Rod Oram's presentation to
the NZ Home Health Association
Auckland, September 3rd, 2010

Investing in homes

Health, people and community

Agenda

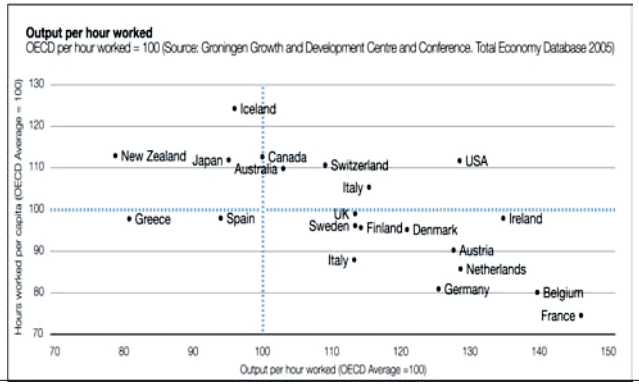
- Income
- Health

- Outcomes
- Pressures

- Reinvention
- Community

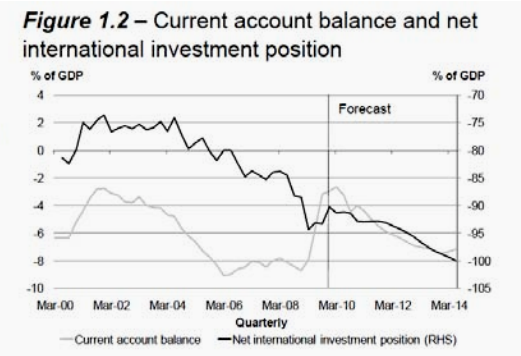
Hard work...poor pay

- We're very efficient at producing low value goods and services
- **But…we've hit the wall, economically, socially and environmentally**



What we owe the world

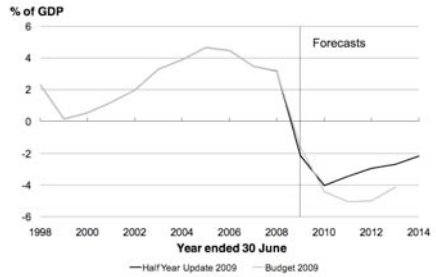
- Persistent current account deficits…funded by increased debts
- …have pushed our net international liabilities to 90% of GDP
- 3rd highest among developed countries



Persistent deficits

- Even with restraint, government budget has fallen into deficit
- …but still one of the best fiscal performances in OECD

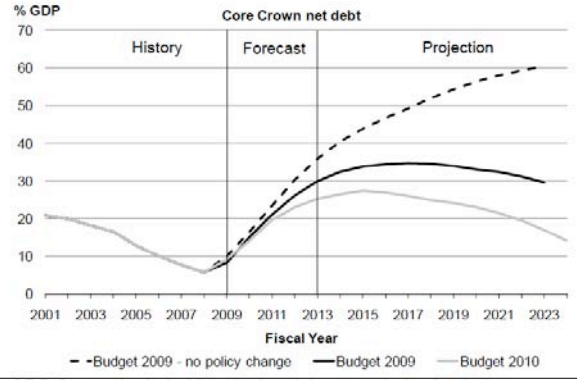
Figure 1.10 – Total Crown operating balance (before gains and losses)



Source: The Treasury

Crown net debt - better but not good

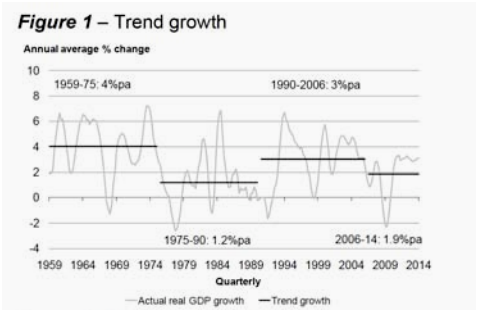
Figure 9 – Net debt



Challenge

- We need to more than double our growth rate to at least 5% a year
- …but our non-inflationary growth rate has dropped to 1.6%
- …and the growth trend will remain weak out to 2014, Treasury forecasts

Figure 1 – Trend growth



Sources: Hall and McDermott (2009), Statistics New Zealand, The Treasury

Agenda

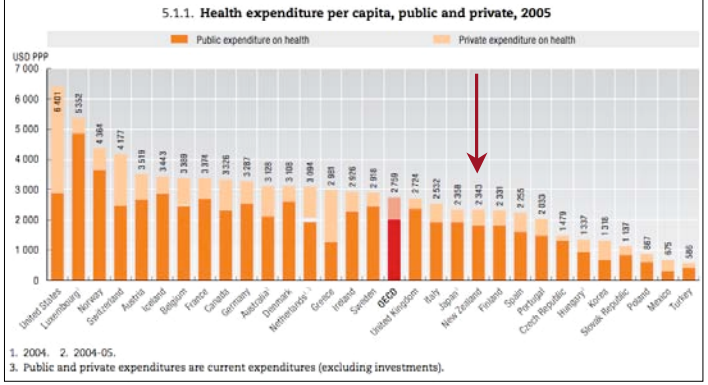
- Income
- **Health**

- Outcomes
- Pressures

- Reinvention
- Community

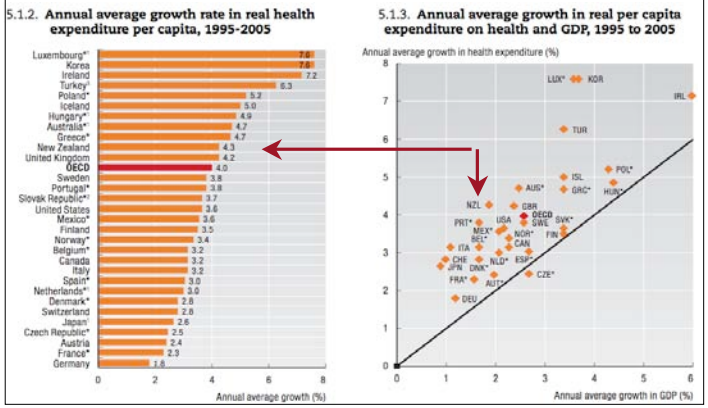
NZ health spending

- Looks low in spend per capita
- UK +16%; Australia +33%; Canada +42%; Switzerland +78%; US +173%



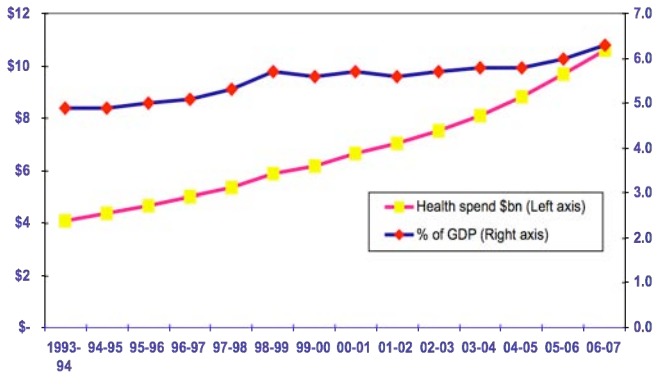
But we've grown it faster...

