



Budget Policy Statement 2019

Finance and Expenditure Select Committee

The Salvation Army New Zealand Fiji Tonga and Samoa Territory Submission

EXECUTIVE SUMMARY:

1. Overall, The Salvation Army is supportive of the wellbeing approach articulated in the Budget Policy Statement (BPS) 2019. Holistic wellbeing is central to The Salvation Army's mission of living like Jesus and doing mission together by caring for people, transforming lives and reforming society by God's power¹. We therefore acknowledge and applaud this wellbeing approach, particularly the focus on critical issues such as child poverty and mental health. We thank this Committee for the opportunity to submit on this crucial statement.
2. However, there are some aspects of the BPS 2019 that we disagree with, that we believe are omissions from the BPS, or want to comment specifically on. These are outlined below in the remainder of this submission.

BACKGROUND:

3. The Salvation Army is an international Christian church and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide-range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society. We are passionately committed to our communities as we aim to fulfil our mission.
4. We have over 90 Community Ministry centres and Churches (Corps) across the nation, serving local families and communities. The Army's Addiction, Supportive Accommodation and Reintegration Service (ASARS) provide services at more than 30 locations throughout the country. ASARS support people seeking help with alcohol, other drugs, and gambling related problems, emergency housing options and assisting people transitioning from prison to the community. ASARS oversees The Salvation Army Bridge Programme which provides alcohol and other drug treatment services (day programmes and residential care), alcohol-related advice and counselling, and Recovery Church services to support people and their whanau who are on a journey to recovery.
5. This submission has been prepared by the Social Policy and Parliamentary Unit of The Salvation Army. This Unit works towards the eradication of poverty by encouraging policies and practices that strengthen the social framework of New Zealand. This submission has been approved by Commissioner Andrew Westrupp, Territorial Commander of The Salvation Army's New Zealand Fiji Tonga and Samoa Territory.

¹ <http://www.salvationarmy.org.nz/our-community/mission/>

SPIRITUAL WELLBEING:

6. The Maori translation of *The Salvation Army* is *Te Ope Whakaora*, which means the Army that brings life. The primary purpose of our mission plan is to be a Christian church and movement that brings life to people, particularly the poorer and marginalised members of our society. This life we desire to bring to people is holistic, including both material and immaterial support for the individual and whanau. However, given our Christian ethos and worldview, our service is driven by our desire to see people have true life that comes from being in relationship with Jesus Christ².
7. In terms of holistic wellbeing, spiritual health and wellbeing is therefore crucial to the mission of The Salvation Army. We note that spiritual wellbeing is not explicitly mentioned in the BPS 2019, although it can be inferred in the description of the Human or Social Capital in the briefing document.
8. Human Capital refers to *skills, knowledge, and physical and mental health that enable people*³. Treasury describes Social Capital as *the social connections, attitudes, understandings and formal rules or institutions that contribute to societal wellbeing*⁴. In some respects, these elements mentioned here can contribute to, or are outcomes or actions related to, spiritual wellbeing.
9. However, we submit that there should be explicit reference made to spiritual wellbeing in both Treasury's Living Standards Framework, as well as the BPS 2019. Spiritual health and wellbeing is central to the lives of many New Zealanders. For example, in numerous Maori models of health like Te Whare Tapa Wha and Te Wheke, there are critical and explicit references to spiritual health and wellbeing⁵. These models influence many health, social and community interactions between the State and Maori. And it is widely recognised in our society how important spiritual health or wairua is to our indigenous Maori people.
10. Furthermore, for Pacific peoples, spiritual wellbeing is even more important. In a recent Ministry of Pacific Peoples study, over 79% of Pacific people stated they were affiliated to a religion⁶. Although in many social progress indicators Pacific people are facing serious challenges, the spiritual component of their lives is still central to their approach to being holistically well.
11. Additionally, in the Faith and Belief Study 2018, 33% of Kiwis said they were Christian, 20% stated they were spiritual and not religious, and 13% belonged to other non-Christian religions⁷. That amounts to approximately 66% of Kiwis indicating that spirituality and spiritual health and wellbeing are to some extent important to their identity and overall wellbeing.
12. We understand that the State itself cannot be seen to be overtly supporting and endorsing religion or spirituality in our secular society. At the same time, the State cannot and should not interfere with or restrict the practice of this spirituality if it falls within New Zealand laws

² <https://www.salvationarmy.org.nz/church-community/mission-resources/mission-plan/one-purpose>

³ BPS 2019, pg. 8.

