

KETE KUPU

WORD BASKET

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New Zealand Council Of
Christian Social Services

Inequality is a top issue in 2014

By Paul Barber, NZCCSS Policy Advisor

"Just as the commandment 'Thou shalt not kill' sets a clear limit in order to safeguard the value of human life, today we also have to say 'thou shalt not' to an economy of exclusion and inequality. Such an economy kills,"

Pope Francis

2014 has begun with the feeling that this may be one of those special 'kairos' moments, when people of faith sense that the Spirit is moving in a way that will help build momentum for social policy change to reduce the gap between rich and poor. The bold and challenging words from Pope Francis have resonated around the world in religious and secular circles, well beyond the reach of typical papal messages in recent years.

Strengthening that sense of opportunity has been the move by the National Government to respond to the criticism of inequality in New Zealand and re-affirm the egalitarian nature of our society. Prime Minister John Key, in his opening State of the Nation address, specifically refuted claims of increasing inequality, saying, "Household incomes have been rising faster than the cost of living, right across the board, and income inequality has been declining. Despite what our political opponents try to claim, it is simply not true that the rich are getting richer and the poor are getting poorer." Similarly he asserted the egalitarian nature of education in this country in announcing new policy for lifting performance in low decile schools.

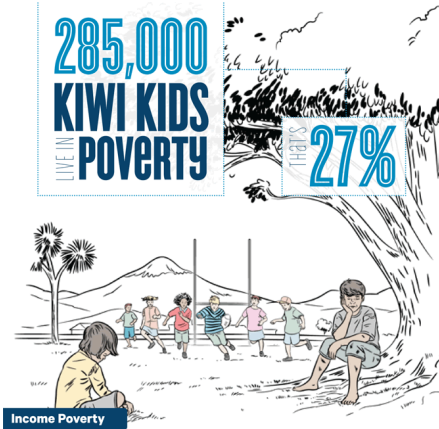
There has been much debate about these claims – and so there should be, because there are hundreds of thousands of people being left behind in poverty and exclusion. Will the new Government policy announcements actually reduce those gaps in education? Does the new information about errors in poverty and inequality figures (see article p.2) put into question claims that inequality is not increasing?

PUBLIC PERCEPTIONS OF INEQUALITY

Latest results from market research company UMR show that less than a quarter of New Zealanders share John Key's view that we are an egalitarian society. The same survey poll showed that nearly three quarters of those polled (71%) believe that the gap between rich and poor is widening and even more (78%) believe that the overall effect of a growing gap has been negative. The survey detects a significant shift towards preferring a more equal society over the past 13 years.

One fascinating result shows that nearly half of people on high incomes (47%) think the taxes they pay are too low. There appears to be a willingness among many of the wealthier households to pay more tax and three quarters of people support a progressive tax system rather than a flat tax system. Most people also believe that big business and multinationals don't pay enough tax.

The survey reports people delaying important expenditure (such as medical visits or essential household appliances repairs) or going without and shows that compared to 1984, people feel more under financial pressure.



Source: www.childpoverty.co.nz

The strong preference to reduce inequality exists in tension with a strong belief that New Zealanders have the opportunity to succeed in life through education and hard work. We seem to want a society where people can get ahead, where the gap between rich and poor is not too great and individual efforts are rewarded.

A WILLINGNESS TO REDUCE INEQUALITY

The results of this study supports other research showing New Zealanders' concern about inequality and gives politicians and policy makers some very good indications of the kinds of policies that people are willing to support. Lifting taxes on higher incomes and big business to enable investment in education, employment and income support to help people get ahead in life looks like a good combination of acceptable policies.

How will our political and social leaders respond in this time of opportunity?

Read a summary of the results and the full report on the UMR website: www.umar.co.nz/updates/inequality-new-zealand-2013

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Inequality and Poverty

Inequality in New Zealand – get informed

TALKING ABOUT INEQUALITY TOUR

Max Rashbrooke, editor of *Inequality: A New Zealand Crisis*, is on tour again. He will be talking about the key facts about inequality in New Zealand: how severe it is, how it has come to rise so much, and where it is heading.

