

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 edition of Do Justice for 2019 as we discuss issues of Social Justice from a Christian perspective.

Wellbeing Budget and GDP

It was refreshing to watch the Minister of Finance deliver a budget speech that hardly mentioned GDP, only six times is GDP mentioned and the final mention by Grant Robertson was:

“In 1968 Robert Kennedy bemoaned the limits of GDP in a well quoted speech. In it he concluded that it “measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything in short, except that which makes life worthwhile.”¹

Grant Robertson started his speech on 30 May with a similar theme to this ending when he said:

“If we have declared success because we have a relatively high rate of GDP growth, why are the things that we value going backwards like child wellbeing, a warm, dry home for all, mental health services or rivers and lakes that we can swim in?”

The near worship of GDP by politicians has been a regular issue raised by Do Justice over the years and it was indeed refreshing to listen to a budget speech that made it very clear that GDP was only one measure of a country's wellbeing and that there are more important measurements of wellbeing.

So, did the budget live up to the promise of its beginning and ending. To quote a very old saying – it was a bit like the curate's egg – good in parts. Certainly, significant new funding was allocated to important issues, mental health being perhaps the biggest winner. Some changes to the social welfare safety net were also made, while at the same time large sums were allocated to Defence. These were justified by the need to update equipment after years of under resourcing, but the actual need for armed forces was not questioned.

Despite the welcome shift in focus away from GDP this Government seems reluctant to move away from its so-

called Budget Responsibility Rules. These Rules invented by the Labour Party and the Greens when in opposition at a time when the then Government was claiming that all was well in New Zealand and that they, the Government, were the only people who could manage the country's economy. What Grant Robinson, James Shaw and others did not know at that time was the impact of the then Government's sinking lid policy on government numbers.

The chronic underfunding of health, education, housing and other important government services provided for the people has only now become apparent. Very large sums of money need to be spent to replenish the cuts, much more than the present government appears willing to provide.

And, let us not forget that in addition to applying the sinking lid policy to the public service the previous government pushed through significant tax cuts that advantaged the more well-off sectors of our population. Reform of our income tax system is urgently needed; it seems amazing that a 25 year old engineer earning around \$80,000 a year is paying the same marginal rate of tax as the CEO of Air New Zealand earning millions of dollars a year.

Similarly, a major reform of the welfare system is urgently required. Job seeker allowances, disability allowances, housing allowances etc are only band aids to the underlying issue. The Living Wage talks about workers *able to live with dignity and to participate as active citizens in society*. This should apply to all adult New Zealanders including those with disabilities, those who are sick and those who have no job. All are human beings; all are our neighbours. A Universal Basic Income is one way of ensuring that all our neighbours can live with dignity and participate as active members of society, a UBI needs to be looked at as a matter of urgency by Government as part of their Wellbeing approach to government.

Climate Change and Electricity

In New Zealand we often speak proudly of the fact that around 80% of our electricity is generated by renewable resources. We have four different ways to generate electricity from renewable resources – hydro, wind, solar and geo-thermal. Up to the 1960s virtually all our electricity was generated from water. It was only because of the need to have alternatives to cover for dry years

¹<https://treasury.govt.nz/sites/default/files/2019-06/b19-speech.pdf> .

that did we started to use fossil fuels – coal, oil and natural gas - to generate electricity.

In recent years wind and solar power have become economic alternatives for electricity generation but they are not available all the time. Sometimes the wind does not blow and every evening the sun goes down. The experts tell us that we need batteries to store electricity when the wind does not blow and the sun sets. But we have those “batteries” already. The dams that store the water for our hydro-electric power stations are very large batteries storing many millions of mega-watts of electricity. So why aren't we installing many more wind turbines and solar cells. Every roof of every house could have solar cells.

The main reason is that the electricity system, which up until the 1990s was run by the Government and local authorities, was privatised. Basically, the government through the New Zealand Electricity Department, generated the electricity and various local bodies distributed the electricity. Now we have profit focussed generation companies producing the electricity not concerned that they are contributing to Climate Change by using fossil fuels because that is possibly cheaper, and they have the machinery. In addition, the distribution companies are reluctant to buy electricity during the day from domestic solar cells because they do not have the ability to store the electricity using hydro storage because the generation companies own the hydro. It seems to be a Catch 22 situation!

New Zealand could generate 100% of our electricity sustainable within a very few years. And at the same time provide for a major switch to electric vehicles. We have the resources to provide all the electricity we need sustainably. Only the profits of the privatised generators and distributors stand in the way. Perhaps the government should buy them back!!!

Government Departments or Corporate Entities?

One of the issues that has become increasingly clear following the change in government in 2017 is the lack of actual control Ministers have over the day to day activities of their departments or ministries. Sometimes this is convenient as Ministers can claim that a particular issue is an “operational matter” and not their responsibility. In other instances, staff are actively following policies and procedures that are contrary to those the Minister wants followed because that is the way that particular department works.

There is an old saying that the boss sets the culture of an organisation. Prior to the major reforms of the 1980s the “boss” of a government department or ministry was the Minister, now it is the CEO, not appointed by the Minister but by the State Services Commission, another government department. And, for practical purposes, the CEO of a government department is ultimately responsible to the head of State Services who employ them. Exactly how much authority over the activities of the department the Minister is “responsibly” for is unclear.

The fact that it is the State Services Commission that is enquiring into the alleged “leak” of budget information from the Treasury website, and the enquiry cannot look at what ministers did or did not do, illustrates just how little day to day control a Minister has. What goes on a website and how it is protected is the responsibility of the department not the Minister

And there are some instances where the Ministerial control is even more remote. An example is the NZ Transport Authority (NZTA) which has its Board and CEO. NZTA is responsible for spending virally all the money raised through road user charges and fuel taxes. It decides which roads to build and when. It is also responsible for driver licensing, vehicle licensing and warrants of fitness including the appointment of inspectors. NZTA has recently had to deregister a number of warrant of fitness inspectors after many years of poor performance. A possible reason why it took so long to act could be that the culture of NZTA was that it was not necessary to monitor the performance of the inspectors as they would monitor themselves – a subset of the free market approach of the 1980s.

Rob Campbell, who was deeply involved with the 1980 changes in how we were governed in a recent article in Newsroom finished by writing *“To my mind much of what passes for sound corporate governance of public sector activities is simply the equivalent of basket weaving occupational therapy for those involved.”*²

The time has come to revisit the way the public service is governed, basket weaving is not the appropriate model. Ministers should be able to set the “culture” of their ministry even if it means they can no longer hide behind “operational matters” when answering questions in the House of Representatives or the media.



Nelson Mandela

Mandela My Life: The Official Exhibition has been at Eden Park since April and will be open until 4th August 2019. It is well worth a visit. Eden Park and New Zealand played a small but significant part in the peaceful transition from

² <https://www.newsroom.co.nz/2019/06/14/633692/we-took-corporatisation-of-the-state-too-fa?fbclid=IwAR2aYab6yIPCEsM5V1Yrftei0Czw9UWCqDPtuW7erGeYnAZdJk6lVHgulel#>

apartheid to democracy in South Africa. The exhibition not only covers the life of Nelson Mandela, particularly his young life, but also the stark reality of apartheid.