ASMS
ASSOCIATION OF SALARIED MEDICAL SPECIALISTS
TOI MATA HAUORA

6 August 2025

Geoff Cooper
Chief Executive
Te Waihanga

Tēnā koe Mr Cooper

Thank you for the opportunity to comment on Te Waihanga's (the Commission) draft National Infrastructure Plan.

Toi Mata Hauora, the Association of Salaried Medical Specialists (ASMS) is the union and professional association of salaried senior doctors and dentists. We were formed in April 1989 to advocate and promote the industrial and professional interests of our members, most of whom are employed by Te Whatu Ora Health New Zealand as medical and dental specialists, including physicians, surgeons, anaesthetists, psychiatrists, oncologists, radiologists, pathologists and paediatricians. We have over 6000 members.

ASMS welcomes this draft plan, agrees in most part with its analysis, approach and conclusions. We also wish to congratulate the Commission for the quality and depth of its analysis. It is an extremely useful document. We are, however, concerned by the extent that existing Te Whatu Ora (HNZ) plans and strategies have informed the Commission's analysis.

Renewing and maintaining the hospitals of Aotearoa New Zealand is not only vital for the current health system but also to ensure Aotearoa New Zealand is ready for the next pandemic.[1] We would suggest that a flexible green and modular approach is taken to the creation of future hospitals thereby giving the health system capacity to expand in the face of the next pandemic and lowering the need to have socially, economically and fiscally deleterious lockdowns.

We welcome the Te Ao Māori, equity and consultative approach the Commission is taking to this work. There are stark inequities in health outcomes and access to healthcare between Māori and non-Māori, which are unfair and preventable. These constitute a significant safety and quality issue for the health sector. Aotearoa New Zealand could make substantial population health gains by eliminating these inequitable outcomes.

We note that we have reviewed the submission from the New Zealand Council of Trade Unions and agree with and support their points.

As well as the points above, our submission seeks to:

- provide support to key parts of the document.

[1] Petousis-Harris H. What the Covid-19 inquiry is teaching us. Newsroom. 9 July 2025. Available from https://newsroom.co.nz/2025/07/09/what-the-covid-19-inquiry-is-teaching-us/. Accessed 15 July 2025.

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- encourage the Commission to look beyond the current Health New Zealand Infrastructure plan, and
- ask that the Commission is not constrained by the current debt and tax policy settings when considering funding.

Priority given to maintenance

We particularly welcome the priority given to hospitals and the focus on maintenance. The following quotes from the recent *Health New Zealand National Asset Management Strategy - Infrastructure* [2] completely align with our members experience:

> …historical under investment has resulted in poor asset condition and performance, including significant seismic and resilience issues. (page 8)
>
> The prioritisation of expenditure on operational rather than capital requirements, which has led to a significant backlog of deferred maintenance. (page 15)
>
> Our latest information indicates the average age of our buildings is 45 years. Typically, the lifecycle of a building is 50 years. This means many of our buildings are at, or approaching, the end of their useful life and reaching obsolescence.
>
> We also have significant seismic issues that need addressing, and we need more information on how well our facilities are utilised and if they are meeting clinical service expectations. (page 15)

Two recent examples from Nelson Hospital – that of wasps[3] and leaks[4] - exemplify the issues above which are faced daily by medical professionals in hospitals around Aotearoa New Zealand. This all results in a working environment that would not be acceptable in any other professional environment. It is unacceptable that we tolerate this in health, which is already a high-risk, high-hazard industry.

ASMS staff survey

As HNZ does not have information on its staffing levels of senior specialists, we recently undertook this survey ourselves. As well as asking questions on the levels of staffing we also asked relevant questions such as barriers to recruitment, clinical leadership and access to leave.

We left a box for free text for members to raise any other relevant issues. Within that box the poor quality of their physical environment and lack of maintenance of their buildings regularly came up as

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[2] Te Whatu Ora. National Asset Management Strategy. 16 April 2025. Available from https://www.tewhatuora.govt.nz/publications/national-asset-management-strategy-infrastructure. Accessed 15 July 2025.

