New Zealanders for HEALTH RESEARCH
Ngā Tāngata o Aotearoa mō te Rangahau Hauora

"New Zealand's peak body representing the entire health and medical research pipeline"

Submission to the Productivity Commission Interim Report "A fair chance for all: Breaking the cycle of persistent disadvantage"[1]

Introduction

New Zealanders for Health Research (NZHR) commends the Productivity Commission on the production of its interim report. We agree that the issues are deep seated, multi-generational, multi-systemic and complex, with no easy solutions. Although NZHR is somewhat reluctant to add further to the report's complexity we believe that not living to "a ripe old age" is a significant area of persistent disadvantage which deserves attention and which appears not to have featured in the report, other than by inference.

Recommendations

The Productivity Commission considers recommending that:

1. Treasury's Living Standards Framework affirms New Zealanders' mortality before the "ripe old age" of 75 years as a fundamental indicator of health related wellbeing
2. Increased investment in, and translation of the results of, health, social and other research be embraced as a key contributor to the goal of breaking the cycle of persistent disadvantage
3. Opportunities for consultation on the development of proposed strategies for consultation be both wide and genuine

Living standards framework (LSF)

NZHR believes that the 2022 LSF[2] health section's focus on self-reported health as the sole measure of wellbeing is superficial and masks or causes to be ignored fundamentally important health outcomes data which should be considered when deciding on Budget allocations intended to bring about improved health outcomes. We note that 2019 LSF[3] included life expectancy as a measure of well being and although this could be criticised as being too blunt it was better than nothing. It is disappointing that it was dropped from subsequent BPSs without being replaced with other better measures based on hard health outcomes data.

NZHR agrees with Finance Minister Grant Robertson's statement that "knowing that we have done everything we can to keep New Zealanders alive…is the basic duty of Government"[4]. We believe that successive New Zealand governments, including the current one, have not been doing

[1] New Zealand Productivity Commission (2022) Fair Chance for All Interim Report - Breaking the Cycle of Persistent Disadvantage https://www.productivity.govt.nz/assets/InquiryDocs/EISM-Interim/Productivity-Commission-A-fair-chance-for-all-Interim-Report.pdf
[2] NZ Government. December 2021. Budget 2022 Budget Policy Statement. https://www.treasury.govt.nz/system/files/2021-12/bps22.pdf
[3] 2019 BPS. https://www.treasury.govt.nz/sites/default/files/2018-12/bps-2019.pdf
[4] NZ Herald. December 2021. Covid 19 Delta outbreak: Deputy PM Grant Robertson responds to Sir Ian Taylor. https://www.nzherald.co.nz/nz/covid-19-delta-outbreak-deputy-pm-grant-robertson-responds-to-sir-ian-taylor/5AUHRJAPDJPKSXYLNB2GOSSIVA/

everything they "can to keep New Zealanders alive" and can presumably therefore be said to have been neglecting their, or at least a, basic duty.

This is illustrated in the non-amenable and amenable[5] premature mortality charts[6 7] presented on the following page which indicate that over the past eight years premature mortality numbers have on average been increasing by about 3% per year since 2014, with the estimated 2022 figure standing at 13,000+. Of these NZHR estimates that 6000+ New Zealanders per year are dying early and unnecessarily from preventable causes and 7000+ are dying early because we have not yet done or embraced the research to know how to effectively treat them.

Moreover, despite the apparent similarity of the Māori and non-Māori trend lines, the source documents cited below indicate that age standardised Māori premature mortality rates per 100,000 population are running at about twice the rate for non-Māori for both non-amenable and amenable mortality.

In summary, NZHR believes that because that most fundamental of wellbeing outcomes – the right of all New Zealanders to live well to a "ripe old age" of at least 75 years – has not been featured or measured or quantified in successive LSF's, and therefore BPS's, it is not surprising that successive Budgets have failed to allocate sufficient resources to the specific measures that would directly address the underlying issues that contribute to New Zealand's currently poor health outcomes.[8]

NZHR acknowledges that our figures represent the tail end of what up until 2016 had been a notable 26 year downward trend in age-standardised rate of years of life lost per 100,000 population[9], and that our estimated up-ticking trend lines post-2017 are based on only a few years' data. However, the accuracy of the non-amenable premature mortality figure for 2017 has been independently verified[10] as being understated, leading us to believe that our figures are most likely conservative. There should, therefore, be no complacency as the figures presented in the graphs are high in absolute terms, and New Zealand's rate of years lost is higher than nine out of thirteen selected socio-demographically comparable countries cited in the MoH (2020) report.