⁴ Ibid, pg. 11.

⁵ <https://www.health.govt.nz/our-work/populations/maori-health/maori-health-models/maori-health-models-te-whare-tapa-wha>

⁶ <http://www.mpp.govt.nz/assets/Uploads/Contemporary-Report-Web.pdf>, pg. 71.

⁷ <https://nzfaithandbeliefstudy.files.wordpress.com/2018/05/faith-and-belief-infographic-may-2018.pdf>

and the practice of this spirituality enhances the wellbeing of citizens. In our opinion, spiritual health and wellbeing, particularly from a Christian perspective, are key elements to consider when developing a budget that is based on a wellbeing approach. Therefore we advocate for more plain reference to spiritual health and wellbeing in this BPS 2019 and in the budget itself.

BUDGET RESPONSIBILITY RULES:

13. The Salvation Army understands the necessity of these self-imposed rules, especially in these often uncertain economic climates locally and overseas.
14. However, we contend that these rules are effectively hindering our government from committing more resource to key national strategic priorities such as housing. The Salvation Army is not advocating for a budget blowout or excessive or inefficient spending. But the BPS 2019 itself states that *OBEGAL surpluses are forecast to reach \$8.4 billion in 2022/23*⁸. There are clearly surpluses available now and into the future that can be used to try to help address critical national issues such as the housing crisis.
15. We submit that the Government should exercise more bravery regarding our budget surpluses and proficiently use these resources for key areas of national priority. For example, regarding state or social housing, The Salvation Army has stated publically several times in the past that between 2,000 to 2,500 new social housing units needed to be built to at least ensure that current levels of social housing provision are maintained, and the focus of this housing should be in areas like Auckland, Northland, Waikato and Marlborough⁹. With the significant surpluses that the Minister of Finance Grant Robertson has consistently discussed in public forums, we submit that there is a crucial fiscal and wellbeing window where brave actions by this Government could truly help some of our nation's poorest and most vulnerable citizens through the increased provision of social housing units.

HOUSING:

16. We have already mentioned housing in the paragraphs above. However, we want to briefly note that we believe housing-related issues are a glaring omission from this BPS 2019.
17. There are some allusions to housing in the Financial and Physical Capital section. Moreover, this Capital is defined as *our financial and physical assets that support income and material living conditions*¹⁰. Clearly housing is a fundamental component to these living conditions. But, as this section in the BPS 2019 also notes, some population groups, particularly Maori and Pacific communities, are not experiencing strong levels of material standards of living.
18. We submit that more explicit and specific mention of housing is needed in this BPS, both in the explanation of the Four Capitals, as well as the in the 5 budget priority areas. We have already mentioned social housing in paragraph 11 above. Here, we want to note that we have recently supported a Kiwi Buy campaign that could be run alongside this Government's Kiwi Build policy¹¹. Essentially, we propose that Kiwi Buy is a government subsidised home

⁸ BPS 2019, pg. 18.

⁹ <https://www.salvationarmy.org.nz/sites/default/files/uploads/20170814spputakingstockreport.pdf>

¹⁰ BPS 2019, pg. 14.

¹¹ <https://www.salvationarmy.org.nz/news/kiwibuy-only-answer-housing-shortage>

ownership programme we believe is necessary to assist modest income households into home ownership, rather, than having to rent, is required. Again, housing is a massive issue facing Kiwis of many backgrounds, ethnicities and income levels. Clear goals and brave policy actions in both the social housing and Kiwi Build/Buy areas are absolutely vital to ensure holistic wellbeing for many of our nation's low to modest income families.

BUDGET PRIORITIES:

- 19.** We only want to note here that the five priority areas identified in the BPS 2019 are all areas that we would support. But what is unclear in the BPS, to us at least, is how these priorities will be met in this wellbeing budget given the spending already tagged by this Government, and the budget responsibility rules that are in place.

 - 20.** However, we fully support these priorities, and we commend the government for prioritising key areas such as child poverty, mental health, and the outcomes for Maori and Pacific communities. These priorities would not be possible without this wellbeing economics and policy approach, and so this is a positive move towards addressing some serious socio-economic issues in our communities.
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