- …than OECD's average growth rate for health expenditure in past decade



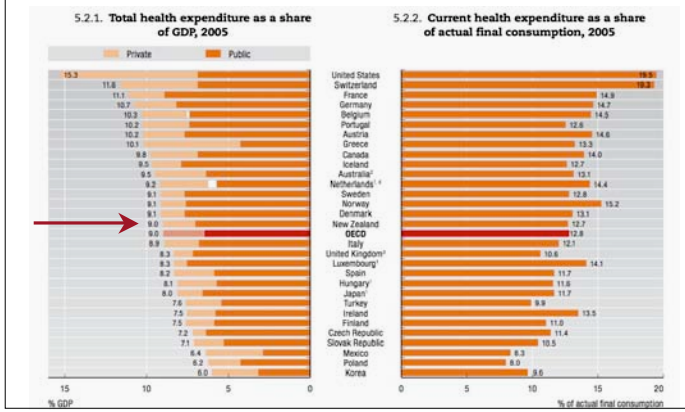
Spending rises

- Driven by demographics, expectations and technology



Our health spend matches OECD average

- …as a percentage of GDP

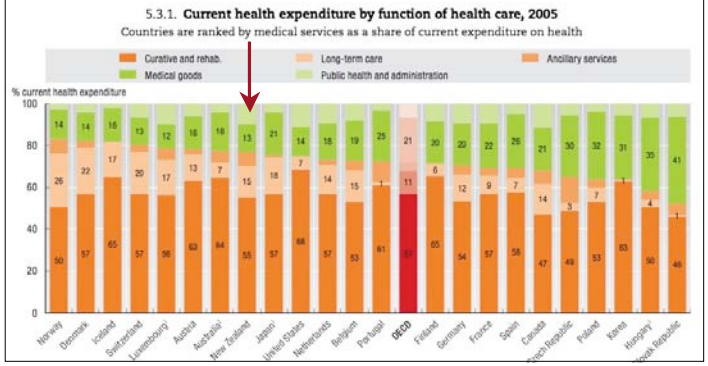


Agenda

- Income
- Health
- **Outcomes**
- Pressures
- Reinvention
- Community

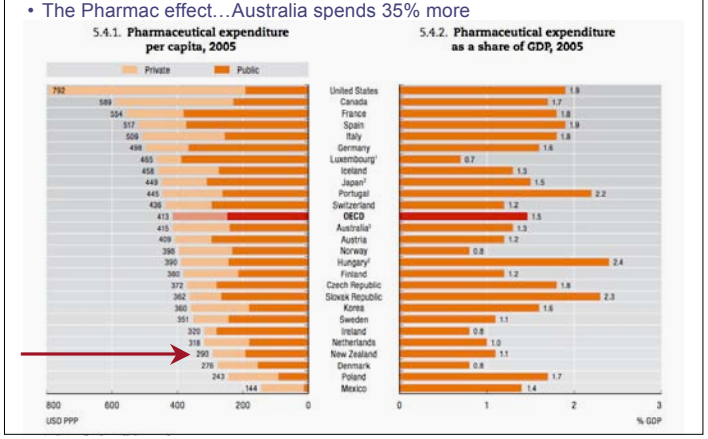
NZ's health spending profile

- More on long term care…and administration
- Less on drugs and medical goods
- Average on curative care and rehabilitation



Our drug spend is far lower than OECD average

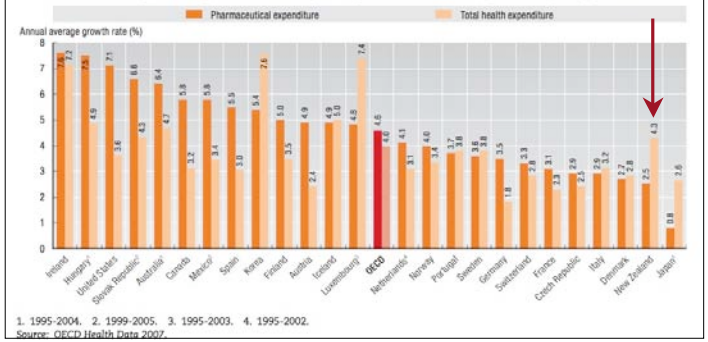
- The Pharmac effect…Australia spends 35% more



Tight rein on drug spending

- Pharmac's discipline

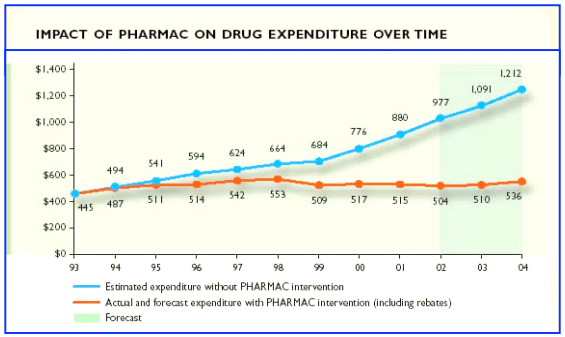
5.4.3. **Real annual growth in pharmaceutical spending and total health expenditure per capita, 1995-2005**



1. 1995-2004. 2. 1999-2005. 3. 1995-2003. 4. 1995-2002.
Source: OECD Health Data 2007.

Pharmac drives hard bargains

- Before Pharmac: drugs costs rose
  - in NZ 10%-20% pa cf. OECD 8%-10% pa
- With Pharmac: 3% pa

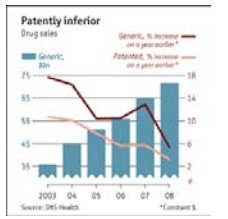


...the world is catching up with us

- Rapid rise of generics
- Increasing dominance of big buyers…
- …e.g. US's HMO and other programmes

- Big pharma's business model is wrecked
  - Massive drug R&D spend failing to deliver new blockbusters
  - Serious shift to new science e.g. biotechnology
  - And new business models e.g. buying small research firms
  - Next: new business models

- Pharmac keeps proving its worth

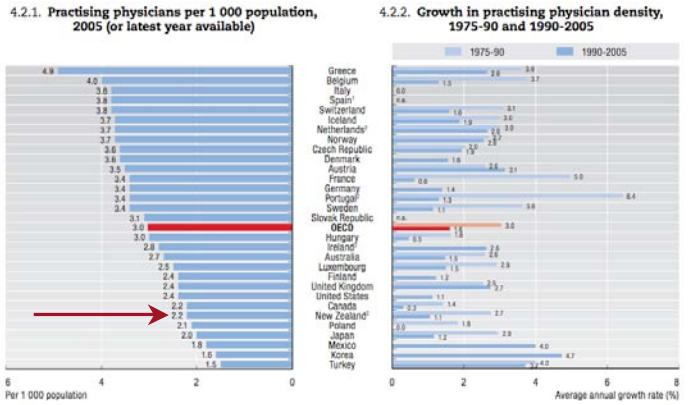


Low level of physician density

- …and falling behing OECD growth rate

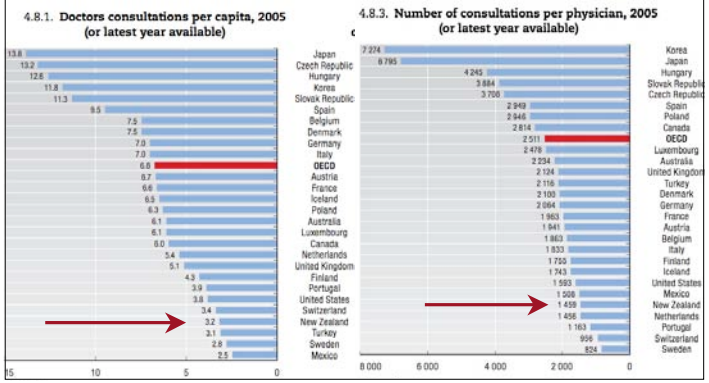
4.2.1. **Practising physicians per 1 000 population, 2005 (or latest year available)**

4.2.2. **Growth in practising physician density, 1975-90 and 1990-2005**

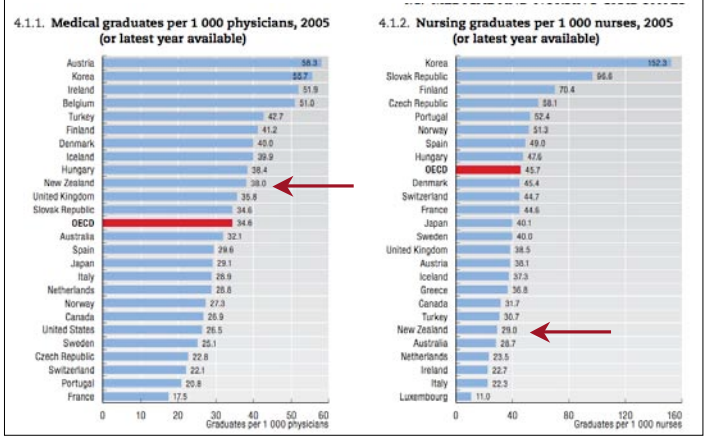


Physicians' workload

- Low level of per capita doctor visits; low level of consultations per doctor
- …means longer time with each patient? Better care? So fewer visits?

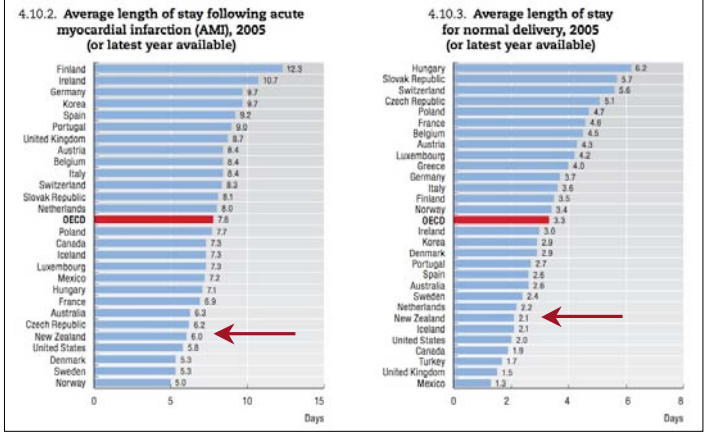


Medical training…good on doctors, poor on nurses



Excellent place for a heart attack

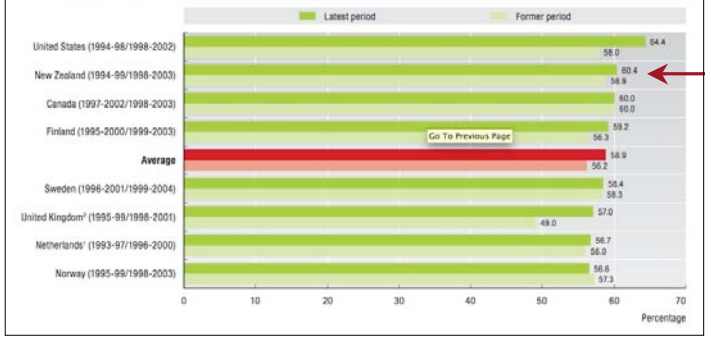
…and short hospital stays for heart attacks & births



