

03 February 2025

Submission to Committee Secretariat of the Finance and Expenditure Committee on The **Budget Policy Statement 2025**.

As a Catholic Justice and Peace Commission we are committed to the principles of Catholic Social Teaching (**CST**) that address the current pressing issues of poverty, inequality, and marginalisation in Aotearoa New Zealand. We also align this submission with the **New Zealand Budget Policy Statement 2025 (BPS 2025)**, which identifies the government's economic and fiscal priorities for the year. This submission advocates for policies that reflect human dignity, the common good, solidarity, subsidiarity, and care for creation.

We urge Parliament to ensure that the **BPS 2025** focuses on economic recovery, social equity, and sustainable investment that will support the most vulnerable and marginalised within our community.

There is a myriad of options within the BPS 2025 that could be further enhanced to prioritise those in most need in our country. We suggest the following recommendations that incorporate CST with the BPS 2025 to find a balance between the moral and financial wellbeing of our country. We believe these recommendations can be incorporated into fiscal priorities and distribution for 2025 and beyond.

1. The Common Good

The common good calls for policies that ensure everyone's well-being, particularly those most vulnerable. The BPS 2025 highlights a need for policies that prioritise economic resilience and equity as part of Aotearoa's long-term growth. However, the common good can only be served by ensuring that public policies benefit all, especially those left in the financial peripheral.

Recommendations that support the common good:

- **Progressive Taxation:** BPS 2025 references the need for a sustainable fiscal policy and fair taxation. We propose a progressive tax system that asks the wealthiest individuals and corporations to contribute more to the common good. The government should look to land taxes or capital gains taxes to fund critical

social services for marginalised groups, in alignment with the BPS 2025's goal to manage fiscal pressures while ensuring social equity.¹

- **Investment in Education:** BPS 2025 acknowledges the importance of investing in human capital. We recommend free tertiary education and greater support for vocational training. We believe quality education is a powerful tool for reducing inequality and increasing social mobility, especially for marginalised groups. This in turn would directly support the common good.²

2. Human Dignity

We believe every person is created in the image and likeness of God and therefore in possession of inherent human dignity. This dignity must be respected and protected in all social, economic, and political structures. Policy shaping should prioritise basic human needs of those most vulnerable.

Policy recommendations that align with human dignity:

- **Minimum Wage Increases:** BPS 2025 outlines an intention to address cost-of-living pressures. Increasing the minimum wage in line with inflation would support marginalised workers, especially in essential sectors, thus upholding the dignity of work. Research shows that raising the minimum wage is an effective way to reduce poverty.³
- **Universal Basic Income (UBI) or Increased Benefit Rates:** BPS 2025 places emphasis on supporting vulnerable communities, we recommend exploring the model of Universal Basic Income (UBI) or substantial increases to benefit rates to ensure that all kiwis, particularly those struggling with cost-of-living, receive what is necessary to meet their basic needs and respect their dignity.

We see the growing divide between rich and poor, where basic needs such as affordable housing, healthcare, and adequate social supports aren't being addressed in meaningful ways. UBI could be a game-changer in that sense. It's not about charity, rather giving everyone the means to live a dignified life, regardless of their situation.

Evidence from Canada's Guaranteed Annual Income experiment has shown that UBI can reduce poverty, improve health outcomes, and foster economic

¹AusTaxPolicy. (2024, August 8). *Evidence and Inaction: Inequity and Tax in Aotearoa New Zealand*.

[Evidence and Inaction: Inequality and Tax in Aotearoa New Zealand](#)

On Progressive Taxation: *JOURNAL OF AUSTRALIAN TAXATION*. (2023) VOL 25 (2).

https://www.jausttax.com.au/Articles_Free/JAT%20Volume%2025%20Issue%202.pdf pg. 57

² OECD. (2018, September 11). *Education at a Glance 2018: OECD Indicators*. OECD Publishing.

Paris. <https://doi.org/10.1787/eag-2018-en>

³ Belman, Dale and Paul J. Wolfson. (2014). *What Does the Minimum Wage Do?* Kalamazoo, MI: W.E.

Upjohn Institute for Employment Research. <https://doi.org/10.17848/9780880994583> Ch.,7: 301-342

stability⁴. By increasing the welfare system's capacity, Aotearoa can align its economic recovery goals with the Church's call for human dignity.

3. Solidarity

Solidarity calls for a commitment to the welfare of others, particularly those struggling and in need by recognising the interdependence of all members of society. Solidarity is central to addressing systemic inequality, and it must be reflected in government spending priorities.

Policy recommendations that support solidarity:

- **Targeted Welfare Support:** We read in the BPS 2025 a priority to invest in social services and therefore improve outcomes for people with high needs. We propose furthering this intention by enhancing support for low-income families and individuals.

Research confirms that increasing support for children and families can have long-term benefits in reducing child poverty and improving social outcomes.⁵ Further investment in **income support programmes** will foster greater social equity, as outlined in the BPS.

