



## Do Justice!!

“Do Justice, Love Kindness and Walk Humbly With Your God” Micah 6:8

### A Newsletter on Social Justice Issues

Welcome to the August 2016 edition of Do Justice. This newsletter, prepared by Auckland Diocesan Social Justice Group, looks at various Social Justice Issues.

#### **Housing – what could really be driving the price increases.**

Over the last few years we have heard various reasons why the prices people are prepared to pay for a house have increased at such alarming rates particularly in Auckland and now in other centres.

Government Ministers have almost exclusively said that the problem is lack of supply of houses and blamed Councils, particularly the Auckland Council, for restricting the availability of land for building. High immigration rates are also regularly mentioned as a reasons for the seemingly inexhaustible demand for houses. Foreign buyers also getting an airing as a possible source of the high demand.

Opposition politicians regularly cite the decreasing home ownership rates and this came into focus with a recent report that 47% of houses sold in Auckland went to investors rather than owner-occupiers. We regularly see articles in the newspapers that, even if the rent received for a rental home does not cover the mortgage and other costs of the house, the owner can claim the “loss” against income from other sources – so called negative gearing. Investor owners also appear to be on to a sure bet that the value of their investment will continue to raise and, as long as they do not sell for at least 2 years, any profit could well be tax free.

Despite the apparent losses that house invertors incur when renting the property, rents have been increasing at alarming rates, at rates in excess of the increases in income of renters. But, according to the advocates of the free market, this should not happen; everything should be in balance, if enough people cannot afford to rent houses then the rental price should fall and hence the “value” of the house should fall. But we are not seeing this, instead the percentage that of a family’s income going on rent continues to increase month by month and year by year. Negative gearing can only explain some of this conundrum, is there something else that is distorting the “market”.

In 1993, the then National Government, as part of its neoliberal reforms, made major changes to state housing and introduced the accommodation supplement for relatively low income people living in rental houses. The present Government made changes to the Accommodation Supplement in 2013, so that low income families can receive an accommodation supplement that covers as much as 30-40% of their rent.

Although the accommodation supplement has been promoted as a benefit for the poor, it is actually a subsidy for rich landlords. A subsidy that is markedly contributing to the increase in house prices.

If the advocates of the “free market” are to be believed, and the accommodation supplement were to be scrapped, then rents must fall to a level that low income families can afford and thus the value of the investment in the house should fall and cause the investor to cut his or her losses and sell the house thus bringing down house prices. Oh Yea!!!

We know that to solve the housing crisis just scrapping one government allowance will not be nearly enough. It is a highly complex situation and will require action on both the supply side and the demand side. We also should know that a slavish adherence to the “free market” or a neoliberal philosophy, will only make the situation worse. Thankfully in recent days there have been some recognition that of this, but only time will tell.

#### **An unexpected advocate for the low paid.**

According to the “Working Life” column in the Business section of the NZ Herald on Friday 15 July 2015 the Jamie Dimon CEO of JPMorganChase, one of the world’s largest bankers, said “wage stagnation and income inequality were holding back millions of people”. And, true to his word, he indicated that he would increase the wages of some 18,000 of his employees from around US\$10.15 per hour to US\$12 to US\$16.50 per hour by 2019.

Last year Dimon received a 35% increase in his pay to US\$27 million that is 1,279 time more that the lowest paid teller in JPMorgan. Assuming he gets no increase in his pay between last year and 2019 – a very unlikely assumption, the ratio of highest to least paid will fall to 1,082. Whoopee!!!

Maybe Jamie Dimon has realised that the support for Presidential candidates Barry Sanders and Donald Trump from the lowest paid in the US could be a threat to his opulent lifestyle but the reduction in income ratio from 1 to 1279 to 1 to 1082 appears to be more like fiddling whilst Rome burns!

#### **Local Body Elections**

We have regularly organised or supported public meetings so that we, as electors, can meet and hear from the candidates. This year we are joining together with the Living Wage Movement in promoting a different form of meeting. Rather than giving each and every candidate a slot to explain what they want to do if elected, we and other groups affiliated with the Living Wage Movement, have been working on the issues that we want the successful candidates to address.

We have identified three major issues and will be asking candidates for support or reject each of them. The "asks" are:

#### **A Living Wage**

1. A Living Wage for directly employed staff and workers employed on a regular and on-going basis by contractors at Auckland Council and its CCO's, including Auckland Transport, and will act in accordance with this commitment on election to office.
2. As a first step, that the 2017 renewal of cleaning services is undertaken on the basis that the successful tender will employ staff on no less than the current Living Wage.
3. A sub-committee of the Governing Body of Auckland Council be established that includes representatives of the Living Wage Movement Aotearoa NZ to inform, monitor, and support implementation of the Living Wage.

