



Do Justice!!

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

A Newsletter on Social Justice Issues

Welcome to the July 2015 edition of Do Justice. This newsletter, prepared by Auckland Diocesan Social Justice Group, looks at various Social Justice Issues.

The gap continues to widen.

During the week of 12-19 June 2015 the NZ Herald published a series of articles on the rewards CEOs and other senior executives of our largest companies received in 2014. The final article in the Business Section of Friday 19th June is headed "The Decade of Rising Rewards" and makes the point that CEO pay of our largest companies increased 107% from 2004 to 2014 but profits only increased 59%.¹ Compare this with the increase in the median income in the same period of 33%.²

We have previously written about the ratcheting of top salaries as a result of strategic salary surveys so it was interesting to read the quote by John McGill of Strategic Pay Ltd in defence of the lack of transparency of executive salaries in New Zealand that if more information was required in company annual reports as in Australia and other developed countries the *"a by-product of greater disclosure is that it can push up some executives pay when they discover how much others are earning"*.

It is interesting to note that the CEOs of the three Power companies that were partially privatised last year increased significantly more than the average:

Mighty River Power	180%
Meridian Energy	135%
Genesis Energy	111%

This during a time when the cost of electricity to the consumer was increasing significantly faster than the rate of inflation.

It is also interesting to note that the minimum wage, which is set by the government, has gone from \$9 to \$14.25 in the same period, an increase of 58%, half the increase given to the top managers.

So the gap between the highest paid and the lowest paid continues to widen. One of the reasons is that New Zealand

has a government induced low wage economy, it is only when we move to a high wage economy will some of the inequality in New Zealand be addressed.

As Tax Payers we are Investors in Social Housing.

State house tenants are dying from cold, damp Housing New Zealand homes but the Government still expects Housing New Zealand to pay dividends to the Treasury. Over recent years HNZ has paid the following dividends:

\$71 million in 2010
\$68 million in 2011
\$77 million in 2012
\$90 million in 2013

The previous Labour led Government also demanded dividends from HNZ, as high as \$176 million in 2003. Despite the need for HNZ to bring its house stock up to reasonable standards for its tenants, the present Government wants a further \$252 million in dividends over the next three years. Why does, what is effectively a Government Department, have to pay any dividend to the Treasury. In the 2013/4 Annual Report of HNZ it states: *In delivering the Crown's social objectives of providing housing and services related to housing, we must operate in a financially responsible manner and optimise our return to the Crown.*³

But why? If we take this logic that providing a public service the organisation must provide a "return to the Crown" then WINZ, the Police and even the Ministry of Defence should make a "return to the Crown".

In 2013/4 according to the HNZ Annual Report it spent \$220 million on Repairs and Maintenance, this seems reasonable against the rule of thumb of 1% of the value of the houses. HNZ value their housing stock at \$18.6 billion. So why are young children living in HNZ houses dying because of the condition of the house?

And why did a Government agency have to pay \$59 million in Income Tax on top of the dividend?

¹ NZ Herald 19 June 15 The Business page 12.

² http://www.stats.govt.nz/browse_for_stats/income-and-work/Income/NZIncomeSurvey_HOTPJun14qtr.aspx

³ <http://www.hnzc.co.nz/our-publications/annual-report/2013-14-annual-report/Annual-Report-2014.pdf>

In 2014 HNZ paid 163 people over \$100,000 salary. The Government thinks so much of HNZ management that it wants to sell off its assets. And the CEO of HNZ is paid more about 50% more than the Prime Minister.

Are we a refugee miser?

Syria, Iraq, Libya, Sudan, Afghanistan, Sri Lanka, Iran, and so the list goes on – all countries where people feel so threatened that they leave for their own safety – they become refugees. On average each minute there are 8 people fleeing their home country to escape war, terror or persecution. As one of the safest countries in the world we accept 94 minutes of refugees each year. That is 0.178% of the annual number of refugees fleeing per year.

The last time the New Zealand Government changed the annual quote of refugees was in 1987 when it was set at 750. Since 1987 the NZ population has grown from 3.28 million to 4.51million an increase of 37%⁴.

The first Sunday in July is World Refugee Sunday, a good time to reflect on our call to love our neighbour. As a nation we pride ourselves that we are a society that embraces justice and mercy. We were elected to the UN Security Council as a voice for the unheard and ignored, if refugees from persecution and war are not the unheard and ignored then who are?

We welcome those with lots of cash, sometimes obtained by dubious means, surely It is time that New Zealand become less of a refugee miser and welcomed many more refugees.

Climate Change and the Paris Conference.

On the 30th November of this year the nations of the world will be meeting in Paris for what may be the most important international meeting since the founding of the United Nations in 1944.

The UN Climate Change Conference may well be the final opportunity for the international community to make decisions that can slow the relentless increase in Global Temperatures before the tipping point occurs and our very existence on this earth is threatened.

It is encouraging that a number of world leaders including the Presidents of both the USA and China have stressed the need for binding agreements to address Climate Change at the Paris Conference. It is also encouraging that our own government is consulting widely on New Zealand's position at the Conference. However it is disconcerting that the government appears to be focusing on the costs of doing anything, particularly in the agricultural area. Government Ministers from the Prime Minister down, in answering questions in the House of Representatives, appear to be unable to move beyond the possible costs of limiting greenhouse gas emissions.

The Justice and Peace Commission of the Catholic Diocese of Auckland addressed the issue of cost very clearly in their submission to the Ministry for the Environment on Setting New Zealand's Post-2020 Climate Change Target on 4 June 2015 as follows: *When we speak of a contribution that is affordable, we should take care to ask not only what the costs are of today's preventative actions e.g., changing to more renewable energy – but also what the costs would be to us if we do NOT prevent further climate change, e.g., relocation or constant flooding of our coastal cities and towns, fighting new pests and diseases which may threaten our agriculture and health systems, and so on. With this balance in mind, what appear to be costs today will be better understood as long-term investments in a viable future.*



The Inaugural Bishop Selwyn Forum 2015

LOOKING INTO PRISON

Exploring 21st Century Principles and Practices



SPEAKERS INCLUDE:

- Human rights experts
- People with extended experience of imprisonment
- NGOs working with ex-prisoners

Full programme here:

<http://prisonforum2015.weebly.com>

9:15am - 4:30pm Saturday 17 October

St Mary's-in-Holy Trinity Cathedral, Parnell, Auckland

\$50 per person | \$20 concession*

*with Student ID or Community Services Card



⁴http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/historical-population-tables.aspx