- **Affordable Housing Investments:** Housing is a fundamental human right and an area where the BPS 2025 commits to sustainable investment. The government must commit to building more public housing and increasing housing subsidies to ensure that marginalised communities have access to safe, secure, and affordable housing.

It has been a long reported and well-known fact that a secure home is foundational to social inclusion.⁶ Expanding the availability of affordable housing will help reduce inequality and create a more just society, in line with CST and the BPS 2025 focus on equitable access to essential services.

⁴Forget. E.L. (2011) *The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment*. Canadian Public Policy. [The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment](#) 37: 3, 283-305

⁵ Ministry of Social Development. (2018, December) *Rapid Evidence Review: The impact of poverty on life course outcomes for children, and the likely effect of increasing the adequacy of welfare benefits*. <https://www.msdc.govt.nz/documents/about-msdc-and-our-work/publications-resources/information-releases/weag-report-release/rapid-evidence-review-the-impact-of-poverty-on-life-course-outcomes-for-children-and-the-likely-effect-of-increasing-the-adequacy-of-welfare-benef.pdf> pg. 21

⁶ The New Zealand Royal Commission on Social Policy. The Commission. (1988). *The April report: report of the Royal Commission on Social Policy. Volume 4: Social Perspectives*. https://paperspast.natlib.govt.nz/books/ALMA1988-9915974373502836e-The-April-report--report-of-the-?items_per_page=100&query=henry+white

4. Subsidiarity

Subsidiarity requires that decisions be made at the local level, with higher authorities supporting only when necessary. This encourages local involvement and empowers communities to find their own solutions to challenges.

Subsidiarity recommendations:

- **Community-Led Housing Solutions:** BPS 2025 highlights the need for sustainable urban planning and community engagement in addressing housing shortages. We recommend that the government support community-led housing initiatives such as land trusts or co-operative housing models. Research shows that community-driven models have been successful in increasing affordable housing availability while also fostering local empowerment.⁷
- **Support for Local Economic Initiatives:** The BPS 2025 stresses the importance of inclusive economic growth. We propose additional funding for social enterprises and co-operatives in low-income communities to foster local economic resilience and provide job opportunities.⁸ These models allow communities to develop their own solutions to poverty and economic insecurity, in line with the principle of subsidiarity.

5. Care for Creation

Care for creation expects sustainable environmental policies that benefit both people and the planet. Considering the BPS 2025's focus on sustainable investment, policies should ensure that the needs of marginalised communities are met in an environmentally sustainable way.

Environmental recommendations:

- **Green Housing Investments:** We recommend that the government invest in eco-friendly public housing and green energy solutions for low-income communities. The **BPS 2025** underscores sustainability and the need to address climate change. Integrating **green infrastructure** into public housing projects can help reduce energy costs for vulnerable families while contributing to Aotearoa's climate goals.⁹

⁷Basile, P & Ribeiro, T. (2022). *Community Land Trusts in Contexts of Informality: Process, politics and challenges of implementation*. *Radical Housing Journal*. 4. 51-70.

https://www.researchgate.net/publication/361971380_Community_Land_Trusts_in_Contexts_of_Informality_Process_politics_and_challenges_of_implementation

⁸ Campbell, C. (n.d.) *Promoting Social Sustainability: A Guide for New Zealanders*. Sustainable Living. <https://sustainableliving.org.nz/promoting-social-sustainability-a-guide-for-new-zealanders/>

⁹IPPC. (n.d.) *Global Warming of 1.5 °C. Sustainable Development, Poverty Eradication and Reducing Inequalities*. Ch., 5 <https://www.ipcc.ch/sr15/>

- **Climate Justice for Vulnerable Communities:** Marginalised communities are often the most affected by climate change.¹⁰ While the BPS 2025 focuses on equitable climate action, we further propose climate adaptation policies for these communities, such as investment in disaster resilience and climate-proof infrastructure.¹¹

Conclusion:

Our submission advocates for a reorientation of Aotearoa’s economic and social policies toward a more just, equitable, and compassionate future by refocusing on the dignity of every person, to be in solidarity with those who are vulnerable and marginalised, and move toward a future that fosters the common good for all, by recognising the decisions made at the local level through subsidiarity, and hearing the call to not only remember those affected by climate change but to care for our environment in a meaningful way.

We urge Parliament to use the **BPS 2025** as a framework for implementing policies that address the root causes of inequality, poverty, and marginalisation to promote a more just and inclusive future for all.

¹⁰ Climate Change Commission. (2021, May). *Ināia tonu nei: a low emissions future for Aotearoa: How the transition could affect different regions and communities.*

<https://www.climatecommission.govt.nz/public/Inaia-tonu-nei-a-low-emissions-future-for-Aotearoa/Inaia-tonu-nei-a-low-emissions-future-for-Aotearoa.pdf> **8.5.1:160**

¹¹ Ibid.