

24 January 2020

**SUBMISSION TO THE FINANCE AND EXPENDITURE SELECT COMMITTEE  
ON THE BUDGET POLICY STATEMENT 2020**

*Every economic and political theory or action must set about providing each inhabitant of the planet with the minimum wherewithal to live in dignity and freedom, with the possibility of supporting a family, educating children, praising God and developing one's own human potential. This is the main thing; in the absence of such a vision, all economic activity is meaningless.*

Pope Francis: [Letter to David Cameron on the occasion of the G8 meeting](#), 2013

1. The Ecology, Justice and Peace Commission of the Archdiocese of Wellington supports the goals of the Budget Policy Statement 2020 to ensure a just transition to a low-emissions economy, reduce child poverty and improve child wellbeing, lift Māori and Pasifika incomes and opportunities, and improve physical and mental wellbeing.
2. Our Commission and other Catholic organisations have frequently asked over recent decades for these areas to be given higher priority. For example, the 1998 church-led Hīkoi of Hope focused on poverty, education, housing, health and employment. Along with the impacts of climate change, these continue to be significant moral and ethical concerns. Our economy exists to serve the wellbeing of all, including protecting our environment now and for future generations, and ensuring that people have what they need to live in dignity.
3. This submission has been prepared by the Commission's Poverty Committee and will focus on the goal to address child poverty.
4. We welcome steps that have already been taken, such as long-overdue adjustments to the accommodation supplement and Working for Families, as well as the introduction of the Best Start tax credit, pilot food in schools programme and Winter Energy payment.
5. However, we are concerned that Budget 2020 does not yet address the most significant recommendations of the government's own Welfare Expert Advisory Group. The poverty and entrenched disadvantage faced by many of New Zealand's poorest citizens needs to be resolved through systemic change of the welfare system, rather than through targeted or one-off programmes.

## **Our experience**

6. Parishes, social services and organisations of the Archdiocese of Wellington interact with Work and Income New Zealand in the course of assisting our parishioners, neighbours, and members of the wider community. We acknowledge recent attempts have been made to improve staff attitudes, appointments and interactions; however, it is still not a system that enables people to live in dignity.
7. The fundamental issue is that benefit rates are simply too low to cover basic living expenses, leaving beneficiaries to seek tightly targeted supplementary assistance. Significant amounts of time and effort are spent administering second and third tier assistance at the margins, which is not only frustrating and difficult for vulnerable New Zealanders but is an inefficient use of public and community resources.
8. One of the ways that the Archdiocese of Wellington has responded is through holding Benefit Impact events, in which we gather together and train a number of community advocates at a Catholic parish for a week, to practically accompany and support beneficiaries in their interactions with Work and Income. We have held these in Upper Hutt in 2016, Naenae in 2017 and Kāpiti in 2019, and are currently planning similar events in the Archdiocese.
9. Medical and disability related costs have been significant unmet needs at each Archdiocesan Benefit Impact. These costs can tip a household that is just coping into one unable to meet essential costs such as for rent, food and power. Sometimes Work and Income responds to these situations by considering one-off hardship assistance which deals with only the presenting issue (such as an unpaid power bill) rather than offering longer-term assistance, such as disability allowance, that addresses ongoing need.
10. Another common theme of our Benefit Impacts has been the anxiety, fear and stress that many New Zealanders feel in engaging with our income support system. This results from the complexity of the system, with its many different tiers and avenues of support. It also results from bad experiences where beneficiaries and superannuitants have not been treated with dignity. Additionally, it results from difficulties caused by an intensely bureaucratic system requiring enormous efforts to establish and verify costs and entitlements for special assistance because base benefits are too low.

## **Welfare Expert Advisory Group Recommendations**

11. We would have liked to see greater progress in Budget 2020 towards implementing WEAG recommendations. We would like to see priority given to Recommendation 19, especially that:
    - *Main benefits cover a larger proportion of people's living costs than they do currently (reducing reliance on other assistance);*
    - *The income support system proactively supports people to access their full and correct entitlements and promotes these entitlements to the broader population.*(WEAG Recommendation 19)
  12. Until these matters are addressed, significant amounts of public and community time will continue to be tied up in addressing entitlements at the margins. We urge the Finance and Expenditure Committee to consider the WEAG report, and we look forward to seeing the implementation of the recommendations of the government's own Welfare Expert Advisory Group.
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