[3] Roden J. Wasps on the surgical ward the latest issue for Nelson Hospital. One News. 3 April 2025. Available from https://www.1news.co.nz/2025/04/03/wasps-on-the-surgical-ward-the-latest-issue-for-nelson-hospital/. Accessed 15 July 2025.

[4] Magrin F. Second leak at Nelson hospital 'not surprising' says doctor. The Press. 23 April 2025. Available from https://www.thepress.co.nz/nz-news/360660324/second-leak-nelson-hospital-not-surprising-says-doctor. Accessed 15 July 2025.

being a barrier to recruitment and retention of senior doctors. These comments support findings from our 2023 report on senior doctors' future career intentions, which showed that dissatisfaction with physical working conditions, along with hours of work and remuneration, was a factor in deciding to leave medicine or dentistry entirely[5]. We can reasonably assume that this would be the view of all health professionals working at the hospitals. Poor quality infrastructure impacts on the ability of our members to do their work.

Need to address models of care

The Commission has prioritised hospital infrastructure. Key to this must be the ability to adapt to different models of care and ensure that the infrastructure is fit for its clinical purpose and meets the oncoming challenges of an ageing population.

A recent article concerning dementia patients with no medical indications being admitted to medical wards[6] sets out an example of a situation where infrastructure doesn't support clinical need, with potentially tragic consequences. As there aren't enough specialised geriatric psychiatric wards, older people presenting with psychiatric concerns, and potentially violent tendencies, are being put in general wards with a consequent risk to patients – particularly women patients – and staff.

Another example which comes from the National Clinical Service and Campus Plan referred to below exemplifies the issues surrounding the needs of a changing population:

> …older mothers needing increased neonatal care for their babies and while a negative overall growth there is a concentration of births being forecasted in the Northern Region

That is, while there are fewer births in the Northern region, the babies that are being born have a greater need of specialist clinical care. This is consistent with general trends in maternity care. That is, there is an increasing proportion of delivery via c-section - planned and emergency, happening across the developed world, including in Aotearoa New Zealand[7]. All of which is clinically more intensive, requiring many more people, theatre space, equipment, and consumables for example.

Unlike the Infrastructure Plan recently produced by Te Whatu Ora, there is a need for New Zealand's health infrastructure to be consulted on with all the key users and providers of services. This should also include reference to health academics who have studied New Zealand's needs, as well as unions, medical colleges and patient and consumer groups.

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[5] ASMS. Over the Edge: Findings of the 2022 survey of the future intentions of senior doctors and dentists. ASMS, 2023. Available from https://asms.org.nz/wp-content/uploads/2023/03/Over-the-Edge-Future-Intentions-of-the-SMO-Workforce-March-2023.pdf. Accessed 24 July 2025.

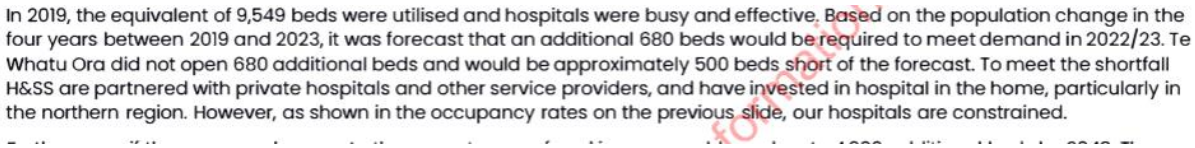
[6] ` Helyer Donaldson R. Older dementia patients putting health care staff at risk, senior doctor warns. Radio New Zealand. 1 July 2025. Available from https://www.rnz.co.nz/news/national/565580/older-dementia-patients-putting-healthcare-staff-at-risk-senior-doctors-warn. Accessed 22 July 2025.

