



Briefing TO THE INCOMING MINISTER

General Practice Owners Association of Aotearoa New Zealand

1. Introduction

Congratulations on your appointment as Health Minister. The following is our briefing as you begin this important role. We are pleased to hear of your stated commitment to improving timely access to general practice for all New Zealanders. General practice is key to solving many of the problems faced by our health system.

A well-functioning general practice system will save taxpayer money and reduce emergency department attendances and hospital admissions and cut waiting times for patients to access high-quality general practice care.

However, there is a long history of inaction from successive governments in addressing the challenges facing our family doctor services. Many reviews commissioned by governments of the time have been undertaken, and recommendations made, but few have followed with concrete actions.

General practitioners around the country are exhausted, overworked, and often burnt-out. They need to see a fresh appetite for collaboration from the government, and a real desire to make concrete changes that will turn around the alarming trajectory that our family doctor services are on.

GenPro is committed and ready to work with you to achieve this.

2. Commentary

There is an urgent need for Minister Brown and Budget Ministers to recognise the importance of general practice in the delivery of health services to all New Zealanders, and to acknowledge that greater support is required so general practice can deliver the essential services Kiwis need – in a timely, affordable, and safe manner.

Greater support right now for primary healthcare is absolutely critical. General practice has been degraded over two decades; funding has not kept pace with increasing costs, health needs are more complex, and the ability of general practices to raise revenue is restricted by fees controls. For all these reasons, general practice is in a precarious financial position.

The broken funding model is one of the key reasons there is a shortage of GPs. But it's not the only cause. Workforce planning has been wholly inadequate and immigration settings have been sub-optimal.

More broadly, primary healthcare operates within the entire health system. Ill-advised reforms in recent years have had a detrimental effect across the entire system. This has worsened cost over-runs and budget blowouts, effectively making a dire situation worse. At a time when the sector desperately needed to be stabilised, the reforms had the opposite effect.

A significant factor in the poor access to and cost management of the health sector is a direct result of secondary care/hospital inefficiency, in comparison to the efficient private business model of general practice.

This plays out every year as the funder makes the decision to allocate more funding to inefficient hospitals to the detriment of general practice, which continues to receive increases in

funding far below the accepted increases in their operating costs. This is despite GPs absorbing the work traditionally delivered by hospitals, but without a concomitant increase in funding.

The current crisis in essential family doctor services throughout Aotearoa New Zealand should not be underestimated. The 2024 survey of GenPro members found 83 percent were concerned about the future financial viability of their practice, and many were reducing and cutting services.

In the last 12 months we have seen increasing numbers of practice closures and consolidations resulting in communities losing access to medical, mental health and accident care. This is a direct result of ongoing underfunding of services and severe workforce shortages.

One in four general practices have closed their books to new enrolments, with only 36 percent having open books to all comers. Workforce remains a challenge with survey results showing 53 percent have GP vacancies and 33 percent have nursing vacancies.

As the New Zealand population ages, the demands placed on general practice have increased. Doctors are seeing more patients more often. Independent research by Grant Thornton (attached) shows a 20 percent increase in utilisation of general practice. This is coupled with increasing cost pressures, as identified and quantified by independent reports commissioned by successive governments.

GenPro has been working with the sector and Ministers and is focussed on three key areas that we believe are critical for strong and sustainable essential family doctor services. They are:

- Better funding for primary health care services
- Fair pay for family doctor teams
- Increasing the family doctor workforce

It is also important that the government realises the significant economic benefits to investing in general practice. UK research suggests that every dollar invested in general practice returns 14 dollars to the state over the long term. Patients who enjoy continuity of care with a family doctor will live longer, and cost the health system less, than those without a regular doctor.

The benefits of this investment are evidenced by the Acute Demand Management programme in Canterbury, where hospital admissions are 20 percent lower than the rest of the country. This programme invests in training, resourcing and appropriately funding general practice teams to provide care that was traditionally hospital based. This saves the health system' and patients' money and provides more timely care.

Given the myriad long-term social and economic benefits of investing in general practice, it is imperative the government systematically addresses the areas identified. This will ensure that New Zealanders can once again access and rely on essential family doctor services as their first point of call in our health system.

3. Key priorities for New Minister

Key priorities fall into three main categories. They cover the most pressing issues facing general practice and aim to create a more sustainable model of general practice that will benefit both our healthcare providers and our communities.

- a) A sustainable model for family doctor businesses

- Invest a greater share of funding in front-line services.

