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Finance and Expenditure Committee,
Parliament Buildings, Wellington.

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Submission: Budget Policy Statement for 2025

Thank you for the opportunity to make a submission on the Budget Policy Statement (BPS)¹. Peace Movement Aotearoa² is deeply concerned about New Zealand's comparatively high level of military spending and the negative consequences that will have on achieving the BPS objectives.

As we have seen over the past four years, the COVID-19 pandemic and increasingly severe weather events have 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 needs³.

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 the *"long-term social, economic, environmental and cultural wellbeing of New Zealanders"* referred to in the BPS.

Our submission therefore briefly outlines some of our concerns around the costs of military spending in relation to social, economic, environmental and climate wellbeing; 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 wellbeing objectives; and concludes with three recommendations.

There are three main sections below:

A. Military spending and Budget 2025

- a) Costs: social and economic wellbeing
- b) Costs: environmental and climate wellbeing
- c) Budgets and the best interests of children

B. A better way forward

C. Recommendations

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

A. Military spending and Budget 2025

We remain deeply concerned that last year at least \$5,790,195,000 was allocated for military spending across the three Budget Votes where most military expenditure is itemised - an average of more than \$111.3 million every week, and a small decrease on actual spending in 2023. The possibility of an additional \$20+ billion being spent over the next decade on increased combat capability, warships and military aircraft is similarly concerning.

Such a level of spending to maintain and expand combat ready armed forces is at considerable odds with the objective of *“long-term social, economic, environmental and cultural wellbeing of New Zealanders”* because it has considerable negative implications for social, economic, environmental and climate wellbeing as outlined below.

a) Costs: social and economic wellbeing

We have noted objectives such as *“Build a stronger, more productive economy that lifts real incomes and increases opportunities for New Zealanders”*, *“Deliver more efficient, effective and responsive public services to all who need and use them - in particular, to ... improve health outcomes and educational achievement”*, and a desire to *“Get the government’s books back in order and restore discipline to public spending”* in the BPS.

It is our view that none of these objectives 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 wellbeing. Instead, all of these objectives would greatly benefit from a reduction in spending on combat ready armed forces, which is a clearly identifiable area for endurable savings.

b) Costs: environmental and climate wellbeing

Similarly, we cannot see how military spending does anything to assist the overall objective in the BPS of long-term environmental wellbeing of New Zealanders either. As with social and economic wellbeing, military spending simply diverts resources that could be put to far better use to progress environmental and climate wellbeing.

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 wellbeing, as well as on social and economic wellbeing.

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”⁴; 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”.⁵

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”.*⁶

The Committee on the Rights of the Child has expressed deep concern about the lack of sufficient resourcing to eradicate child poverty and address inequalities in its Concluding Observations on New Zealand from 2011 to 2023.⁷ In 2023, in order to improve this situation, the Committee recommended that New Zealand:

*“Strengthen the child rights-based approach in the elaboration of the State budget, including through (i) participatory budgeting processes that are accessible to children and all interested parties, (ii) publishing the results of the Treasury’s tracking system on the allocation and use of resources for children through the annual budget process, and, (iii) assessing how investments in any sector may serve the best interests of the child”*⁸

It is clear that insufficient attention has been given to New Zealand’s obligations under the Convention on the Rights of the Child when developing the Budget every year; and we are drawing this to your attention so it will be properly addressed this year. 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.

B. A better way forward

As stated in the introductory section of our submission, it is our view that new thinking about how best to meet our real security needs is essential to achieve the “*long-term social, economic, environmental and cultural wellbeing of New Zealanders*” referred to in the BPS. If there were to be any actual military threat to this country, which is highly unlikely given New Zealand is not seen as a direct threat by any other state, then - to be frank - 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 2025 and future Budgets.

Given New Zealand's comparatively limited resources, the need for substantially increased social funding domestically, as well as the urgent need for climate justice in the Pacific and beyond, it simply makes no sense to continue to spend billions on combat equipment and military training 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 properly equipped 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 combative 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 expensive armed forces.

C. Recommendations

We urge the Committee to recommend:

- that all funding allocated for military purchases and upgrades 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 met - as outlined below⁹;
- that the allocation for military spending across Vote Defence, Vote Defence Force and Vote Education is decreased in the 2025 and future Budgets; and
- that a thorough Child Rights Impact Assessment is conducted on any military spending included in the 2025 and future Budgets.

Thank you for your consideration of our submission.

Edwina Hughes
Coordinator, Peace Movement Aotearoa

References

¹ Budget Policy Statement, New Zealand Government, 17 December 2024

² 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, humanitarian 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. We regularly provide information to UN human rights treaty monitoring bodies, and to Special Procedures and mechanisms of the Human Rights Council, on a range of issues impacting Aotearoa New Zealand.

³ A point raised frequently by United Nations Secretary-General António Guterres, among others: see for example his statement in October 2020 urging “*an end to the constant upward trend of global military spending*” (‘Stressing Constant Increase of Global Military Spending Must End, Secretary-General Warns Gains in Achieving Women, Peace, Security Agenda Too Slow, Easily Reversible’, 30 October 2020, at <https://www.un.org/press/en/2020/sgsm20383.doc.htm>), the 2018 Agenda for Disarmament ‘Securing our Common Future’ at <https://www.un.org/disarmament/sg-agenda/en/> ‘Rethinking unconstrained military spending’, UNODA Occasional Paper 35, April 2020, at <https://www.un.org/disarmament/publications/occasionalpapers/unoda-occasional-papers-no-35-april-2020/> and “*Pursuant to Article 26 of the Charter, we must reverse the negative impact of unconstrained military spending and focus on the profound negative societal effects of public resources diverted to military activity*”, ‘Our Common Agenda Policy Brief 9: A New Agenda for Peace’, July 2023

⁴ 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

⁵ As at note above, para 46

⁶ As at note above, para 47

⁷ See, Concluding Observations: New Zealand (CRC/C/NZL/CO/3-4), Committee on the Rights of the Child, 11 April 2011; Concluding Observations: New Zealand (CRC/C/NZL/CO/5), Committee on the Rights of the Child, 30 September 2016; and Concluding Observations: New Zealand (CRC/C/NZL/CO/6), Committee on the Rights of the Child, 6 February 2023

⁸ Concluding Observations: New Zealand (CRC/C/NZL/CO/6), Committee on the Rights of the Child, 6 February 2023, para 10.b

⁹ 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>