

13<sup>th</sup> December 2021

Hon Grant Robertson  
Minister of Finance  
Parliament Buildings  
Wellington

Dear Minister

## **Lifting health research investment in the 2022 Budget**

New Zealanders for Health Research (NZHR) has repeatedly called for direct government investment in health research to be increased to 2.4% of health care costs over ten years, yet the track record over the last five years has seen a sharp fall from 0.82% in 2017/18 to 0.67% in the current year 2021/22. We project that doing nothing will result in investment of 0.5% of health care costs by 2024/25, a level which will prevail through to 2031/32.

This matters because the country not only forgoes the approximately 3:1 economic returns from greater investment, but also forgoes opportunities to save New Zealanders' lives - particularly the lives of the 7000 per year who die prematurely because the research which would identify effective interventions and innovations has not been done. NZHR identifies this as New Zealand's level of non-amenable premature mortality, and in our submission to the Pae Ora Legislation Committee we draw attention to the Māori rate of premature non-amenable mortality which stands at about twice that of the general population<sup>1</sup>.

Previously we have sought to address these concerns by engaging with the government's Finance and Expenditure Committee annual Budget Policy Statement consultation processes. However, it has become evident to us that this is too late to have any real prospects of influencing budget allocation outcomes, and this year we elected to engage, with the attached case, earlier and directly with MBIE officials responsible for recommending allocations for 2022/23.

The officials we engaged with wouldn't be drawn on the merits of our case, nor on whether they had escalated all or any elements of it for consideration. They did indicate however that the government's finances were coming under increasing pressure from the costs of responding to Covid 19 and that you as Finance Minister are therefore not viewing favourably proposals requiring new or additional expenditure.

While NZHR appreciates the tenor of this advice we believe that we have a special case, and that budget allocation decisions should be based on a clear distinction between expenditure and investment. In any case we believe that there are unspent allocations elsewhere which could be appropriately redirected to health research. NZHR asks therefore that you respond favourably to the attached case, which we believe is particularly compelling, as part of your decision making on the 2022/23 budget allocations.

Yours sincerely



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<sup>1</sup> <https://www.nz4healthresearch.org.nz/wp-content/uploads/2021/12/NZHR-Pae-Ora-Healthy-Futures-Bill-submission-version-final-091221.pdf>