...good for colorectal cancer

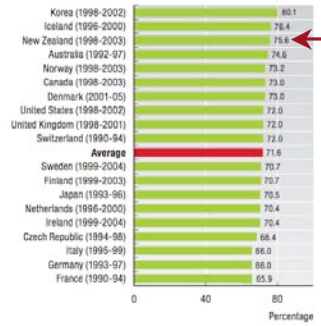
- …our survival rates among the best in the world

6.3.1. **Change over time in colorectal cancer five-year relative survival rates, men and women combined**

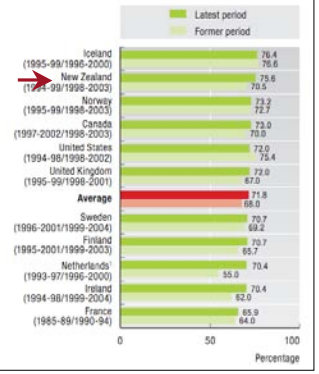


...on cervical cancer too

6.5.1. **Cervical cancer, five-year relative survival rates, latest period available**



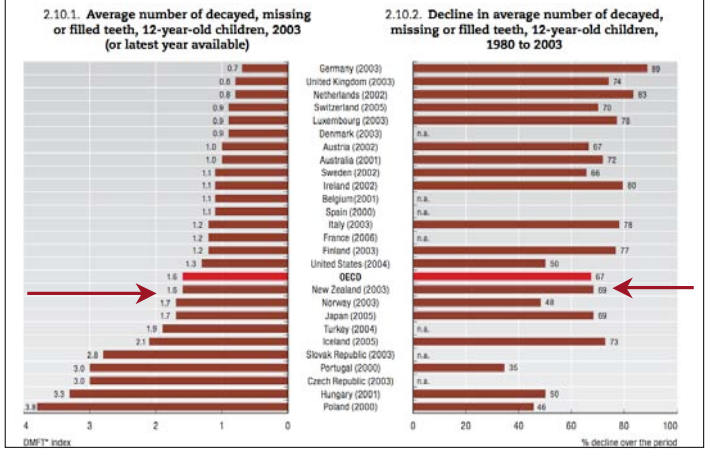
6.5.2. **Change over time in cervical cancer five-year relative survival rates**



Average on dentistry

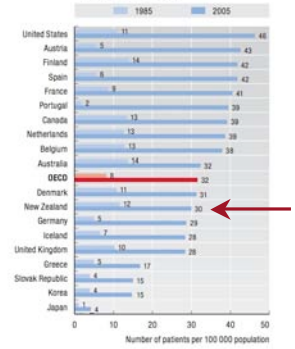
2.10.1. **Average number of decayed, missing or filled teeth, 12-year-old children, 2003 (or latest year available)**

2.10.2. **Decline in average number of decayed, missing or filled teeth, 12-year-old children, 1980 to 2003**

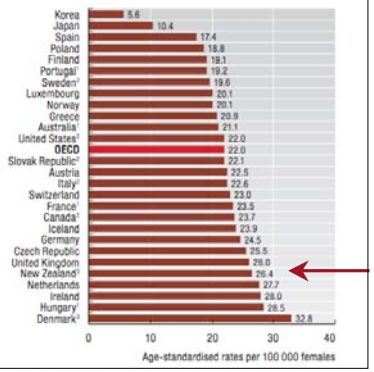


Poor on kidney transplants & breast cancer

4.12.4. **Prevalence of patients living with a functioning kidney transplant, 1985 to 2005 (or nearest year)**



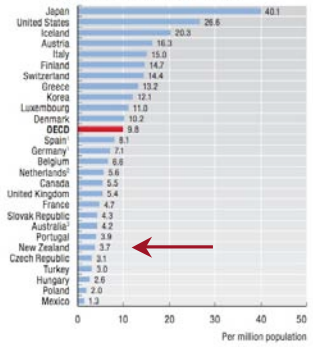
2.5.3. **Breast cancers, mortality rates, females, 2004**



Low rates of MRIs and CT scanners

- But achieve high throughput? Patients travel long distances?

4.7.1. **MRI units, number per million population, 2005 (or latest year available)**

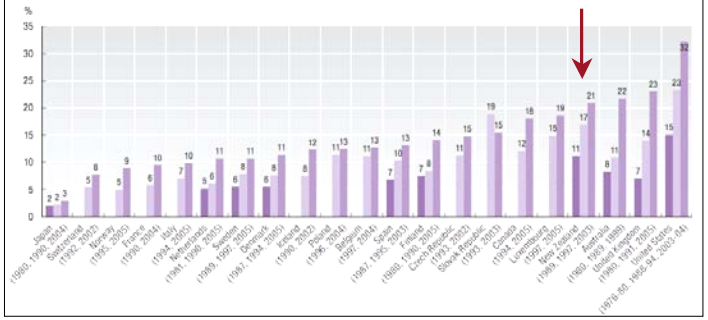


4.7.2. **CT scanners, number per million population, 2005 (or latest year available)**

Serious problem with obesity

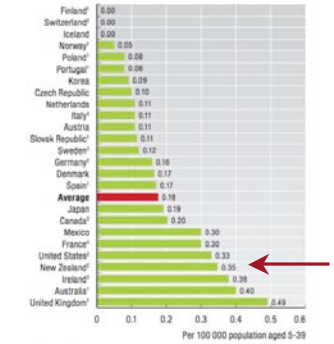
- One of the highest rates in world; growing fast
- Medical and budget timebomb

3.3.3. **Increasing obesity rates among the adult population in OECD countries**



Serious problem with asthma

6.6.1. **Asthma mortality rates, per 100 000 population aged 5-39, 2005**



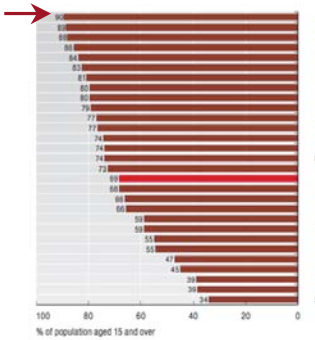
6.6.2. **Adult asthma admission rates, per 10 000 population aged 18 and over, 2005**

1. 2004. 2. 2003. 3. 2002. 4. 2001.
Source: Health Care Quality Indicators Project, OECD 2007.

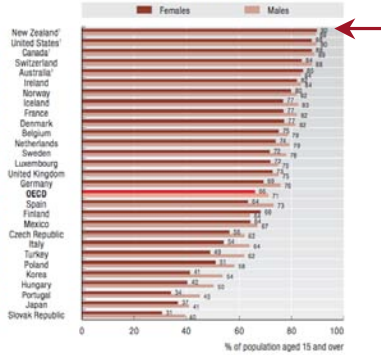
1. 2004. 2. 2002. 3. 2004-05. 4. 2005-06.

Our health is good, say a very large majority of Kiwis

2.11.1. **Percentage of adults reporting to be in good health, females and males combined, 2005 (or latest year available)**



2.11.2. **Gender differences in the percentage of adults reporting to be in good health, 2005 (or latest year available)**



1. Results for these countries are not directly comparable with those for other countries, due to methodological differences in the survey questionnaire resulting in an upward bias.

Agenda

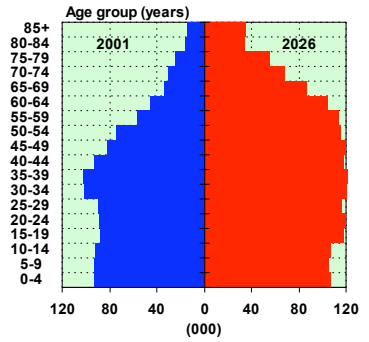
- Income
- Health

- Outcomes
- **Pressures**

- Reinvention
- Community

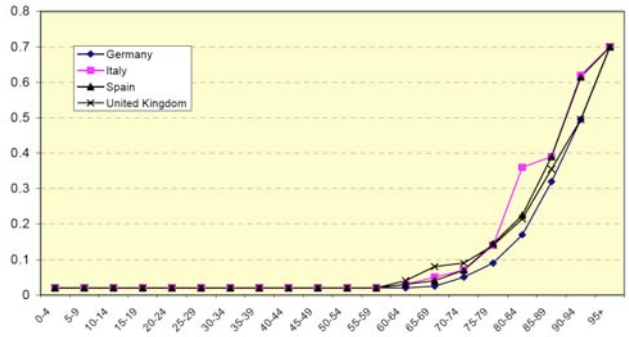
A rapidly ageing population

- From 1-in-8 over the age of 65…to 1-in-4 by 2040
- + population growth
- = a 3x increase to 1.2m people over 65 by 2040



