Make a submission: Due 5pm 11th March

* **by email to annual.plan@wcc.govt.nz
* Freepost 2199
Draft Annual Plan
Wellington City Council
PO Box 2199
Wellington 6140

**Methodist Public Issues**

**PO Box 12 297**

**Thorndon, Wellington**

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**Submission**

**Wellington Draft Annual Plan 2014/15**

**Extract from WCC Template: An increase for Council-controlled organisations and contractors is being considered**

The Council has committed to a living wage-rate for its staff and is considering it for employees of Council-controlled organisations and contractors that provide Council services. The Living Wage movement aims to reduce poverty and inequality through lifting the wages of the lowest paid.

We propose to direct our Council-controlled organisations….to consider how they would introduce a living wage-rate for their staff and report back to us as part of the 2015–25 Long-term Plan process. Further work will be done on the best way to implement a living wage-rate for employees of Council contractors.

The costs of applying a living wage-rate to these organisations has not been finalised but would be well in excess of $2 million a year. While it is anticipated that some costs would be offset through improved productivity or savings, the majority would require new funding.

**Methodist Public Issues Submission**

We welcome the opportunity to submit on the Wellington City Council (WCC) Annual Plan 2014-15 and fully endorse the decision made in 2013 for WCC to become a Living Wage employer and for the entire Council workforce, including directly-employed workers and those employed through CCOs and contractors, to be paid a Living Wage.

***Our Organization***

Methodist parishes throughout New Zealand are actively supporting the Living Wage, and Wesley Taranaki St has made a significant contribution to the work with Wellington City Council to adopt a Living Wage policy. We are very proud of the support from Welling City Councellors for this decision.

WCC’s decision to become a Living Wage employer must be fully recognised in the WCC Annual Plan 2014/15 and be recognised as an important step in improving the quality of life for Wellington’s citizens and addressing inequality in our people-centred, smart capital of Aotearoa New Zealand.

 WCC asks specific questions about funding the living wage

1. **DO YOU AGREE THAT THE COUNCIL SHOULD INTRODUCE A LIVING WAGE-RATE FOR STAFF OF COUNCIL-CONTROLLED ORGANISATIONS OR COUNCIL CONTRACTORS?’**
* **We strongly support this proposal.**
1. **HOW SHOULD THE COSTS OF INTRODUCING A LIVING WAGE-RATE FOR STAFF OF COUNCIL-CONTROLLED ORGANISATIONS OR COUNCIL CONTRACTORS BE FUNDED?**
* **The costs of paying the living wage will be considerably offset by benefits, such as greater productivity, less staff turnover, loyalty, improved morale. An astute assessment of Council expenditure needs to be guided by the benefits of improved WCC work conditions as a hallmark of strong community ethic and commitment to the participation of citizens.**

We support WCC becoming a “Living Wage Council” because:

* WCC’s endorsement of the Living Wage will positively promote the Wellington labour market for students, migrants and others considering moving to Wellington and sends a clear message about a commitment to social outcomes.
* The church, along with other organizations, has an ethical commitment to fair wages and to a quality of life that supports and enables participation in society. A Living Wage is a significant step in enable families to meet the costs of basic social needs, mainly housing, food and power, and the costs of children being involved in school and out of school activities. The Living Wage enables these costs to be met at a minimum level. We support the importance of work and employment that allows reasonable expectations for refreshment and family time. The testimony of people on low wages, long hours and possibly multiple jobs is that there is no time for parents to be with children.
* In principle the Living Wage is making a very important contribution to reducing inequality. Inequality is being widely recognized as weakening the social fabric, undoing solidarity and undermining egalitarian aspirations. The Living Wage is an expression of collective responsibility. We support the ongoing commitment of Wellington City Council in ensuring a positive community ethic in the economic sector.
* By becoming a living wage employer, WCC can lead the way and encourage other Wellington employers to implement a living wage.
* The *2040: Smart Capital* document acknowledges that Wellington has a highly educated population, which has helped the city to learn, adapt and innovate. It is fair that all workers are part of our “Smart Capital”.

Awareness of the gap between the rich and poor grows in New Zealand and with more and more New Zealanders not being paid enough to meet their basic needs or participate in society. The facts are that:

* New Zealand has gone from being one of the world’s most equal societies in the 1980s to now ranking 20th among 34 OECD countries in terms of income inequality
* 270,000 New Zealand children are estimated to be living in poverty: fifty percent of children living in poverty are Māori and Pacific.
* Two in five poor children come from families where at least one person is in full-time work or self-employed.[[1]](#endnote-1)

Implementing the Living Wage in WCC has many benefits. It benefits businesses by reducing costs of turnover, improving morale and motivation of workers, and enhancing public image and reputation and can encourage a more competitive industry. Implementing the Living Wage brings benefits to workers and their families, communities and central and local government. The relationship between wages and well-being is well documented. Health, education, and social participation all improve when wages are lifted.

(*I we/ your organisation*) submit that the WCC Annual Plan 2014/15 reflects the endorsement by WCC of the 2013 decisions to endorse the Living Wage and its commitment to the full implementation of a Living Wage for the entire WCC workforce including directly-employed workers and those employed through CCOs and contractors.

Yours sincerely



**Name: Betsan Martin, Co-ordinator Methodist Public Issues**

**Date: 11 March 2014**

1. *Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2012*. Ministry of Social Development. [↑](#endnote-ref-1)