



13.2.23 Oral SUBMISSION to Finance and Expenditure Select Committee on 2023 Budget Policy Statement

Tena koutou katoa. I'm Peter Garrick Executive Secretary of the Justice & Peace Commission of the Catholic Diocese of Auckland which is established to promote justice and peace especially for the poor and marginalised in New Zealand society.

I'm also a secondary school teacher having taught in Samoa, Fiji, Niue and here in Aotearoa currently at Northern Health School. Loraine Elliott Vicar for Social Impact and Communication for the Diocese was hoping to join me today but unfortunately is not well enough to do so.

In our written submission we focussed on goal 3 in BPS p.18 & 19 **Laying the foundations for the future**, including addressing key issues such as our **climate change response, housing affordability, and child poverty**. In addition we stressed the importance of investing in the effective rehabilitation of prisoners released into the community.

Today as we in the North face another adverse weather event, I'll comment on each of these and also on the importance of Budget 2023 restoring to schools staffing support to enable our children to keep attending school.

Climate change

The current weather events causing so much destruction to our country and cities points to the need for substantive efforts to address the climate change crisis we are currently facing.

We are already three years into the very critical period of 2020 to 2030 and greenhouse gas emissions show no signs of being curbed quickly.

At the same time we advocate for a sustainability yardstick to be applied to all long-term investments and be included as a **'wellness and sustainability'** focus for Budget 2023 instead of just a 'wellness' one. That means that all Government spending needs to consider both environmental and social

sustainability. Without such a policy change we are in danger of increasing the problem rather than alleviating it.

Housing affordability

We are encouraged that BPS 2023 states

‘The Government remains committed to providing a safety net for people who need **public housing**.’ (p.12).

It goes on to say ‘10,688 homes have been added to the public housing stock since 2017’

But what is not clear is how many state houses have been removed or demolished in that time. It would be helpful to know the net gain in public housing and how this could be increased given the large number of families waiting for housing.

As a Diocese we work closely with Monte Cecilia and De Paul house who provide wrap-around support for people in most housing need.

Jan Rutledge General Manager of De Paul House says:

‘The importance of affordable and sustainable housing is the key to addressing social and economic inequalities, and ensuring that children have a secure start in life. Government cannot do this alone and should focus on working with community housing providers, and resetting their funding parameters, so that housing stock reflects the aspirations of Māori and Pasifika. Not everyone wants to live in 2 or 1 bedroom housing which is what is being built by Kainga Ora.’

Also Vicki Sykes CEO of Monte Cecilia Housing Trust urges the Government to encourage more community partnerships and a reversal of the ‘re-directs’ policy which is clogging up the housing pipeline for so many families.

The number of households on the Register for public housing continues to rise in spite of apparent efforts to reduce eligibility.

It is abundantly clear that there is a huge lack of public housing units to accommodate those who need them and this has been the situation for far too long.

We urge the Government to be prepared to put large resources of land and money towards tackling this pressing societal problem in partnership with Community Housing Providers.

A specific major allocation of funding to provide **more public housing** should be a priority in the Budget together with substantive funds to continue and extend the **Progressive Home Ownership Fund** which enables NZ families to purchase homes through shared ownership, rent to buy and leasehold schemes.

Child poverty

We ask that child poverty be addressed in the 2023 Budget by providing sufficient funds to lift the wellbeing of families in need so they have a decent income to support themselves.

The Wellbeing of Māori and Pacifica families are among those most affected. Their children's wellbeing and others of similar need would be immediately improved if the key recommendation of the Social Welfare Expert Advisory Group to **increase the base benefit for families** by between 12 and 47 percent was implemented.

This would be a game changer in term of making significant inroads into addressing the child poverty that has been tolerated for far too long in New Zealand.

The more substantive change is delayed the more children are suffering damaging their development for life and making it more difficult to attend school on a regular basis.

Education

We are encouraged by the 2023 BPS statement that *'our decisions at Budget 2023 will be guided by our ambition to reduce child poverty, address family and sexual violence, and improve education outcomes and housing quality – all key determinants of child wellbeing.'*

School attendance is so crucial to low-income families particularly those most affected by housing and income insecurity.

BPS 2023 acknowledges the drop in educational attendance including *'Data shows that 59.7 per cent of students attended school regularly (9 in 10 days) in 2021 and 7.7 per cent of students were chronically absent (attending seven or fewer days in every 10)'*.

The statement goes on to suggest that this is due to the various waves of the pandemic whereas in our earlier submissions on this including the one on Māori Education we point to a massive decline in NZ school attendance 2016-2019 as going back to the 2015 withdrawal of direct funding to schools to employ attendance officers. Some of this has been restored in the last 12 months in a very narrow and patchy 'pilot' scheme for a few schools but it would be good if Budget 2023 provided full implementation for all schools.

BPS 2023 (p.6) says 'The Government has a clear focus on improving attendance and has set targets to lift regular attendance rates to 70 per cent in 2024 and 75 per cent in 2026.' We can't see this happening without such structural changes and significant budget input.

Investing in Prisoner Rehabilitation

In our written submission we urge the Government to address a long-standing injustice to some of the 'forgotten people' of our society and decreasing reoffending by released prisoners by immediately increasing their woefully inadequate '**Steps to Freedom**' grant in accordance with the Reserve Bank inflation calculator so they are no longer 'doomed to fail'.

Māori make up over 50% of all persons in prison, more than six times their proportion in the population. In addition over 60% of prisoners suffering from mental health and addiction disorders.

We believe it is time to get serious about adequately funding addiction services and back-to-work schemes so released prisoners can start their re-integration to society. The long-term fiscal and societal benefits of doing this would be significant for us all.

I thank the Committee for their time today and for the convenience of members will send through a copy of our oral submission. I'm happy to answer any questions.

Summary of main recommendations:

We urge the Government through its Budget Policy Statement to lay the framework to

- introduce a **'sustainability' focus** to its 'wellness outlook' for Budget 2023 to reduce the risk that 'wellness' provisions for this generation will in effect be stolen from future generations
- provide substantive and effective funding for **climate change action** and the use of the **sustainability long-term fund** to work toward towards a circular economy that minimises waste, encourages biodiversity and protects the natural habitats for plant and animal species
- give a specific major allocation of funding to provide **public housing** for the more than 25,000 families in greatest need who are currently on the Register for public housing
- substantially increase the funding and implementation of the **Progressive Home Ownership Fund** that helps families purchase homes through shared ownership, rent to buy and leasehold schemes
- address **child poverty** by including in the 2023 Budget sufficient funds to lift the wellbeing of families in need by enabling them to have a decent income to support themselves by substantially increasing the **base benefit** for families and continuing to increase the **minimum wage**
- invest in the **rehabilitation of prisoners** released back into the community so as to avoid the prison gate being a 'revolving door' that 'sets them up to fail' with immense social and economic consequences.
- reinstate the direct staffing funding to schools to address falling **school attendance**

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