

18 September 2009

Hon Tony Ryall  
Minister of Health  
Parliament Buildings  
Wellington

Dear Mr Ryall

Thank you for the opportunity to provide comments on the report of the Ministerial Review Group *Meeting the Challenge*.

### **Who we are**

The Public Health Association of New Zealand (PHA) is a voluntary association which provides a major forum for the exchange of information and stimulation of debate about public health in New Zealand. Membership of the PHA is open to individuals interested in public health. Members belong to the public, private and voluntary sectors.

In addition to membership fees, donations and other earnings, the PHA has a contract with the Ministry of Health to encourage and facilitate informed debate on key public health issues. The PHA is a member of the World Federation of Public Health Associations.

We are pleased that you have noted in the house that the PHA is an important sector group.

### **About public health**

Public health is defined as actions to improve, promote and protect the health of the whole population 'through the organised efforts of society'.<sup>1</sup>

While publicly funded health care covers mainly treatment/illness; public health covers prevention and health maintenance. Both draw on Vote:Health, but public health also draws on other sectors including Education, Housing, Justice and Social Development.

The World Health Organization's definition of health is: 'A state of complete physical, mental and social wellbeing, and not merely the absence of disease or infirmity.'

---

<sup>1</sup> Acheson, D. (1988). *Public health in England*. London: HMSO.

## **Comments on *Meeting the Challenge***

### ***Keeping people well***

The Public Health Association believes this report makes a valuable contribution to the direction of the New Zealand health and disability system. We fully endorse the recommendation of a sharper focus on Primary Health Organisations (PHOs) and District Health Boards (DHBs) keeping people well. To this end, we suggest the Government consider reinstating reducing avoidable hospital admissions as a formal target of the health sector. If we can keep people well and not needing to go to hospital in crisis, this will free up hospital beds for more waiting list surgery – which we know is an important concern for this Government.

### ***Improving quality***

We also endorse the report's focus on putting services in place to best meet the needs of New Zealanders, and to improve the integration of primary and hospital-based care.

Despite reducing inequalities being an important feature of health policy for almost 20 years, too many groups still have less than ideal access to health services, and poorer health as a result. An effective approach to reducing inequalities and improving health is long overdue.

As the report points out, some of the inequalities in health are the result of gaps in the health services. Improving integration and the quality of services for all New Zealanders will help reduce inequalities.

### ***Intersectoral approach***

We urge the Minister to extend the favoured collaborative approach to agencies outside health, that also have an impact on people's health – such as Education, Housing, Justice and Social Development.

As the Minister and the report authors are well aware, poor health is influenced by social, cultural and economic factors, and there are persisting health inequalities as a result of socioeconomic factors in New Zealand. Action to reduce inequalities in health resulting from social, cultural and economic determinants requires a comprehensive approach involving strategies both within and outside the health sector.<sup>2</sup>

We believe an intersectoral focus is essential if the health of disadvantaged groups is to improve. In fact, if such a focus is missing, it is very likely that the health of groups such as Maori, Pacific people, those on a lower income, and people with disabilities will continue to worsen compared to the health of other New Zealanders.

### ***Focus on public health and prevention***

Public health and prevention is key to keeping people well in the first instance, and reducing hospital waiting lists and the need for specialised care at a later date.

---

<sup>2</sup> National Health Committee. (1998). *The Social, Cultural and Economic Determinants of Health in New Zealand*. Wellington: NHC.

We would like to see the public health focus in this paper extended – at present in its 54 pages, there are three paragraphs about prevention.

The PHA strongly urges the Minister to take the advice of the report and ensure information is gathered and presented on the impact of preventative and public health interventions on lifetime health and disability costs to guide future investment decisions in these areas.

The PHA knows there is sufficient evidence that public health strategies lead to people staying healthier for longer; therefore leading lives which do not necessarily lead to increased expenditure on health in older age.

It is clear the report has been driven by cost considerations, which is not unexpected given the challenges this country is facing in providing increasingly specialised services to an aging population.

However, we believe a focus on prevention will, in time, relieve frontline services as fewer people develop lifestyle-related illness such type 2 diabetes, lung cancer and heart disease.

Investing in public health is a sensible economic strategy, and such an investment makes an important contribution to improving the health of individuals and of our population.

Despite these benefits, only 6.6 percent of total public health and health-related expenditure in 2005/06 (which includes the Ministry of Health, other central government agencies, and regional and local government) was devoted to prevention and public health services.<sup>3</sup>

Public expenditure on prevention and public health in OECD countries, as a percentage of total public expenditure on health, ranges from 0.7 percent in Italy to 10.5 percent in Canada.<sup>4</sup> In the US, 8.1 percent of total health spending is on prevention and public health.<sup>5</sup>

Many countries now recognise that increasing the resources allocated to public health initiatives, especially initiatives to reduce the prevalence of smoking, combat obesity, and reduce the harms associated with alcohol, is essential if health sector spending is not to spiral out of control.<sup>6</sup>

---

<sup>3</sup> Ministry of Health. (2008). *Health expenditure trends in New Zealand 1996-2006*. Wellington: Ministry of Health. Available from: [http://www.moh.govt.nz/moh.nsf/pagesmh/8393/\\$File/health-expenditure-trends-sep08.pdf](http://www.moh.govt.nz/moh.nsf/pagesmh/8393/$File/health-expenditure-trends-sep08.pdf)

<sup>4</sup> Suhrcke M, Urban D, Iburg KM, et al. (2007). *The economic benefits of health and prevention in a high-income country: the example of Germany*. Venice: WHO European Office for Health and Development. Available from: <http://skylla.wzb.eu/pdf/2007/i07-302.pdf> Accessed 11.09.09

<sup>5</sup> Ibid

<sup>6</sup> Community and Public Health. (2009). *Investing in public health*. Canterbury District Health Board.

