



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

24 January 2020

**Committee Secretariat
Finance and Expenditure Committee
Parliament Buildings
Wellington 6140**

Via email: fe@parliament.govt.nz

Dear Sir or Madam

Budget Policy Statement 2020

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 2020 (the Budget Statement). As noted in [our comments on the Budget Policy Statement 2019](#), we remain very supportive of the Wellbeing Budget and commend the Government's ongoing commitment to this approach.

We have focused our feedback on key areas where we consider we can add the most value, building on the comments we made last year. 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).
- 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 workforce but there needs to be a clear acknowledgment of the important role of business in advancing this priority.
- In our view the five priorities need to be 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.

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- The Budget Statement omits reference to certain matters which we believe should be included and addressed by the Government in the medium and longer term. These matters include assessment of the retirement age and associated retirement saving settings, as well as the wider tax base implications and long-term challenges to the sustainability of the tax base.
- We are pleased to see the Budget Statement commentary on the planned additional infrastructure spending, which we welcome.

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

Yours sincerely,



Peter Vial FCA
Group Executive New Zealand & the Pacific
Chartered Accountants Australia and New Zealand



Karen McWilliams FCA
Business Reform Leader
Advocacy & Professional Standing
Chartered Accountants Australia and New Zealand

Appendix A

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 125,000 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.