



23 January 2019

**Submission to the Finance and Expenditure Committee:
Budget Policy Statement 2020**

The New Zealand College of Public Health Medicine would like to thank the Finance and Expenditure Committee for the opportunity to make a submission on the 2020 Budget Policy Statement.ⁱ

The New Zealand College of Public Health Medicine (the College) is the professional body representing the medical specialty of public health medicine in New Zealand. We have 223 members, all of whom are medical doctors, including 178 fully qualified Public Health Medicine Specialists with the majority of the remainder being registrars training in the specialty of public health medicine.

Public Health Medicine is the branch of medicine concerned with the assessment of population health and health care needs, the development of policy and strategy, health promotion, the control and prevention of disease, and the organisation of services. The NZCPHM partners to achieve health gain and equity for our population, eliminating inequities across socioeconomic and ethnic groups, and promoting environments in which everyone can be healthy.

The Wellbeing approach

The College recognises the distinctive approach that Treasury used last year in delivering New Zealand's inaugural Wellbeing Budget.¹ The College has previously expressed its support for this approach, which marked a shift in measurement by the Treasury from a focus on fiscal and economic variables alone, to a focus on the development of intergenerational wellbeing.² Embedding the attainment of wellbeing goals at the core of the budget allocation process is a strategic approach that moves beyond the simple measuring of narrow, conventional fiscal measures. Focussing solely on economic growth can be counterproductive and associated with poor outcomes such as greater inequities and environmental degradation. Economic growth should not be viewed as the sole measure of a country's success; the fair distribution of health, well-being and environmental and social sustainability are equally important goals.²

This wellbeing approach is consistent with public health principles and values.ⁱⁱ Public health is a key driver and enabler of sustainable development and increased investment in public health will provide the foundation for a healthy and productive society.³ Therefore the College supports the

ⁱ New Zealand Treasury. Budget Policy Statement 2020. Wellington: Treasury, 2020.
(<https://treasury.govt.nz/system/files/2019-12/bps2020.pdf>)

ⁱⁱ As defined in the Budget Policy Statement, wellbeing means giving people the capabilities to live lives of purpose, balance and meaning to them. A wellbeing approach aims to improve New Zealanders' living standards and includes tackling long-term challenges (Budget Policy Statement 2020, pg. 3)

government's intention to deliver another Wellbeing Budget in 2020 in line with the wellbeing approach adopted in 2019.

The College recognises the complexity of the issues that are being tackled in the Budget. We agree that the priority areas for address need sustained investment and cannot be tackled by one budget alone. We believe investment in the stated priority areas will make a positive difference in the lives of New Zealanders and we are pleased to see the continuance and expansion of work in the priority areas from Budget 2019.¹

The College commends the collaborative approach taken in Budget 2020, whereby a coordinating Minister has been appointed for each of the five Budget priorities and is working with relevant Ministers to develop initiatives targeting their priority's wellbeing outcomes. Social, economic and environmental factors are interconnected and impact on health and wellbeing. Health is a key determinant of wellbeing, but this relationship is bidirectional – wellbeing also impacts on health. Most of the societal determinants of health (the conditions in which people are born, grow, live, work and age, including factors such as indigenous status, early life conditions, disability status, education, employment / unemployment and working conditions, food security, gender, health care services, housing, income, ethnic differences, social position and social exclusion) are also determinants of wellbeing. Many of these determinants lie outside the health sector and accordingly require an inter-sectoral and whole-of-government approach to tackle.³ Moreover, exposure to the social determinants of health is disproportionate through society resulting in unfair differences in health outcomes between groups. The achievement of equitable health outcomes, especially for Māori, is a responsibility of all sectors, not just the health sector.⁴ We strongly support the use of an intersectoral and 'Health in All Policies' approach to tackling these issues.³

