

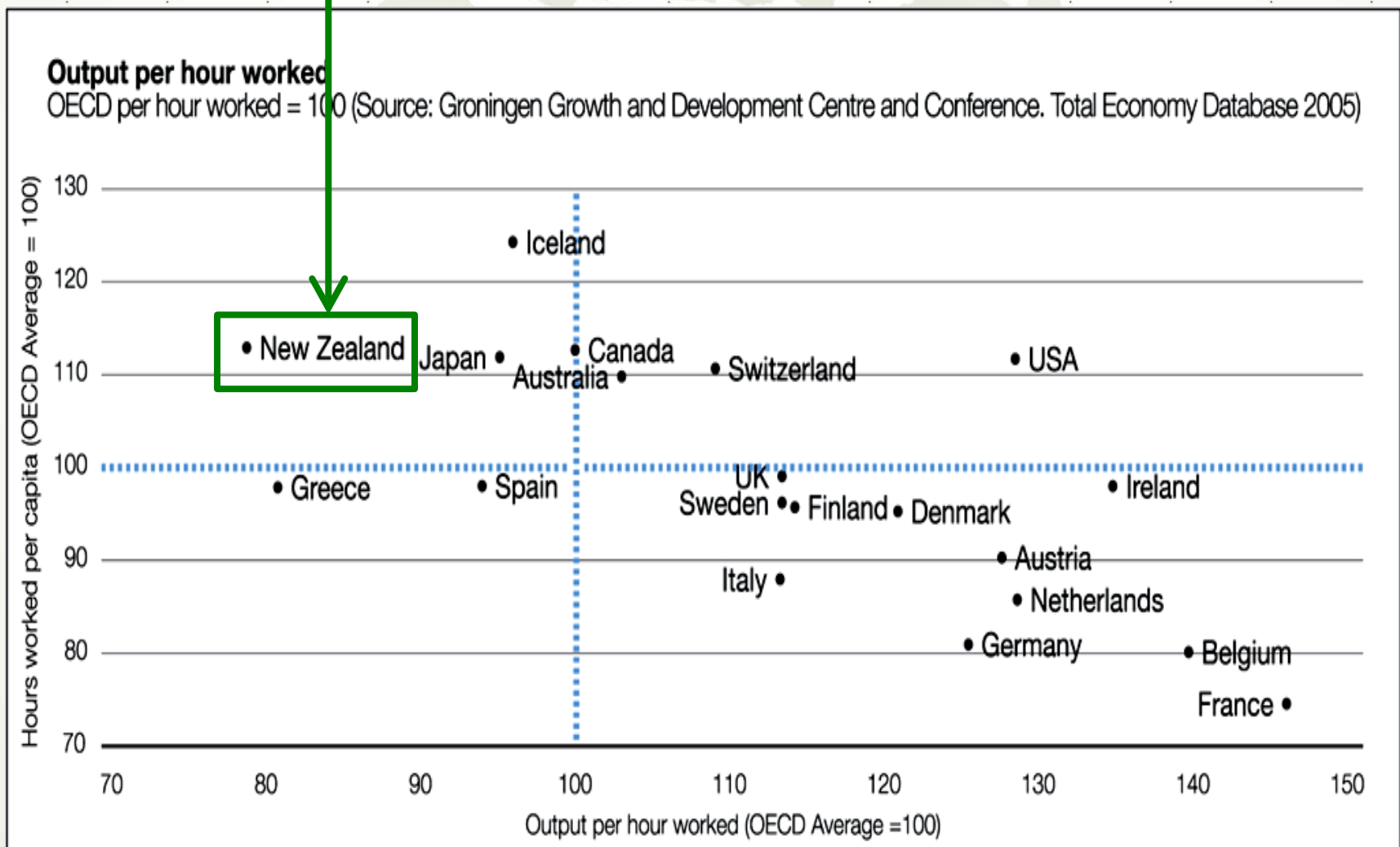
Rod Oram's presentation to the  
Auckland Supercity & Future Health Equity Symposium  
University of Auckland, July 12th, 2011

