

15 March 2021

Committee Secretariat
Finance and Expenditure Committee
Parliament Buildings
Wellington 6140

Via email: fe@parliament.govt.nz

Dear Sir or Madam

Submission on the Budget Policy Statement 2021

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide a submission to the Finance and Expenditure Committee on the Budget Policy Statement 2021 (the Budget Statement). As noted in our comments made regarding both the Budget Policy Statement [2019](#) and [2020](#), we remain very supportive of the wellbeing focus and commend the Government's ongoing commitment to this approach.

We have focused our feedback on those areas where we consider we can add the most value as detailed below. Appendix A provides more information about CA ANZ.

Key Points:

- For each of the five Budget Statement priorities, we continue to consider it important that there are clear and measurable targets in place with short, medium and long-term milestones. The Budget Statement lacks detail about how each priority will be addressed over time including problem definitions and frameworks where relevant and how the quality of the expenditure in each of the key areas will be measured. We consider inclusion of this level of detail is crucial to demonstrate progress toward achievement of the Government's wellbeing objectives and positively influence public perceptions of the focus on wellbeing (particularly in the context of the qualitative nature of the priorities).
- The pandemic response has appropriately been healthcare driven with the inclusion of economic support measures. It is now time for the Government to be agile and bold, ensuring that the country's population is vaccinated at pace so that we are well placed to lead the economic recovery, and are able to open our borders in line with other countries to maximise international travel, hospitality and tourism, as well as international education opportunities. The Budget Statement sets this intent but action needs to follow in a way that balances both the urgency and the long term pursuit for prosperity.
- We encourage the Government to engage in robust post implementation reviews of the various policies covered by the Budget Statement (and elsewhere) at appropriate times. These reviews are critical for assessing whether a particular policy is working as intended. If a policy is not working as intended, the reviews provide evidence that will assist the Government in determining how best to address policy shortcomings (whether they be substantive or relate to implementation and operationalisation) including any unintended consequences.
- In our opinion, the Budget Statement lacks sufficient consideration of both the benefits to, and obligations placed on, businesses and employers. A wellbeing focus will have positive implications for New Zealand's businesses and workforce but there needs to be a clear acknowledgment of the important role of business in advancing this priority.

- We recommend the five priorities are addressed in a holistic way that leverages the interconnections between them, and with other economic, social and environmental matters, which all ultimately affect New Zealanders' wellbeing. Each of the priorities highlighted in the Budget Statement relies on the success of the others. For example, child wellbeing outcomes are affected by health, education, fiscal, employment and innovation policies. As another example, the Maori and Pacific priority is dependent on progress made with respect to the Future of Work, Child Wellbeing and Physical and Mental Wellbeing priorities given that these directly influence skill development and employment opportunities. Transparency over expenditure will also be important to illustrate how the Government has successfully leveraged the interconnected nature of these priorities. The funding itself will need to be well-targeted with results that are able to be accurately and appropriately measured.
- The Budget Statement omits reference to the role of the tax system and long-term challenges to the sustainability of the tax base, which we believe should be incorporated and addressed by the Government in the medium and longer term. Strategic thinking is required now in terms of the tax base and tax administration to ensure long term efficiency and sustainability of the system.

Should you have any questions about this submission or wish to discuss it, please contact Karen McWilliams via email at karen.mcwilliams@charteredaccountantsanz.com or phone (612) 8078 5451.

Yours sincerely,

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Group Executive New Zealand & the Pacific
Chartered Accountants Australia and
New Zealand

Karen McWilliams FCA
Business Reform Leader
Advocacy & Professional Standing

Appendix A

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 128,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live. Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations. We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.