### ***Reducing health bureaucracy***

The PHA is very keen to see that health dollars are used in the most effective and efficient ways. It is likely that some of the actions recommended in the report, such as better shared purchasing arrangements for DHBs, will release some staff time to move to front line services.

However the PHA would like to see more discussion around the issue of health bureaucracy and whether we need fewer health support staff. We believe health policy and support staff are vital to enable front line health staff to do their jobs. Do we really want our doctors and nurses to be ordering supplies or managing the media response around an infectious disease outbreak?

The swine flu pandemic shows the importance of 'backroom' staff. It was health bureaucrats who tracked down and quarantined people who might have been exposed to swine flu, they ran the crisis response, they kept the media and the public informed about latest developments.

The PHA is concerned that reducing support staff will have the unintended consequence of putting the health of New Zealanders at risk. We are also concerned that – because the need for these backroom functions will not go away – we will see an increase in the employment of contract workers and consultants. They will be paid at a much higher rate than the previously salaried workers and will therefore use up valuable health dollars.

### ***Restructuring the health system***

The restructuring proposed in the report prompts a number of important questions that need to be debated and clearly answered before any decisions are taken. New Zealand has learnt the hard way that major health restructuring should not be carried out without plenty of public consultation and discussion and wide buy-in in the health sector.

Major restructuring always takes a huge amount of time and effort away from the pressing issues of improving service quality and delivery. Therefore structural changes should only ever be undertaken with great caution. There needs to be strong evidence that the benefits of the proposed structure cannot be achieved in other ways.

There is a real danger that significant structural changes will affect the care that frontline health professionals are able to deliver, leading to poorer health for New Zealanders.

As well, we note that the proposals for the creation of an agency (the National Health Board) to take over some of the functions of District Health Boards and the Ministry of Health, seem to create another administrative level – contrary to one of the report's stated objectives of reducing bureaucracy.

### ***Treaty of Waitangi and Māori health***

Given the report's focus on improving the quality of health services for New Zealanders, we are disappointed it does not recognise that a single approach to providing health services is unlikely to improve health outcomes in different population groups.

In particular, we hope that in considering the report's recommendations and implementing key actions, Government takes into account its commitments to the principles of the Treaty of Waitangi, as well as to Māori health needs. Previous Government directions, dating from 1992's Whāia te Ora mō te Iwi have recognised that health structures and health resource management need to take account of Māori needs and perspectives, so that resources are used to get the largest, and best targeted, health gain.

### ***Need for more information***

The PHA would like a greater level of information about the intentions for public health, to enable it to make more detailed comment on this report.

The PHA has the following questions about the report:

1. Has the 'structural' problem been well enough defined? Why does the system need restructuring (ie, the proposed National Health Board)? Which problems can't be solved within the current structure?
2. Will the new entity incorporate and replicate the 'conflicts' which are currently held within the Ministry of Health? It appears the proposed National Health Board will act as funder/contractor and monitor the 21 DHBs. Why should we expect the new agency to manage these conflicts any better than the Ministry?
3. Will the new accountability arrangements enhance areas where policy implementation is challenging? For example, the new agency will be the funder and implementer of the primary health care strategy; can the Minister be confident that this will lead to improved policy implementation?
4. Will the proposed new structure lead to a leaner bureaucracy? Past experience with the Health Funding Authority suggests the proposed National Health Board and the Ministry will have overlapping policy functions.
5. Has sufficient thought been given to 'ownership' of strategic data collections? Traditionally these data collections have been held at the centre (within the Ministry) rather than within an 'arms-length' Crown entity.
6. Can the proposed new National Health Board be grown out of the Crown Health Funding Agency? Is this legally possible?
7. Who will have ownership of national public health policy development and implementation within the proposed system - the Ministry, the DHBs, or the National Health Board?

### ***Other comments***

- We endorse the report's focus on assessing the effectiveness and relative priority of health interventions.
- We would like more information about the recommendation that the Public Health Advisory Committee be refocused, with a broader mandate to advise the Minister on the configuration and provision of public health services. We would be extremely concerned if the role of PHAC to provide independent advice on factors influencing the health of people and communities, and the promotion and monitoring of public health, was weakened.

- We are pleased with the recommendation that the Cancer Control Council of New Zealand, and the three core cancer control committees, be retained.

Thank you again for the opportunity to provide comment on this report.

Yours sincerely

Dr Gay Keating  
National Executive Officer  
**Public Health Association**