Furthermore, NZHR's premature mortality figures represent the tip of a much bigger iceberg of morbidity. It is difficult to quantify the extent of this from the MoH (2020) report for the under 75-year-olds specifically, but for all ages the report notes that the number of years people are living with poor health has shown little change since 1990.

NZHR cannot conceive of a more fundamental indicator of health related wellbeing than living well to a ripe old age. We therefore recommend that the Productivity Commission's final report recommends that this be included in the health section of the living standard framework.

---

[5] Amenable mortality is defined as premature deaths (deaths under age 75) that could potentially be avoided, given effective and timely health care. That is, early deaths from causes (diseases or injuries) for which effective health care interventions exist and are accessible to New Zealanders in need. Non-amenable premature mortality is total deaths under age 75 minus amenable premature deaths.

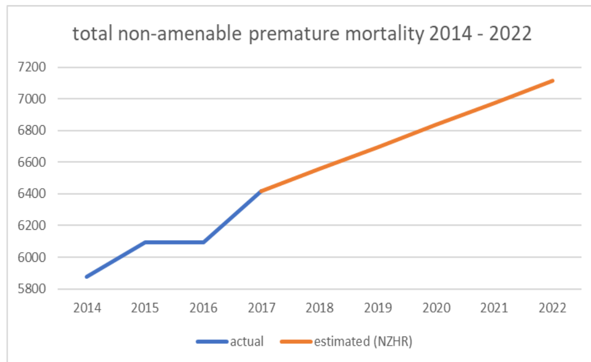
[6] amenablemortality_2016_dhb_ethnicity_years_rates_summary_202106.xlsx (live.com)

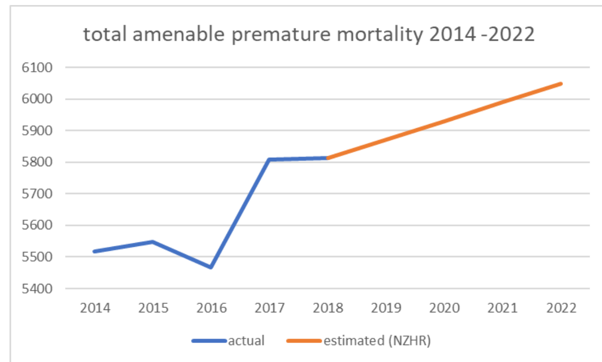
[7] https://www.health.govt.nz/publication/mortality-2017-data-tables and earlier tables

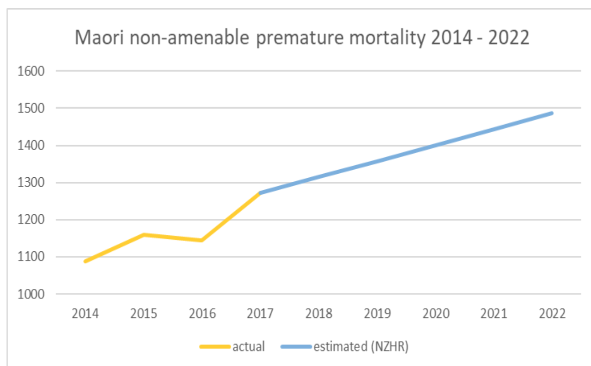
[8] NZHR will reserve judgment about responses to this statement which point to increased allocations to Vote Health to address amenable premature mortality, given that this is not a specific focus of either the Pae Ora health reforms legislation, the health system measures, the government policy statement on health nor Te Pae Tata Interim Health Plan 2022

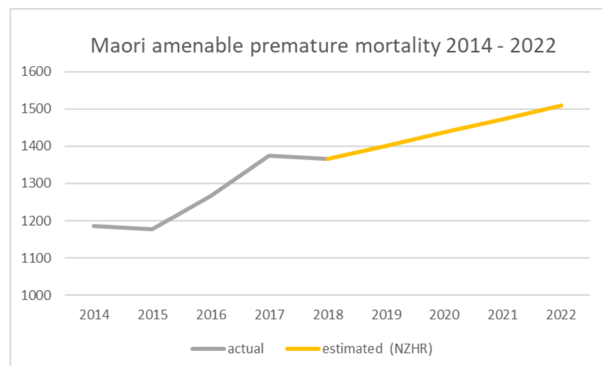
[9] Ministry of Health. 2020. Longer, Healthier Lives: New Zealand's Health 1990–2017. A report on the health loss estimates of the 2017 Global Burden of Disease Study https://www.health.govt.nz/system/files/documents/publications/longer-healthier-lives-new-zealands-health-1990-2017.pdf

