



NEW ZEALAND MEDICAL ASSOCIATION

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By email michael_batson@moh.govt.nz

Dear Michael

Proposal for a Shared Secretariat and Office Function for all Health-Related Regulatory Authorities together with a Reduction in the Number of Regulatory Authority Board Members

Thank you for the opportunity to comment on this proposal.

We are aware that the Government has been looking, for some time now, at ways to curtail the growth of responsible authorities. Similarly, there are now some financial imperatives which mean that the Government needs to consider ways to cut costs carefully.

This matter was given serious consideration back in March 2010 when the Ministry of Health released its discussion document "*How do we determine if statutory regulation is the most appropriate way to regulate health professions?*" You will recall at that time the NZMA stated " while there was a strong case for some health professions to be regulated, there were a number of others where the level of regulation could be greatly reduced. This in turn would likely go some way towards reducing overall costs".

While we accept that it is appropriate to consider ways to reduce costs, it is imperative that any changes made to the existing responsible authority structure does not jeopardise the ability of the responsibly authority to undertake its functions or compromise public health and safety.

The proposal to merge the secretariats of all responsible authorities and limit the size of boards has a superficial attraction. There are possibly some back office functions which could be streamlined across all the authorities. We believe however that completely merging the secretariats poses significant risks to public safety as it goes well beyond the sharing of a few discrete back office functions and will impact on the way responsible authorities operate.

A key factor in the regulation of the medical profession is the expert staffing available to the Medical Council of New Zealand (MCNZ). The Council currently employs a number of dedicated staff who understand the ethos of the medical profession and apply this understanding when undertaking work in areas such as policy, education and training. This complexity is undoubtedly different, as one would expect, to that of the other responsible authorities.

If these resources were shared across all the responsible authorities, or replaced by generic staff, the repository of knowledge and expertise contained by the staff at the Medical Council is likely to be severely compromised and we could no longer assume the quality of any policy and education work to be of the high standard of MCNZ. One of the areas where the NZMA and other medical associations currently find great value, is the ability to speak to staff at the MCNZ about issues affecting the profession, and have them respond knowledgeably and quickly. Again this is likely to be compromised under the proposed new structure.

We are also concerned about the proposal to reduce the number of board members on the Medical Council to nine. Given that the decision is for all small boards to reduce their numbers to seven and the two larger boards to nine this is clearly an arbitrary decision and does not consider the requirements of each Board on its merits. Whilst it may be appropriate to review the number of members on the MCNZ Board, this should only be undertaken after a full review of the work of that Board is considered.

Of course, much of this proposal is based on the view that considerable cost savings will be achieved. Having looked at the figures provided we are concerned that many of the assumptions on which the figures are based are questionable. As we are aware that a number of other medical bodies, as well as the MCNZ, have provided considerable detail on the problems with the figures, we have decided not to traverse it here except to note the following key points:

- No workload data analysis has been undertaken to support the estimated cost savings which are in turn based on out of date figures.
- The savings are based on the false assumption that regulatory processes are easily translatable between professional groups.
- Staffing transition costs seem to have been significantly underestimated and the statement that the proposal will save \$3.1 million dollars in three months appears unsupported.

For the above reasons, not only are we strongly opposed to both proposals, but also do not believe it will achieve the savings the Government anticipates.

The NZMA of course does not oppose the Government looking at ways to increase efficiencies and reduce costs provided these do not impact negatively on the health and safety of the public. As noted above we have previously given support to the concept of a two tier model of regulation, under which those health professions posing significant risk to the public if unregulated continue to be governed by the Health Practitioners Competence Assurance Act 2003, and all other health professions, where the risk is not as acute, are either managed under a simple licensing regime, or continue under the Act but merge some of their administrative services together.

In addition to the two tier system there may be other ways in which cost savings may be made. These include:

- A more collaborative model in the provision of support functions such as finance and human resources, while maintaining a separate dedicated secretariat to meet the regulatory needs of each board.
- Shared purchase agreements.
- Consolidating those boards and regulatory functions where there is a significant overlap in training, skills and scope of practice of the professions being regulated.

We have no particular view on which option is the better one to pursue but believe that these options should be considered further by the Government and some detailed modelling should be undertaken to determine how best to proceed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Foley', written in a cursive style.

Dr Peter Foley
Chair, NZMA