

Dear Lesley,

Thank you for the opportunity to address the NZMA in my capacity as ACT's Health spokesman.

ACT's Policy

The New Zealand health system suffers from a severe productivity problem. Despite huge increases in funding from successive governments, we are actually getting less efficient. Between 1999 and 2008, health funding more than doubled in real terms yet the outputs from our medical facilities did not keep pace with this funding increase. We still have far too many New Zealanders dying on waiting lists and not getting vital treatment such as chemotherapy quickly enough. The National Government has made a small amount of progress but we need ACT as part of the next government to push for further change.

In the next government ACT will continue to push for major health reform. We will:

- Encourage competition between public and private sector health providers to encourage productivity gains;
- Reduce back-room bureaucracy so more resources can be spent on front line healthcare;
- Target primary healthcare subsidies at those on the lowest incomes rather than wasting resources on subsidies for the rich;
- Reduce taxes so individuals can pay for their own day to day health needs as well as take out comprehensive health insurance for them and their families. This will encourage competition between health providers to provide value for money services that patients want. It will also put the power in the hands of patients and encourage people to make good decisions about their own health;
- Review health regulations including occupational licensing, in order to allow providers to respond more flexibly to patients' requirements and hire qualified overseas expertise
- Reduce taxes and simplify regulation to create the kind of economic growth necessary to pay for world class health care

Medical workforce

ACT believes that increasing competition between the public and private sectors will have the greatest effect on the delivery of services to New Zealanders. It puts the power in the hands of the consumer. Likewise our commitment to reducing back-room bureaucracy to allow more resources on the front line will give the medical workforce more time to focus on medicine rather than paperwork.

ACT believes that those who receive tertiary education are fortunate. Typically, they have gone to a good school, they have been motivated, they have received good grades, and they have earned the opportunity to study in a tertiary institute. Their rate of unemployment is lower. They receive much higher wages. The main person who benefits from a tertiary education is the individual who receives it.

In general terms, approximately 75 per cent of tuition costs are covered by taxpayers. We are, in effect, taxing the people who leave school at 17 and find a job, in order to fund the tertiary education of those who will end up far wealthier than them. ACT would end interest free student loans. Medical students typically pay back their loans faster than many other students. Additionally, they receive greater remuneration as their career progresses. ACT supports lower taxes – allowing

the individual to keep more of their own money. In the long term this will net out any increase to interest on student loans.

Health equity

ACT believes that the social determinants of health, and indeed inequity across the social spectrum, are related to the economy. In the ten years to 2010 we lost 260,000 people to Australia, even allowing for those who came back. This creates a downward spiral effect. As we lose citizens overseas, they take their skills and education with them. If we are to maintain first world services, then those who remain must be taxed harder still. In turn, the incentive to leave grows stronger. New Zealand must take decisive action to stem this tide, or gradually become a backwater over the coming generation.

Governments cannot create economic growth. What they can do is create the right conditions for people to grow the economy. When the economy grows, all New Zealanders become wealthier and we can afford the kind of first rate medical services enjoyed by countries like Singapore and Hong Kong.

Health structures

ACT supports regional autonomy – allowing local communities to decide the importance to which they hold the services offered by their local DHBs. However there are huge efficiency gains that can be made through greater rationalisation/national coordination of services. Hutt and Capital Coast DHB, for example, duplicate many of the same services over the region when, by integration or centralisation of services, the reduction of back-room regulation would allow for more efficiency and free up funding for frontline services.

An excellent centralised patient information system would also improve efficiency by reducing duplication, would improve communication with patients (avoiding constant repetition of data within and between services), improve outcomes as all critical information would be available thereby minimising risk and co-ordinating care between the various agencies, from primary to tertiary and all the diagnostics, pharmacy etc in the process. The savings across the sector would be enormous.

Clinical research

ACT's policy on science and technology is to facilitate an environment conducive to growth and risk, to success and innovation, and to leave the day-to-day work to the experts. ACT believes that clinical research is vitally important to the industry but does not believe that compulsory research is the answer. By removing much of the restrictions imposed by the government, DHBs and the like will have the freedom to allow greater scope for clinical research.

Primary Health Care Strategy

Any reviews in primary health will be focussed on improving outcomes and reducing inefficiencies. Gains in productivity could occur through looking into workforce management. A simple example would be a review of the the roles of nursing/diagnostic/pharmacy to reduce GP workload and improve patient costs and throughput eg Patients with permanent diagnosed conditions accessing pharmacy without the need to visit doctors and routine diagnostics occurring directly with results be added to the central database and advised to GP.

Maternity and Elective services

Opening up the public sector to competition will put the power in the hands of the consumer. All services must show increases in productivity, choice of provider and reduction in waiting lists.

General response on our policy

ACT sees the most important healthcare policy as economic growth. The New Zealand economy is stagnating and if we don't commit to serious economic growth policies we won't be able to fund the kind of world class health system New Zealanders deserve. We are competing with all countries (but Australia in particular) for skilled workers such as healthcare professionals. With Australians earning over thirtyfive per cent more than New Zealanders, they are able to pay more in taxes and private fees for medical treatment than we are. In turn, we see a loss of healthcare professionals to Australia, and less ability to attract and retain healthcare professionals from the wider world. Similarly, the ability to afford world class equipment and pharmaceuticals depends on our wealth compared to other first world countries.

Regards,
Robyn Stent