# Earning a Healthy Living

Health, equity and economy in Auckland

# Wall

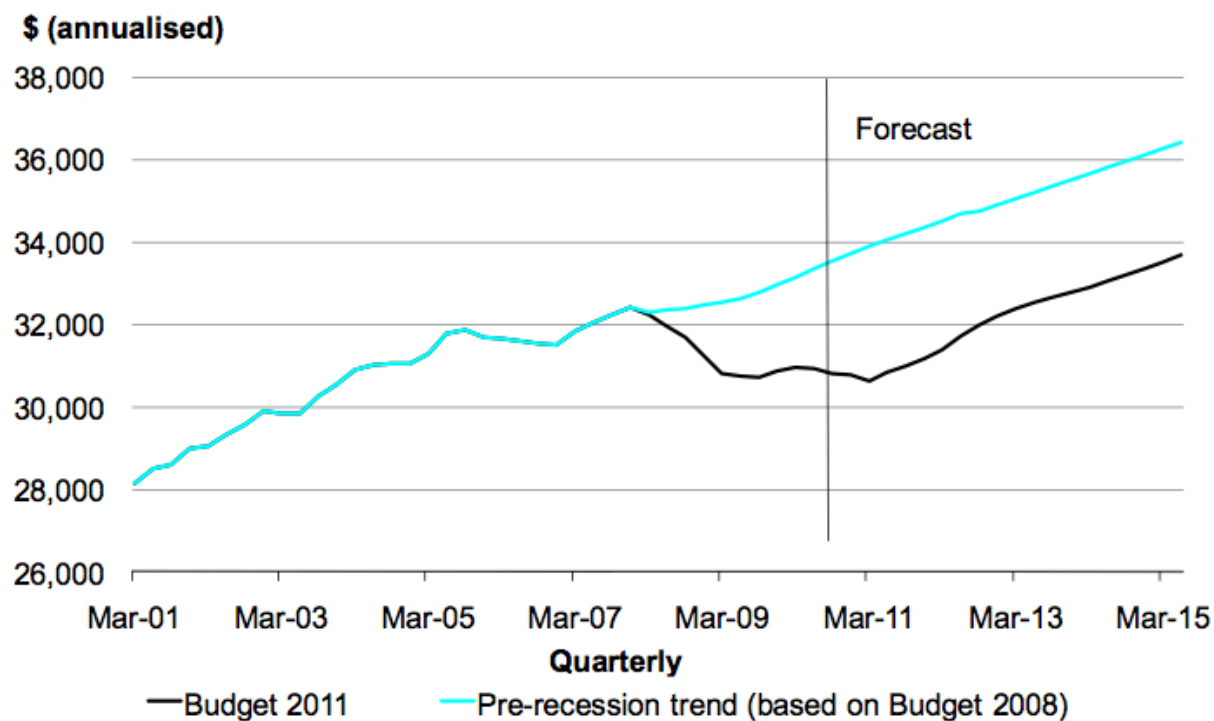
- We're very efficient at producing low value goods and services
- **But...we've hit the wall, economically, socially and environmentally**



# Slowth

- Growth stuck at a slow rate, unchanged by recession or election
- We need to double the growth rate *sustainably* to achieve what we must achieve.

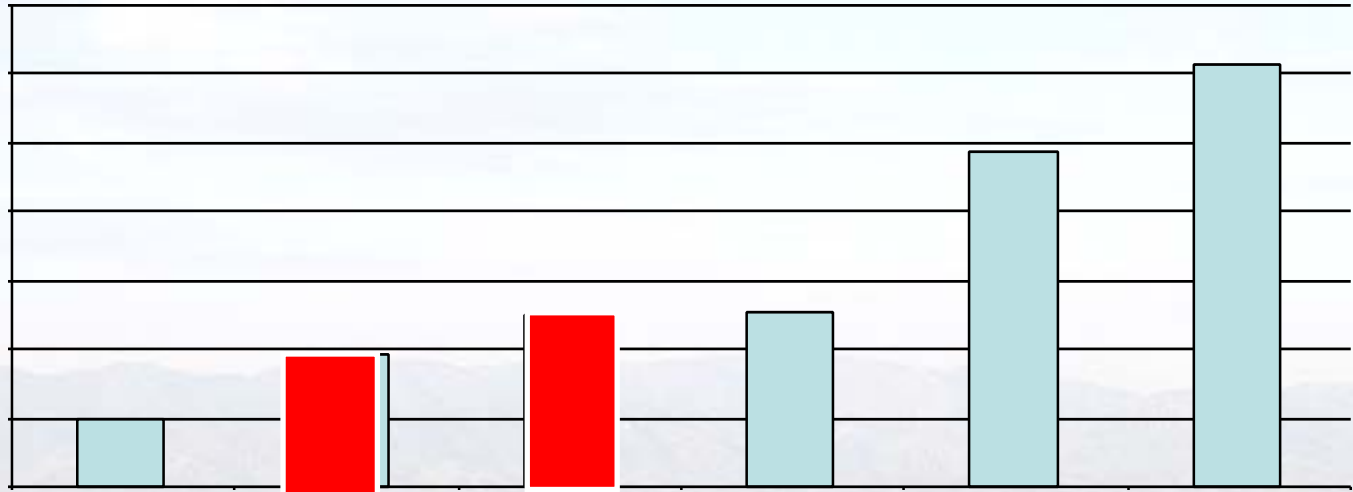
**Figure 1.11 – Real production GDP per capita**



