

## Do Justice!!

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

### A Newsletter on Social Justice Issues

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

#### **Housing, one of our most complex issues.**

Housing was a major issue for the current government when in opposition and it has been an area where the current opposition has scored some points in its first year in opposition.

But housing is a very complex issue with at least four almost distinct sectors

- Housing the homeless
- State Housing for the working, unemployed poor and elderly.
- Housing for young families wishing to own their own home
- Housing for those who can afford to buy and already own a home.

The involvement of government varies significantly from sector to sector. Responsibility for providing safe dry and warm housing for the homeless is clearly with society and hence the government acting on behalf of society. Similarly providing State Housing for those who cannot afford to buy, or rent, is a society responsibility and hence a government responsibility.

Owning one’s own home, either as a first home buyer or existing home owner is a different issue. Society’s involvement is more about where the house is located and the standards the house is built to. Whilst the financing of house purchase is not something that society has a direct responsibility for, governments do have a responsibility for ensuring that we have a reliable and fair financing system in New Zealand.

Over the last ten or so years there appears to have been a mixing up of the various responsibilities for each sector.

The previous government encouraged various non-government agencies to take on responsibility for housing the homeless and providing state housing under the guise of “social” housing. As far as the housing market in general was concerned, a rapid increase in immigration, particularly in to Auckland, contributed to one of the most rapid increases in house prices New Zealand has ever experienced. The fact that housing developers were only

interested in building expensive housing exacerbated the problem. One of the traditional yardsticks for home ownership – the ratio between purchase price and family income – increased from the traditional three or four to seven, eight and even ten. First home buyers were frozen out of the market.

The approach to each of these different sections of the overall housing issue by the new government and opposition has been interesting, and sometimes frustrating, to watch over the last 18 months.

As far as housing for the homeless is concerned the new government has increased emergency accommodation significantly, while at the same time the demand for emergency housing has also increased rapidly. Non-government agencies have continued to help but still too many individuals and families are homeless. The opposition has been silent about this sector of housing.

For most of the term of the previous government the number of state houses available steadily decreased and Housing Corp NZ (HCNZ) was encouraged to act like any other landlord. State houses were sold to private owners and non-government housing agencies. The long-term policy appeared to be for government to get out of providing any form of “public” housing. HCNZ was expected to make a profit and return a dividend to the government.

In contrast, the new government has brought HCNZ under closer control, stopped the sale of state houses and built some 1,400 new state houses in the last 12 months. However, HCNZ has been allowed to continue with the redevelopment of state house areas with a mix of state houses for rent and houses for sale on the open market. Whilst this policy has the attraction of creating a more diverse community, the need for more rental housing should be taking priority until the HCNZ waiting lists are substantially reduced. The waiting list for a State House has rapidly increased in the last 18 months to over 10,000 so new state houses must have priority over diversification. The opposition has been silent about this.

One of the most vocal promises of the current government in the run up to the last election was “Kiwi Build”, aimed to provide affordable houses for those wishing to own their own home. The aim is to build 100,000 houses with 10 years. In the first year the target of 1,000 new houses has

been reduced to only 300. There have been problems in the “ministry” set up to run Kiwi Build and the government is looking again at the whole programme. The opposition has used many hundred of parliamentary questions, often asking the same question multiple times, to critique the Kiwi Build concept. At the same time the opposition is saying that the Resource Management Act (RMA) is the real problem and the Act needs to be changed to allow more and more land to be freed up to build more houses. But little is said about developers who have land available for building houses but instead do nothing as they believe that holding on to the land (land banking) will be more profitable. Also, developers have concluded that it is more profitable to build large expensive houses rather than smaller more affordable houses. Revisions of the RMA will not change either of these situations. At least the Government recognises that there is a problem and is trying to fix it.

More needs to be done as far as state housing is concerned. The 1,400 new state houses in the last 12 months is a good turn round from the steady decline in State house numbers. But with a waiting list of over 10,000 much more needs to be done and quickly. As private house rentals continue to increase, it is now difficult to a family with an income of less than \$100,000 pa to rent in Auckland. The waiting list for State rentals is will increase further. We, as a society, have a responsibility to ensure that all people living in Aotearoa have a decant roof over their heads.

#### **Declaring National Emergencies.**

In last month’s Do Justice we wrote about the potential threats to democracy as a result of the rapid increase in inequality following the neoliberal decade of the 1980s. One of the ways in which an authoritarian elected politician could use to consolidate and perpetuate his (or her) power discussed was the use of National Emergency legislation. Now President Trump has done just that, he has declared a National Emergency on the southern border of the USA. He claims that a mass of refugees and immigrants will storm the border and cause havoc in the USA. His solution, to build a Wall.

The US Congress has not been prepared to provide the funds he needs to build the Wall so he gets around Congress by declaring the so called emergency which may give him power to move funds voted by Congress for a specific purpose to be used to build his Wall.

The danger to democracy is not specifically the Wall but the precedent set if President Trump is successful. Effectively it is saying to President Trump and future Presidents that if Congress will not fund something then you can get the funds by the back door. But it may be worse as this power may be used by a sitting President to defer elections. The exact extent of the powers granted the President under the Act are unclear and will require clarifying by the courts which may take many years – thankfully!

We also mentioned that in normal times for a government to lose a vote on a major policy in the British House of Commons would immediately lead to the resignation of the Prime Minister. But this long standing democratic tradition now appears to have been reversed as the May Government

continues to lose votes on its Brexit policy and still remain the Government. The next few weeks in British politics will be interesting to watch.

#### **Capital Gains Tax**

The Tax Working Groups long awaited report has finally been released with predictable reactions from many parts of the political spectrum.

The basic concept of a tax system is that the many provide resources to the government to provide various services that individuals cannot provide for themselves. Initially the taxes were mainly to provide defence for the nation and to maintain peace within the society. There are numerous references to taxes and tax collectors in both the Old and New Testaments. Jesus is reported to have dined with tax collectors. So, taxation is nothing new. Two fundamental principles appear to come out of the various references to tax in the Bible - the tax system should be fair and those with more should contribute more than those with less.

In making up our minds about the recommendations of the Tax Working Group and the proposals that the Government develop from it we need to keep these two principles in mind.

#### **Short cuts can be very costly.**

It is difficult to realise that it is eight years since many of us sat in front of televisions and watched the havoc in Christchurch to be followed a few weeks later by the earthquake and tsunami in Japan. Much has happened since 2011, there has been much rebuilding but there is still much more to do. There have been reviews and inquiries into what happened and hopefully lessons have been learnt.

One lesson that we should have learnt is that we cannot, as a nation, leave regulation compliance to the “market”. Governments, both local and national, have a responsibility to ensure that standards are adhered to and monitored. The CTV building was a classic example of lax compliance of building standards with major loss of life. Pike River is also another example of lax compliance leading to tragedy.

Recent news reports about the cover of a “switchboard” being lost following the Pike river explosions is very concerning. Standards for all kinds of equipment needed in coal mines have been around for many years. As far as electrical equipment is concerned one of the fundamental requirements is it if a spark should occur the body of the equipment must ensure that the spark could not reach the atmosphere outside the case. From the photograph that appeared in the media the type of case illustrated would not be capable of performing this safety function. Whether or not this equipment was the cause of the Pike River explosion it should not have been in the mine in the first place. (The writer was involved in the design and testing of electrical equipment for coal and other mines in the 1960s in the UK).

To many short cuts were taken at Pike River and in the CTV Building and far too many people have paid the ultimate price with their lives. If an activity cannot be done safely and economically then it should not be done.