The Living Standards Framework

In our submission on the Budget Policy Statement 2019, the College expressed its concern that the Treasury's Living Standards Framework (LSF) needed to better express Te Ao Māori perspectives, children's wellbeing, and NZ cultural identity.² The College is pleased to see that Treasury has acknowledged these limitations in the current LSF and Dashboard and is working to refresh the LSF in 2021, to better reflect these priority areas.ⁱⁱⁱ

Priority Areas

The College is supportive of four of the five budget priorities identified for 2020:

1. Supporting New Zealanders in the transition to a climate-resilient, sustainable and low-emissions economy.

The College supports this as a priority area and is pleased to see the government acknowledge New Zealand's high greenhouse gas emissions and recognise climate change as the greatest challenge of our time. Climate change is a serious emerging risk to global public health, development and equity.⁵ Climate change is almost certainly already contributing to the global burden of disease and

ⁱⁱⁱ New Zealand Treasury. Budget Policy Statement 2020 (pg. 3). Wellington: Treasury, 2020. (<https://treasury.govt.nz/system/files/2019-12/bps2020.pdf>)

premature death, with larger health impacts expected over coming decades. In New Zealand, Māori, Pacific, vulnerable, and lower socioeconomic populations are at risk of disproportionate health impacts from climate change. Thus, climate change presents an unprecedented opportunity to improve health and health equity and reduce costs for the health sector.⁶

The College is supportive of the initiatives outlined in this Budget Policy Statement which mark a transition to a climate-resilient, sustainable and low-emissions economy. We have previously commented on the need for climate protection in Aotearoa that is fast, fair, firm and founded in te Tiriti o Waitangi.⁷ We have expressed our support for the Zero Carbon Bill's intention to limit global warming to no more than 1.5°C above preindustrial levels and to set up an independent Climate Change Commission to monitor progress towards emissions reduction and adaptation.⁸ We are also supportive of the Essential Freshwater package. New Zealand's degrading freshwater quality impedes our ability to adapt to and mitigate imminent climate threats and vice versa. Moreover, there is an inextricable link between the health of our waterways and the health of our citizens.⁹

2. Lifting Māori and Pacific incomes, skills and opportunities

The College agrees that this is a high priority. Inequities in the standards of living between Māori or Pacific, and non-Māori or non-Pacific Peoples in New Zealand have led to compelling inequities, which are large, pervasive and persist across the lifespan and over time.^{10, 11} Action taken to reduce such inequities, through investment in the social determinants of health, will have a profound effect on the quality and longevity of life for everyone in society. It will also yield positive impacts on the economy; productivity losses through illness, societal costs from mental illness, violence and incarceration, healthcare costs, and the number of people receiving benefits, would all be reduced.¹² Any focus on wellbeing must therefore put at its core the achievement of equity in wellbeing and health.

The College welcomes the investments into Strengthening Pacific Peoples' aspirations through the Budget 2019 'Supporting our Pacific Communities' package. In order to tackle New Zealand's compelling health inequities, New Zealand's health workforce must be representative. We are therefore particularly supportive of the investment into the Pacific health workforce and would like to see a similar investment made into the Māori health workforce in Budget 2020.

3. Reducing child poverty and improving child wellbeing

The College agrees that this is a high priority. New Zealand has an unacceptably high number of children growing up in material poverty (13% of children living in material hardship and 6% of children, approximately 65,000, living in severe material hardship).¹³ Childhood poverty has significant effects on health, both in the short-term and long-term. To attain high levels of wellbeing for the population and reduce the intergenerational effects of poverty, a focus on reducing child poverty is important.