He is on tour in the South Island until late March – check out the schedule on the website:

www.inequality.org.nz/upcoming-events/

THE INEQUALITY DEBATE: AN INTRODUCTION



'How we think about income gaps, and how we decide to address them, will do much to alter New Zealand's levels of inequality in the years to come.'

Max Rashbrooke has re-issued the first two chapters of *Inequality: A New Zealand Crisis* as a separate pocket-sized book as part of the wonderful new series of BWB Texts.

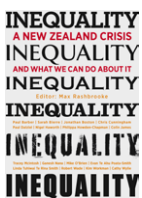
This book is an ideal resource for church and community discussion groups or anyone interested in the inequality issue but can't run to the price or reading length of the larger book.

Buy the book in hard copy for \$14.99 or as an e-book for \$4.99. Contact the publisher Bridget Williams Books to order copies of the texts:

www.bwb.co.nz/books/the-inequality-debate

INEQUALITY: A NEW ZEALAND CRISIS,

Ed. Max Rashbrooke



If you wish to get an in-depth and readable account of the breadth the issues of inequality in this country, reading the full book is vital. The strength of this book is the variety of voices and the range of proposals to reduce the gap between rich and the rest that has grown over recent decades.

Order through publisher Bridget Williams Books: www.bwb.co.nz/books/inequality

"INEQUALITY AND THE WEST"

BY PROFESSOR ROBERT WADE

Inequality and the West

Robert Wade

BWB Texts

This is another chapter from the book that is available separately as an e-book. Professor Wade made a huge impact on his visit to New Zealand in 2013 and this short book brings together his key points about the rise of the very-rich "plutocracy" and the importance of tackling "pre-distribution" of incomes and having social and economic policies that hinder the ability of small group to capture too great a share of national wealth and income.

Order the book online through the BWB Texts series: www.bwb.co.nz/books/inequality-and-the-west

INEQUALITY-A NEW ZEALAND CONVERSATION-WEBSITE

Follow the debate online on the Inequality.org.nz website. There is more information relating to the issues, upcoming events and a regular blog from Max Rashbrooke and other occasional contributors.

Keep an eye on www.facebook.com/whakatatamai/posts/666602836731090 for more background information about inequality and what to do about it.

**CLOSER TOGETHER
WHAKATATA MAI**

REDUCING INEQUALITIES

Poverty in New Zealand: even worse than we thought

By Max Rashbrooke

(Source from www.inequality.org.nz)

Recent news tells us that mistakes by the Treasury and Statistics New Zealand mean that poverty and inequality are even worse than we thought. By double counting the Accommodation Supplement and making some other errors, they accidentally inflated low incomes.

How big is the mistake? It's significant. The headline number is that there are 285,000 children in poverty, not 265,000 as we previously thought – 27%, not 25%. That's a big shift, and shows that we have returned to the bad old pre-Working for Families days, when child poverty figures were at a similar level. By 2007 they had fallen to 22%, but that progress has been thrown into reverse.

The revelation of the mistakes also helps explain something that had puzzled me. According to the old figures, incomes for the poorest New Zealanders had seen steady

if unspectacular increases since 2009. That had seemed unlikely, but I'd rationalised it as the effects of tax cuts and other things.

Now, following the revision, the figures show that, once you take into account housing costs, disposable incomes for the whole bottom half of New Zealand have fallen since 2009 – which fits better with the picture that I pick up from speaking to people and agencies working on the front line.

What does this mean for inequality? Again, it's higher than we thought. It's not radically different, however – the trendline since the global financial crisis is still pretty flat, albeit it was falling before the crisis, so again, progress has gone into reverse.

When you compare us to other OECD countries, the revision means we slip from the 20th most unequal out of 34 countries down into 23rd spot, next to Australia. It's not a huge change, but it makes it harder to argue, as the Treasury is inclined to do, that we are 'in the middle of the pack'.



