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Finance and Expenditure Committee,
Parliament Buildings, Wellington.

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Submission: Budget Policy Statement 2021

Thank you for the opportunity to make a submission on the Budget Policy Statement (BPS)¹. We are very supportive of the intent of the BPS and the five priorities for the 2021 Budget, but we remain deeply concerned at New Zealand's comparatively high level of military spending and the negative consequences that has on achieving the priorities.

As we have seen over the past year, the COVID-19 pandemic has devastated lives and livelihoods around the world, highlighted and exacerbated systemic social, economic and political inequities, and exposed the flaws in government spending and other priorities, including the folly of maintaining armed forces in a constant state of combat readiness when there are so many other more pressing needs. That applies just as much here as it does elsewhere, and it is our view that new thinking about how best to meet our real security needs is essential to achieve a genuine Wellbeing Budget that enhances human security, resilience, and prosperity for all New Zealanders.

Our submission therefore briefly outlines some of our concerns around the costs of military spending in relation to social, economic, environmental and climate justice; New Zealand's obligations under the Convention on the Rights of the Child with regard to Budgets and the best interests of children; proposes a better way forward to achieve the Budget priorities; and concludes with three recommendations.

There are four main sections below:

- A. Introduction**
- B. Military spending and Budget 2021**
 - a) Costs: social and economic justice
 - b) Costs: environmental and climate justice
 - c) Budgets and the best interests of children
- C. A better way forward**
- D. Recommendations**

We would appreciate the opportunity to speak with the Committee, thank you.

A. Introduction

Peace Movement Aotearoa is the national networking peace organisation, established in 1981 and registered as an Incorporated Society in 1982. Our purpose is networking and providing information and resources on peace, disarmament, justice and human rights issues. We have extensive national networks which include more than one hundred and fifty contacts for national or local peace, disarmament, human rights, justice, faith-based and community organisations, and more than seven thousand individuals.

Promoting disarmament and the realisation of human rights - in relation to social, economic, environmental and climate justice - are essential aspects of our work because of the crucial role these have in sustaining peaceful and just societies. We regularly provide information to United Nations human rights treaty monitoring bodies (such as the Committee on the Rights of the Child, which is referred to in section B.c below), and to Special Procedures and mechanisms of the Human Rights Council² on a range of peace, human rights, disarmament and justice issues in Aotearoa New Zealand, including Budget allocations and military spending.

B. Military spending and Budget 2021

We remain deeply concerned that the first Wellbeing Budget in 2019 included one of the highest ever increases in military spending, and that while there was a slight decrease in military spending in last year's Wellbeing Budget, nevertheless \$4,621,354,000³ was allocated - an average of more than \$88.8 million every week. The announcement in June 2019, that \$20 billion dollars additional to regular ongoing military operating costs would be spent over the next decade on new combat equipment, frigates, military planes and cyber warfare capacity, is similarly concerning.

Such a level of military spending is at considerable odds with the stated purposes of a Wellbeing Budget - to tackle the long-term challenges around New Zealanders' wellbeing - because it has considerable negative implications for social, economic, environmental and climate justice as briefly outlined below.

a) Costs: social and economic justice

As with last year's Budget, this year's is intended to: "*[lay] the foundations for the future, including addressing key issues such as our climate change response, housing affordability and child poverty*".⁴ The 2021 priorities include: enabling all New Zealanders to benefit from new technologies; lifting Maori and Pacific incomes, skills and opportunities; combating the impacts of COVID-19; reducing child poverty and improving child wellbeing; and supporting improved health outcomes for all New Zealanders⁵ - these are all absolutely essential spending priorities that we completely support.

However, it is our view that none of these wellbeing priorities will benefit from maintaining the current level of military spending because military spending simply diverts resources

that could be put to far better use to ensure social and economic justice - all of these priorities would instead greatly benefit from a reduction in military spending.

b) Costs: environmental and climate justice

Similarly, another of the priorities for the 2021 Budget is “*supporting the transition to a climate-resilient, sustainable and low-emissions economy*”,⁶ and we cannot see how military spending does anything to assist with this goal either. As with social and economic justice, military spending simply diverts resources that could be put to far better use to progress environmental and climate justice - the Just Transition objective could only benefit from a reduction in military spending.