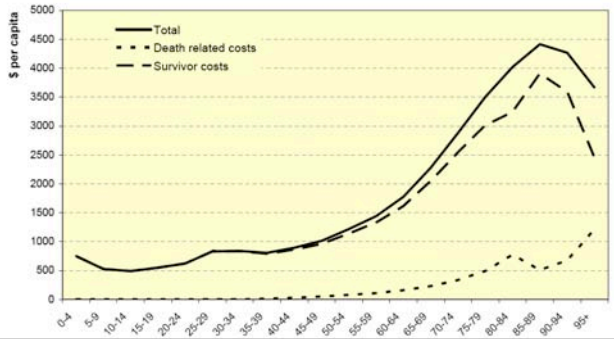
Older...and needing help

Figure 3.2 **Prevalence of dependency by age group** [1]



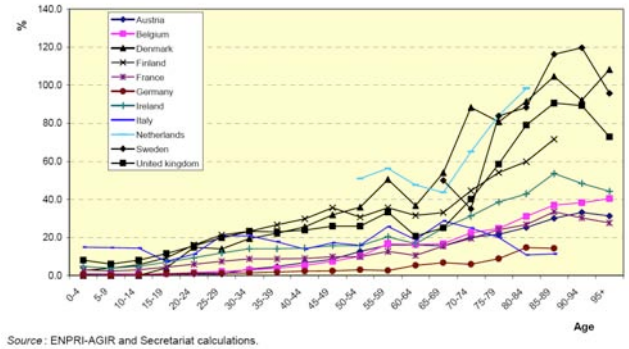
Older...and more expensive

Figure 2.2 **Breakdown of the health care cost curve** [1]
(Finland)



...but experience varies widely by country

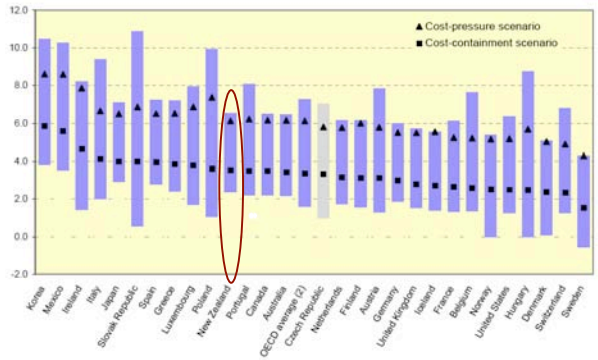
Figure 3.3. **Adjusted long-term care expenditure per dependant**
(% of GDP per capita)



Source: ENPRI-AGIR and Secretariat calculations.

New Zealand's prospects

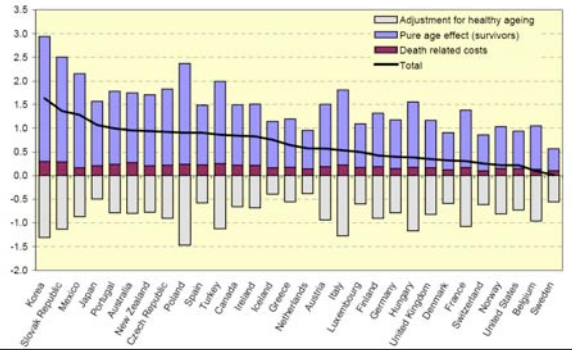
Figure 1.2 **Total increase in health and long-term care spending, 2005-2050** [1]
In percentage points of GDP



New Zealand's prospects

Figure 2.4 **Demographic effects on health care expenditure**

A. **Public health care expenditure**
Increase in % points of GDP 2005-2050



Healthcare's rising cost

- Long-term healthcare forecasts, OECD, February 2006
- Costs as % of GDP rising sharply
- Two scenarios: Cost-pressure; and cost-containment
- NZ's worst-case scenario: 5x increase in long-term care costs

	Health care			Long-term care			Total		
	2005	2050 Pres-sure	2050 Con-tained	2005	2050 Pres-sure	2050 Con-tained	2005	2050 Pre-sure	2050 Con-tained
New Zealand	6.0	10.1	8.3	0.5	2.4	1.7	6.4	12.6	10.0
OECD average	5.7	9.6	7.7	1.1	3.3	2.4	6.7	12.8	10.1

Health drivers

- So far this decade:
  - A lot more public money has helped improve healthcare
  - …and its affordability
  - But the system still strained…new pressures building

  - A lot more structural change has…
  - …helped reorient primary care a bit towards more integrated care
  - But no few structural changes elsewhere…
  - …means inefficiencies across the system
  - …and sub-par capability in some DHBs
- No political party has an appetite for more, big structural change
- …likewise, few champions of change in the profession

- What would it take to rekindle enthusiasm for change?
- Nothing less than a fundamental change in healthcare philosophy

Agenda

- Income
- Health

- Outcomes
- Pressures

- **Reinvention**
- Community

Restraint…reinvention

- Reinventing government:
- "It is permanent restraint…
- "More services with the same or fewer people and the same or less funding."
- A "containable, quick round of Budget planning…
- …then more long-term, work on delivering better and smarter services through innovation.
- "We will get them *[the public sector]* doing it. They are going to have to own it."
  - *Finance Minister Bill English, pre-2009 Budget*

We need a big shift in perspective

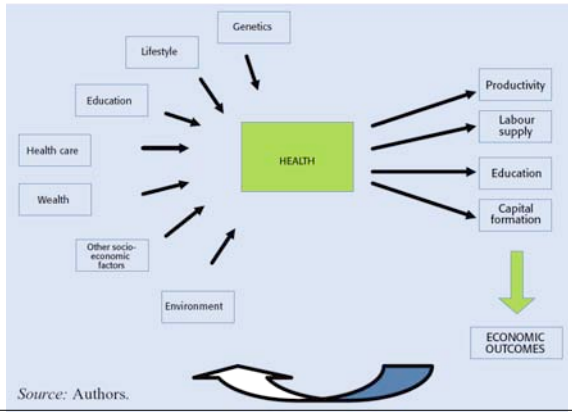
- In the recent past, we thought the drive to improve health was only an issue for economies of developing countries
- As for us, we had it made….we saw health as a by-product of economic development
  - The wealthier we got…the long, better we lived
- *But now we need to make a big switch:*
- Health is a driver of economic development for us too
  - …and essential because of demographic & health cost pressures

Some sources

- The Contribution of Health to the Economy in the European Union, EU, 2005
  - http://europa.eu.int/comm/health/ph_overview/Documents/health_economy_en.pdf
- Health and Economic Growth: Findings and Policy Implications
  - Editor: Guilleme Lopez Casanocas MIT Press, 2005
- Social Report 2007, New Zealand
  - Ministry of Social Development
  - www.socialreport.msd.govt.nz

Health of the Nation: Virtuous circle

- "The Contribution of Health to the European Union", 2005



Good health…good economy

- The Contribution of Health to the Economy in the European Union, EU, 2005
  - http://europa.eu.int/comm/health/ph_overview/Documents/health_economy_en.pdf
- Brings together a wealth of data and studies
- Big emphasis on the health of human capital
- Healthy people:
  - Learn better
  - Live longer, cost less
  - Work, earn and save more
- But these benefits are masked because analysis usually focuses on only direct health costs…not the full cost of illness

The full costs

- Coronary care in UK in 1999:
  - Direct costs : NZ$5.2bn
  - Informal costs : NZ$7.3bn
  - Lost productivity : NZ$$9bn
  - Total cost : NZ$21.5bn = 1% of GDP
- Smoking in the EU in 2000:
  - Direct & indirect costs: NZ$47bn- NZ$65bn
  - = 1.04% to 1.39% of GDP per year
- Obesity in the UK 2001:
  - 18m days of sick leave; 30,000 premature deaths
  - Direct cost to National Health Service: NZ$1.5bn
  - Indirect economic costs: NZ$6bn
- Diabetes in Sweden:
  - Cost per patient, per year: NZ$14,000
  - 28% direct health cost; 31% indirect support; 41% lost productivity

The full costs

- Scotland: annual social cost of alcohol abuse

Cost component	Annual cost (GBP million)
NHS Scotland	95.6
Social work services	85.9
Criminal justice system and emergency services	267.9
Wider economic costs (foregone productivity)	404.5
Human costs (premature mortality in non-working population)	216.7
Total annual societal cost	1 070.6

Source: Varney and Guest 2002.