Children's Action Plan

The work to implement the Children's Action Plan is gathering pace. A Children's Action Plan Directorate has been established and they are working hard on developing and rolling out the various components of the plan. These include "Viki" the computer-based information sharing platform, the workforce screening and vetting processes, the Child Protect 0800 phone number and the Hub assessment system to insure the information received results in notifications to the correct agencies and the local Children's Teams.

NZCCSS CONCERNS

Right from the start of the process NZCCSS had a number of concerns with the Children's Action Plan these include:

- the focus on a small group of "vulnerable children"
- the potential for other children's supports to be lost when resources are shifted to meet these "vulnerable" children's needs
- costs associated with vetting and screening
- the development of a large "top-down" bureaucracy that imposes process and consumes resources which should be used to directly support families and whānau
- labelling children and parents as vulnerable – potential for stigmatisation
- overall our biggest concern is this focus on vulnerable children addresses only the symptoms of the structural inequities/inequalities that produce the vulnerability in the first place.

While we continue to raise these concerns, NZCCSS has been working proactively with the Children's Action Plan Directorate to ensure that the implementation of the plan takes account of the actual needs of families, whānau and the community based organisations that serve them.

ENGAGEMENT IN DEVELOPMENT

On January 28 and 29 NZCCSS co-hosted a Children's Action Plan workshop at Te Papa Tongarewa, Wellington with the Children's Action Plan Directorate. This event

was called in a very short space of time due to the need for the Directorate to develop its plans in time for the 2014 Budget development process. Some members from all of the NZCCSS social services denominational networks were able to attend along with Pasifika and other NGO social services providers, iwi/Māori social service providers, educationalists, paediatricians, and officials from DHBs, Ministry of Health, Ministry of Social Development, Police and Ministry of Education.

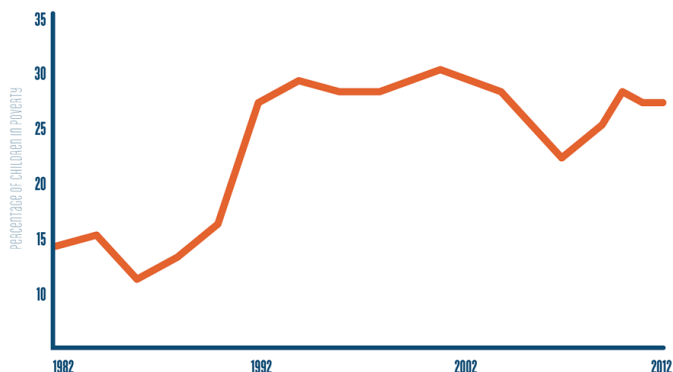
The workshop focussed on the implementation of the Children's Teams. Currently there are two demonstration sites, one in Rotorua and one in Whangarei. Representatives from the Children's Teams, including officials and NGOs gave their experiences of developing these teams and delivering their services. Both locations had different approaches and were able to provide information on what was working and what was problematic. This was useful information and contributed to the biggest part of the workshop which was the focused small group work to develop a set a principles and values upon which the development of future Children's Teams should be based. These principles and values have provided a basis for the further development of plans and processes for rolling out additional local Children's Teams. There are plans for a number of new regions to have Children's Teams established by the end of this calendar year. The number and location of these Teams has not been announced yet.

HAVE YOUR SAY

By working together with the Children's Action Plan Directorate, NZCCSS has been able to alleviate some of our concerns. However, as always it is how the work is actually implemented in our communities that will really show if the issues have been worked through properly. What is really important is for you, the people that are doing the real work in our communities with our families and children, to have your say! The workshop feedback, the Principles and Values Paper, the tools and processes being used in trial sites and the first draft Children's Action Plan have all been posted on a closed website that you can log onto and download the information. There is also a good facility to provide your thoughts and feedback on all of this information and plans. In order to log onto this system (which is called "Chatter") you should email admin@childrensactionplan.govt.nz and request access to the Children's Action Plan Chatter site. They will send you log-in details so you can access and download the information and participate in the feedback forms.

