve wellbeing perceptions by shifting the attitudes of those who currently sit on the fence (i.e. neutrals) and those who don't know enough about PHARMAC to form a view.

Has a **positive impact** on people's mental and physical wellbeing

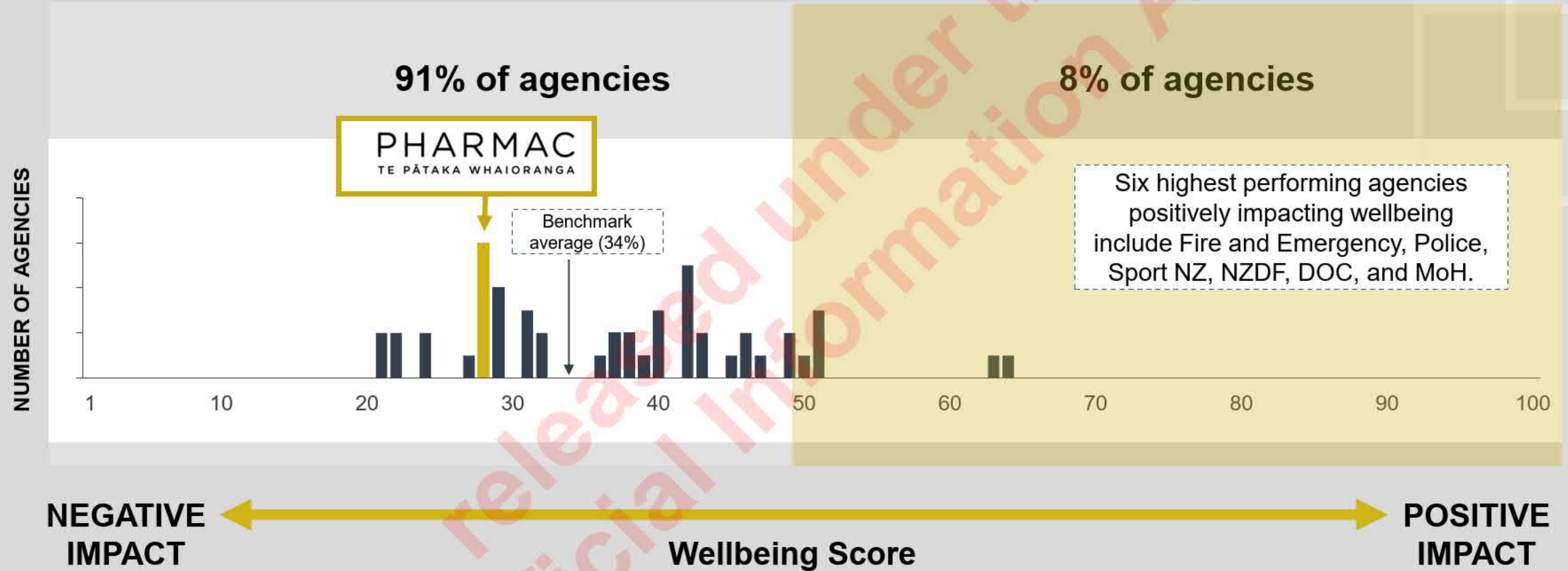


Legend: □ Don't know □ Strongly disagree □ 2 □ 3 □ 4 □ 5 □ 6 □ Strongly agree

Helps people make a **worthwhile contribution** to society



When it comes to wellbeing, PHARMAC sits slightly behind the benchmark agency average. Only six agencies are viewed by 50% or more of New Zealanders as positively impacting wellbeing. The opportunity exists for PHARMAC to tell its own unique wellbeing stories.



What proportion of agencies are delivering from a wellbeing perspective (average agreement across both wellbeing statements)

Key take-outs





TAKE-OUT

1

FOCUS ON IMPROVING TRUST AND REIGNITE LEADERSHIP

PHARMAC's RepZ score declined by 4 points in 2019, dropping from 92 to 88. Scores declined across all pillars, but trust and leadership saw the largest decline. There is clear scope to improve PHARMAC's reputation, with the biggest opportunity being to improve perceptions of trust.

Trust is the biggest driver of reputation, so improving scores in this area will have the most impact. The main factor putting downward pressure on PHARMAC's trust pillar score is perceptions of listening to the public. Currently almost twice as many people disagree with this statement, than agree with it. It is important for PHARMAC to better demonstrate it is aware of and responding where possible to public opinion.

The leadership pillar has historically been a strength for PHARMAC. There is a clear opportunity for PHARMAC to re-establish itself in this area, particularly in relation to being a forward looking organisation.



TAKE-OUT



2

FLIP THE SCRIPT

The majority of news and information people are seeing or hearing about PHARMAC in the media is negative. Currently the focus in the media is largely on what PHARMAC is not funding. The challenge for PHARMAC is therefore to flip the script, and spread the word about the help PHARMAC is providing for New Zealanders.

Telling a compelling story around how PHARMAC positively impacts mental and physical wellbeing, as well as help people contribute to society will bolster PHARMAC's social responsibility score, and in turn, overall reputation. It may also serve to counter perceptions that PHARMAC is uncaring, and more concerned about financial outcomes than health outcomes for people.



TAKE-OUT

3

ADDRESSING LOW AWARENESS AMONG UNDER 35s

Awareness of PHARMAC is lowest among young people – two thirds of 18-34 year-olds are aware, compared to 90% for those aged 35 and older.

Telling PHARMAC's positive and relevant stories to connect with this younger audience is an opportunity. Ultimately, amplification of messages is best done through TV news. However, there is an opportunity to use newer channels such as social media to communicate directly with this group.

For more information,
please contact



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Withheld under section 9(2)(a)

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