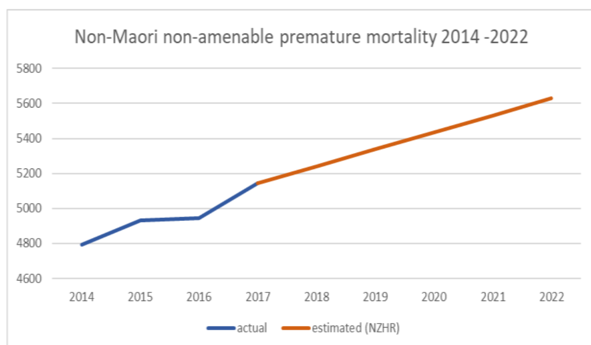
[10] NZIER. 2022. Valuing health research in New Zealand: Feasibility study. A report for New Zealanders for Health Research

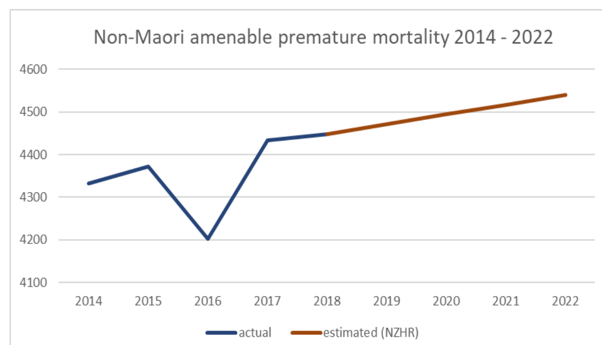












Investment in research

New Zealand's current rate of R&D investment stands at 1.4% of GDP[11], comparable small modern economies report R&D investment rates of around 3%[12], the OECD average rate of R&D investment is 2.7%[13] and New Zealand has a ten year aspirational R&D target of 2.0%.

Successive BPS's have failed to include the role of R&D investment as a key contributor to future well being (and economic growth), even though the Productivity Commission's Frontier Firms report has drawn significant attention to New Zealand's very low levels of R&D compared to other small advanced economies[14].

[11] https://figure.nz/chart/4oQ0kEfbVjuSTvNp
[12] https://www.mbie.govt.nz/dmsdocument/6935-new-zealands-research-science-and-innovation-strategy-draft-for-consultation
[13] OECD. March 2022. OECD Main Science and Technology Indicators. https://www.oecd.org/sti/msti-highlights-march-2022.pdf
[14] New Zealand Productivity Commission (2021). New Zealand firms: Reaching for the Frontier. https://www.productivity.govt.nz/assets/Documents/Final-report-Frontier-firms.pdf . See F2.2 "New Zealand's lower rankings and performance in R&D [and] broader innovation … both contribute to and reflect its weak productivity performance and relative absence of successful frontier firms"

Health outcomes from investing in health research

Health research and innovation is the single most important way in which we improve our health and healthcare – by identifying and implementing the best means to prevent, diagnose and treat conditions.

Yet, as set out in the charts above, New Zealand's health system falls short for Māori and non-Māori alike when it comes to both discovering new interventions and translating the results of health research into practices and policies which will result in realisation of that most fundamental of health outcomes – the right of all New Zealanders to live well to a "ripe old age".

The Pae Ora (Healthy Futures) Act includes requirements for Te Whata Ora and Te Aka Whai Ora to "undertake and support research relating to health", for both agencies to "evaluate the delivery and performance of services provided or funded", and for the New Zealand Health Plan to take into account the role of the Health Research Council, among other entities. These are new and significant steps towards the embedding of health research as an essential component of New Zealand's health system which did not feature in either the now obsolete previous legislation nor its earlier iterations.

Despite this neither the subsequent Government Policy Statement on health nor Te Pae Tata Interim Health Plan 2022 made any significant references to the role of research in bringing about improvements in health or wellbeing, and we think that this creates an opportunity for the Commission's report to highlight the importance of investing in, and translating the results of, health and wellbeing research in order to contribute to breaking the cycle of persistent disadvantage.