The Children's Action Plan and the Children's Teams have the potential to significantly impact on social service organisations and on the way social services are delivered in communities. While there are ongoing issues with the some of the big picture policies of the Children's Action Plan, it is in the process of being implemented. The Children's Action Plan Chatter website is an opportunity to provide feedback to help the implementation policy work as well as it can. NZCCSS encourages you all to engage and provide feedback.

KIWI CHILDREN LIVING IN POVERTY OVER THE LAST THREE DECADES



Source: www.childpoverty.co.nz





Services for Older People Conference

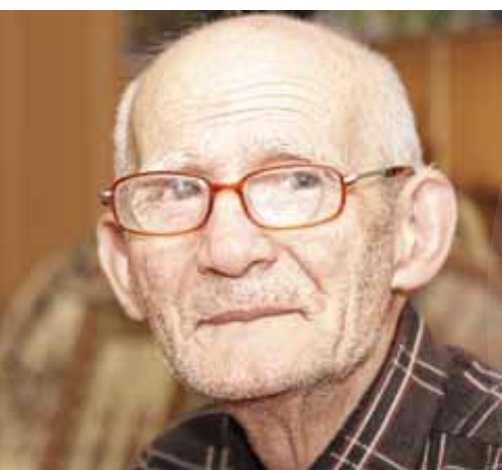
8 - 9 May, 2014. Dunedin Art Gallery

www.nzccss.org.nz

New Zealand Council Of
Christian Social Services

THE NEXT STRETCH

Increasing Demand, Expectations, Quality, Resources, Sustainability, Adapting



You are invited to attend the Services for Older People Conference 2014

Thursday 8th & Friday 9th May, 2014

Dunedin Public Art Gallery

Invited Speakers

Dr Satya Brink

Adjunct Professor in Gerontology, Canada

Chris Clarke

World Vision CEO, New Zealand

Dr Susan Koch

Director RDNS Institute La Trobe University, Australia

Geoff Pearman

Manager, facilitator and consultant, Australia

Registration Costs

Full Registration

\$495 – prior to 7th April 2014

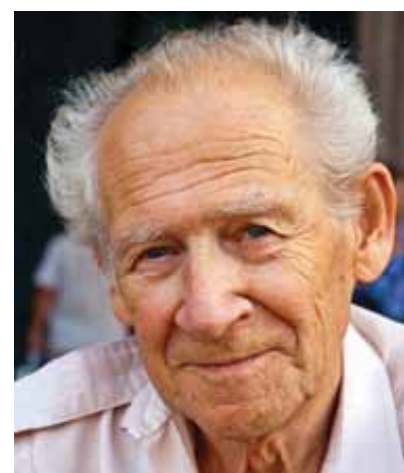
\$545 – 7th April 2014 onwards

Day Registration

\$250 Thursday 8th May

\$250 Friday 9th May

Online registration www.nzccss.org.nz or call the conference organisers on **03 477 1377**



Dunedin is a great place to visit and NZCCSS conferences the best way to get inspiration and information for anyone working with older people whether it be as a Board member, manager, CEO, service provision or in government, DHBs or other NGOs.

REGISTER NOW!

KEYNOTE SPEAKERS



Dr. Satya Brink

"Is NZ a Good Place To Age? An international comparison of preparedness to for population ageing."

International expert Dr. Satya Brink, has travelled the world advising governments, academic and professional audiences on social policy including responding to population ageing. She is an Adjunct Professor in Gerontology at Simon Fraser University and is well-placed to help us take stock of what we are doing and what we need to do based on the experiences of other countries around the world.

Dr Susan Koch

"The Biggest Challenges in Dementia Care"

Dr Koch is Director RDNS Institute La Trobe University and is an internationally recognised leader in the field of dementia care services in the home-based setting. She is an ideal speaker

to offer expert insight on the many challenges ahead to support a growing number of people living with dementia.

