

New Zealand Parliament - Finance and Expenditure Committee  
**Budget Policy Statement 2024**

April 2024

# Improving outcomes for our communities

# Royal Australian and New Zealand College of Psychiatrists Submission

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### About the Royal Australian and New Zealand College of Psychiatrists

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) is a membership organisation that prepares doctors to be medical specialists in the field of psychiatry, supports and enhances clinical practice, advocates for people affected by mental illness and advises governments on mental health care.

The RANZCP has over 8400 members including more than 5900 qualified psychiatrists and over 2400 members who are training to qualify as psychiatrists. Psychiatrists are clinical leaders in the provision of mental health care in the community and use a range of evidence-based treatments to support a person in their journey of recovery.

### Introduction

Tu Te Akaaka Roa, the New Zealand Office of the RANZCP welcomes the opportunity to provide input on the Budget Policy Statement 2024 (the Statement).

The RANZCP acknowledges the Government's intention to improve health outcomes and improve public service provision. However, we are concerned that the Statement does not reflect a sufficient focus on health, and particularly mental health services. The Statement outlines the Government's plan to improve wellbeing as a secondary outcome of an improved economy. However, research does not support the idea that economic growth improves population-wide wellbeing in developed countries [1, 2].

Tu Te Akaaka Roa urges the Government to prioritise an investment in effective, safe, people-centred, culturally responsive, and equity-enhancing mental health care. Investing in mental health care is a wise social and economic investment. Poor mental health costs an estimated 5% of the gross domestic product, while investment in psychosocial support services not only improves wellbeing but also productivity and economic outcomes [1, 3-6]. The impact of social determinants of health such as poverty, homelessness, chronic stress, childhood trauma, and intergenerational trauma are well documented [7-12], and we must address the underlying factors and invest in responsive support services to end our nations mental health crisis.

Based on our sound knowledge of the mental health and addiction system, the RANZCP recommends the following investment priorities:

- Develop the mental health workforce
- Increase ring-fenced funding for mental health services
- Fund a national survey on population need

### Recommendations

#### *Develop the mental health workforce*

Chronic underfunding of the mental health and addiction sector has directly contributed to persistent workforce shortages and significant shortfalls in service provision. More clinicians are leaving the workforce, unable to cope with the impacts of an under resourced mental health system. As a result, we are seeing an exponential growth in vacancies, higher rates of burnout, and an increasing demand for services. The consequences are evident in suicide rates, increasing levels of psychological distress, rising demands for services, and decreasing quality of care; with more than half of psychiatrists over the age of 55, the situation is going to worsen over the coming years.

A significant investment in the mental health and addition workforce with effective recruitment, training and retention is essential. We cannot emphasise this enough. Without a diverse, skilled, and sustainable workforce, it will be impossible to improve the physical and mental wellbeing of New Zealanders and meet the Government's health targets.

A clear focus on training Māori and Pacific clinicians is crucial to better reflect the communities they serve and improve care for Māori and Pacific peoples, who experience persistent and significant inequities in health outcomes.

### *Increase ring-fenced funding for mental health services*

We tautoko the investment in integrative models of care which has allowed more New Zealanders to access mental health support in the community. However, a lack of investment in specialist mental health services means that people are left adrift unable to access specialist support in an under-resourced public health system. The consequences are dire and expensive, both in the short and long term. We see higher levels of psychological distress, more presentations at emergency departments and longer wait times for specialist care.

The RANZCP advocates for a significant increase in ringfenced mental health funding to enable tāngata whaiora to access responsive, culturally appropriate, and high-quality mental health care in line with the Government's vision.

### *Fund a national survey on population need*

Aotearoa New Zealand's only national mental health survey, Te Rau Hinengaro, was completed almost 20 years ago and only included adults, so we lack up-to-date data to describe the mental health and addiction difficulties experienced by New Zealanders. As a result, services are not based on actual population need, which perpetuates the cycle of crisis, exacerbates inequities, and creates significant direct and indirect costs to society and the economy.

To ensure Government investment is targeted at the right areas and delivers appropriate return on investment, we recommend investing in research to understand the prevalence of mental health and addiction in Aotearoa New Zealand.

Thank you for the opportunity to provide feedback on this important matter. Tu Te Akaaka Roa strongly urges the Government to invest in mental health and related services that enable whānau whaiora to live well and access timely support when needed. It is a smart social and economic investment. If you have any further questions regarding this letter, please contact the New Zealand National Office - Tu Te Akaaka Roa via [nzoffice@ranzcp.org](mailto:nzoffice@ranzcp.org).

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