Sources: Statistics New Zealand, The Treasury

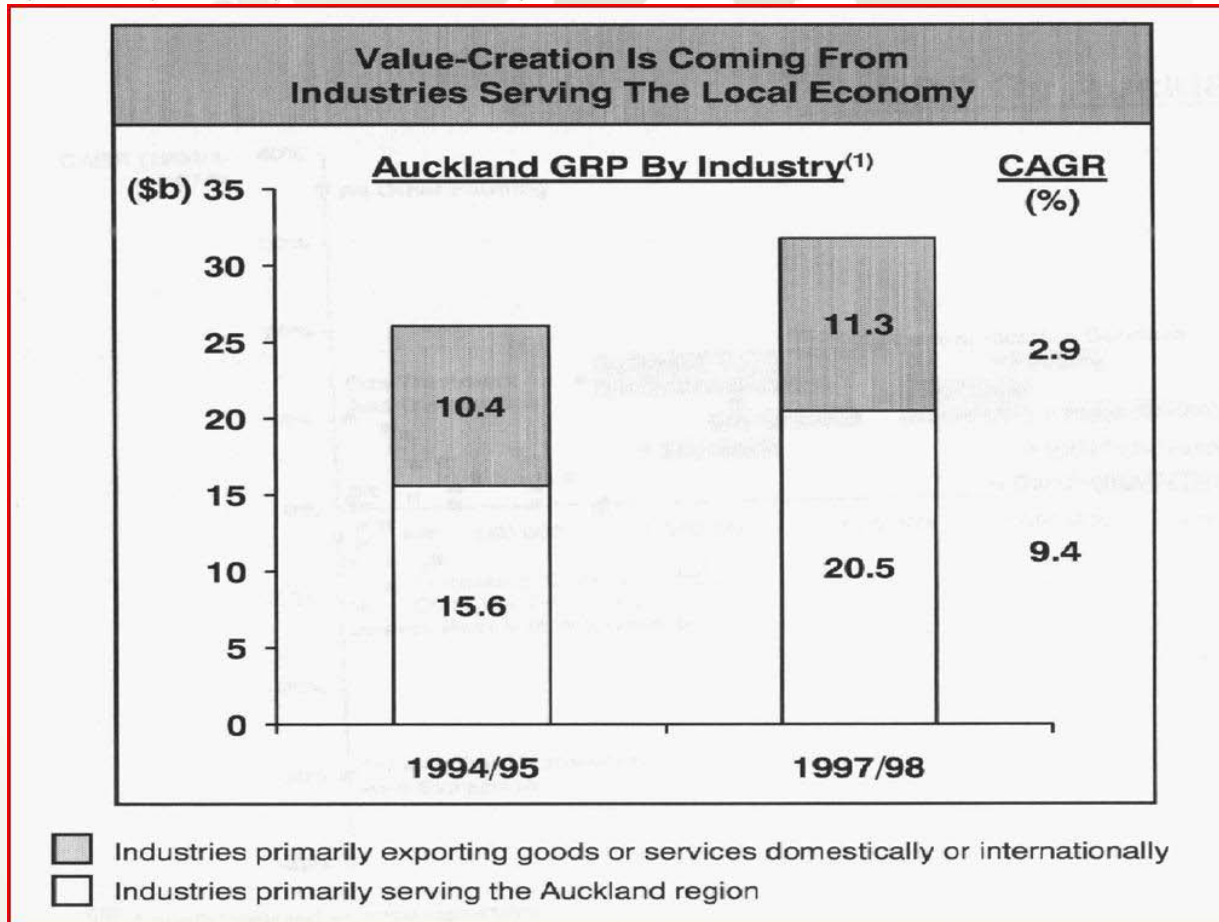
# Urban issues

- Our cities are poorly designed and built, victims of short-term thinking
- Problems abound e.g. Low density makes good infrastructure more expensive and reduces the economic network effect that creates higher value



# Aucklanders navel gaze

- Auckland's businesses are intensely domestic...
- ...they are turning their back on the world