Consultation processes

NZHR has for two years running sought to address its concerns by engaging with the government's Finance and Expenditure Committee (FEC) annual Budget Policy Statement (BPS) consultation processes both in writing and orally[15] [16]. However, in its April 2021 report[17] to Parliament the FEC stated "*we heard oral evidence from 21 submitters at a hearing held on 31 March 2021 in Wellington. Given the time constraints we have not reported on the individual submissions we received*".

This response and the resulting 2021/22 Budget regrettably contributed to our belief that the timing of the BPS consultation process is too late for external agencies such as ourselves to have any real prospects of influencing budget allocation outcomes.

For the 2022/23 Budget therefore we attempted a more timely approach with relevant ministries and following inconclusive responses wrote to Finance Minister Robertson arguing our case once again[18]. Having not received a response from the Finance Minister we returned again to the FEC's annual BPS consultation process with both written[19] and oral submissions. We were once again underwhelmed with the eventual outcome as presented in the 2022 Budget.

[15] NZHR. March 2021. Submission to Finance & Expenditure Committee on Budget Policy Statement (BPS) 2021. https://www.nz4healthresearch.org.nz/wp-content/uploads/2021/03/NZHR-submission-re-2021-budget-policy-statement-oral-written-310321.pdf

[16] NZHR. January 2020. Submission to Finance & Expenditure Committee on Budget Policy Statement (BPS) 2020 https://www.nz4healthresearch.org.nz/wp-content/uploads/2020/01/NZHR-submission-re-budget-policy-statement-240120.pdf

[17] Finance and Expenditure Committee. April 2021. Budget Policy Statement 2021 and Half Year Economic and Fiscal Update December 2020 fb4ec6ce2ec448228a81f7c2d8a7202f6b213759 (www.parliament.nz)

[18] NZHR. December 2021. Lifting health research investment in the 2022 Budget. https://nz4healthresearch.org.nz/wp-content/uploads/2021/12/NZHR-Hon-Grant-Robertson-131221.pdf

[19] NZHR. January 2022. Submission to Finance & Expenditure Committee on Budget Policy Statement (BPS) 2022. https://nz4healthresearch.org.nz/wp-content/uploads/2022/01/NZHR-Budget-Policy-Statement-submission-280122.pdf

NZHR now concludes that continuing to attempt to influence the outcome of the budget through engaging with the prescribed BPS consultation process is unlikely to be effective, and in any case we have it on good authority that Budget decisions have already been made well before the BPSs have been released for public consultation.

We also add that even though there was opportunity to be consulted on the Health and Disability System Review and the Pae Ora (Healthy Futures) legislation, this opportunity was not extended in respect of other important documents including the White Paper which preceded the health reforms bill, the subsequent health system measures, the government policy statement on health nor Te Pae Tata Interim Health Plan 2022.

Noting the interim report's comments on the importance of genuine consultation, this is fully supported by NZHR and sadly has not been our experience in respect many of the documents where we believe we could have contributed important insights with the potential to positively impact outcomes related to persistent disadvantage. In our experience consultation opportunities have been either disingenuous or unnecessarily non-existent, and we hope that the Commission's final report will be a catalyst for change.

NZHR constituency

New Zealanders for Health Research (NZHR) - New Zealand's peak body representing the entire health and medical research pipeline - was established in November 2015 to bring about increased investment in health research from government, industry and philanthropy.

We are committed to bringing about best possible health for all New Zealanders, and we're on a mission to increase investment in health research as an essential and embedded component of all parts of New Zealand's health system, responsive to New Zealanders' unique health imperatives. We believe that health research has the potential to both save and improve peoples' lives. We are therefore committed to ensuring that the results of health research are translated into policy, practice and individual decision making, and for there to be a level of investment in health research to enable this to happen as optimally as possible.

Previous iterations of this submission's content were developed in consultation with our Platinum to Bronze partners and members as set out below (and from whom we derive 100% of our operational funding).

Chris Higgins
Chief Executive | New Zealanders for Health Research
+64 27 292 8433 mobile | ceo@nz4healthresearch.org.nz
www.nz4healthresearch.org.nz

11th November 2022

New Zealanders for
HEALTH RESEARCH
Ngā Tāngata o Aotearoa mō te Rangahau Hauora

NZHR partners and members

Platinum

Gold

Silver

Bronze

Foundation