In addition to the comparative cost of military spending in this area, there are further costs in maintaining combat ready armed forces related to the impact of military training, exercises and combat operations on the environment and biodiversity, toxic contamination of the environment, military consumption of non-renewable resources, and the contribution of military activities to climate change. These costs also have a negative impact on environmental and climate justice, as well as on social and economic justice.

c) Budgets and the best interests of children

There is an obligation on all state parties to the Convention on the Rights of the Child, including New Zealand: “*to take measures within their budget processes to generate revenue and manage expenditures in a way that is sufficient to realize the rights of the child*”⁷; and - when weighing up competing budget allocation and spending priorities - “*be able to demonstrate how the best interests of the child have been considered in budgetary decision-making, including how they have been weighed against other considerations*”.⁸

State parties, including New Zealand, are obliged to:

“conduct Child Rights Impact Assessments in order to ascertain the effect of legislation, policies and programmes on all children at the national and subnational levels, especially children in vulnerable situations who may have special needs and therefore require a disproportionate share of spending in order to have their rights realized. Child rights impact assessments should be part of each stage of the budget process and should complement other monitoring and evaluation efforts”.⁹

The Committee on the Rights of the Child has expressed deep concern about the lack of sufficient resourcing to eradicate poverty and address inequalities in its two most recent Concluding Observations on New Zealand.¹⁰ In 2016, the Committee urged New Zealand to:

“Increase substantially the allocations necessary to directly and comprehensively tackle child poverty and ensure that budgetary lines for children in disadvantaged, vulnerable situations and situations of poverty that may require affirmative social measures are

*adequate and protected even in situations of economic crisis, natural disasters or other emergencies”.*¹¹

In addition, the 2016 Concluding Observations stated:

*“the Committee urges the State party to: (a) Adopt a child-rights approach in the elaboration of the State budget by implementing a tracking system covering all child-related expenditures. The State party should also use this tracking system for impact assessments on how investments in any sector may serve the best interests of the child, ensuring that the different impact of such investment on girls and boys is measured; (b) Ensure transparent and participatory budgeting through public dialogue, including with children, and for proper accountability of authorities.”*¹²

Furthermore, the list of issues the Committee requires further information on prior to the submission of New Zealand’s next Periodic Report (due in June 2021) makes a number of references to reducing poverty, and notes *“the extreme shortage of affordable and accessible housing”*.¹³ Affordable and accessible housing is obviously a key area for children’s wellbeing, but still has not been achieved - yet last December, it emerged that \$250 million is being spent *“to house”* four new military aircraft.¹⁴

It is clear that insufficient attention has been given to New Zealand’s obligations under the Convention of the Child in the BPS, despite the priority of reducing child poverty and improving child wellbeing. The government’s responsibilities to ensure that sufficient financial resources are put into directly and comprehensively tackling child poverty are particularly important when it comes to military spending - a Child Rights Impact Assessment would clearly show that military spending does not advance the best interests of children in any way, but instead acts against them.

C. A better way forward

As stated in the opening of our submission, it is our view that new thinking about how best to meet our real security needs is essential to achieve a genuine Wellbeing Budget that enhances human security, resilience, and prosperity for all New Zealanders.

For decades successive governments have stated that there is no direct military threat to this country, and - to be frank - if there was, then the New Zealand armed forces are not of a sufficient size to deter any military aggression.

Rather than continuing to focus on outdated narrow military security concepts, it is our view that New Zealand should transition from maintaining combat ready armed forces to civilian agencies that meet the wider security needs of all New Zealanders and our Pacific neighbours, and that this should be reflected in the 2021 and future Wellbeing Budgets.

Given New Zealand’s comparatively limited resources, the desperate need for substantially increased social funding domestically, as well as the urgent need for climate justice globally, it simply makes no sense to continue to spend billions on military equipment and activities.

Fisheries and resource protection, border control, and maritime search and rescue could be better done by a civilian coastguard with inshore and offshore capabilities, equipped with a range of vehicles, vessels and aircraft that are suitable for our coastline, Antarctica and the Pacific, which - along with equipping civilian agencies for land-based search and rescue, and for humanitarian assistance here and overseas - would be a much cheaper option as none of these require expensive military hardware.

As well as the COVID-19 pandemic, increasingly common catastrophic weather events and other climate change-related humanitarian disasters, illustrate the absurdity of a military response to the major threats currently facing the planet, and the urgent need for military spending to be greatly reduced.