# People

- Weak economy = low incomes
- Some 10% of households are below the poverty line...half of those are in working families
- We're 6<sup>th</sup> most immigrant-intensive city in the world
- Ageing population
- Changing demographics...
  - Maori and Pacific peoples are growing proportion of population
  - Suffering from inequities in health, education and economic well-being
- They are our future



Source: Statistics New Zealand



# Health drivers

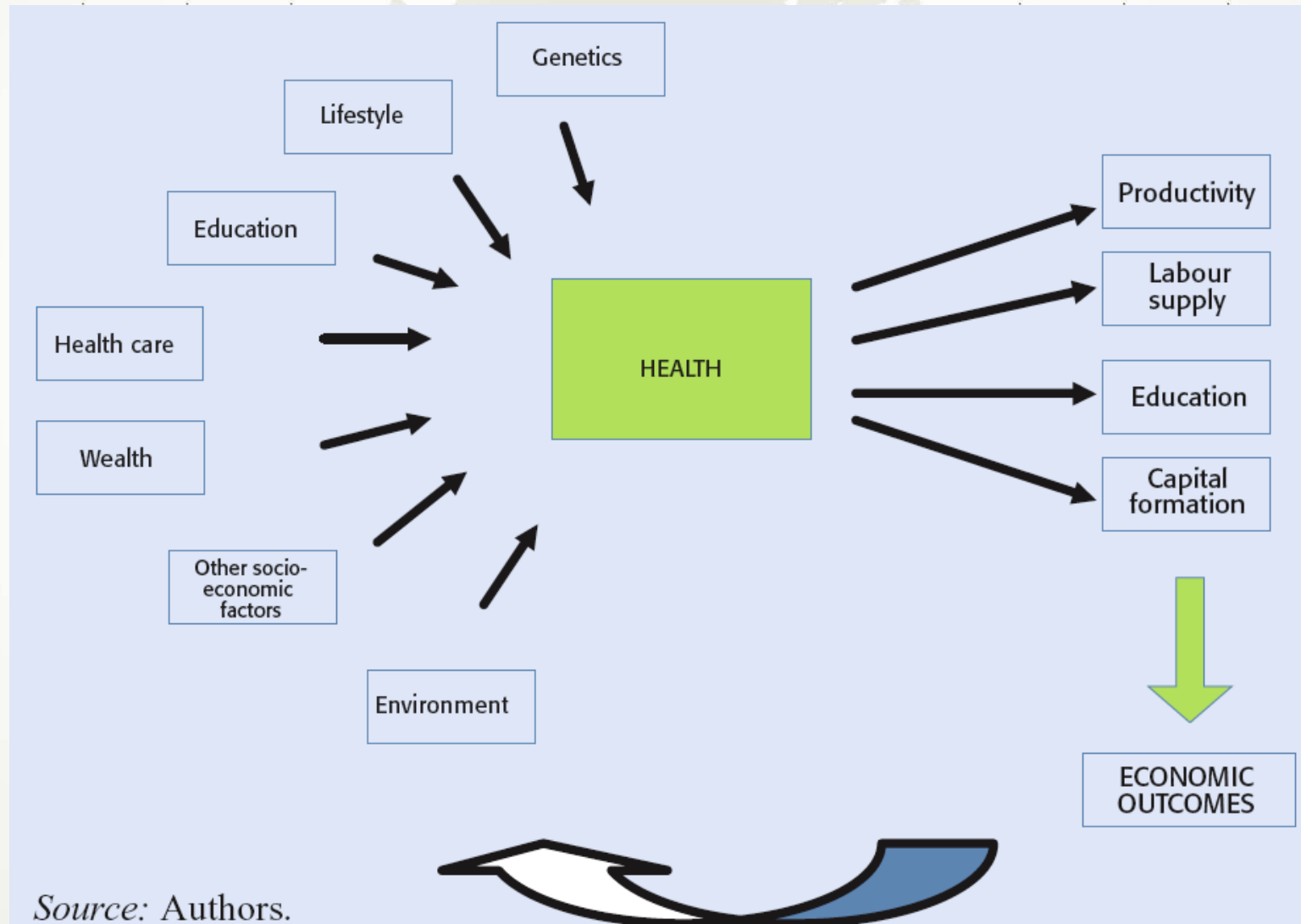
- In the past decade:
  - A lot more public money has helped improve healthcare
  - ...and its affordability
  - But the system still strained...new pressures building
  - Demand will double in the 10 years
  - Some structural change has...
    - ...helped reorient primary care a bit towards more integrated care
    - But few structural changes elsewhere...
    - ...means inefficiencies across the system
    - ...and sub-par capability in some DHBs
- No political party has an appetite for more, big structural change
- ...likewise, few champions of big change in the professions

# We need a big shift in perspective

- In the recent past, we thought the drive to improve health was only an issue for economies of developing countries
- As for us, we had it made....we saw health as a by-product of economic development
  - The wealthier we got...the longer, better we lived
- ***But now we need to make a big switch:***
- Health is a driver of economic and social development for us too
  - ...and essential because of demographic & health cost pressures

# Health of the Nation: Virtuous circle

- “The Contribution of Health to the European Union”, 2005



Source: Authors.

