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**Hutt Valley Living Wage Network
Submission
To
Hutt City Council Long Term Plan
2021-2031**

Living Wage Hutt Valley wishes to speak to our submission in whatever process is set up for public consultation. Please contact:

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Introduction

The Living Wage Movement Hutt Valley is proud of the work the Hutt City Council (HCC) has done so far on its journey to becoming a Living Wage Employer.

The commitments made by the Mayor and Councillors to lift the wages of HCC's directly employed and regularly contracted workers show a Council that values its people the same way the community does.

It also shows that HCC understands the positive impact it can have in the local community and the local economy by paying its workforce the Living Wage.

Our Submission

Our submission to the HCC Long Term Plan is asking for the following:

- That HCC maintains the Living Wage as the minimum rate for all directly employed staff and for workers on HCC contracts that have already been lifted to the Living Wage.
- That HCC continues with the programme of implementing the Living Wage as the minimum rate for workers on HCC-procured contracts for services that are regular and ongoing as these contracts come up for renewal.
- That HCC becomes an Accredited Living Wage Employer before the end of 2021.
- That HCC continues to support and promote the Living Wage throughout its procurement policy, and with local employers in the Hutt.

Living Wage Hutt Valley

Living Wage Hutt Valley is a community network made up of local leaders from community organisations, faith groups, and unions. We are part of the wider national Living Wage Movement, made up of over 150 organisations from community, faith, and union backgrounds.

In the 2019 local election campaign, we held a forum at Avalon Intermediate School, which was attended by over 120 people. At that forum and during the election campaign a clear majority of the current council, including the Mayor and Deputy Mayor, made a commitment to the following ask:

If you are elected to Hutt City Council will you commit to:

- Maintaining the NZ Living Wage rate for the directly employed Council workforce?
- Extending the Living Wage to workers employed by contractors, as contracts come up for renegotiation?
- Seeking accreditation as a Living Wage employer in the next triennium?
- Working with Living Wage Hutt Valley to champion the Living Wage in Hutt City?

The Hutt is ready for the Living Wage!

It is time for the Hutt City Council to become a Living Wage Accredited Employer. Our communities want to see their council do the right thing!

There are currently over 250 accredited living wage employers ranging from big banks, to NGOs to small niche businesses. Accreditation is about gaining approval to use the term “Living Wage Employer” and to display the accredited living wage employer logo.

Wellington City Council was the first New Zealand council to be an accredited living wage employer followed by the Dunedin City Council. Other councils, such as the Greater Wellington Regional Council, the Auckland, Hamilton and Christchurch Councils are on their way to accreditation.

Parliamentary Services adopted the living wage in 2018 for both directly-employed and contracted staff, secondary and primary schools adopted the living wage for directly-employed staff in 2019 and the NZ Government commenced rolling out the living wage to workers employed by contractors to the core public service in 2020.

Community surveys have shown a high level of support for the living wage.

Comments from two of the Hutt Valley Living Wage community organisations are typical of such thoughts:

“Kokiri supports the living wage because all whanau who receive a wage need to be paid enough to live on, morally and ethically it is the right thing to do.

Kokiri has paid our staff the living wage for over 3 years now and staff feedback has been it has made their lives easier, they don't need to look for other part time work, they don't need to compromise on important things like going to the GP or getting their scripts filled. Most importantly they feel valued.

It is important that HCC continues to support and promote the living wage throughout its own procurement policy. Surely, we want to be seen as a city that takes care of its people and this is one of the ways we can do that.”

(Teresea Olsen, Kokiri Marae Keriana Olsen Trust)

“Te Awakairangi Health Network is an accredited living wage employer because we believe that liveable wages are a major factor in good health. Our experience has shown that adopting the living wage for contractors has meant that we receive a better service from the contractor and their staff members. We congratulate the Hutt City Council on the leadership they have shown around the living wage and we encourage them to also become an accredited living wage employer.”

(Bridget Allan, Chief Executive Te Awakairangi Health Network)

Hutt Valley Living Wage Network members from St Andrews Church also comment:

“Our city is only as good as the society made up of its citizens. Our citizens need sufficient income to participate in that society. The Living Wage is calculated to enable people to be participating citizens.”

