



A Newsletter on Social Justice Issues

Welcome to the April edition of Do Justice for 2024 as we continue to discuss issues of social justice from a Christian perspective in the tradition of Micah and St Francis.

The Reverend Jean Brookes

It was with great sadness that we heard that Jean had died on 8 March 2024. Jean had been a member of the Social Justice Council and Social Justice Group for over 30 years. She was also the coordinator of the group that produced Talking Cents and was a significant contributor to Do Justice over the years. We will miss you, Jean.

Are we suffering from amnesia?

It has been interesting over the last few weeks to read and hear about the state of our economy, what is wrong and who is responsible. Every time the prime minister or the finance minister is interviewed or delivers a speech the same lines are heard time after time – “the last government overspent, hired far too many civil servants etc, etc”. It was always the spending over the full six-year term of the previous government that is mentioned, which for half the time had one of the coalition parties as a partner.

No mention is ever made of the enormous size of the financial measures taken so businesses and jobs would not be lost when the country, and our borders, had to effectively shut down to keep us safe from Covid until a vaccine was available. Billions of dollars went to employers so that their staff could continue to receive wages and salaries, and billions to companies so they would avoid going bankrupt because of no income and continuing costs.

No mention is made of the cost of purchasing the vaccines in a sellers’ market when the producers expected high returns for their products despite very substantial funding from governments around the world to develop the vaccines. No mention of the cost of running the converted hotels that become isolation centres for those who had to cross our border.

Rod Oram, Journalist and Social Justice Advocate

Rod died suddenly on 19 March 2024 following involvement in a bicycle accident the previous Sunday. Rod was a member of the diocesan Synod for some years and brought a number of challenging motions to Synod including support for the Living Wage and various climate change related issues. We will miss you, Rod.

No mention that the number of our fellow New Zealanders who died from catching Covid was the smallest in the world. Of the 2,613,670 New Zealanders who have caught Covid until 24 March 2024, 5,674 have died and 2,605,102 recovered¹. Only 0.22% of those who caught Covid died from it.

Then there were the floods of last year, never mentioned. It would seem that the prime minister and the finance minister either have short memories or are deliberately ignoring the momentous events from 2017 to 2023. Do they have amnesia? Or maybe the whole country has amnesia as we seem to have allowed them to get away with it.

How responsible are tax cuts now?

Each of the members of the coalition ran on a platform of tax cuts in various forms. National, the lead coalition partner, had the most ambitious – cuts in income tax to help “lower and middle-income hard-working Kiwis”.

These changes, that the finance minister appears determined to go ahead with at budget time, involve raising the income limits for the lower tax bands. She quite rightly says that the limits have not changed for over 20 years and have negatively impacted on the lowest paid workers. The reluctance of both Labour and National finance ministers to make any adjustments to income tax rates, except at the very top, has significantly impacted on the lowest paid workers.

But the proposals that National promoted at the last election, whilst helping the lowest paid, actually benefit the highest paid even more. And the finance minister

¹ [New Zealand COVID - Coronavirus Statistics - Worldometer \(worldometers.info\)](https://www.worldometers.info/coronavirus/)

has the problem of how to replace the very substantial amounts of tax it will lose if the lowest rates are adjusted. So far we have seen cancellation of various projects that the previous government had started, proposed cuts to so called "back office" staff in various government ministries and organisations, changes to the tobacco reduction programmes that will allow more cigarettes to be purchased and more tax paid, and so on, small changes that will mean a million here and a million there but not the billions required to replace the proposed changes to income tax. One possible change has not been explored and that would be to increase the higher income tax brackets, for example the 39% could start at say \$150,000 per year instead of \$180,000 and those over \$250,000 could pay say 44% and over \$400,000 the same maximum rate as Australian pay, 49%. That would give us a much more progressive income tax system and still raise about the same amount of tax.

But at least one coalition party would strenuously object to such changes, the party founded by Roger Douglas and Richard Prebble – ACT. It should not be forgotten that Roger Douglas, when Finance Minister in 1988, wanted to only have one income tax rate of 30% on all income. It was mainly because of the opposition of the then Prime Minister David Lange that it did not happen.

Regrettably we are still tied to the neoliberal political philosophy of the 1980s which basically argues that if you give money to the rich, they will invest it and it will "trickle down" to the poor. It seems amazing that after about 40 years of trickle down nothing actually gets to the poor and our society becomes more and more unequal.

The regular statements by the prime minister that his government wants to give "hard working low and middle paid Kiwis a break" seems more and more likely to benefit the rich at the expense of our education system, our health system, law and order and our defence - to say nothing about the enormous resources that will be needed to address climate change. When will the prime minister understand that front line services are dependant on a resourced and efficient back room?

What is happening to the middle of the voting spectrum?

One of the interesting aspects of the New Zealand political scene over the years has been the evolution of our society from government to government. Reforms of previous governments have generally been accepted by the next government even when they strongly opposed the change when in opposition. Has this now changed? Can we now expect that every time we have a change of government, we will see a mass of repeal

bills rushed through parliament in the first 100 days? The 100-day focus comes from when President Franklin Roosevelt was elected president of the USA in 1932. He was faced with unemployment out of control, banks going bankrupt and a shattered economy – the Great Depression. He needed to take action urgently, and he did.

Some might argue that the new government in New Zealand were faced with a similar situation and certainly from some of the rhetoric of the coalition party leaders they seemed to believe that we are facing a similar situation. But unemployment is the lowest it has been for many years, the banks are certainly not bankrupt and we are not faced with a global depression. So, why the rush to undo everything the previous government did, and why undo without clear and workable alternatives?

What may be the biggest blunder of the new government is to get rid of the Three Waters reforms. Provision of clean safe drinking water, the removal of waste liquids from homes and businesses. And dealing with drainage without polluting our rivers and the sea, is a fundamental task of government which, in New Zealand, has been given to local authorities. What was becoming increasingly apparent over the last decades was that local authorities, with maybe one exception – Auckland, are incapable of providing these services as they do not have the financial or technical resources. Some forty years ago it was recognised that the distribution of electricity to consumers was not a function for local authorities and changes were made, regrettably there was not protection against privatisation, something Three Waters attempted to do. But now, when a government has had the courage to make the Three Water changes, the next government reverses them - mainly because of an outcry from some local authorities that their assets are being taken away from them!

Water is only one of the issues the previous government changed that the new government is reversing. Issues that impact on health, benefits, transport and tax revenue, among others. Why the rush to go into reverse gear? What are the practical reasons for reversing so much? It can be accepted that not everything the previous government did was necessarily good, but they took us through Covid better than any other government in the world. Has ideology, particularly ACT ideology, now become the driving force?

Has the middle spectrum of the electorate that supposedly decides the election been hoodwinked or are we seeing a move away from fairness and equality? Or even worse, are rich lobby groups now ruling New Zealand?