The tragic cost of mental illness

Review of the cost of mental illness in high-income countries

Illness	Country	Year	Direct costs (USD million)	Indirect costs (USD million)	Direct costs in total health expenditure (%)	Authors and year of publication
Affective disorder	Australia	1997	—	1 400	—	Lim et al. 2000
Depression	Australia	1993/94	421	—	1.30	Andrews et al. 2000
Depression	UK	1990/91	665	4 783	0.90	Kind and Sorensen 1993
Depression	US	1990	12 400	31 300	1.30	Greenberg et al. 1993
Bipolar disorder	UK	1998	332	2 957	0.40	Das Gupta and Guest 2002
Schizophrenia	France	1992	2 340	—	2.00	Rouillon et al. 1997
Schizophrenia	Hungary	1990	41.1	68.5		Rupp et al. 1999
Schizophrenia	Italy	1995	8.3	19.5	0.01	Tarricone et al. 2000
Schizophrenia	Netherlands	1989	432.3	—	1.60	Evers and Ament 1995
Schizophrenia	Norway	1994	164	0.052	2.00	Rund and Ruud 1999
Schizophrenia	UK	1992/93	1 292	1 200	1.70	Knapp. 1999
Schizophrenia	US	1990	17 296	11 996	1.80	Rice and Miller 1998
Mental disorders	Australia	1997/98	567	903	1.80	Carr et al. 2003
Mental disorders	US	1990	67 000	74 900	7.00	Rice and Miller 1998
Other mental health	US	1990	19 740	17 597	2.10	Rice and Miller 1998

The full costs

- Germany: Health shocks
- When people suffer a 5 point drop in a year on their 'Health Satisfaction Index' (scale 0-10), the probability rises…
  - By 60% that they will go from full to part-time employment
  - By 90% they will be unemployed
  - By 200% they will leave the workforce permanently
- EU: Carers
  - If a person gives up work to care long-term for a relative, there is ample evidence to show they are unlikely to go back to work
- A US study shows that continuous poor health reduces men's incomes by 36% a year and women's by 48%

The upside of life

- A 10% increase in life expectancy at birth generates a 0.3% to 0.4% increase in GDP per year
- Variations in health levels explain10% to 20% of the difference in incomes between EU countries
- From 1965-1990, improving health contributed to 11% of Europe's economic growth
- Improved health accounted for 30% of per capita income rise in the UK from 1780 to 1980

Return on healthcare investment

The value of life expectancy improvements between 1990 and 1998 in selected EU countries *(USD)*

	UK	Sweden	France	Italy	Spain
Increase in GDP per capita	6 000	4 810	5 200	5 420	5 180
Increase in total health income	4 108	4 732	3 302	4 992	4 498
Increase in health expenditure	630	395	676	403	506
Increase in health income attributable to healthcare	1 561	1 478	996	1 325	1 780
Return on health expenditure	148 %	274 %	47 %	229 %	252 %

Source: McKee et al. 2005.

Policy response

- Finance Ministries treat Health Ministries as cost centres, the EU Health and the Economy study says
- They do not have the analytical tools to evaluate health as an investment in economic development

- *A New Zealand attempt:*
- *"Better Health Outcomes",* Suzanne Snively, PWC, 2003 for Researched Medicines Industry Association
- The problem:
  - 6% of diabetics account for 40% of health spending on the disease
- The solution:
  - Invest in earlier testing, supported self-management and intervention
- Took conservative measures of economic gains from lower life-long costs, increased productivity, income and tax

Your challenges

- Health is an economic & social driver…a benefit
- Health is *not* an economic & social by-product…a cost

- *You need to:*
- Develop analytical tools that help identify benefits
- Devise policies and integrated structures to deliver them

- Foster healthy, self-caring and supportive people
- Build healthy, self-aware and supportive organisations

- Innovate in business models and delivery

What the Commonwealth Fund tells us

- US-based foundation for health system research
- www.commonwealthfund.org

- No health system is good all-round

- Our primary system scores well in many respects

- Very good patient experience

- Very good doctor-patient communications

- Very good ICT use

- Good on coverage

- Good on safety

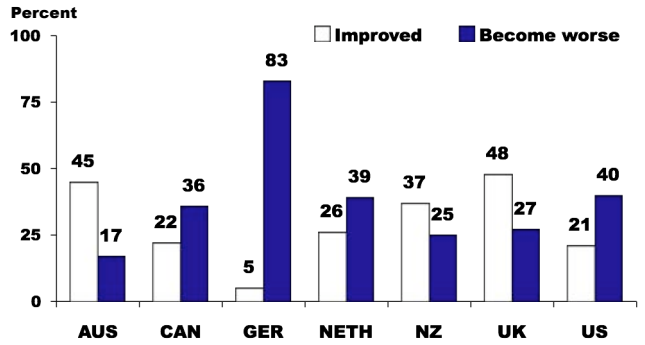
Overall Views of the Health Care System in Seven Countries, 2007 and 1998

Percent reporting:	AUS	CAN	GER	NETH	NZ	UK	US
Only minor changes needed							
2007	24	26	20	42	26	26	16
1998	19	20	*	*	9	25	17
Fundamental changes needed							
2007	55	60	51	49	56	57	48
1998	49	56	*	*	57	58	46
Rebuild completely							
2007	18	12	27	9	17	15	34
1998	30	23	*	*	32	14	33

* Germany and the Netherlands did not participate in the 1998 survey.
Sources: 1998 and 2007 Commonwealth Fund International Health Policy Surveys.
Data collection: Harris Interactive, Inc.

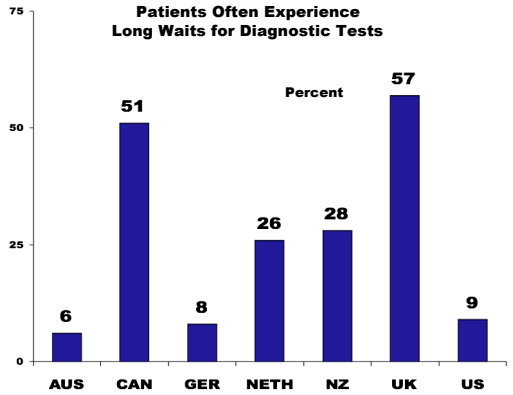
Ability to provide quality health care

- Today versus five years ago



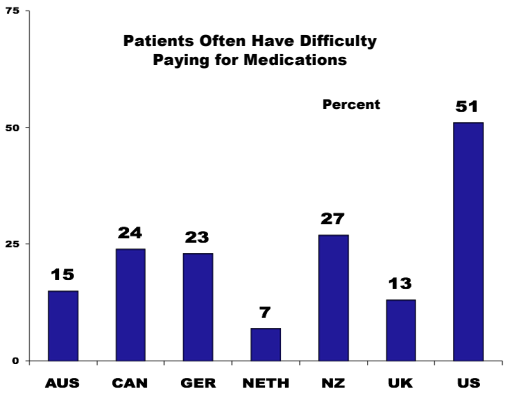
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Physicians' Perception of Patient Access



Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Physicians' Perception of Patient Access



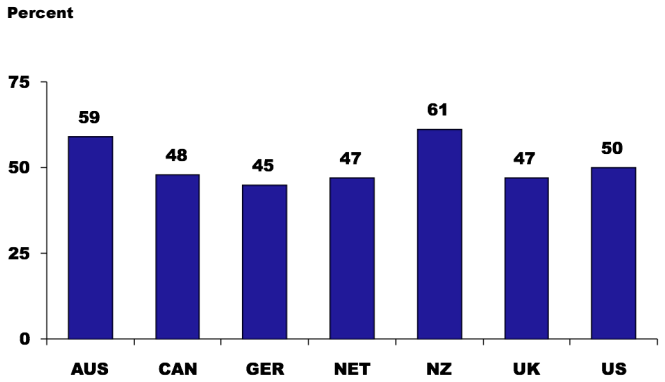
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Confidence in Health Care System

Percent reporting "very confident" that they will:	AUS	CAN	GER	NETH	NZ	UK	US
Get quality and safe care	34	28	24	59	30	28	35
Receive the most effective drugs	36	32	23	45	20	25	33
Receive the best medical technology	39	28	24	46	25	27	38

Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

Adults with a Medical Home



Note: Medical home includes having a regular provider that knows you, is easy to contact, and coordinates your care.
Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

Care Coordination

Percent reported in past two years:	AUS	CAN	GER	NETH	NZ	UK	US
Test results or records not available at time of appointment	11	11	8	7	9	10	15
Duplicate tests: doctor ordered test that had already been done	10	5	15	4	6	5	14
Percent with either coordination problem	18	15	19	9	12	13	23

Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

Doctor-Patient Communication

Percent reported doctor:	AUS	CAN	GER	NETH	NZ	UK	US
Always knows important information about your medical history	69	67	78	71	69	63	62
Always explains things so you can understand	79	75	71	71	80	71	70
Always spends enough time with you	73	59	70	71	69	59	56
Always tells you about your treatment options and involves you in decisions about your treatment	66	62	62	60	67	54	61

Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

Medical, Medication, and Lab Errors

Percent reported in past two years:	AUS	CAN	GER	NETH	NZ	UK	US
Experienced medical or medication error	15	10	9	9	11	9	13
Experienced lab or diagnostic test error	11	12	4	8	9	10	14
Experienced any medical, medication, or lab error	20	17	12	14	16	13	20