Chris Clarke

"Inspiring Organisational Leadership"

Chris is a recognised leader in health and social services and in his current role of CEO of World Vision he is very much a "man with a mission"! He fully understands the challenges that leaders in health, social services and in church-based agencies face and we look to him for some

insights and encouragement to take into our work in the sector.

Geoff Pearman

"The ageing workforce: an opportunity or a challenge"

Geoff is the perfect person to help our sector look at how to respond to an ageing workforce. He is widely recognised for his strategic and future thinking skills, his ability to initiate and implement complex organisational change and to develop innovative approaches to programme and service delivery.

He has held leadership roles in the tertiary education, government and human services sectors and has developed the Staying On programme that was a finalist in the NZ Human Resource Institutes 2011 awards and is now being introduced to companies in Australia and New Zealand.

Hon Jo Goodhew

We are delighted to welcome Minister for Senior Citizens and Associate Health Minister Hon Jo Goodhew to the conference. She holds the key government delegations for aged care and can provide the conference with the latest announcements on Government policy affecting older people and aged care services

EXPERT PANELISTS

Older people are the experts on services and it is their experience that defines what "success" for those working to provide care & support. We will be hosting a small panel of older clients from Dunedin to ensure that their voice is also centre stage at this conference.

POLITICAL PANELISTS

It is particularly exciting in Election Year to have three outspoken experts joining the panel on the 'Politics of Aged Care in 2014 Election Year'. Political scientist Dr Bryce Edwards, journalist and former Human Rights Commissioner Professor Judy McGregor and leading economist Dr Ganesh Nana will read the social and political tea leaves in election year.

WORKSHOPS

A total of 16 workshops over the two days offer the chance to get into more detail about issues affecting the sector. The workshops are designed to cover the whole spectrum of services that NZCCSS member agencies are involved in. Aged residential care, retirement villages, supported housing, home support and community services are all in the mix.

The workshops will explore the experiences using nurse practitioners in aged care, aspects the the interRAI in both home support and residential care, various aspects of services for people with dementia and cognitive impairment, what an effective day programme looks like, economic sustainability of aged care, designing aged care facilities, Christchurch's experience with older people's housing since the earthquakes, the ageing workforce in aged care, working with kaumatua, and environmental sustainability in aged care.

SITE VISITS

Two Dunedin aged residential care facilities are offering site visits before or after the conference.

Leslie Groves has undergone a major redevelopment and looks forward to showing you around.

Ross Home in North East Valley has turned its cafeteria into a real community hub by opening it doors and becoming the café for the area.

SOCIAL FUNCTIONS

Exhibitors Speed Meeting and Pre-Dinner Drinks

Thursday 5.15 - 6.30 pm

The first afternoon of the conference will close with this pre-dinner drinks event that is an ideal networking opportunity in the conference exhibition area at the Art gallery. Such a location calls for arty attire and will combine the socializing with local food and wines in a tasting treat.

Conference Dinner

Thursday Evening 7.30 - 11.00 pm

The Dunedin Public Art Gallery is a fantastic venue for the dinner and will be transformed with a special setting for the conference dinner. Live jazz music will be part of the mix and provide a great atmosphere to relax and socialise.



Social Housing Reform – Housing Needs Assessment Changes

Social housing tenants, housing advocacy groups and community housing providers are wary of what lies ahead in the latest round of housing reforms. April 14th is the day that when MSD officially takes over responsibility for social housing needs assessment. From that day Housing Case Managers located at Work & Income offices and Community Link centres will be responsible for deciding who will be eligible for Income Related Rent Subsidy (IRRS). All new applicants for tenancy in the 60,000 HNZ houses as well as for community housing providers that choose to register to receive IRRS tenants will be able to apply.

