



The Living Wage and Why it Matters?

Who we are

- Compass Housing Service Co Ltd started 30yrs ago in Newcastle
- Committed to UN Right to Housing
- United Nations Habitat III
- New Urban Agenda and SDG's
 - ✓ 4600 properties across rural NSW
 - ✓ 900 properties in Brisbane,
 - ✓ Humanitarian work Port Vila & Louniel (Tanna Island)
 - ✓ 90 Properties in South Auckland



Compass Housing Services Purpose

Vision

That all people have appropriate and affordable shelter and are engaged in sustainable communities

Mission

Providing homes, empowering people, connecting communities, influencing the future

Wage Metrics

A **FAIR WAGE:** represents an equitable, negotiated share of the value chain of the product/ service and presumes the payment of a least a **living wage**.

A **MINIMUM WAGE:** based on objectives enshrined in law and sets a floor which employers cannot go beyond usually reviewed annually in Aus and NZ .

“A **LIVING WAGE** :income necessary to provide workers and their families with the basic necessities of life. A living wage enables workers to live with dignity and to participate as active citizens in society

Living Wage Movement Aotearoa NZ



Wage Disparity



Increases to the **minimum wage** are based on objectives enshrined in law. Factors include business competitiveness, employment growth, and the needs of the low paid.

There is no specific mention of poverty in the current objectives.

A **living wage** is set higher than a minimum wage and may be “pegged” to (fixed as a percentage of) some other measure of living standards, such as average weekly earnings. This ensures that the living wage holds its relative value over time.

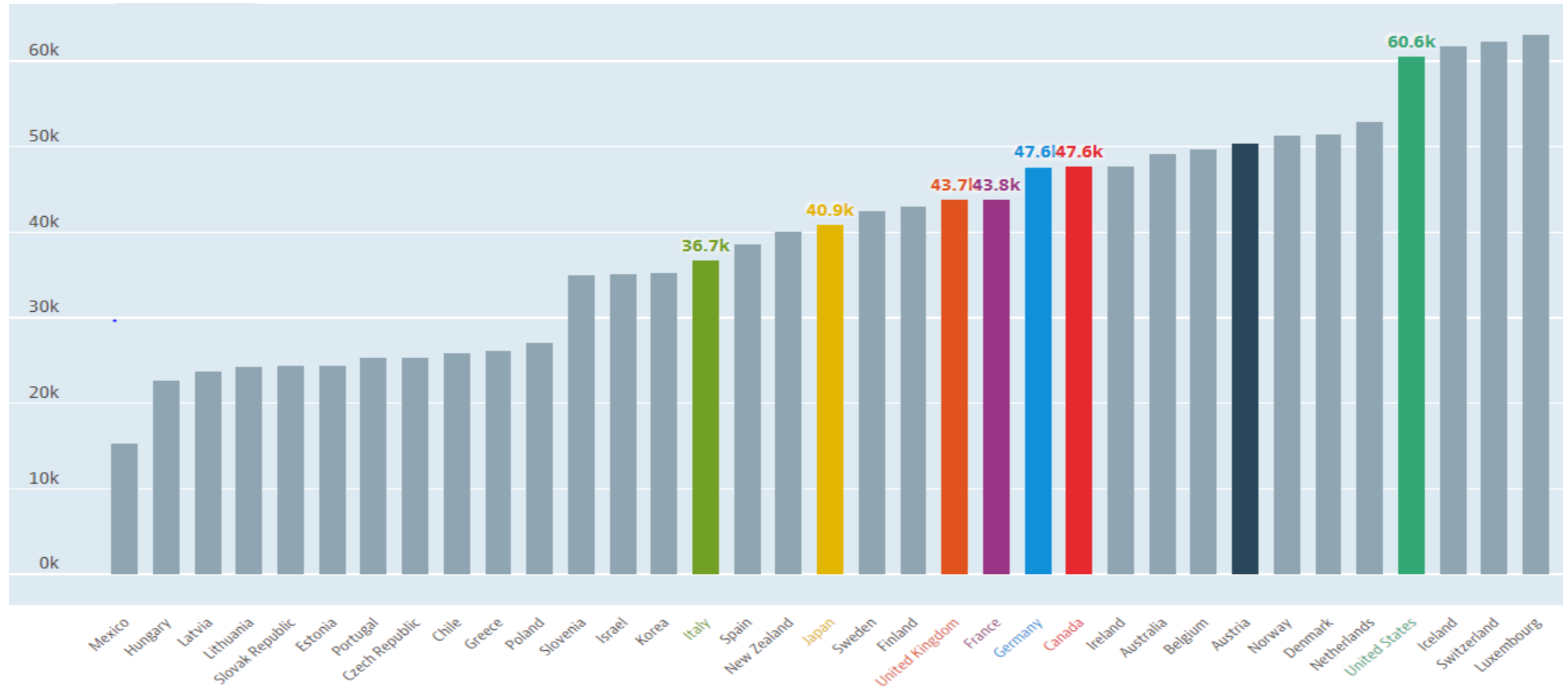
The intention of a living wage is not to eradicate poverty, but to end poverty among those who work - “the working poor”.

