

**SUBMISSION TO THE FINANCE AND EXPENDITURE SELECT COMMITTEE
ON THE BUDGET POLICY STATEMENT 2021**

The pandemic has exposed and aggravated social problems, above all that of inequality. Some people can work from home, while this is impossible for many others. Certain children can continue to receive an academic education while this has been abruptly interrupted for many, many others.... These symptoms of inequality reveal a social illness; it is a virus that comes from a sick economy. And we must say it simply; the economy is sick. It has become ill. It is the fruit of unequal economic growth – this is the illness.

Pope Francis: General Audience: the universal destination of goods and the virtue of hope, 26 August 2020

1. The Wellington Catholic Commission for Ecology, Justice and Peace supports the government's overarching policy goals for Budget 2021 and the Budget's Wellbeing goals. However, we are concerned that insufficient attention is still being paid to overcoming inequality, which has been exacerbated by the Covid-19 pandemic, here as well as overseas.

Overarching policy goals

2. We support the government's overarching policy goals of continuing to keep New Zealand safe from Covid-19; accelerating the recovery and rebuild from the impacts of Covid-19; and laying the foundations for the future, including addressing key issues such as climate change, housing affordability and child poverty.
3. We support the government's 2020 decisions to put aside the constraints of the Fiscal Responsibility Act in order to protect health, wellbeing and the economy through a strong public health response. The approach saved lives.
4. We are aware that it took place while some political voices and commentators were promoting a "Plan B" that would have tolerated a higher level of illness and death in the name of protecting the economy. We did not, and do not, accept that protecting the economy requires us to sacrifice lives. It has been demonstrated that a strong public health response protects life and the economy.
5. We would like to see the government act as decisively, boldly, and with the same sense of urgency in responding to the crises of climate change and poverty.

Wellbeing objectives

6. We support the government's Wellbeing objectives of a Just Transition to a climate-resilient and low-emissions economy; Future of Work; Māori and Pacific; Child Wellbeing; and Physical and Mental Wellbeing.
7. We support the continued focus on indicators of wellbeing beyond GDP, considering the impact of economic decisions on our social, environmental and community capital, as well as the more usually prioritised financial and infrastructure capital.

8. We would like to see the same investment and commitment made to public messaging during the Covid-19 emergency put into other urgent emergencies we are facing, especially the climate crisis and inequality within New Zealand society.
9. However, the generally positive outlook cited in the Budget Policy Statement does not entirely reflect our perspective and experience. Just considering material included in the Budget Policy Statement, while studies cited on page 4 and 5 of report overall higher life satisfaction and no overall changes in the wellbeing of families, there are also indicators that these experiences are not universally shared. Other points include:
 - Working families and families in economic hardship experienced adverse effects (page 5)
 - Young people, Māori and Pacific, and women have been more adversely affected in the employment market (page 6)
 - Younger people had higher levels of anxiety than older groups (page 6)
10. We also know families who experienced extreme stress and hardship during the Covid-19 lockdown and subsequent restrictions. This includes migrant workers/workers on temporary visas, families already living in overcrowded conditions whose living situations became unbearable during lockdown; families of essential workers juggling increased pressures without school or children and while experiencing abuse in workplaces; isolated parents of children born during the lockdown.
11. In our reading of the Budget Policy Statement, we wondered if the studies had included the most vulnerable or hard to reach communities. That concern was increased when we saw that the Victoria University study quoted on page 5 depended on Colmar Brunton data drawn from a sampling group of Fly-Buys customers. It seems to us unlikely that a survey based on such a sample group will give a plausible account of poverty and hardship.
12. There is much to admire in the government's Covid-19 response, but we are seeking better analysis on how the Covid-19 crisis exacerbated existing social inequalities. Our perspective is that life for many New Zealanders is much less rosy than the quoted studies would indicate. The 2020 lockdown may have been relatively stress-free for workers easily able to work from home, and for those who bounced back quickly afterwards. However, we are more concerned to know how it further disadvantaged those New Zealanders who were already disadvantaged before the pandemic began, and what Budget policies and priorities are needed to overcome entrenched disparities and support the most vulnerable.

Child Wellbeing

13. We continue to seek, as in our submission last year on the 2020 Budget Policy Statement, the implementation of the Welfare Expert Advisory Group recommendations, especially on the need to lift base benefit levels. This needs to happen for the government to meet its child poverty reduction goals.
14. We recognise that accelerating housing costs are undermining efforts in many other areas of social and economic policy. We call for urgent action to address the housing crisis, both with respect to rental housing and to the prospect of home ownership.
15. We recognise advances made in some aspects of welfare delivery, especially food/hardship assistance during the Covid-19 lockdown and restrictions. Our experience was that hardship assistance delivered directly through Work and Income, and in community partnerships with church, marae and community foodbanks helped to meet unprecedented need.

We would like to speak to the Select Committee in support of our submission.