# The full costs

- Scotland: annual social cost of alcohol abuse

Cost component	Annual cost (GBP million)
NHS Scotland	95.6
Social work services	85.9
Criminal justice system and emergency services	267.9
Wider economic costs (foregone productivity)	404.5
Human costs (premature mortality in non-working population)	216.7
Total annual societal cost	1 070.6

*Source: Varney and Guest 2002.*

# Policy response

- Finance Ministries treat Health Ministries as cost centres, the EU's *Health and the Economy* study says
- They do not have the analytical tools to evaluate health as an investment in economic development
- *A New Zealand attempt:*
- *“Better Health Outcomes”*, Suzanne Snively, PWC, 2003 for Researched Medicines Industry Association
- The problem:
  - 6% of diabetics account for 40% of health spending on the disease
- The solution:
  - Invest in earlier testing, supported self-management and intervention
- Took conservative measures of economic gains from lower life-long costs, increased productivity, income and tax

# What if...

- ...we brought together:
  - Young people with interests in health, IT, culture
  - People eager for more self-management of their health
  - GPs and other health professionals
  - Community groups
  - Health sector academics, civil servants
  - Health sector businesses
- ...to create radically different and better health models
- We would:
  - Build much more effective systems
  - Generate much more valuable outcomes
  - Create global opportunities for our skills
  - Earn a much better living in the world economy



## Regional Data Exchange

Delivering secure, universal access to healthcare information.

[More...](#)

## Welcome to Orion Health

Orion Health is the only global, independently owned eHealth software company with proven experience in delivering interoperable, connected solutions for healthcare facilities, organisations and regions.

Our customers are leading the way in eHealth: bridging the gap between care providers, proactively engaging patients across the care continuum, and delivering a wave of improved care outcomes and long-term population wellness.

**Contact us or request a demonstration of how our software might transform your care organization today.**

### Featured Items

### Latest News

[Orion Health Signs Partnership Agreement with PSC Inc. in Japan](#)

### Latest Tweets

Heed IPAs' experience before implementing your EMR system <http://ow.ly/5BAnR> #EMR #EHR #HealthIT  
about an hour ago

EHR Incentive Money Congressional Authorization versus Appropriation – Will EHR Incentive Money Disappear? | #EMR #EHR  
<http://ow.ly/5BAnR>

# A start...the TIN companies

- Technology Investment Network
  - Annual rankings...now 200 companies
- 2009: \$5bn of technology exports vs \$10bn dairy exports
- We have some *potentially* impressive technology companies
- But they grow very slowly compared with their international competitors
- The health sector is one of the most promising
- If we reinvent health systems...we would help reinvent the economy



TEN COMPANIES TO WATCH 2010		GROWTH %	GROWTH \$	2010	2009	2008
1	Datacom	10%	\$58,000	\$667,000	\$609,000	\$450,000
2	Fisher & Paykel Healthcare	10%	\$44,600	\$503,300	\$458,700	\$357,900
3	Skope	49%	\$28,000	\$85,000	\$57,000	\$65,000
4	Temperzone	16%	\$22,000	\$163,000	\$141,000	\$130,000
5	NextWindow	35%	\$17,000	\$65,000	\$48,000	\$6,500
6	Tait Radio	8%	\$15,000	\$200,000	\$185,000	\$150,000
7	Orthopaedic Synergy	53%	\$14,400	\$41,600	\$27,200	\$11,800
8	Zee Tags	145%	\$12,500	\$21,100	\$8,600	\$7,800
9	Zintel	26%	\$10,370	\$49,508	\$39,138	\$36,700
10	Wellington Drive	54%	\$7,905	\$22,413	\$14,508	\$10,068
<b>TOTAL</b>		<b>14%</b>	<b>\$229,775</b>	<b>\$1,817,921</b>	<b>\$1,588,146</b>	<b>\$1,225,768</b>