More health funding must be allocated to front-line patient services, and less to tiers of management and external consultants. Most critically, the family doctor service 'capitation funding model' must be updated. The current model is 20 years out of date, and successive reviews have made widely accepted recommendations for its improvement, but which have yet to be implemented.

- Fully fund new services, new developments, and rising demand.

Family doctor services should be fully funded for the entire range of additional workload pressures they are facing. With the right level of investment, general practice teams can expand to cover a greater range of services closer to home for patients and increase the efficiency of the health system.

- Jointly agree fair contracts for services.

In line with the government's own procurement framework, the providers of family doctor services should be included in the development of fit-for-purpose contractual arrangements. GenPro has lodged a complaint with the Commerce Commission regarding the unfair nature of the current contracting arrangements and is seeking fair arrangements for contracted providers.

b) Fair pay for family doctor teams

- Introduce pay parity for GP nurses.

Nurses working in family doctor services should be funded and paid at the same rate as their government-employed, hospital-based colleagues undertaking comparable responsibilities, and with comparable qualifications and expertise.

- Ensure fair remuneration for family doctors.

Family doctors must be appropriately remunerated to attract young New Zealand doctors into general practice, and doctors from overseas. Salaries in Australia and Canada are comparatively much greater; and Te Whatu Ora offers substantially better terms and conditions to doctors in the public health system.

- Ensure fair treatment for medical graduates working in general practice.

Medical graduates choosing to specialise in general practice should be paid at levels which are comparable to hospital-based registrars, for the full duration of their training. Private family doctor businesses which support the hosting and training of registrars should be fully funded.

- Remove penalties for doctors choosing to serve as family doctors.

Qualified doctors choosing to serve as specialist GPs typically earn 25 percent less than their colleagues who work as specialist hospital doctors. This unjustified difference needs to be rectified to attract more doctors into general practice.

c) Increase the GP workforce

- Increase the number of GP registrars.

We need to increase the number of GP training places and support the positive exposure of young doctors to family doctor services. Incentivising young doctors can be developed through further refinement of existing tools such as voluntary bonding schemes.

- Remove barriers for overseas-trained doctors and nurses.

Family doctor services (as employers) require a reduction in the bureaucracy associated with recruiting overseas clinicians, and proactive support in attracting such professionals to New Zealand.

- Expand the capacity of the family doctor workforce.

More nurse practitioners are required and should be fully funded. Other models of extending the scope of workforce capacity in a cost-effective way need to be considered, to support the regulated and registered roles providing care in the community.

- Be wary of non-doctor alternatives and tele-health.

The previous Minister spoke about transitioning primary healthcare to alternative workforces (i.e. non-doctor) and tele-health. These do have a place in modern service provision, but they should be seen as additions to a repaired general practice system, and not as an alternative. It is noteworthy that while there may be savings in labour costs, there is clear evidence that they cost the health system more through increasing referrals to secondary care and an increase in testing costs compared with GPs. There is also evidence of increased patient harm.

4. Who we are

GenPro is a not-for-profit membership association representing the owners and providers of New Zealand's general practice services and urgent care centres. We represent about 400 general practices, providing services to almost half of the New Zealand population. We are the only national association which exists on behalf of individual providers of family doctor services.

Our members include a broad range of providers:

- Traditional GP owner-operated family doctor services
- Charitable community trust-managed family doctor services
- Nurse-owned and operated family doctor services
- Smaller corporate-owned family doctor services and urgent care centres
- Iwi-owned and operated family doctor services.

The owners and providers represented above may not always have the time, expertise, or resources to ensure that they are appropriately supported by the Government, Ministry of Health, ACC or Te Whatu Ora. GenPro operates as a collective voice to ensure that all such general practices are acknowledged, supported, and funded to fulfil their essential role within the New Zealand health and disability system.

5. Our People



Dr Angus Chambers, Chair

Dr Chambers studied medicine at Otago University and has been a GP in Christchurch since 1990. He also has a law degree from University of Canterbury.

He is a part owner of Riccarton Clinic – a practice with approximately 19,000 patients - which also provides Urgent Care services.



Mark Liddle, Chief Executive

Mark has significant health leadership expertise spanning back to the late 1980s. During this time, he has worked within NHS hospital management in the UK and New Zealand public system.

He is a strong advocate for the crucial role of general practice at the heart of primary care and brings a collaborative, solutions focussed approach.