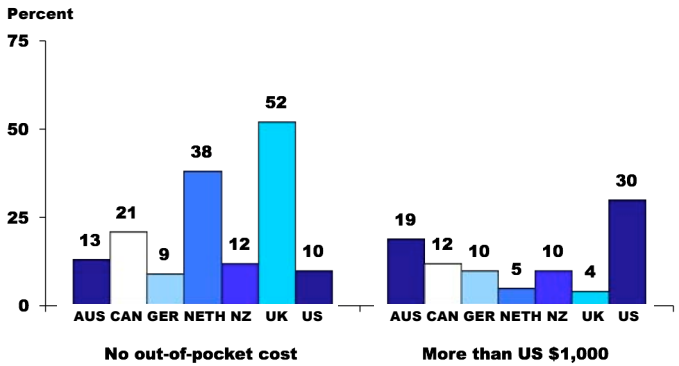
Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

Good quality control by primary care practices

	AUS	CAN	GER	NETH	NZ	UK	US
Percent in past two years who:							
Participated in collaborative QI efforts	58	48	76	70	78	58	49
Conducted clinical audit of patient care	76	45	69	46	82	96	70
Percent reporting their practice:							
Sets formal targets for clinical performance	26	27	70	35	41	70	50

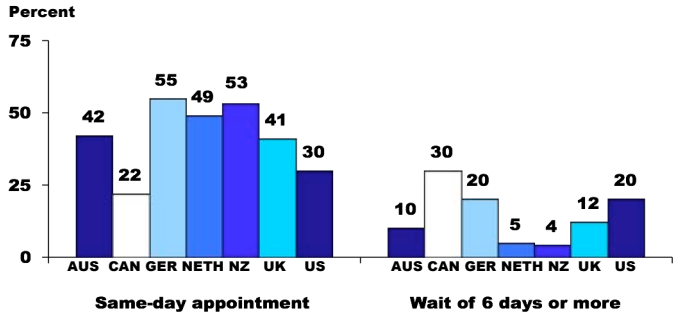
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Out-of-Pocket Medical Costs in the Past Year



Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

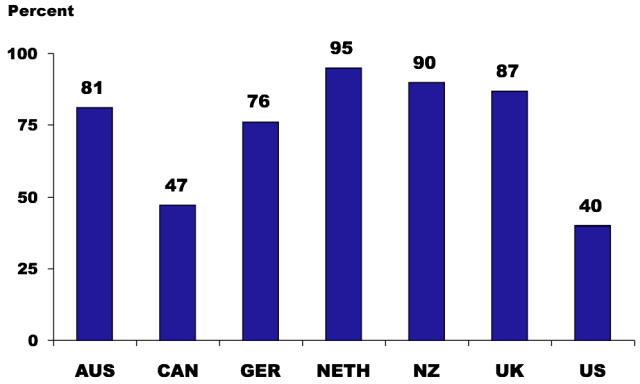
Access to Doctor When Sick or Need Medical Attention



Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

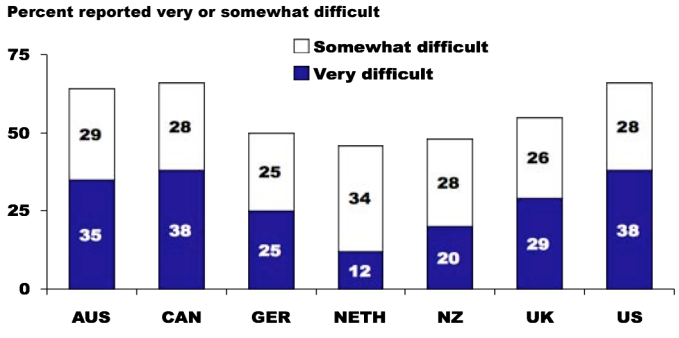
Excellent after-hours care

- Practice has arrangement for patients' after-hours care to see nurse/doctor



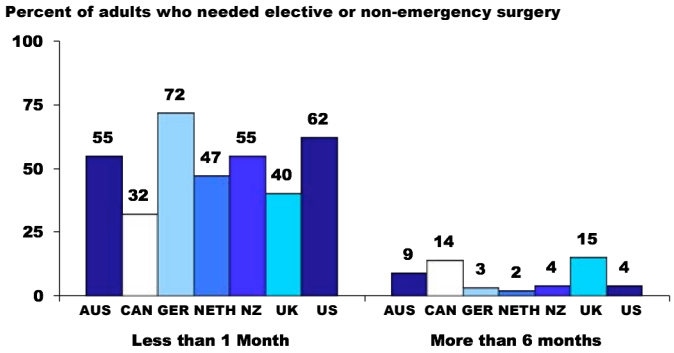
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Difficulty Getting Care on Nights, Weekends, Holidays Without Going to the Emergency Room



Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

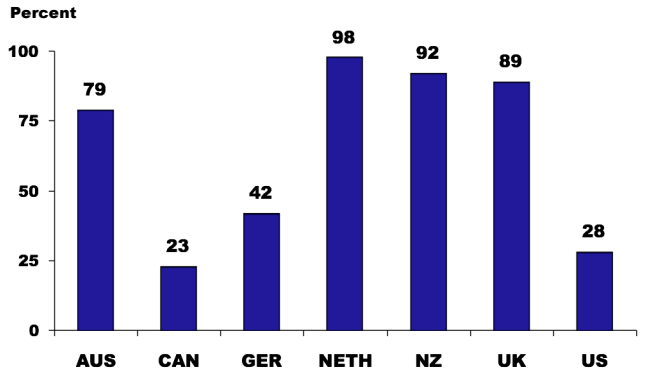
Waiting Time for Elective or Non-emergency Surgery



Source: 2007 Commonwealth Fund International Health Policy Survey.
Data collection: Harris Interactive, Inc.

High use of electronic records

- Primary care doctors' use of electronic patient medical records, 2006



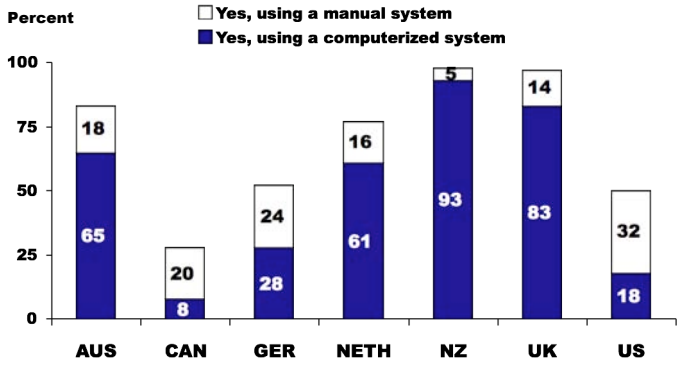
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

...for diverse purposes

Percent reporting routine use of:	AUS	CAN	GER	NETH	NZ	UK	US
Electronic ordering of tests	65	8	27	5	62	20	22
Electronic prescribing of medication	81	11	59	85	78	55	20
Electronic access to patients' test results	76	27	34	78	90	84	48
Electronic access to patients' hospital records	12	15	7	11	44	19	40

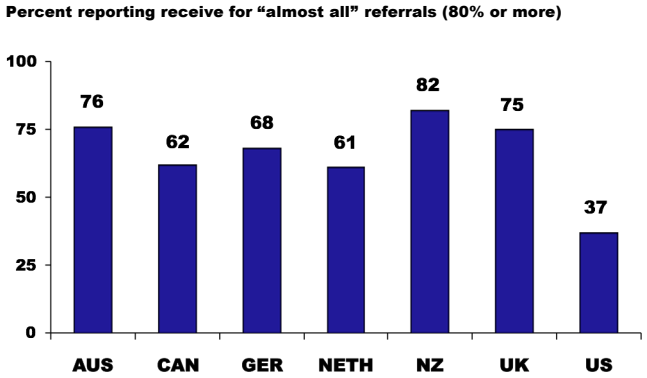
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

...reminding patients about follow-up care



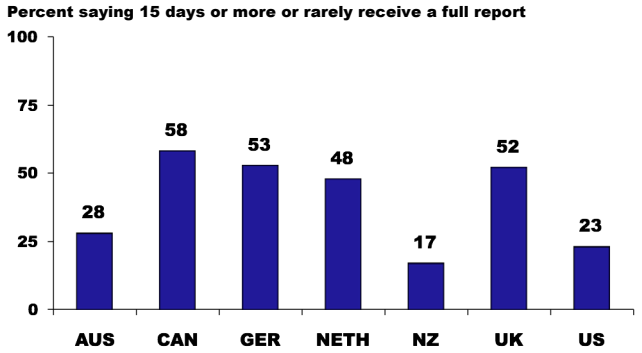
Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Excellent reporting after referrals



Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

...and on hospital discharge too



Source: 2006 Commonwealth Fund International Health Policy Survey of Primary Care Physicians.

