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**The Royal Australasian College of  
Physicians' submission to the Finance  
and Expenditure Committee**

**Budget Policy Statement 2025**  
Kohitātea | January 2025

## Introduction

The Royal Australasian College of Physicians (RACP) welcomes the opportunity to submit feedback to the Finance and Expenditure Committee on the proposed Budget Policy Statement 2025 (BPS).

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.

## The RACP's Position and Response to the Budget Policy Statement 2025

The RACP supports the inclusion of “improved health outcomes” as one of three overarching goals of the BPS.

Unfortunately, there is a notable lack of focus on health throughout the remaining 17 pages of the BPS.

The RACP agrees that managing within the remaining allowance of \$700 million made for services delivered by Health New Zealand (following pre-commitments and non-discretionary forecast items) will be challenging. We all know that public health is not a luxury – it is a necessity.

- While the BPS mentions demographic, volume and price pressures for frontline health services, the RACP considers the separation of ‘frontline services’ from ‘backroom support’ to be counterproductive, resulting in a less efficient and effective public health service. An RACP member noted that defunded and reduced booking and administration staff have left unfilled gaps in public health clinics, with from a lack of ‘backroom support’ staff available and physicians not having the time to undertake these additional tasks themselves.
- The RACP asks that the Government continues to support labour intensive services, from inpatient care to community services (e.g. rehabilitation services, geriatric care, community mental health services). Studies have shown that investment in community-based health services and prevention programs net overall savings in health care costs<sup>1,2</sup>.
- The RACP asks that the Government continues to support public health as a specialist service, as a means of monitoring for, and managing, future pandemics.
- The RACP supports the additional funding to Pharmac, including up to 26 cancer treatments. This will have the potential to address many inequities that were occurring in the provision of treatment to New Zealanders.

<sup>1</sup> Richardson, A. Investing in Public Health. Canterbury District Health Board; 2009. Available from [www.cph.co.nz/wp-content/uploads/investinginpublichealth.pdf](http://www.cph.co.nz/wp-content/uploads/investinginpublichealth.pdf). Accessed 24 January 2025.

<sup>2</sup> Canterbury District Health Board. Investing in Public Health – An update. Canterbury District Health Board; 2019. Available from <https://www.cph.co.nz/wp-content/uploads/InvestingInPublicHealthUpdate.pdf>. Accessed 24 January 2025.

## Climate Change

The RACP finds it concerning that no mention of climate change, or appropriate allocation of funds for mitigation and/or adaptation to climate change, was made within the BPS 2025.

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 frequency and intensity, flooding, reduced water quality, reduced food production, increase food spoilage, and change in disease vectors. These exposures underline health effects including heat stress illnesses, cardiovascular disease, infectious gastrointestinal diseases, physical trauma, malnutrition, psychological stress, vector-borne diseases, and other epidemic illness<sup>3,4</sup>. In addition, forced migration and conflict caused by scarce food and water resources will have consequent impacts on health<sup>4</sup>.

The RACP remains committed to addressing climate change, and recommends the inclusion of climate change focused goals and priorities within the BPS 2025. Further, the RACP asks the Government to consider within their funding the movement of health services to a carbon neutral status over time.

## Te Tiriti o Waitangi

The RACP finds it concerning that there is no clear consideration of the Government's obligations under te Tiriti o Waitangi within the preparation of the BPS 2025. The RACP calls for the Government to achieve its goals, including addressing indigenous health inequities, through upholding the principles of te Tiriti o Waitangi (Tino Rangitiratanga, active protection, partnership, equity, and options).

## Social Determinants of Health

Our members have observed a collective failure in Aotearoa New Zealand to break the cycle of treating a person's illness before sending them back to the environments that initially made them ill.

The RACP recognises that 80 per cent of the drivers of health are factors that lie outside healthcare services, such as housing, transport, food and work conditions – evidence detailed in the Health and Disability System Review Report<sup>5</sup>. The influence of the social determinants of health on outcomes is longitudinal, and impacts many different domains, as highlighted in the world-renowned Dunedin Multidisciplinary Health and Development Study and Growing Up in New Zealand Study<sup>6,7</sup>.

<sup>3</sup> 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 27 January 2025.

<sup>4</sup> 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 27 January 2025.

<sup>5</sup> Health and Disability System Review. Final report. Ministry of Health, 2020/ Available from: <https://systemreview.health.govt.nz/>. Accessed 27 January 2025.

<sup>6</sup> Growing Up In New Zealand [Internet]. Available from: [Home | Growing Up in New Zealand](#) Accessed 28 January 2025.

<sup>7</sup> The Dunedin Study – Dunedin Multidisciplinary Health & Development Research Unit [Internet]. Available from: [The Dunedin Study - Dunedin Multidisciplinary Health & Development Research Unit \(otago.ac.nz\)](#) Accessed 28 January 2025.

Our campaign for equity, Make it the Norm, recognises the roles inadequate incomes, substandard housing and insecure work play in poor health outcomes for New Zealanders. We advocate for solutions that address these issues at the structural and systems level<sup>8</sup>.

The RACP calls for the BPS 2025 to provide more detail on how it will strategically invest across multiple budgets to address the societal factors (including climate change, housing quality and affordability and child poverty) that affect health. With adequate funding a range of ministries and agencies can then embrace a model of shared responsibility to address these determinants.

## Conclusion

The RACP thanks the Finance and Expenditure Committee for the opportunity to provide feedback on this consultation.

To discuss this submission further, please contact the NZ Policy and Advocacy Unit at [policy@racp.org.nz](mailto:policy@racp.org.nz).

Nāku noa, nā



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**The Royal Australasian College of Physicians**

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<sup>8</sup> Royal Australasian College of Physicians. Make It The Norm: Equity through the Social Determinants of Health. Royal Australasian College of Physicians; 2020. Available from <https://www.racp.edu.au/advocacy/make-it-the-norm>. Accessed 27 January 2025.