

## PHARMACY AMENDMENT BILL

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### EXPLANATORY NOTE

*Clause 2* provides that the Pharmacy Board may make rules providing for the establishment of branches of the Pharmaceutical Society.

*Clause 3:* Section 4 of the Pharmacy Amendment Act 1954 prevents any person from carrying on business in more pharmacies than one without the consent of the Pharmacy Authority. Section 3 permits a company of which 75 per cent of the share capital is owned by chemists to establish a pharmacy without the consent of the Pharmacy Authority. The amendment is designed to prevent the evasion of sections 3 and 4 by the expedient of a chemist forming a series of companies, each under different names, with the majority of the shares in each company held by the same chemist.

This clause permits a company to establish or carry on a pharmacy without the consent of the Pharmacy Authority if at all times—

- (a) At least 75 per cent of the share capital is owned by chemists; and
- (b) No member of the company is the proprietor or part proprietor of another pharmacy; and
- (c) No member of the company is a member of another company which is the proprietor or part proprietor of another pharmacy.

*Clause 4:* This clause imposes restrictions on individuals who are not chemists from establishing pharmacies without the consent of the Pharmacy Authority. Pharmacies already established are not affected.

*Clause 5* by making a declaratory provision, ensures that any agreement or stipulation whereby the proprietor of a pharmacy is restricted in the purchase of his requirements shall be deemed to be an arrangement affecting the management or control of the business carried on in that pharmacy.

*Clause 6* removes from pharmacies of the “urgent” type the restrictions imposed by sections 3, 4, and 13 of the Pharmacy Amendment Act 1954. Any such pharmacy will be enabled to be established or carried on without the consent of the Pharmacy Authority if it is owned by chemists or by companies owned wholly by chemists, whether or not those chemists or companies are already the owners of other pharmacies.

*Hon. Mr Hanan*

## PHARMACY AMENDMENT

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### ANALYSIS

Title	4. Restrictions on individuals who are not chemists carrying on pharmacies
1. Short Title	
2. Branches of Society	5. Section 13 of the Pharmacy Amendment Act 1954 amended
3. As to membership of companies entitled to carry on pharmacies without consent of Pharmacy Authority	6. Provisions as to urgent pharmacies

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### A BILL INTITULED

#### An Act to amend the Pharmacy Act 1939

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same,  
5 as follows:

**1. Short Title**—This Act may be cited as the Pharmacy Amendment Act 1957, and shall be read together with and deemed part of the Pharmacy Act 1939 (hereinafter referred to as the principal Act).

10 **2. Branches of Society**—Section ten of the principal Act is hereby amended by inserting, after paragraph (e), the following paragraph:

15 “(ee) Providing for the establishment and constitution of branches of the Society and prescribing the powers, functions, and proceedings of any such branch”:

**3. As to membership of companies entitled to carry on pharmacies without consent of Pharmacy Authority—**

(1) Section three of the Pharmacy Amendment Act 1954 is hereby amended by inserting, after subsection one, the following subsection:

“(1A) Notwithstanding the provisions of subsection one of this section, any company may establish and carry on business in a pharmacy without obtaining the consent of the Pharmacy Authority if at all times—

“(a) At least seventy-five per cent of the share capital of the company is owned by a chemist or by chemists; and

“(b) No member of the company is the proprietor or part proprietor of any other pharmacy; and

“(c) No member of the company is a member of any other company which is the proprietor or part proprietor of any other pharmacy:”.

(2) Any company which at the commencement of this section is lawfully carrying on business in a pharmacy may continue to carry on business in that pharmacy as if this section had not been passed.

(3) Subsection one of section three of the principal Act is hereby amended by repealing both provisos.

**4. Restrictions on individuals who are not chemists carrying on pharmacies—**(1) The Pharmacy Amendment Act 1954 is hereby amended by inserting, after section three, the following section:

“3A. (1) No person other than a chemist, either alone or in partnership, shall, except with the consent of the Pharmacy Authority and in conformity with conditions prescribed by the Pharmacy Authority, establish or carry on business in a pharmacy.

“(2) For the purposes of this section the term ‘person’ does not include a company or a friendly society, and the term ‘chemist’ shall be deemed to include the personal representative of a deceased chemist.”

(2) Any individual who at the commencement of this Act is lawfully carrying on business in a pharmacy may, subject to the provisions of the principal Act, continue to carry on business in that pharmacy.

(3) Section five of the Pharmacy Amendment Act 1954 is hereby amended by omitting from subsection one the words “three and four”, and substituting the words “three, three A, and four”.

**5. Section 13 of the Pharmacy Amendment Act 1954 amended**—Section thirteen of the Pharmacy Amendment Act 1954 is hereby amended by adding, as subsection two, the following subsection:

- 5 “(2) Without affecting the generality of the foregoing provisions of this section, it is hereby declared that any covenant, condition, or stipulation expressed or implied in any contract or agreement whereby the proprietor of a pharmacy is restricted in the purchase of his pharmaceutical requirements  
10 or other stock in trade shall, for the purposes of this section, be deemed to be a device or arrangement affecting the management and control of the business carried on in that pharmacy.”

**6. Provisions as to urgent pharmacies**—The Pharmacy  
15 Amendment Act 1954 is hereby amended by inserting, after section thirteen, the following section:

“13A. The provisions of sections three, four, and thirteen of this Act shall not apply with respect to any pharmacy which—

- 20 “(a) Is established for the purpose of selling medicines and surgical appliances at any time when the pharmacy is otherwise required by or under the Shops and Offices Act 1955 to be closed; and  
“(b) Is not normally carried on during ordinary business  
25 hours; and  
“(c) Is owned by chemists, or by a company of which all the share capital is owned by persons lawfully carrying on business as proprietors of pharmacies, or jointly by chemists and any such company as  
30 aforesaid.”