Currently around 33 community housing providers are eligible to apply to have new tenants receive an IRRS subsidy, but not all of those agencies may choose to take up the offer of IRRS, at least initially. Agencies will need to sign a contract with MSD and submit to the oversight of a social housing “regulatory authority”, that has not yet begun operation. Announcements are expected in early April of more details about how this authority will operate, but it will be under the auspices of the Ministry of Business, Innovation and Employment (MBIE). The authority will require performance standards for social housing providers and be able to sanction them for poor performances.

BETTER FOR TENANTS?

Will tenants be better off under this new arrangement? This is the question many have asked and it is to be hoped that the answer will be ‘yes’. NZCCSS is working together with Community Housing Aotearoa to form a Client/Tenancy Matters Sector Group that includes a diverse grouping of tenant representatives and advocates along with social housing providers. The aim of this group is to ensure that MSD and other government agencies are clearly aware of what is happening to tenants in the housing assessment and allocation process.

Clients of Work & Income and their advocates report often to NZCCSS about the many problems they have ensuring the people receive the support they are entitled to (our regular Vulnerability Reports include some of that feedback). There is good ground for scepticism about the ability of MSD to really deliver for tenants and work in their interests.

If the changes are done well, however, we could see people

receiving a better package of housing and income support that does help them to get ahead in life. On their own, these changes cannot address the enormous need for good quality housing for people on low incomes. The existing supply of social housing is not enough and HNZ does not plan to grow the size of its stock. The community housing sector will need 5 years or more to gear up to a scale that could deliver a significant proportion of social housing. Yet the signals coming among the housing announcements are that the “capital funding” of around \$130 million that the Social Housing Unit has been distributing over the past 3 years is coming to an end. It seems that the IRRS subsidy, “operational funding” is intended to replace this and be the basis for community housing providers to build their investment in social housing.

If there is no further capital funding for community housing through government announced in the May Budget, then it is hard to see how there will be any progress towards adding the 2,000 – 3,000 social housing units per year for low income tenants that are so desperately needed in the next 15 years.

Read the details of the social housing assessment changes on the MSD website (see links in box below).

Important!

Accessing Social Housing from 14th April

Tenants and those working with tenants of Housing NZ need to be aware that from April 14 housing needs assessment and the decision about eligibility for Income Related Rents will transfer to Work & Income or Senior Services.

There will be new freephone numbers operating from 14th April:

Work & Income: 0800 559 009

Senior Services: 0800 552 002

Email: social_housing@msd.govt.nz

www.msd.govt.nz/about-msd-and-our-work/work-programmes/social-housing/index.html

From 14th April Housing NZ will be responsible for tenancy and maintenance issues only.

Contact 0800 801 601

www.hnzc.co.nz/renting-a-house

vacancies that might be suitable for IRRS in the next 15 months. It also asks for an indicative rent for the types of properties.

MSD states that they are looking for feedback from “clients, stakeholder groups representing clients and other interested parties” and NZCCSS encourages those interested to access the GETS information to participate - submissions are due by **7th April 2014**.

Access the RFI via MSD website:

www.msd.govt.nz/about-msd-and-our-work/newsroom/media-releases/2014/social-housing-for-irrs-tenancies-request-for-information.html

Request for Information on Social Housing Capacity

MSD is attempting to gain feedback from the community sector and has launched a Request for Information (RFI) process through the GETS government tendering process. This document asks community housing providers to give some indication of how many units they could potentially offer as social housing in the coming years. The RFI asks about the location, types of properties that might be available currently, new properties as well as anticipated



Reviewable Tenancies for Housing NZ Tenants from July 2014

Around 800 HNZ tenants who are paying market or near-market rents will be the subject of reviews of their eligibility for social housing in the first year of the reviews starting July 2014. MSD and HNZ are at pains to stress that they do not want to create uncertainty for tenants and that they will pay great attention to the needs of vulnerable tenants who are older or disabled, unwell and with young children in schools. MSD officials have also ruled at any reviews for Christchurch tenants given the extremely difficult housing situation there. So-called "assured tenancies" will be introduced for families in social housing who are engaging with the new Children's Teams (part of the Children's Action Plan see article p.3).

