



Hon Andrew Little
Minister of Health

PRESS RELEASE
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A better health system for all New Zealanders

- An extra \$200 million so Pharmac can pay for more medicines, treatments and personal medical devices for sick New Zealanders.
- \$486 million to begin the transition to Health NZ and health reforms.
- \$2.7 billion additional support over four years for District Health Boards, contributing to a 45 percent increase to health funding since the Government took office in 2017.
- Establishing the Māori Health Authority, a key part of the Government's health reforms.
- Almost double the number of publicly funded cochlear implants, restoring hearing to people who have lost it.

Labour is continuing its overhaul of the public health service, backing restructuring with money to build and run hospitals, buy medicines and pay for doctors' visits.

"A month ago I announced major structural reform of the health system so all New Zealanders can get high-quality healthcare when they need it," Andrew Little said.

"Today, we're backing that with a more than \$24 billion investment next year as we continue to make good on the promises we made in the 2020 general election."

Election promises delivered in this year's budget include the establishment of the Māori Health Authority, increased funding for Pharmac and more cochlear implants.

Keeping New Zealanders healthy is one of the main objectives of the Government's wellbeing approach to budget-setting.

"Vote Health is 45 percent - or \$7.6 billion - higher than National spent on health in its last year in Government. We inherited a major catch-up job from National, and I'm pleased to say we continue to make progress, despite challenges," Andrew Little said.

More money for hospitals and primary healthcare

"Putting more effort into keeping people well so they don't get so sick they have to go to hospital is at the heart of the health reforms.

“The Wellbeing Budget 2021 increases funding for primary health care by \$46.7 million a year so that as our population grows, GPs can continue to provide affordable healthcare to the people who need it most.”

District Health Boards also get a funding boost.

“As I said last month, we must keep our hospitals running as we transform the health system so people can keep getting the operations and care that they need,” Andrew Little said.

“That’s why we’re giving District Health Boards \$675 million more a year, as well as putting aside \$700 million over four years for capital projects.”

More access to medicines for Kiwis

Budget 2021 provides a major boost in funding for the Combined Pharmaceutical Budget, the money Pharmac uses to provide New Zealanders with medicines and other health treatments.

The increase will boost Pharmac’s budget by \$200 million over four years.

“Other than the special COVID-19 funding we provided last year, this is one of the biggest budget increases Pharmac has ever had and will help an estimated 370,000 patients a year,” Andrew Little said.

“Pharmac is another area in which National failed to take action, with funding barely keeping up with inflation. Since we’ve been in Government, we’ve increased Pharmac’s budget by almost 25 percent to a record \$1.1 billion a year.”

Cochlear implants increase under Labour

The number of adults getting cochlear implants for hearing loss will almost double, thanks to a big funding boost announced as part of Budget 2021.

Andrew Little said that while children are prioritised and rarely have a long wait for an implant, it is important to help adults too.

“Severe or profound hearing loss has a huge impact on people, affecting their family lives, their social lives and their ability to work.

“In our 2020 election manifesto we promised to double the number of cochlear implants the Government funds, and today we are moving to deliver on that,” Andrew Little said.

“The Wellbeing Budget 2021 increase means that 320 more people will get implants by 2025.

“For these people, this will be life-changing, meaning they can work and socialise more easily and, most importantly, engage with their whānau and friends,” Andrew Little said.

The Government has also decided not to go ahead with a policy from the last Government providing a free annual GP visit and eye check for Supergold Card holders, as officials say it is of limited benefit and the \$197 million it would have cost over four years can be better spent. None of the funding allocated for the policy had been spent.

Health reforms

The Wellbeing Budget 2021 allocates \$486 million over four years towards implementing the health reforms.

This includes replacing the 20 District Health Boards with Health NZ, developing locality networks to make sure community voices are heard, and starting to establish the Māori Health Authority.

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Other new spending in this year's Budget includes:

- \$516.6 million to develop and run effective health infrastructure, including a national health information platform so patient records can be read by approved health professionals anywhere in the country.
- \$399.2 million to support people with long-term physical, intellectual or sensory impairment, plus \$72.8 million to continue and extend the Enabling Good Lives pilot programmes.
- \$100.3 million to improve air and road ambulance services.
- Making sure more homes are warm and dry with an extra \$50 million for the Healthy Homes Initiative.
- \$16 million for Pacific health providers to implement the Ola Manuia Action Plan.
- \$3.8 million for sexual and reproductive health services through Family Planning.
- \$13 million to complete the rollout of the National Bowel Screening Programme to the remaining six DHBs.