(Linda and Norman Wilkins, St Andrews Church)

The Benefits of the Living Wage for the Hutt

As well as being having a positive impact on the lives of workers themselves, extensive research both in New Zealand and overseas shows the Living Wage benefits the wider community in a variety of ways.

1. Workers who are paid the Living Wage are more productive.
2. When people on low incomes have more discretionary income, they spend it on local businesses and stimulate the local economy.
3. Job turnover is reduced.
4. No perceptible growth in unemployment through raising the wages of those workers on the lowest rates.

There is extensive research on this topic, which includes benefits for the workers, the employers and for local economic development. We have attached the research to the submission.

The Importance of Social Procurement

Government agencies, local authorities and big corporates are waking up to the importance of social procurement.

Social procurement is putting the organisation's purchase of services through a new lens – not just a lens that looks simply at price and quality for the purchasing organisation – but adding to that the social value that can be created through well thought out procurement.

When the Hutt Valley Living Wage Network first commenced engaging with HCC in the 2015-2017 period HCC believed that achieving other outcomes from procurement apart from the cheapest price were not only against the law but were in breach of HCC's duty to the ratepayers.

Since that time the thinking at HCC, in Government and in business has changed to seeing that the massive financial investment in the procurement of services is a chance to create greater outcomes for our community, both socially, economically and environmentally.

In the introduction to the Long Term Plan HCC Chief Executive Jo Miller comments on the investment in city infrastructure:

These large scale projects, as well as bringing significant economic benefits to our city, also provide us with a new opportunity to procure services in a different way when local jobs are created with opportunities for advancement, people are paid a living wage and the environment is at the forefront of decisions.

It was these points that the Hutt Valley Living Wage Movement has emphasised to HCC since 2015. In 2018 we suggested to HCC officers dealing with procurement that they could reconfigure their tenders to provide additional outcomes around local jobs, a living wage and better environmental outcomes. They should state this up-front as it then changed the behaviour of contractors and forced them to look at their own businesses from these outcomes.

We set out various options for changing the HCC approach to tendering and emphasised that this was not just about the living wage but for HCC to take a greater interest in the efficiency of how services are packaged and delivered to get the outcomes that HCC requires.

We also in 2019 set out for HCC managers the trajectory of the statutory minimum wage over the 2018-21 period and predicted that the minimum wage would move much closer to the living wage as Government took some bold steps to address economic inequalities. In 2018 the gap was about 25%. Currently it is 10.5%. Under previous tendering regimes HCC was committed to picking up any increases in the minimum wage with no specific outcome gained.

HCC's experience with the cleaning, street cleaning and the waste management contracts is that the social gains, such as payment of the living wage to contractor employees, can be made with negligible or no extra cost to ratepayers over the period of the contract.

Community Connectedness

Although a big part of the Hutt City Council's Long Term Plan is about investment in infrastructure it also has a complementary emphasis on empowering the neighbourhoods and communities that make up our city.

The section on **Connected Communities** commits HCC to:

Investing to connect and empower neighbourhoods and communities so they can thrive and remain safe, connected, healthy and inclusive and resilient.

For many workers in our community living and working on low wages is very tough. This includes workers employed by Hutt City council contractors. Hutt communities and neighbourhoods cannot build connection if some are struggling to survive and others are doing very well. HCC has taken the lead in this plan by continuing to emphasise housing for those most in need, but HCC also needs to continue to lead on in-work poverty through continuing its support for the living wage.

HCC has put an emphasis on children and young people in our community. The HCC vision is to see children and young people as an asset in helping communities achieve their full potential. Children who are living in families on poverty or very low incomes cannot achieve their potential.

There is strong support in the community for the moves HCC has already taken over the Living Wage. The Hutt Valley Living Wage Network is calling on our Council to continue their leadership in this work and demonstrate a commitment to Hutt City being a Fair City.