NZ Context

- NZ low wage economy
- 18th on the OECD's ranking of average wages out of 35 countries.
- Australians on average earn 32% more
- Canadians 22% percent more and
- British 9% percent more.
- The UK, Canada and New Zealand have developed strong movements to living wage .



OECD wage data 2018



Poverty and wages

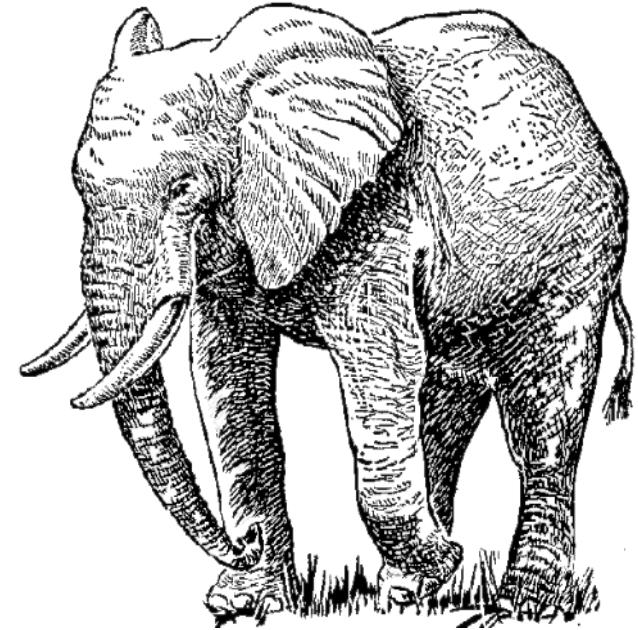
- Australia min wage \$18.93/hr or \$719.20/wk (June 2018).
- 2,990,300 million people (13.3% of the population), are living below the poverty line, after housing costs. Sept, 2018
- Stats on Aborigines and/or Torres Strait Islander people have methodological issues
- New Zealand min wage is \$16.50/hr. or \$626.83/wk
- Pacific people 40% living in significant or severe hardship, compared to Māori 32% or 6% of Asian or Pakeha ethnicity
- 682,500 people in poverty or 15% of the population.
- 40% of children in poverty have at least one adult in their family in full-time employment or self-employed.

Measures of poverty and hardship

- low income before housing costs,
- low income after housing costs (50 per cent median, fixed line),
- material hardship (using the EU's standard threshold include 'going without' such as healthy food, warm clothes, or delaying going to the doctor) and a
- persistence measure (for low income, material hardship or both).

The Living Wage Debate

- Employers will need to increase prices and/ or reduce # of employees, particularly youth or unskilled workers
- Business fear loss of profitability and value to shareholders
- Governments fear loss of trade, investment and/or tax revenue and reduce job creation
- Politicians fear losing votes and pressure from lobby groups



“Fear is the enemy of the process, and the challenge is going to be to manage the fears and work it into the process...”

Leadership

New Labour Govt in NZ introduced a tool and framework to include the wellbeing of New Zealanders as a measure of economic success.

Treasury to establish a "living standards framework".

The 10-year targets are:

- ✓ Reduce the proportion of children in low income households (before housing costs) to 5% from 160,000 to 60,000.
- ✓ Reduce the proportion of children in low income households (after housing costs) from 20% to 10% . A reduction 210,000 to 120,000.
- ✓ Reduce the proportion of children in material hardship from between 13- 15% now to 7% . This reduces the number of children in this group from 150,000 to 80,000.

Wellington City Council is New Zealand's largest accredited Living Wage employer – and the first council to achieve the mark in NZ.

Questions

Thank you

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