

Budget Policy Statement 2023: NZHR oral submission to the Finance and Expenditure Committee

Thanks for the opportunity to present the New Zealanders for Health Research submission on the 2023 Budget Policy statement.

New Zealanders for Health Research - New Zealand's peak body representing the entire health and medical research pipeline - was established in November 2015 to bring about increased investment in health research from government, industry and philanthropy.

We are committed to bringing about best possible health for all New Zealanders, and we're on a mission to increase investment in health research as an essential and embedded component of all parts of New Zealand's health system, responsive to New Zealanders' unique health imperatives.

Health research saves and improve peoples' lives. We are therefore committed to ensuring that the results of health research are translated into policy, practice and individual decision making, and for there to be a level of investment in health research which allows this to happen as optimally as possible.

We are concerned that successive budgets over the past several years have neither increased allocations to health research (which therefore represents investment decreases in real terms), nor have the allocations ever been anything like sufficient in absolute terms.

We believe that this is a result of inadequacies in the Budget Policy Statements themselves - including the 2023 Budget Policy Statement - which in turn reflect inadequacies in Treasury's approach to understanding what constitutes wellbeing. Hence our submission.

We understand the significant cost pressures that the government currently faces, and the need to be selective about what will and won't be funded in the 2023 Budget.

However we think it is very short sighted to be under-investing in research and development in general, and health research in particular, and that these areas should be the subject of the new initiatives funding referred to in the Budget Policy statement's Forward.

Turning to the 2023 Budget Policy Statement itself we note on page 15 the statement that "the Budget 2023 objectives continue to focus on broad areas where there are the best opportunities to improve New Zealanders' wellbeing, as outlined in the first Wellbeing Budget in 2019. They are informed by extensive wellbeing analysis".

We don't agree that for health there has been "extensive well being analysis".

On the contrary we believe that the analysis is superficial and relies almost solely on self-reported measures of good health. Furthermore, stating that 88% of respondents of health surveys reported being in good health, without understanding the issues confronting the 12% who did not so report, risks unwarranted complacency.

In our written submission we have argued that self reported measures of health, by themselves, are an inadequate basis for making budget policy decisions.

The Budget Policy Statement's wellbeing objectives for Budget 2023 include "supporting improved health outcomes for all New Zealanders".

The best overall non-subjective indicator of well being in terms of health outcomes is premature mortality. In our submission we indicate that:

- Some 14,000 New Zealanders are dying each year before they reach the ripe old age of 75, and counting
- Māori are dying prematurely at twice the rate of non-Māori
- About half of these premature deaths are avoidable, or amenable
- The other half are considered non-amenable, or unable to be delayed or prevented because we have neither invested in, nor undertaken, the research that would identify how we could achieve better health outcomes
- Non-amenable mortality contributes to over \$3 billion dollars per year of lost productivity, the vast majority of which is attributable to cancers

It is not enough to merely live to a ripe old age. Our health system should also be aspiring for everybody to live *well* to a ripe old age. In this regard we agree with the Budget Policy Statement's emphasis on addressing mental health issues, and argue that this would be facilitated by increased investment in mental health research specifically.

In our submission we also draw attention to the government's inadequate investment in health research, which currently sits at about 0.8% of health care costs, and is projected to fall to about half a percent if nothing is done.

We've presented a case for increasing the investment level to 2.4% over ten years, and we request that the Budget Policy Statement be amended to send sufficient signals so that such a commitment can be made in the 2023 budget itself, and initiated in the 2023/24 year.

Noting that this is an election year budget we point out that 66% of our 2022 Kantar opinion poll respondents said that the 2022/23 budgeted allocation of \$173m was too low, only 9% said that an allocation of less

than 1% of health care costs (ie the status quo) was an appropriate level of health research investment, and 39% said it should be more than 2%.

Finally we note that page 18 of the Budget Policy Statement states that the overarching goals set for the parliamentary term are:

1. continuing to keep New Zealand safe from COVID-19
2. accelerating the recovery and rebuild from the impacts of COVID-19, and
3. laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability, child poverty and improved health outcomes.

Actually, it doesn't say improved health outcomes, but it should.

Thanks again for the opportunity to present this afternoon.

NZHR's full written submission can be read [here](#).



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