Muriel Tunoho
Convenor
Hutt Valley Living Wage Network

25 April 2021

Appendix – Research into effect of living wage

Thompson and Chapman (2006), in a detailed survey of 20 American cities, found that the actual budgetary effect of living wage laws had been consistently overestimated by city administrators; actual costs tended to be less than one-tenth of 1% of the overall budget.

Chapman, J. and Thompson, J. (2006) *The economic impact of local living wages Report*. Economic Policy Institute.

Maloney and Gilbertson (2013 – AUT and Auckland Council) drew on studies from North America, the UK and New Zealand. Paying a living wage can increase productivity, reduce worker turnover and absenteeism, and improve the quality of future job applicants. They said that there may be a reduction in employment levels and hours of work but that “*the empirical evidence on these effects is quite limited*”. In sum, they considered that “*the living wage has a relatively small cost impact on many firms*” but greater on businesses with a higher proportion of workers on low pay.

Maloney, T. and Gilbertson, A. (2013) *A Literature Review on the Effects of Living Wage Policies*, Technical Report 2013/034, August, Auckland Council

Zeng and Honig examined the differences between living wage and minimum wage workers on three attitudinal and behavioural outcomes: affective commitment, organizational citizenship behaviour and turnover intention. They also also examined the effects of training and benefits on the three outcomes. The “*results show that living wage workers have higher affective commitment and lower turnover intention*”. Training and benefits also improve workers' attitudinal and behavioural outcomes.

Zeng, Z., & Honig, B. (2016). A study of living wage effects on employees' performance-related attitudes and behaviour. *Canadian Journal of Administrative Sciences*, 34, 19-32. doi:10.1002/CJAS.1375

Carr, Haar aand Hodgetts et. al. 2019 in a study with a nationally representative sample of 1011 low-waged New Zealanders measured each participant's hourly pay rate, number of household dependents and total household income, alongside individual job attitudes indicative of quality of work life (job satisfaction, work engagement, career satisfaction, meaningful empowerment, affective commitment, organizational citizenship behaviours and work-life balance). “*As a set, job attitudes consistently pivoted upwards into positive values approximating the campaign LW rate in New Zealand*”. The effect size was greater “*among lowest-waged workers, in single-income households*”. They also noted that “*paying at or above the living wage threshold may bring productivity gains and thereby contribute toward decent work and economic development combined*”.

Carr, S., Haar, Hodgetts, D., Arrowsmith, J., Parker, J., Young-Hauser, A., Alefaio-Tuglia, S. and Jones, H. (2019) *An Employee's Living Wage and Their Quality of Work Life: How*

Important are Household Size and Household Income? *J Sustain Res.* 2019;1:e190007.
<https://doi.org/10.20900/jsr20190007>

HCC Submission Notes

- Good afternoon, my name is Alan Thorburn and I am the chair of Citizens Advice Bureau Lower Hutt and I thank you for the opportunity to put forward a case for inclusion in the 10-year plan.

- In the way of background CAB was established in Lower Hutt nearly 50 years ago at the instigation and with the support of the council.

Because they saw the value of the CAB service and the need in our community. After setting up CAB in LH, HCC continued to champion and support our organisation to provide our increasingly valuable and necessary work.

As such we are keen to re-establish a closer partnership to strengthen and develop our working relationship with HCC. More recently – although we have had some assistance through the contestable Mauri Ora fund, this has been a reduced amount and we no longer have the assurance of Council's ongoing support.

As mentioned, we feel there is a need to reconnect and cement our working relationship with Council. We also believe that the work of our organisations is closely aligned, with CAB responding to citizens referred to us by HCC.

We believe that a good first step to securing and growing this relationship, to increase the efficiency of CABLH and enable CAB to assist HCC better would be to put CAB back on the 10-year plan as a separate line item.

- CAB makes a unique contribution to community well-being through its accessible advice and information service. We do not focus on particular sectors of the community, we are available to all regardless of age, gender, ethnicity or any other prejudices. Access to this service is provided to the community using email, phone and face to face options which is open to all and free. We also provide an outreach service at Stokes Valley, a free legal clinic, access to JP's and migrant information sessions. We are investigating extending our outreach service to the Pomare Community House.
- A recent report by Price Waterhouse Cooper on Wellington CAB highlights the following which we believe are equally applicable to CAB's in the Hutt.

