



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

Peter

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

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 urged the Gocomment on the importance of investing in the effective rehabilitation of prisoners released into the community

We commend the governments for its overarching goals and intention to focus on implementing a Child and Youth Wellbeing Strategy (p.18 & 19 of BPS 2023):

'Overarching goals

The overarching goals set for this parliamentary term are:

- 1 Continuing to keep New Zealand safe from COVID-19*
- 2 Accelerating the recovery and rebuild from the impacts of COVID-19*
- 3 Laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability, and child poverty*

'Budget 2023 decisions will also be guided by the Government's Child and Youth Wellbeing Strategy, continuing our work to make New Zealand the best place in the world to be a child. There is no silver bullet to fix the long-term disadvantages faced by many children. But 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.'

We wish to comment on

Climate change

The Budget Policy Statement is to be commended for its emphasis on the longer-term budget planning which has taken place in this area. The establishment of the Climate Emergency Response Fund (CERF) 'as an important feature of the annual Budget process to support our climate change objectives' (p. 22 BPS 2023)

This needs to be matched by quick and bold action in the face of 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. That means that within both the climate change spending and all other spending, both environmental and social sustainability needs to be considered.

Allied to this is the need to effectively deal with **pollution**, establish a **circular economy** that provides incentives to encourage the re-use of materials and promote **biodiversity** before any more plant and animal species become extinct, and more habitats destroyed.

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).

While ‘10,688 homes have been added to the public housing stock since 2017’ it is not clear 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.

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.’

Vicki Sykes CEO of Monte Cecilia Housing Trust urges the Government to encourage more community partnerships especially CHPs 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.

A specific major allocation of funding to provide **more public housing** should be a priority in the Budget.

We acknowledge the Government’s serious attempts to reign in the **private housing** market and support the topping up in this Budget of the July 2020 **Progressive Home Ownership Fund** which anticipated to help between 1500 and 4000 NZ families purchase homes

through shared ownership, rent to buy and leasehold schemes. The demands are too great for this to be a one-off allocation of funding. Further funds should be allocated to continue and extend the schemes.

Child poverty

We commend the first steps taken in the May 2021 and 2022 Budgets to redress the injustice of the 1991 slashing of base rates of Social Welfare payments to some of our most vulnerable families that has led to decades of **intergeneration poverty** as identified by the Social Welfare Expert Advisory Report.

Implementing recommendation 20 of this report would enable so many families to support themselves with dignity and start New Zealand on the road to reverse the march of child poverty that is so unnecessarily blighting so many lives.

We ask that child poverty be addressed 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** in line with accumulated inflation ,
- continuing to increase the minimum wage, and
- establishing a Social Welfare Commission to ensure all families access the assistance they are entitled to in times of need.

What is needed now is substantive action to address this massive injustice that prevents the poorest and most vulnerable in society being able to genuinely participate in building a decent society for all.

The Wellbeing of Māori and Pacific families are among those most affected. Their children's wellbeing 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. Such a move would have a significant effect on lifting Māori and Pacific incomes, skills and opportunities.

The Government has made some minor moves in this area but this is way short of what is needed. 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.

Investing in Prisoner Rehabilitation

We urge the Government to invest in decreasing reoffending by released prisoners by immediately increasing their '**Steps to Freedom**' grant in accordance with the Reserve Bank inflation calculator so they are no longer 'doomed to fail'

The \$350 'Steps to Freedom' grant to house & feed released prisoners for their first 2 weeks of release which has changed little since 1991 and has contributed to the high rate of reoffending by setting them up to fail. And because of administrative barriers many still can't even access this meagre amount. The Reserve Bank inflation index calculator indicates this grant should be increased to at least \$1500 in line with inflation..

Māori make up over 50% of all persons in prison, more than six times their proportion in the population. So investing in prisoner rehabilitation is particularly important. For Māori women, the picture is even more acute: they comprise around 60% of the female prison population. So investing in prisoner rehabilitation would have a profound effect on improving outcomes for these Māori families.

A key way for prisoners to rehabilitate is to adequately fund back-to-work schemes and sufficient funds to provide them with housing to start their re-integration into society.

Many prisoners upon release struggle to find suitably priced and safe accommodation and have difficulty finding support after long prison sentences. Losing contact with family and friends and movement about the country prisons further magnifies this requirement for many.

Alcohol and other drug dependency

With over 60% of prisoners suffering from mental health and addiction disorders¹ substantive funding needs to be put in place to address these needs including providing significantly more beds for residential treatment for drug and alcohol rehabilitation as well proven initiatives such as extending the number of courts dedicated to drug and alcohol related offences.

We wish to make an oral submission.

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

¹ Substance Abuse and Mental Health Disorders among New Zealand prisoners 2016 Corrections Report

- 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.

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