[7] Te Whatu Ora Health New Zealand. Report on maternity web tool. Updated 24 July 2025. https://www.tewhatuora.govt.nz/for-health-professionals/data-and-statistics/maternity/report-on-maternity-web-tool. Accessed 5 August 2025.

ASMS concerns with Te Whatu Ora's Infrastructure Plan

We note that underinvestment over recent decades has led to the current well-documented health capital deficit we face today. As you are aware the cost of building new hospitals and patching up old ones is expected to escalate to nearly $47 billion over the next decade. We also note that in 2019 it was estimated that an extra 680 beds would be needed by 2022/23 on top of the beds in use at that time, but Te Whatu Ora was about 500 beds short of the forecast[8].

We note that the National Clinical Service and Campus Plan referred to in a media story and provided to us by the requestor, notes the opportunity to expand health services through the use of contracting out and outsourcing[8]. The report notes that contracting out and outsourcing has expanded the number of beds available to TWO without the need for the government to provide the infrastructure.


In 2019, the equivalent of 9,549 beds were utilised and hospitals were busy and effective. Based on the population change in the four years between 2019 and 2023, it was forecast that an additional 680 beds would be required to meet demand in 2022/23. Te Whatu Ora did not open 680 additional beds and would be approximately 500 beds short of the forecast. To meet the shortfall H&SS are partnered with private hospitals and other service providers, and have invested in hospital in the home, particularly in the northern region. However, as shown in the occupancy rates on the previous slide, our hospitals are constrained.

Screenshot from the National Clinical Service and Campus Plan

ASMS is opposed to such privatisation as a long-term strategy but also notes that while contracting out and outsourcing might increase the amount of physical infrastructure – theatres, beds – available to TWO, it will not expand the senior doctor workforce as the doctors who work in public and private hospitals are exactly the same people.

It is unclear to us how much Te Whatu Ora's infrastructure plan has influenced the Commission's plan overall. ASMS considers it is a step in the right direction that HNZ has produced a long-term plan. It is appropriate that the plan acknowledges differences in health outcomes between population groups, including Māori, Pacific, people with disabilities, and those in rural Aotearoa. It is also appropriate that it acknowledges health infrastructure has not been maintained or grown to a level to match healthcare demand, and that it suffers from a deficit in expenditure on renewal and remediation.

ASMS is concerned however, that Te Whatu Ora has not, and is not planning to, consult on their plan. It is unclear to us whether it has prioritised the right areas for work or whether critical areas are missing. Our view would need to be informed by our members' feedback which has not been sought.

We note, however that their infrastructure plan reads like any Te Whatu Ora or health policy document. It has laudable aims, but familiar vague phrases are used ("closer to home, "staged implementation"). We have seen many plans over a number of years for the health system, with no impact on reality on the ground for the health workforce. These are repeated failures of policy from a lack of ability to move from ideation to implementation.

[8] Hill R. Bill for new hospitals and repairs to cost $47b over next decade - Health NZ, Radio New Zealand. 14 August 2024. Available: https://www.nzherald.co.nz/nz/bill-for-new-hospitals-and-repairs-to-cost-47b-over-next-decade-health-nz/SAD76VJ2FVDI7NG55AAITCUJCE/

We are concerned HNZ's infrastructure plan will suffer the same implementation issues. It is unclear how HNZ will be accountable for delivery. We note that the plan also relies heavily on 'innovative digital models of care.' While ASMS' agrees that innovative digital models of care should be embraced, our concern is that such models of care won't be used as a method to enhance provision of care, but to replace in-person care.

In addition, ASMS have seen 'innovation' and 'new models of care' used almost as justification not to invest in the basics of what we are still going to need.

As mentioned previously we welcome that the plan references modelling of population demand. However, it does not mention population growth explicitly. While this should be implicit, population growth hasn't been included in previous Te Whatu Ora work, so we are concerned it's not specifically referenced.