Jo Coughlan and Libby English – New Zealand Chinese Language Week Trust www.nzclw.com

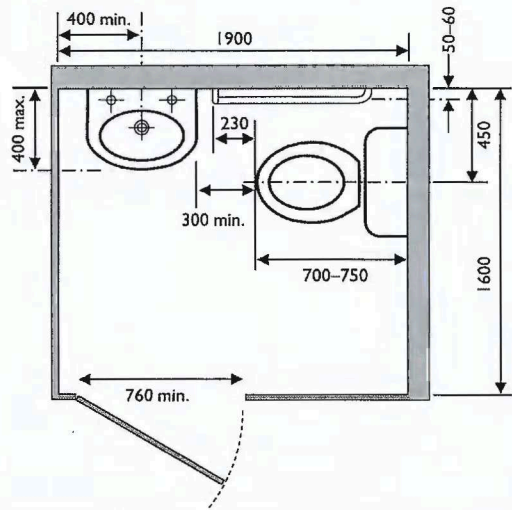
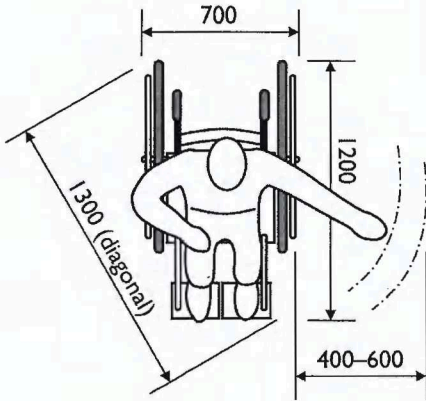
YouTube video

<https://www.youtube.com/watch?v=Z81Tz6kXRc&t=4s>

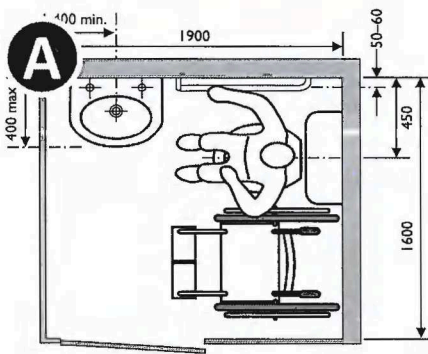
The Problem

Standard
NZS 4121:2001

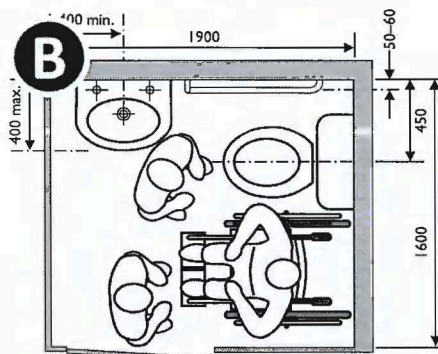
NZ Building Code G1
"Acceptable Solution"