#### **Transport**

Living Wage Auckland believes that the long term solution to transport issues facing Aucklanders is a comprehensive public transport system to all areas of the expanding city.

In order to move toward this will you as a candidate for Auckland Council support:

4. A review of night and weekend public transport in to the CBD, hospitals and airport to investigate whether the service meets the start and finish times of workers based in these locations.
5. As a first step, extending the Saturday and Sunday morning train timetables on all lines to ensure that each line has a service that reaches Britomart before 6.00am.

#### **Housing**

Living Wage Auckland believes Auckland Council, Panuku and the new community housing provider for pensioner housing need to act to achieve healthy, affordable secure housing for all Aucklanders

As First steps, will you as a candidate for Auckland Council support:

6. A council-wide voluntary scheme for landlords to get a Warrant of Fitness
7. Loans available under Auckland Council's 'Retrofit Your Home Programme' being interest free.

We are organising two Peoples Assemblies to explain our thinking and ask each candidate if they support, and will make every effort to implement, our proposed policy on the issues. Each candidate will be given a minute to say yes or no!! The two assemblies are at

#### **Waitakere Ward Council Candidates**

Thursday 18<sup>th</sup> August 2016 6:30pm Hub West, Corban Ave, Henderson South

#### **Mayoral and Waitemata Council Candidates**

Thursday 1<sup>st</sup> September 2016 6:00pm St Matthews in the City, Federal Street, Auckland

Come along and hear if the various candidates are willing to commit themselves to possible solutions for the major issues Auckland is facing.

#### **Living Wage Accredited Employers**

Three major central Auckland city churches have recently become Living Wage Accredited employers. This means that all their staff are paid at least a Living Wage (\$19.80 per hour) including all long time contractors such as cleaners, security people etc. The three churches are

- Holy Trinity Cathedral
- St Matthews in the City
- Central Methodist Parish (Pitt Street)

What about your parish? Do you believe that anyone working for you should be paid wage sufficient to provide them and their families the basic necessities of life? A Living Wage will enable workers to live with dignity and to participate as active citizens in society.

#### **Cross-Party Homelessness Inquiry**

This inquiry was launched by Labour, Green and Māori Parties after National MPs turned down Opposition requests for a Parliamentary select committee inquiry into the issue.

They want to hear from members of the public, those who experience homelessness and agencies working with them, about the best ways to support them and reduce the reasons they lose their homes in the first place.

There are many, many families who have no choice but to sleep in overcrowded garages, or in their cars. It hasn't always been this way in New Zealand, and it doesn't have to continue like this.

Homelessness is a blight on our society and we need to work together to find enduring solutions. This is a valuable opportunity for us to hear more from whānau, experts and those most impacted.

Submissions will initially be heard in person at four locations: Te Puaa Marae in Auckland, Tauranga, Wellington and Christchurch between the end of August and early September.

#### **The terms of reference for the inquiry are:**

- Consider whether the official definition of homelessness needs updating, and recommend accordingly.
- Assess the evidence on the current scale of homelessness, whether it is changing and how, and what the causes of that change might be.
- Evaluate possible policy responses to homelessness, including international best practice, and recommend accordingly.
- Consider how homelessness is experienced by different groups in society and evaluate policy responses that respond to that experience. For example, Maori experience of homelessness and Maori-led initiatives to respond
- Hear public submissions and expert evidence, particularly from those directly affected by homelessness and their advocates, and issue a written report.

To send your written submission to the inquiry, [click here](#) or email [homelessnessinquiry@parliament.govt.nz](mailto:homelessnessinquiry@parliament.govt.nz) for more information.

#### **Upcoming events:**

**The Justice Conference.** 28-29 October 2016 Salvation Army, 18 Allright Place, Mount Wellington, Auckland. The conference theme is:

**Live Justice Together.** Our vision is to serve the discovery of ideas, celebrate the beauty of justice, and foster a community of people who live justice **together**. **Now, more than ever, people of faith need to come together to wrestle with the injustice in our world.**

**This is the time.** This is the place.

For more information go to:

<http://www.thejusticeconference.org.nz/about/venues>

#### **Get More Out of Our Prisons – A Special Ika Salon Event**

**Thursday 4<sup>th</sup> August 2016 at Ika Restaurant 3 Mount Eden Road, Mt Eden.**

At this special event organised with prison reform advocates, we'll serve up a delicious meal and an excellent discussion. Join Rod Oram MC, Fa'afete Taito (BA sociology & Maori, ex-prisoner), Dr Anne Opie (researcher, author), Dr Tracey McIntosh (Assoc Prof Criminology, University of Auckland). Doors open 5.30 pm, meal approx 6.15 pm followed by discussion. \$32 including your main meal.

**For tickets go to:**

<https://www.facebook.com/events/813604105442907/>