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**The Royal Australasian College of
Physicians' submission to Hīkina
Whakatutuki | Ministry of Business,
Innovation & Employment**

**Proposed Government Procurement
Rules 5th Edition 2025**

Paenga-whāwhā | April 2025

Introduction

The Royal Australasian College of Physicians (RACP) welcomes the opportunity to submit feedback to Hīkina Whakatutuki | Ministry of Business, Innovation & Employment (MBIE) on the proposed Government Procurement Rules 5th Edition 2025.

The RACP works across more than 40 medical specialties to educate, innovate and advocate for excellence in health and medical care. Working with our members, the RACP trains the next generation of specialists, while playing a lead role in developing world best practice models of care. We also draw on the skills of our expert members to develop policies that promote a healthier society. By working together, our members advance the interest of the medical profession, our patients and the broader community.

Background and current situation

Hīkina Whakatutuki | Ministry of Business, Innovation & Employment is seeking feedback on the proposed Government Procurement Rules 5th edition, 2025. The changes include the introduction of an 'economic benefit test', while dispensing with requirements for government agencies to:

- build new non-residential government buildings to a five-star rating standard
- purchase battery electric or hybrid electric vehicles (EVs)
- purchase low waste and/or recyclable office supplies
- pay the living wage in contracts for cleaning, catering and security guard services¹.

The RACP's position and response to MBIE's proposed Government Procurement Rules

Climate Change

The RACP finds it concerning that no mention of climate change is made within the Proposed Government Procurement Plan. Further, the proposed rules remove requirements for agencies to build or lease energy efficient buildings, purchase EVs, and use low waste and/or recyclable office supplies. These changes remove the responsibility for Government agencies to account for climate change and potential negative environmental impacts throughout the procurement process, and thereby disincentivises businesses from making low-emissions options available.

Anthropogenic climate change is a global public health emergency. Evidence shows the health impacts of climate change can be attributed to worsening environmental exposures such as ambient heat, air pollution, storms, floods, reduced water quality, reduced food production, increased food spoilage, and change in disease vectors. These exposures underlie health effects including heat stress illnesses, cardiovascular disease, infectious gastrointestinal disease, physical trauma, malnutrition, psychological stress, vector-borne disease, and other epidemic illness^{2 3 4 5}. In

¹ Willis, N. Going for Growth: new procurement rules. Wellington: Beehive. Available from: <https://www.beehive.govt.nz/release/going-growth-new-procurement-rules>. Accessed 27 March 2025.

² The Royal Australasian College of Physicians. Climate change and health position statement. Sydney: The Royal Australasian College of Physicians; 2016. Available from <https://www.racp.edu.au/policy-and-advocacy/policy-and-advocacy-priorities/climate-change-and-health>. Accessed 23 March 2025.

³ Watts N, Adger WN, Agnolucci P, Blackstock J, Byass P, Cai W et al. Health and climate change: policy responses to protect public health. [Internet] Lancet 2015;386(10006):1861-914. Available from [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(15\)60854-6/abstract](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(15)60854-6/abstract). Accessed 23 March 2025.

⁴ Costello A, Abbas M, Allen A et al. Managing the health effects of climate change: Lancet and University College London Institute for Global Health Commission. [Internet] Lancet 2009;373(9676):1693–1733. Available from [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(09\)60935-1/abstract](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(09)60935-1/abstract). Accessed 23 March 2025.

⁵ Smith, KR, Woodward A, Campbell-Lendrum D, Chadee DD, Honda Y, Liu Q et al. 2014: Human health: impacts, adaptation, and co-benefits. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. Field CB, Barros VR, Dokken DJ, Mach KJ, Mastrandrea MD, Bilir TE, Chatterjee M et al. (eds.)). Cambridge and New York: Cambridge University Press; 2014. pp. 709-754.

addition, forced migration and conflict caused by scarce food and water resources will have consequent impacts on health³.

As medical professionals at the frontline of climate change, the RACP is committed to transformative advocacy at local, national and global levels. Such a commitment is consistent with our professional duty towards the health and wellbeing of individuals and the community. In our position statements, the RACP supports The Paris Agreement's focus on mitigation of climate change by the reduction of atmospheric greenhouse gas emissions^{1 6 7 8}. **The RACP recommends the inclusion of climate change focused priorities within the Government Procurement Plan, with all procurement undertaken with a low-emissions lens.**

The RACP considers the proposals in the Government Procurement Plan to be a step backwards, and inconsistent with our positions on mitigating climate change through the reduction of greenhouse gas emissions. As such, **the RACP opposes the proposed removal of requirements for agencies to build or lease energy efficient buildings, purchase EVs, and use low waste and/or recyclable office supplies. Further, the RACP calls for the restoration of appropriate sustainability considerations in addition to the proposed 'economic benefit test'.**

The Living Wage

The RACP finds the removal of the requirement to pay cleaning, catering and security guard contractors the Living Wage concerning.

In our recent election statements, the RACP advocated for wider implementation of the Living Wage to contractors as well as employees. The Living Wage recognises that employment is much more than a transactional exchange between worker and their employer; it is a relationship across multiple people – the worker, their whānau, their employer, all surrounded by society. The Living Wage is a response to poverty, inequity and wealth disparity. It is calculated as the minimum per hour wage rate to enable a whānau to live with dignity and participate with their community⁹.

After-tax income has direct impacts on health and wellbeing for whānau. Households on low incomes and government benefits are more likely experience barriers to access healthcare, to afford nutritious diets, to meet household energy costs and to afford essential clothing, like decent shoes and a raincoat.

The RACP opposes the proposed removal of requirements for agencies to pay the living wage in contracts for cleaning, catering, security guard and all other services.

Conclusion

The RACP thanks MBIE for the opportunity to provide feedback on this consultation. To discuss this submission further, please contact the NZ Policy and Advocacy team at policy@racp.org.nz.

⁶ The Royal Australasian College of Physicians. Environmentally sustainable healthcare position statement. Sydney: The Royal Australasian College of Physicians; 2016. Available from <https://www.racp.edu.au/policy-and-advocacy/policy-and-advocacy-priorities/climate-change-and-health>. Accessed 23 March 2025.

⁷ The Royal Australasian College of Physicians. The health benefits of mitigating climate change position statement. Available from <https://www.racp.edu.au/policy-and-advocacy/policy-and-advocacy-priorities/climate-change-and-health>. Accessed 24 July 2024.

⁸ UNFCCC. The Paris Climate Agreement; 2016. Available from https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf. Accessed 23 March 2025.

⁹ The Royal Australasian College of Physicians. Make it the Norm: Good Work. The Royal Australasian College of Physicians; 2020. Available from: <https://www.racp.edu.au/policy-and-advocacy/make-it-the-norm/good-work>. Accessed 27 March 2025.

Nāku noa, nā

A handwritten signature in blue ink, appearing to read 'Hamish McCay', with a long horizontal flourish extending to the right.

Dr Hamish McCay
Aotearoa NZ President
The Royal Australasian College of Physicians