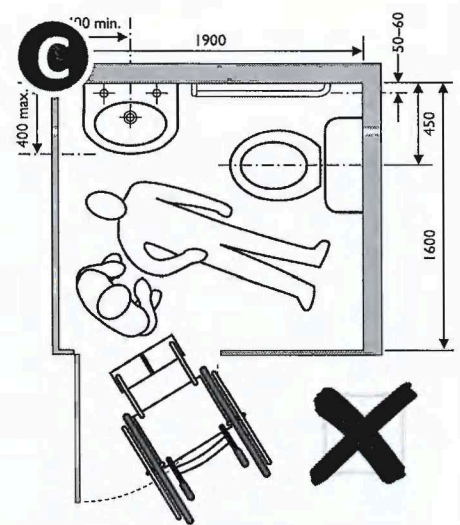
Independent



Multiple caregivers



Lie down



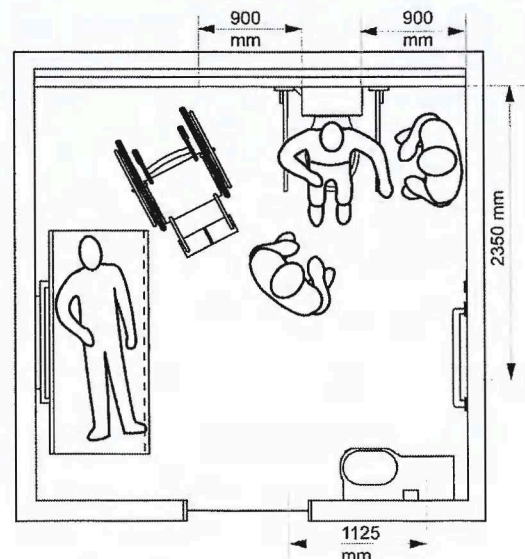
The Solution



Changing Places

Fully Accessible Public Bathrooms NZ

www.ChangingPlaces.org.nz





www.ChangingPlaces.org.nz



2018 → 2019 → 2021 → ...
 Hamilton Gardens → Westfield Mall Newmarket → Two more to open by the end of this year

Approx. 12 projects under discussion, including hospitals, pools, malls, WCC @ Lyall Bay.



- Plenty of room
- Adult-sized changing table
- Shower & drain
- Height-adjustable sink and toilet
- Secure access swipe system
- About \$50k of special equipment

- Hutt City Council agreed to build a Changing Place in 2018.
- Funding earmarked, location behind the Dowse Museum on Council land.
- Dowse location not perfect (though central). Jenn Hooper suggested by the beach.

Better location = Naenae Pool

- Pool, library, community hub.
- Disabled community: Kimi Ora School, Conductive Education, Laura Fergusson Trust ...

Presentation to Council Meeting on the changes to the Differential Rating System. 20/05/21

Thank you for giving me the opportunity to talk to my submission on the Hutt City Councils proposed plan to changes the differential rating system.

In the "Future Hutt City" document it states the reason for changing rate Differential policy is because the "new capital values would place an increased Burden on residential properties owners". For this reason the council wants to increase the rating differential for the commercial sector to 34 Percent and reduce the residential rating differential down to 60 percent. The assumption by the council is that that the residential property owners cannot afford to pay the rates increase but the commercial sector can afford to pay the increase despite experiencing one of the worst 12 months in New Zealand's economic history.

In Hutt City's 20/21 financial year the residential part of the rate collect was 84.7 million of the total \$134.5 million but the amount of revenue allocated to residential type costs was actually 96.2 million.

Conversely the commercial rate collect was 41.7 million and only 31.2 million was spent on associated expenses by the Council leaving a surplus of 10.4million.

(For ref see page 101 of our city, our community, our future)

This proves the commercial sector is already paying more than its fair share in relation to what it is receiving in council spend.

The commercial sector now faces another three percent rates increase over the next three years which equates to 8.4 million by 2024 which will in reality be used to subsidise the residential rate pool.

The commercial sector will receive not one extra service for it increased rates

If you were to divide the \$8.4 million by the 36544 residential dwellings in Hutt City over the 21/to 24 periods (156 weeks) each dwelling would be paying an extra \$1.47 a week in rates.

(QV 2019 Hutt City Revaluation doc)

How is that a burden?

It is certainly a lot less the \$4.38 a week (25 million Nae Nae pool spend over three years) each resident will be paying towards the Nae Nae swimming complex.

*\$25/year
for
2023/24*

In reality based on the councils own figures the Commercial sector will be faced with a 9.33 percent rate increase each year for the next ten years.

In conclusion once you start tampering with the differential rating system where do you stop?

Average house price increases for the 2020/21 period are in all likely hood going to be the same or even higher than the 2019 period.

What do we do then?

Increase the commercial rating differential again.

Because if we do we are likely too seriously injure the golden goose that is the commercial sector.

The goose that supplies over 46000 jobs and most of Hutt city's 6.53 billion of GDP.

(pages 4 and 18 Hutt city 2020 Economic profile)

Thank you and I do not envy you your job.

Leo O'Sullivan