TARGETING MARKET RENT PAYERS WITH NO CHILDREN

The first group of tenants to have their tenancies reviewed are the around 80 households who reach 3 years tenancy and are paying market or near market rent to HNZ. There are 186 households that have started their tenancies since July 2011 (when the reviewable tenancy policy for new HNZ tenants was introduced) and are paying market or near market rent. In August 2013 4,224 households were paying market rents and a further 1,223 were receiving a IRRS less the \$50 per week (near market rental).

The other target group for the first reviews are around 700 households paying market rent with no children in the household and are in areas where there is adequate alternative housing supply.

Reviews will be based on affordability, accessibility and sustainability - ability to pay for and sustain a low to middle private sector rental that is suitable to household needs (e.g. accessible for disability or very large family).

No Interest Rate Cap for Loan Sharks

Parliament's Commerce Select Committee report on the Credit Contracts and Financial Services Reform Bill was released in mid-March. The Government is claiming it as a "crack down" on unscrupulous lenders that drive borrowers and their families into an spiral of debt but the Bill as reported includes no clauses that would set a cap on the maximum interest rate that can be charged.

A recent report from the Child Poverty Action Group highlights the impact of debt and high interest rates on families. As the report's author, Clare Dale points out, interest rate caps are common in European Union and developed countries and not including such a cap is a major missed opportunity to do the right thing on behalf of the most vulnerable in our communities.

The CPAG report "New Zealand's Debt Society and child poverty" looks at case studies of people who have been helped

EVICTIONS WILL OCCUR

HNZ has made it clear that its policy will be to issue a 90 day notice to tenants who go through the review and are deemed no longer eligible for IRRS. HNZ policy is to "free up stock" for tenants with higher needs. This is stated as being a "last resort" and only after "significant engagement and support to find alternative housing" has taken place. MSD decisions will also be subject to review from the Benefits Review Committee and potentially appealable to the Social Security Appeal Authority.

In conclusion it is clear that only a small percentage of HNZ clients (800 this year and 1,100 from July 2015) will face reviews over the next two years. The sheer logistics of trying to review all 60,000 tenancies every three years (20,000 per year) are not feasible for HNZ.

A climate of uncertainty for all social housing tenants has been created yet the impact of these changes may not be huge - there are so few alternatives available in the market, it is hard to see how HNZ will have much success in "moving people on" to sustainable private sector rentals or home ownership. As the Cabinet Paper states the success of reviewable tenancies is dependent on the ability of the wider social housing reforms to deliver more affordable housing options in areas of high demand.

Read the Cabinet Paper detailing the changes on the MSD website:

www.msd.govt.nz/about-msd-and-our-work/work-programmes/social-housing/index.html

through the Nga Tangata Microfinance scheme that NZCCSS has been part of along with CPAG, NZ Federation of Family Budgeting Services and Kiwibank. While microfinance can help people to avoid or escape the debt trap, it is important that the government does what it can to reign in exploitative lending practices.

The Select Committee's changes include increased protections for consumers from unfair repossession practice and increasing the maximum fines for individuals and companies that breach credit laws. When the Bill is debated again in Parliament, opposition parties plan to introduce amendments to include interest rate caps - it is not yet too late for MPs to change their mind and make the change.

Read the full Select Committee report on the Parliament website: www.parliament.nz/en-nz/pb/legislation

Read the CPAG report on their website: www.cpag.org.nz/

Legislation and Submissions

The **Law Reform Pipeline** includes updates on some key legislation affecting our sector: www.communitylaw.org.nz/resources/articles/law-reform-pipeline/.

