

Submission to NZ Productivity Commission

More Effective Social Services

Introduction

My name is Graham Aitken. I have worked in the health sector since 1974. That time has covered roles in the hospital management and community health services, private enterprise service provider, management consultancy to the health service providers and working for an NGO.

I am making submission about NZ health services

First of all, DO NO HARM.

In my time in the NZ health services I have had the opportunity to observe and study how we provide services and to some extent, how services are provided overseas. It is my view that NZ provides a world leading health service and this has been through a commitment of all governments in my time. The characteristics of the NZ health services that I regard as world best practice are:

- Minimising patient/client dropping through the cracks
- Good access to leading technology and treatments
- Recognition of ethnic diversity
- Dealing with rurality
- Caring for the vulnerable
- Linking providers and integration
- Cost management
- Goal setting

All these have been continuously improving in the 40 years of my experience with the sector. This leads me to the conclusion that we should be careful not to lose benefits through unnecessary tinkering. While every facet of the NZ health system has its critics, on balance, much in the way of good thinking, and living within a caring society, has given us good services. This drive to more effective social services should do no harm. I have yet to hear a recent migrant say that New Zealanders' health services are below par.

This set of circumstances is a good place to start from. Health services have a clear set of national health goals, committed governments and we still have a pervading sense of caring about our fellows. This latter is being threatened by a world-wide move to more material values than in the past so again we need to tread carefully.

Two specific productivity influences

There are two aspects of how services are developed in New Zealand which can skew the market and the cash flows. This can interfere with development of optimum responses to need.

1. Charitable causes and their fund-raising

I have observed in my time in the service that some causes are more appealing to the general public and thus are able to secure much more in the way of donated funding than others. Some of the organisations have vast amounts of resources as a result of successful fund raising and

this can mean that service development can be dominated by these organisations. Starship Foundation and Child Cancer Foundation could be examples of two such charities.

Whilst this set of circumstance is good for such causes, the Productivity Commission needs to acknowledge this heightened ability to develop and operate services which may appear to be much more productive than those charities that struggle.

I do not have a systemic or process suggestion as to how this can be dealt with although it can be argued that the funding system used by the MoH may take this into account in some way. I raise the point for the benefit of the Commission's deliberations.

2. Pokie Trust Funding

While attending a MoH led NGO forum some ten years ago I took part in a role playing exercise where participants were asked to plan the introduction of a new service of some sort. On reporting back to the forum it became apparent that money raised through pokie machines was the first "bank" that these organisations would call upon.

Whether or not this is a good thing from a harm point of view is not the issue here. The issue for the Commission is that the funds that find their way into the system through this route are not linked to any plan for provision of social services. The amount of money that is processed in this manner each year is a quarter of a billion dollars and a lot of it goes to social services.

The size of the spend means that it is relatively easy to get a grant through this source. The people who make the decision as to where this money is spent are not usually part of any planning function nor are they interested in efficiency. (They become trustees because they said yes to an invitation to become a trustee although they can be deemed unsuitable by the Department of Internal Affairs.) There is no connection between the pokie trusts that allows for more planning and in fact it may be difficult to do so within the law.

Because of this there is much duplication of services. It is in this area that money could be used much more wisely and far more efficiently.

I am again unable to suggest a solution to this and this form of fund raising appears to be likely to continue for some time so I have raised this as a note of caution when trying to understand the market and the cash flows around these services.

Questions in the issues paper.

I have contained my submission to the two issues above

Appearing before the Commission

I am able to appear if needed.

Graham Aitken

2nd December 2014