We are also concerned that references to new models of care, digital innovation, and changing where we deliver care, is code for centralising specialists in the main centres and serving rural communities virtually. Should this be the case, we would ask that Te Whatu Ora consult on such an approach, and quantify any risks such as exacerbating postcode lottery, and driving existing inequities in health outcomes between rural and urban populations.

Finally, the reference to increasing innovation – "through better sharing of risk and reward" is unclear. We are very concerned that this is code for privatisation with government taking the risk and private firms the reward.

Ministry of Green Works

We note from the Commission's work and HNZ's Infrastructure Plan that a massive investment in facilities is needed which raises the question as to how best to deliver such investment.

The standard approach for governments is to contract-out construction and related services to the private sector. But given Aotearoa New Zealand needs to spend an estimated $210 billion over the next 30 years as many other public assets built in the 1950s and 1960s near the end of their lifecycles, there is a compelling case for establishing a 'Ministry of Green Works'[9] [10] [11] [12]. This has been promoted primarily as a solution to our public housing crisis and building green infrastructure such as railways. However, there is potential, over time, such an asset could be scaled up into at least contributing to our hospital building needs.

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[9] Sense Partners. New Zealand's Infrastructure Challenge. Final report. October 2021. Available from https://tewaihanga.govt.nz/our-work/research-insights/new-zealand-s-infrastructure-challenge-quantifying-the-gap-and-path-to-close-it. Accessed 24 July 2025.

[10] Harris M, Paul J. A Ministry of Green Works for Aotearoa New Zealand: A First Union Policy Report. October 2021. https://www.workersfirst.nz/media/853/853.pdf. Accessed 24 July 2025.

[11] Rashbrooke M. Reviving a modern Ministry of Works necessary to cope with modern infrastructure demands. Stuff. 11 March 2023. Available from https://www.stuff.co.nz/opinion/300827129/max-rashbrooke-reviving-a-modern-ministry-of-works-necessary-to-cope-with-modern-infrastructure-demands. Accessed 24 July 2025.

[12] NZ Council of Trade Unions. Building a Better Future. Available from https://www.buildingabetterfuture.org.nz/. Accessed 24 July 2025.

We also note the opportunity to use modular building structures that can adapt as Aotearoa's needs for medical care change. We would encourage the Commission to consider the provision of new hospital and publicly-owned health care facilities with modular features alongside an emphasis on low carbon techniques and structures as set out by the Ministry of Business and Innovation and Employment[13][14]. This would ensure our medical facilities were those appropriate for the modern environment.

Funding

We welcome the Commission's discussion of funding methods for Aotearoa's infrastructure needs. We agree that user charges for non-social infrastructure are regressive for those on low incomes and would encourage the Commission to consider options for offsetting the regressivity.

For social infrastructure funded by taxation, while taxation as a whole is not progressive as GST has a flat rate and not all capital income is taxed, depending on the design we note it is possible for any additional tax raised to fund social infrastructure to be progressive. That is through an expansion of the income tax base to include capital gains and a focus on increasing personal income taxes rather than GST to fund the deficit.

Finally, while we understand that the Commission's considers the current Government's debt policy to be a constraint, we would encourage them to be very clear on the returns on investment from increased infrastructure and maintenance compared to the opportunity cost of the status quo/doing nothing. This is with a view to ensuring the case can be made for higher levels of debt funding than the Government is currently proposing.

Should you have any questions or would like further information please don't hesitate to contact Andrea Black on 022 475 8959 Andrea.Black@asms.org.nz.

Nāku noa, nā

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[13] Ministry of Business, Innovation and Employment. Emerging trends in building design, technologies and materials. Building and Construction Sector Annual Report 2023. Available from https://www.mbie.govt.nz/building-and-energy/building/building-system-insights-programme/sector-trends-reporting/building-and-construction-sector-trends-annual-report/2023/emerging-trends-in-building-design-technologies-and-materials. Accessed 29 July 2025.