

Media release  
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## **Auditor General's report undermines public confidence in Health policy**

A damning report from the Auditor General into contracts let by Ministry of Health to former employees has cast serious doubt on policy work around the Joint Trans Tasman Agency (JTA) to regulate natural health products.

“The 62% of New Zealanders who use natural health products are entitled to feel concerned that the Ministry has not thought through the implications of the policy towards an Australian-based regulator,” said Amy Adams, spokesperson for consumer group the NZ Health Trust.

In his report, the Auditor General said that of 60 contracts improperly given to former employees Allen & Clarke, “we were particularly concerned about a series of contracts... for the Joint Therapeutic Agency project”.

Both the principals of the firm Allen & Clarke were former or current employees of the Ministry working specifically on the JTA project, and were awarded \$540,000 worth of contracts without any contestability.

For many months Matthew Allen was employed 30 hours a week by The Ministry of Health on the JTA project, while working in his spare time on contracts for the Ministry.

When Mr Allen resigned at Christmas in 2001, and his company was given a non-contestable \$110,000 contract on JTA policy in January - while he was still working out his leave.

“This is just so shonky it's beyond belief that the Ministry expects anyone to trust them anymore,” Mrs Adams said.

“The Ministry has shown no regard for accountability in spending taxpayers' money. How can we trust anything it says about the policy to regulate natural health products cooked up by Allen & Clarke?”

The NZ Health Trust called on Health Minister Pete Hodgson to step in and order a independent assessment of all JTA policy work done by Allen & Clarke both while employed by the Ministry and as contractors.

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