Agenda

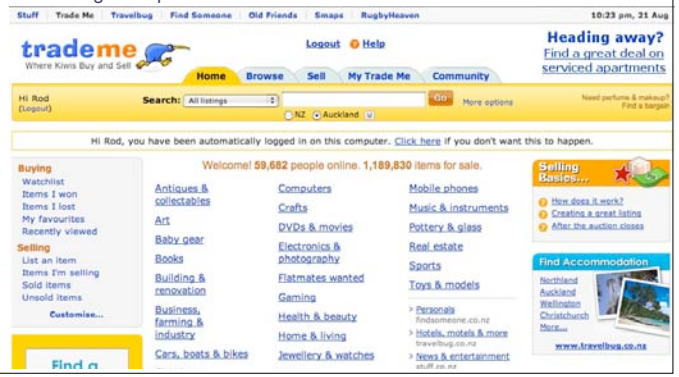
- Income
- Health

- Outcomes
- Pressures

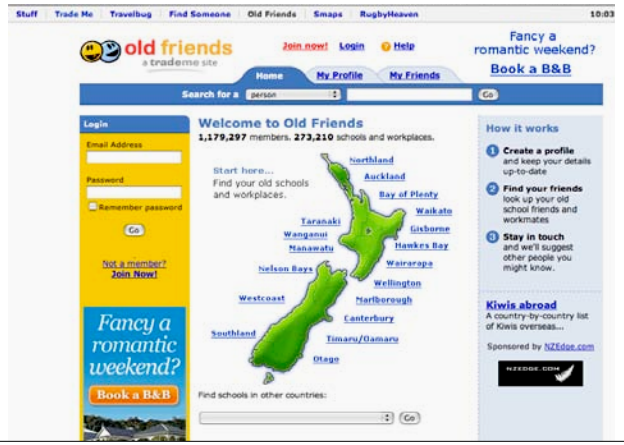
- Reinvention
- **Community**

New ways to be a community

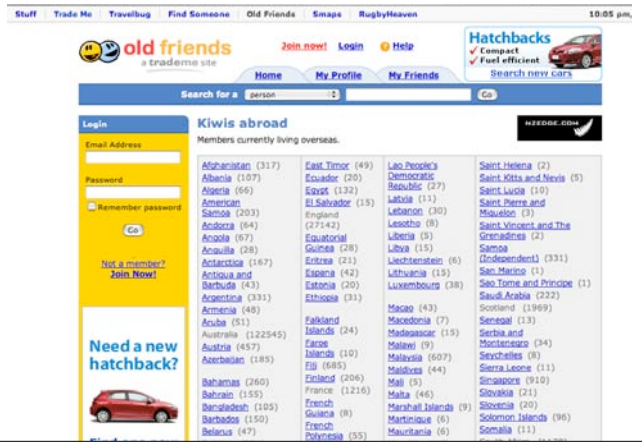
- Radically different ways to connect with people
- A stunning example…Trade Me



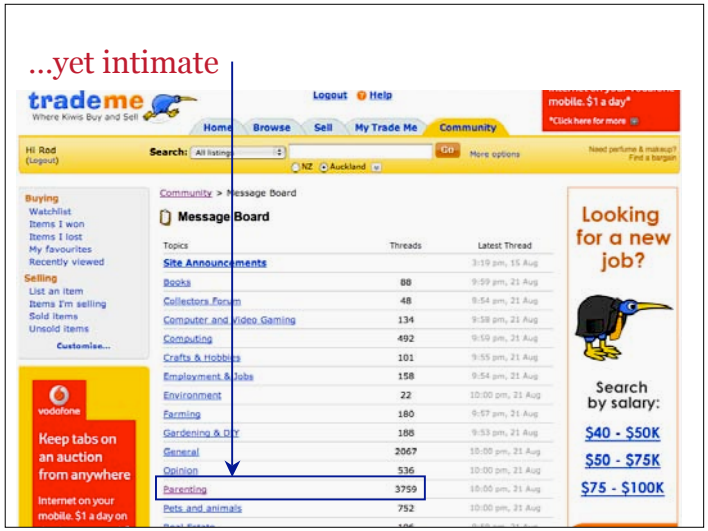
...at home



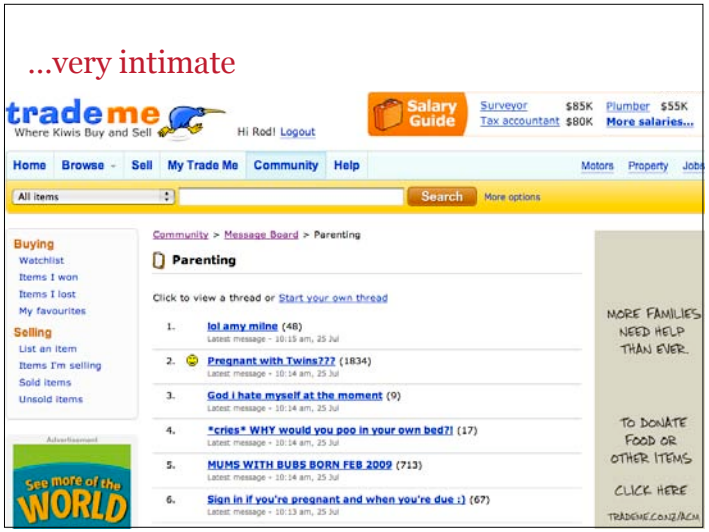
...and abroad



...yet intimate



...very intimate



Community organisations

- …in New Zealand
- …and the world

- Thanks to NZ's inclusion in a 41-country, on-going study

- Lots of data and insight

Composition of non-profit sector

- We're big on "expressive" role, less so on "service" role; & unique Maori role

TABLE 3 Composition of non-profit workforce, New Zealand vs. country groups

	New Zealand	39 countries	Australia	Welfare Partnership	Anglo-Saxon	Nordic
Service role						
Education and research	16%	21%	19%	19%	18%	13%
Health	8%	12%	12%	18%	16%	5%
Social services	16%	19%	26%	24%	16%	17%
Development and housing	7%	8%	5%	4%	6%	5%
Māori-based*	3%					
Service role total	**50%**	**60%**	**61%**	**66%**	**56%**	**40%**
Expressive role						
Culture and recreation	25%	17%	21%	16%	18%	35%
Membership associations**	20%	21%	16%	14%	21%	22%
Māori-based*	3%					
Expressive role total	**49%**	**37%**	**37%**	**30%**	**39%**	**57%**
Other						
Philanthropy	0%	1%	0%	1%	1%	0%
International activities	0%	1%	0%	1%	1%	1%
Not elsewhere classified***	2%	0%	1%	2%	3%	2%
Other total	**2%**	**2%**	**2%**	**4%**	**5%**	**3%**
Grand total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Composition

- …the other country-groupings

	Latin American	Asian Industrialised	Eastern European	African	Other developing
Service role					
Education and research	28%	19%	22%	10%	40%
Health	9%	24%	6%	9%	8%
Social services	17%	19%	18%	21%	15%
Development and housing	9%	7%	6%	17%	9%
Māori-based*					
Service role total	**62%**	**68%**	**53%**	**57%**	**72%**
Expressive role					
Culture and recreation	10%	5%	26%	13%	7%
Membership associations**	27%	23%	18%	18%	18%
Māori-based*					
Expressive role total	**37%**	**29%**	**43%**	**31%**	**26%**
Other					
Philanthropy	1%	1%	2%	2%	0%
International activities	0%	0%	1%	1%	0%
Not elsewhere classified***	1%	1%	1%	8%	2%
Other total	**2%**	**3%**	**4%**	**12%**	**2%**
Grand total	**100%**	**100%**	**100%**	**100%**	**100%**

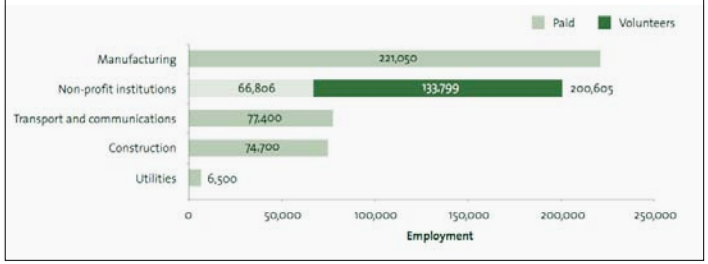
You're big

- Non-profit organisations contribute 9.6% to GDP
- …compared with tourism (8.9%) and agriculture (17%)
- But comparisons are difficult…they are different types of contribution
  - E.g. domestic jobs versus foreign exchange earnings

Variable	Amount	
Expenditures		
Non-profit institutions	NZ$6.5b (US$4.0b)	
Volunteers	NZ$3.3b (US$2.0b)	
Total	**NZ$9.8b (US$6.1b)**	
Economic value added		**% GDP***
Non-profit institutions	NZ$3.6b (US$2.2b)	2.6%
Volunteers	NZ$3.3b (US$2.0b)	2.3%
Total**	**NZ$7.0b (US$4.3b)**	**4.9%**
Employment (FTE)***		**% EAP***
Paid staff	66,806	3.2%
Volunteers	133,799	6.4%
Total	**200,605**	**9.6%**

