

Country Note: How does health spending in NEW ZEALAND compare?

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OECD Health Statistics 2015



OECD Health Statistics 2015 is the most comprehensive source of comparable statistics on health and health systems across the 34 OECD countries. Covering the period 1960 to 2014, this interactive database can be used for comparative analyses on health status, risk factors to health, health care resources and utilisation, as well as health expenditure and financing. OECD Health Statistics 2015 is available in OECD.Stat, the statistics portal for all OECD databases.

- ▶ **Growth:** Per capita health spending in New Zealand decreased by 1.3% in 2013 after three consecutive years of growths. In contrast, average per capita health spending in OECD countries has increased slowly since 2010.
- ▶ **Share of GDP:** The share of GDP allocated to health spending (excluding capital expenditure) in New Zealand was 9.5% in 2013, compared with an OECD average of 8.9%. This is a slight drop after the country reach 9.8%, the highest of all time, in 2012.
- ▶ **Per capita spending:** New Zealand spent the equivalent of USD 3328 per person on health in 2013, compared with an OECD average of USD 3453. Public sources accounted for 80% of overall health spending, well above the OECD average.

Figure 1. Annual health spending growth*, 2010-2013



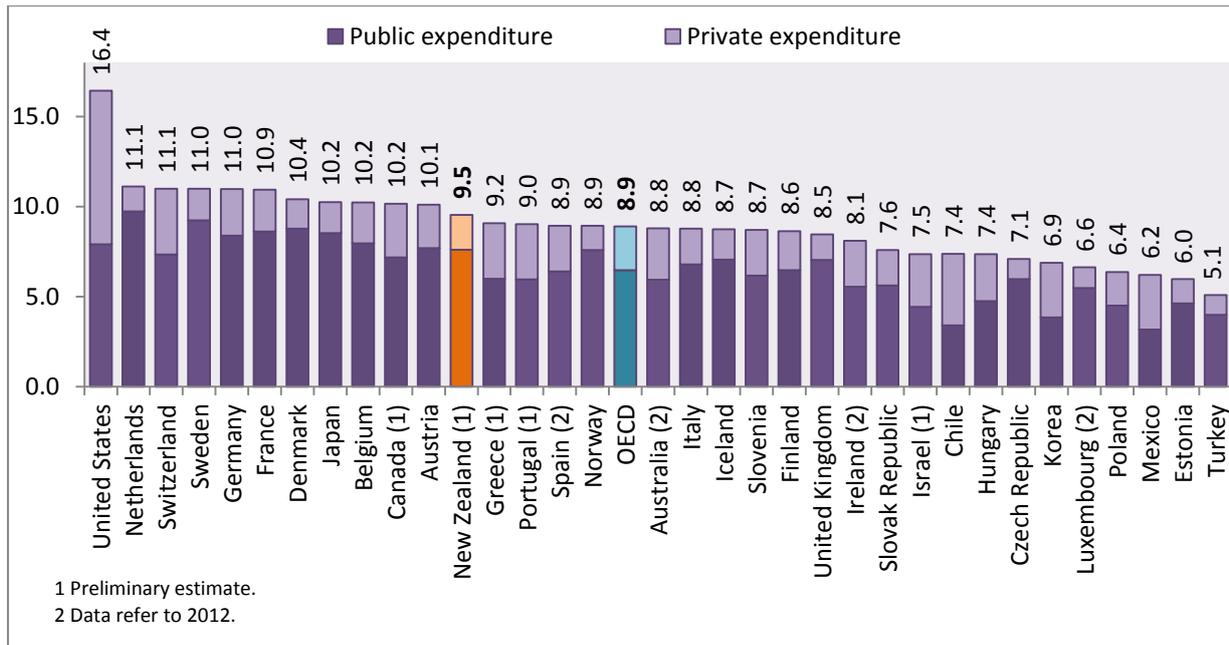
* Per capita spending in real terms
Source: OECD Health Statistics 2015

Health spending in New Zealand declines in 2013 after continued growth

In 2013, per capita health spending in New Zealand dropped by 1.3% in real terms - the first time after three consecutive years of growth above the OECD average. As with the majority of OECD countries, health spending growth in New Zealand has slowed down in recent years after the global economic crisis, averaging only around 1% per year in real terms from 2011 to 2013.

Public spending per capita grew strongly between 2001 and 2009, at an average of 5% per year. Since 2009, growth has been generally flat with a decline in 2013. A contributory factor in the slowdown in health spending in New Zealand has been slower growth in pharmaceutical spending. This is due partly to the growing share of the generic market (which accounted for 34% of the pharmaceutical market as value in 2013, up from 27% in 2008).

Figure 2. Health spending* as a share of GDP, 2013



* Excluding capital expenditure.
Source: OECD Health Statistics 2015

Health spending as a share of GDP in New Zealand above the OECD average

Health spending in New Zealand (excluding investment expenditure in the health sector) was 9.5% of GDP in 2013 (Figure 2), slightly above the OECD average of 8.9%. This has increased by 2 percentage points since 2000, as health spending outpaced economic growth in the 2000s.

The share of the economy allocated to health spending is slightly above Spain, Portugal and Greece, but well below the levels of the Netherlands and France (11.1% and 10.9% respectively).

The share of government spending in New Zealand as a share of total spending on health has remained relatively constant over the last decade at around 80%. This is well above the OECD average of 73%. Among OECD countries, only the United States and Chile report public spending on health below 50%.

About 20% of total health spending in New Zealand is privately funded, mainly through out-of-pocket payments. The private health insurance market is relatively small, funding only about 5% of total spending and supporting a more limited range of services than the public system.

Out-of-pocket spending at 13% of health spending has remained stable in recent years and is relatively low compared with some European countries such as Greece (31%) and Portugal (28%).

In per capita terms (adjusted for different price levels using economy-wide purchasing power parities), New Zealand spent USD 3328 per head in 2013. This compares with an OECD average of USD 3453.

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Further Reading

Focus on health spending:
www.oecd.org/health/health-systems/Focus-Health-Spending-2015.pdf

OECD Health Statistics 2015:
www.oecd.org/health/health-data.htm

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