A transition from combat ready armed forces to civilian agencies, along with increased funding for diplomacy, would ensure New Zealand could make a far more positive contribution to wellbeing and real security at the national, regional and global levels than it can by continuing to maintain and re-arm small but costly armed forces.

Recommendations

We urge the Committee to recommend:

- that the \$20 billion allocated for military upgrades and capabilities over the next decade be put on hold pending a comprehensive review of New Zealand's wider security needs and how they might best be met¹⁵;
- that the allocation for military spending across Vote Defence, Vote Defence Force and Vote Education is decreased in the 2021 and future Budgets; and
- that a thorough Child Rights Impact Assessment is conducted on any military spending included in the 2021 and future Budgets.

Thank you for your consideration of our submission.

Edwina Hughes
Coordinator, Peace Movement Aotearoa

References

¹ Budget Policy Statement 2021, New Zealand Government, 9 February 2021

² For example, to the Special Rapporteur on the Situation of Human Rights and Fundamental Freedoms of Indigenous People in 2005; to the Committee on the Elimination of Racial Discrimination in 2007, 2013 and 2017; to the Human Rights Committee in 2009, 2010, 2014 and

2016; to the Committee on the Rights of the Child in 2010, 2011, 2016 and 2020; to the Committee on Economic, Social and Cultural Rights in 2011, 2012, 2016 and 2018; to the Committee Against Torture in 2015; to the Human Rights Committee for the General Discussion on Article 6 of the International Covenant on Civil and Political Rights in 2015 and 2017; to the Committee on the Rights of the Child on the Draft General Comment on Article 4 of the Convention (Public Spending) in 2015; and jointly with the Aotearoa Indigenous Rights Trust and others, to the Human Rights Council for the Universal Periodic Review of New Zealand in 2008, 2009 and 2014

³ The total across the three Budget Votes where most military expenditure is itemised: Vote Defence, \$649,003,000; Vote Defence Force, \$3,971,169,000; and Vote Education, \$1,182,000

⁴ ‘Speech to BNZ Breakfast - Budget Policy Statement’, Minister of Finance, 9 February 2021

⁵ Budget Policy Statement 2021

⁶ As at note above

⁷ General Comment No. 19 on Public Budgeting for the Realization of Children’s Rights (Art. 4) (CRC/C/GC/19), Committee on the Rights of the Child, 20 July 2016, para 57

⁸ As at note above, para 46

⁹ As at note above, para 47

¹⁰ See, for example, Concluding Observations: New Zealand (CRC/C/NZL/CO/3-4), Committee on the Rights of the Child, 11 April 2011, para 16, and Concluding Observations: New Zealand (CRC/C/NZL/CO/5), Committee on the Rights of the Child, 30 September 2016, throughout

¹¹ Concluding Observations: New Zealand (CRC/C/NZL/CO/5), Committee on the Rights of the Child, 30 September 2016, para 36.b

¹² As at note above, para 9

¹³ List of Issues Prior to Submission of the Sixth Periodic Report of New Zealand (CRC/C/NZL/QPR/6), Committee on the Rights of the Child, 21 July 2020, para 24.d

¹⁴ See, for example, ‘Work begins on massive \$250m Ōhakea Air Base aircraft hangar’, RNZ, 15 December 2020. The Minister of Defence’s release about the construction of the new hangar complex refers to it as “*a new home*”, ‘Te Whare Toroa, a new home for No. 5 Squadron’, Minister of Defence, 15 December 2020

¹⁵ Such a review must look at whether New Zealand needs armed forces - with a fully informed public discussion on the extent to which military activities and costs may be detrimental to security in its widest sense, resilience and prosperity - and examine six key issues: i) the economic and social costs of maintaining combat ready armed forces; ii) the environmental and biodiversity costs of military operations here and overseas, and the contribution of military activities to climate change; iii) the human rights implications of overseas deployments and military training; iv) issues around New Zealand’s disarmament legislation; v) foreign policy implications, including whether we could be making a more peaceful and positive contribution to global peace and security; and vi) alternatives to armed forces. Further explanation of each of these points is available in ‘Public consultation: Defence White Paper 2015’, Peace Movement Aotearoa, June 2015, at <http://www.converge.org.nz/pma/afrev15.pdf>