Moreover, reducing child poverty and improving child wellbeing is not only a social justice issue but also critical to economic growth. Investing in New Zealand's children means investing in the latent talent of this group and realising their potential for contribution to innovation, economic growth and ultimately the wellbeing of all New Zealanders.¹⁴

The College notes that reducing child poverty and improving child wellbeing was a priority in Budget 2019, however we would like to see more done to address the serious problem of inadequate

incomes, as well as an increase in benefits that reflects the real costs of living for families, and the Working for Families tax credits improved for all families.¹⁵ We believe that work towards reducing child poverty needs to be significantly accelerated to meet child poverty reduction targets as per the Child Poverty Reduction Act 2018 and the Sustainable Development Goals (which require governments to at least halve the proportion of children living in poverty by 2030).¹⁶

In New Zealand there is a strong correlation between poor housing conditions and poor health and health equity; Māori and Pacific Peoples, those of low socioeconomic position and children living in poverty are over-represented in poor-quality housing, contributing to further illness and injury.^{17, 18} Initiatives to grow the quantity and quality of New Zealand's housing stock in Budget 2019, such as Housing First, additional public transitional housing and regulating minimum standards for renters were a good first step. The College notes that transforming the housing market is a key economic shift area in the Government's economic plan in the 2020 Budget Policy Statement. We are pleased to see the government's intention to sustain the focus on housing initiatives in Budget 2020 and invest in physical assets; this will target the affordability of New Zealand's housing, in order to make improvements in the wellbeing of New Zealand families and children.

4. Supporting improved health outcomes for all New Zealanders.

The College agrees that this is a high priority. In 2017 the College identified eight key priorities for the attainment of health and wellbeing for all New Zealanders¹⁹:

- Improving Māori health
- Achieve Health Equity,
- Reduce Child Poverty and improve child health
- Mitigate Climate Change
- Improve the quality and quantity of New Zealand's housing stock
- Support New Zealand to be smoke-free by 2025
- Address childhood obesity
- Reduce harm from alcohol consumption.

In 2020 the College has identified three further key areas for priority action: improving Pacific Peoples' health, improving mental health and committing to antimicrobial stewardship as a national priority. The College notes the high congruence of the 2020 Budget Policy Statement priority areas and the College's own identified priority actions for health in New Zealand.

The College is committed to supporting the achievement of equity in health outcomes, particularly Māori health outcomes, and we believe this must be reflected with high priority in the Budget 2020, in order to support improved health outcomes for all New Zealanders. This is especially pertinent, given the recent findings of the Waitangi Tribunal Health Services and Outcomes Kaupapa Inquiry (Wai 2575). Lack of accountability to achieving health equity in outcomes for Māori, inadequate data reporting on the performance of the primary care system for Māori and unconscious bias in the sector are all markers of the presence of institutionalised racism in the New Zealand health system.⁴

The College notes that supporting mental wellbeing for all New Zealanders was a Budget priority in 2019 and is pleased to see continuance of this priority in the 2020 Budget Policy Statement. New Zealand experiences a devastating burden of mental illness, suicide and unmet need for mental health services, particularly primary mental health services.²⁰ This is hugely costly to both individuals

and society and disproportionately affects those of lower socioeconomic position and Māori and Pasifika communities. The College recognises the importance of an approach that promotes positive mental health as well as the prevention and treatment of mental illness, with a focus on achieving equity in mental health outcomes.

The College notes the Government's investment into the health workforce, and the increasing numbers of nurses, doctors, midwives and allied health workers over the past two years. We note that this increased investment has thus far not extended to the public health medicine workforce. It is our view that a focus placed on the College's identified key priorities would significantly improve health and wellbeing for all New Zealanders. To achieve this would require an increased and sustained investment in effective public health policy, programmes and services as well as the public health medicine workforce.²¹ The College would like to see the urgent finalisation of *Te Uru Kahikatea* (the Public Health Workforce Development Plan), and additional investment into the public health workforce. An adequate public health workforce will be essential to achieving the wellbeing goals of the 2020 Budget.

Thank you for the opportunity for the NZCPHM to submit on the Budget Policy Statement 2020. We hope our feedback is helpful and are happy to provide further clarification on matter covered in this submission.

Sincerely,



Dr Felicity Dumble, President, NZCPHM

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