Employment

- Big…almost as big as manufacturing
  - They make things…you make communities
- By comparison, tourism sector: 108,000 full-time equivalent employees



Employment

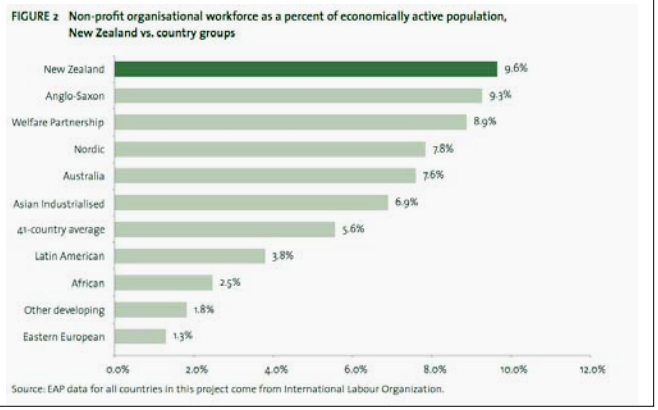
- A large sector…by comparison with other countries

TABLE 2 Non-profit workforce as percent of economically active population, by country

	% of EAP	Year		% of EAP	Year
Netherlands	15.9%	2002	Korea, Republic of	4.2%	2003
Canada	12.3%	2002	Portugal	4.2%	2002
Israel	11.4%	2002	Mexico	4.2%	2003
Belgium	11.0%	1995	South Africa	3.4%	1998
United Kingdom	11.0%	1995	Brazil	3.3%	2002
Ireland	10.9%	1995	Egypt	3.2%	1999
New Zealand	**9.6%**	**2004**	Uganda	2.4%	1998
Japan	9.6%	2004	Colombia	2.3%	1995
Sweden	9.6%	2002	Kenya	2.1%	2000
France	9.0%	2002	Peru	2.1%	1995
United States	8.9%	2004	Hungary	2.0%	2003
Denmark	8.8%	2004	Tanzania	1.9%	2000
Austria	7.8%	2005	Philippines	1.9%	1997
Australia	7.6%	2000	Czech Republic	1.7%	2004
Norway	7.3%	2004	India	1.5%	2000
Germany	6.8%	1995	Morocco	1.5%	1999
Argentina	5.9%	1995	Slovakia	1.0%	1996
Finland	5.7%	1996	Pakistan	1.0%	2000
Chile	5.0%	2004	Poland	0.9%	1997
Spain	4.3%	1995	Romania	0.7%	1995
Italy	4.3%	1999	41-country average	5.6%	

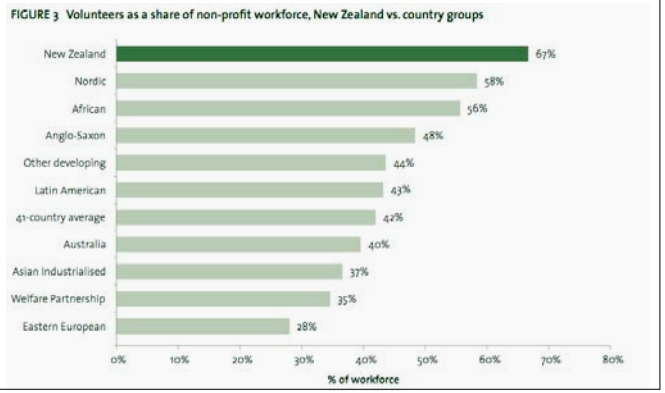
Employment

- …even more impressive compared with country groupings



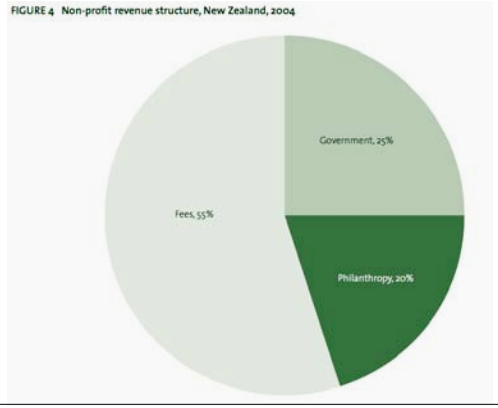
Employment

- Far more heavily volunteer here…67%
  - Vs. 40% in Australia



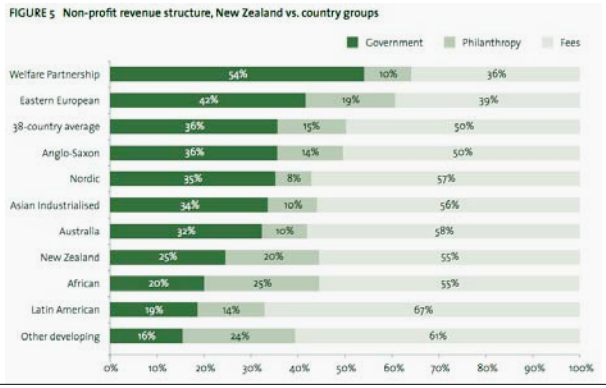
Revenue sources

- Heavily dependent on fees



Revenues…cf. other countries

- NZ relies on a high proportion of fees
- …rather than government funding or philanthropy



Revenue sources

- Non-profit sector is highly entrepreneurial
- Government support modest:
  - 10% of revenues from grants
  - 15% from contracts

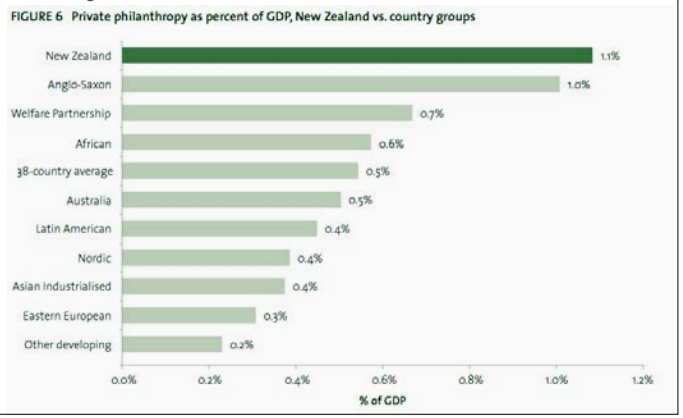
TABLE 5 Non-profit revenue structure by source, New Zealand, 2004

Source		NZ$ million	%
Government (25%)	Government grants	759	10%
	Government contracts*	1,241	15%
Fees (55%)	Sales and other income	3,596	45%
	Investment income	478	6%
	Memberships and subscriptions	330	4%
	From insurance claims	23	0%
Philanthropy (20%)	From households	850	11%
	From businesses	216	3%
	From other non-profit institutions	543	7%
Total**		8,036	100%

Philanthropy thrives

- We are generous

FIGURE 6 Private philanthropy as percent of GDP, New Zealand vs. country groups



Two new roles

1. Delivery of more health and social services
   - Under National…perhaps eventually under Labour

- Big challenges
  - Devising new programmes:
    - E.g. Attachment Therapy services…helping parent-child relationships
      - 7,000 infants and young children in Auckland in need
      - *Programme by Anglican Trust for Women and Children*
  - Demonstrating value:
    - In US Attachment Therapy study, every US$1 spent, yielded return up to US$17.07
  - Building new professional capabilities
    - Staff, organisational, governance, research etc.
  - Enhancing volunteerism
    - In new social contexts and patterns

New roles

2. Building communities
   - New roles for "expressive" and "service" non-profits
   - …and in new combinations
   - Ever more the sinews, the nervous system…
   - …the heart of communities

- Big challenges:
  - The changing nature of community
  - The changing nature of nationhood

New Zealand…

- The dairymen in Pleasant Point
- The staff of Rakon
- The choir at Big Sing
- The Bollywood dance troupe in Upper Hutt
- …and many, many other stories in the mosaic of NZ today

- **Diversity as an asset *and* a challenge**

The road to nationhood…

- ***Begins with reconciling our contradictions***

- Clean, green
- Easy going
- Multicultural
- Family focused
- World travelers
- Thrill seekers
- Pioneers
- Independent
- Literate
- Success

- Polluted
- Unresolved conflict
- Racist
- Youth suicide
- Reclusive
- Risk averse
- Conservative
- Consensual
- Illiterate
- Failure

Metaphors

- Contradictions:
  - Sources of dis-ease, tension, destruction
- Dualities:
  - Sources of health, ease, creativity
- Terry Stringer's sculpture: *Day and Night*

Metaphors

- Zealandia…Terry Stringer's home
- A new New Zealand arising from its colonial ruins

"Landfall in Unknown Seas"

But now there are no more islands to be found
And the eye scans risky horizons of its own
    In unsettled weather…
Who navigates us towards what unknown
But not improbable provinces? Who reaches
A future down from the high shelf
    Of spiritual daring?

Allen Curnow: Landfall in Unknown Seas