NZCCSS submissions are online at www.nzccss.org.nz on the Publications Library page

Vulnerable Children Bill

Select Committee report due 31st March
www.parliament.nz/en-nz/pb/legislation

Social Security (Fraud Measures) reported February 2014

www.parliament.nz/en-nz/pb/legislation/

Credit Contracts and Financial Services Law Reform Bill reported March 2014 (see article p.7)



Poverty is No Picnic

LEVEL OF POVERTY IN 1982 WAS 14% → LEVEL OF POVERTY TODAY IS 27%

NZCCSS Executive Officer, Trevor McGlinchey gave this speech at the Picnic at Parliament for Social Justice 19th March

Yesterday I met with a group of our members who are working at the grass-roots of social services. They provide a range of services to support poor and vulnerable members of our communities. They told me their communities aren't feeling the impact of New Zealand's so-called rock star economy – instead they are seeing:

- Families who don't have enough resources - the queues to get budget advice are getting longer – but it's not the budgets that are the problem is the lack of income.
- Many families are making hard choices about whether to pay the rent, pay the power bill – or buy food.
- Food often misses out and the numbers of food parcels being handed out continues to grow.
- Families are living in cold, damp and overcrowded homes.
- This kind of poverty is putting real stress on families and the demand for family counselling, and for support for those with depression and other mental health problems is increasing.
- The flow on effect of the impacts of this level of poverty – and this level of stress is seen in the family violence statistics in many of our communities.
- The impacts of poor nutrition, the diseases of poverty and living in families experiencing stress is impacting on our children – our future leaders may be condemned to repeating the cycles of poverty and exclusion.

We have been gathering the data and the stories from our networks since the beginning of the Global Financial Crisis. In the beginning we saw a rapid increase in demand for services and support as families were unable to maintain themselves. This huge acceleration in needs has levelled off and now we are seeing a constant high level of demand.

While our members' social service workers work alongside families to make the change – one family at a time, they know this is not enough. Working in our communities they see the impacts of poverty on the social structure. They know unequal societies lack the social capacity to support health and wellbeing for children and families.

Our members are calling for the kind of structural change that will reduce the level of poverty in our communities, see our nation's riches more equally shared and see our families and our children living with dignity and growing strong.

Wages are a Flashpoint for Aged Care in 2014

Wages in the aged care sector, both in home support and rest homes, could well become the flashpoint for aged care this year.

The equal pay case taken by rest home worker Kristine Bartlett has pointed to the unjust pay structures that under value the work of caring, a kind of work done mainly by

women. Initial findings in the Employment Court have raised the prospect of setting wage levels for care workers at a much higher level. Share analysts were moved to place "hold" warnings on shares in retirement village property development companies at the news that they may face huge increases in their wages bills that might eat into the exponential returns these companies have been paying to their shareholders in recent years. There is no better way to get the attention of CEOs and Boards than to threaten their profits and returns to shareholders. While such share market darlings might only have their profits clipped, other parts of the sector would be threatened with insolvency according to Martin Taylor, CEO of the NZ Aged Care Association.

MINIMUM WAGE

The rise of 50c per hour to the minimum wage effective from April 2014 that was announced by the Government has also prompted the NZ Aged Care Association to file a \$17 million aged residential care contract variation claim with District Health Boards. The reason for filing this claim is that the 3% minimum wage increase is not covered by the 1% funding increase being offered to rest homes by the government (as well as the 1% Kiwisaver contribution increase and overall sector cost increases of 3.6%). There are so many workers in aged care working at or very close to the minimum wage, that lifting it by just 50cents an hour means that aged care homes cannot afford to pay it.

INVEST IN PEOPLE

What both of these issues demonstrate is that the Government chooses to fund aged care on the basis that people work at or near the minimum wage. As has been often pointed out, the government funds its own equivalent workers in DHBs at well above this (in the range of \$17 per hour). Former Human Rights Commissioner Judy McGregor has called this \$3 to \$5 an hour difference an "open and shut case of unequal pay at the worker level and a fundamental breach of human rights." An investment of around \$140 million dollars (around 1% of total Health budget) would help close this pay gap and improve the lives of the 30,000 care workers in aged care and help improve the quality of care and support older people receive.

KETE KUPU WORD BASKET

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