

DEMOCRATS FOR SOCIAL CREDIT 2013
ADDENDUM TO SUBMISSION BY H.M.SMITH
DRAFT ANNUAL PLAN APRIL WELLINGTON CITY COUNCIL

Isn't the evidence clear that our world is fast becoming a different place. We are being impacted by climatic uncertainties. The cycle of booms and busts doesn't apply anymore. Buying and selling are more complicated. World power blocs are in flux as is Aotearoa New Zealand. To be the creative capital - for credibility -has to apply across all activities not just some. That is reaching beyond the usual for answers using more collaborative thinking, more proaction, challenging orthodoxies.

Consider incomeⁱⁿ equality with its societal effects on each of us. In 2011 at a meeting at Tawa Union Church, candidates were asked how is your party policy addressing this disparity? R.W.E.said growing the economy was causing the disparity and if the economy grew more more the disparity would increase. He asked did candidates have other ways than GDP to measure an economy. The Green's candidate described G.P.I. (Genuine Progress Indicator). The Regional Council has been working on GPI applications, have councillors been following this? There can be "Prosperity Without Growth" - See Tim Jackson, Earthscan, 2009.

Behind the economy is where does the money come from and where does it go to? The major banks have near 90% of the money-making business - isn't that money out of nothing with interest added - a headline "Banks Take \$3bn profit overseas." (That whooshing sound you can hear is money leaving the country.)

How can Council fully explore the options of paying a living wage without talking directly to government; to get government to use its Public Finance Act 1989 or update the Reserve Bank Act?

Everywhere councils struggle to cut costs but cutting debt gets the blind eye. Private ownership of public debt is wrong and makes us all slaves to financial institutions and their ilk. The Minister of Finance could use Part Six of the Public Finance Act 1989 to borrow from any source on any terms to suit the public interest.

Council is asking for a report on a living wage for Council staff. This bureaucratic process, some would say, is a symptom of bureau pathology - the malfunctions that big organisations can have. Unless Council deals with the causal roots - the debt payments that Council has to pay, how can Council fully explore the options of paying a living wage to staff? Churches are concerned, Tawa Union, Dr. Mayman and now the Pope, and many others because so often they are expected to deal with the social consequences.

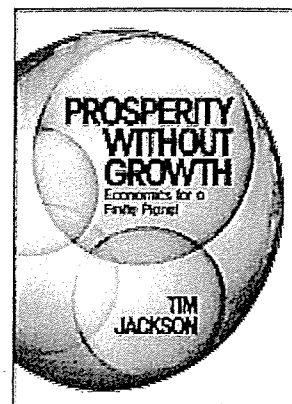
Isn't this an occasion for the whole council and supporters to go to Parliament, to request Government to use the authority it has to bring into being funding at low interest through the powers it has, for Public Good purposes (not profit), basic infrastructure, water supply, sewage treatment, energy distribution, etc.

And this is an opportunity for Council to examine other banking systems, to change to New Zealand banks, or establish its own bank.

R.W. England

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- Title** [Prosperity without growth : economics for a finite planet](#) / Tim Jackson.
- Author** [Jackson, Tim](#), 1957-
- Publisher** London ; Sterling, VA : Earthscan, 2009.
- Paging** xx, 264 p. : ill., map ; 22 cm.
- Bibliography** Includes bibliographical references (p. [241]-253) and index.
- Contents** Prosperity lost -- The age of irresponsibility -- Redefining prosperity -- The dilemma of growth -- The myth of decoupling -- Confronting structure -- Keynesianism and the "green new deal" -- Macro-economics for sustainability -- Flourishing - within limits -- Governance for prosperity -- The transition to a sustainable economy -- A lasting prosperity.
- Subjects** [Sustainable development.](#)
[Wealth.](#)
[Globalization](#) [Economic aspects.](#)
- Call number** 338.927 JAC
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more than \$1 million.

A High Court judgment means Steve Garnett and Tracey Lynch must pay Nelson Forests \$488,944, the Fire Service Commission \$571,593 and Waimea Rural Fire Committee \$31,289, plus interest from 2009.

A seven-day deadline demand from Nelson Forests expired on Monday and the couple are already packing their possessions but not wanting to move.

Fire Service national rural fire



Tracey Lynch. Devastated that fire leaves them with nothing.

officer Murray Dudfield said it would also pursue payment. The use of helicopters and contractors had contributed to the cost of fighting the fire and they needed to be paid.

A public appeal, organised by a friend, has opened to help the

property, which was destroyed at Kahurangi National Park, 13 years ago and built three tourist cabins to run as a bed and breakfast.

In November 2009, Mr Garnett dumped the ashes from a cabin woodburner. That afternoon a fire, driven by a strong breeze, spread 4.7 kilometres to the north, destroying a forest owned by Nelson Forests and a neighbouring home.

In the High Court decision, Justice Forrest Miller said the central dispute was whether the dumped

he had been in... He had since c... ments using the... and all produce... charcoal, as did... ducted by others

"While I thou... decent man, he... witness. An adve... surely ruin him... knowledge led... vince himself th... not have been t

Council asked to back living wage

KERRY McBRIDE

CAMPAIGNERS have asked Wellington City Council to make the capital the first New Zealand city to embrace living wages.

A delegation of 20 people, plus dozens of supporters, packed out a council strategy and policy committee meeting yesterday to argue for an increase in council staff pay.

The Rev Margaret Mayman, senior minister at St Andrew's on the Terrace, said Wellington often helped to lead the way on social issues.

"We are here because we love living in this beautiful and vibrant city, and we want to participate fully in all it has to offer our citizens."

She told committee members that a truly liveable wage was \$18.40 an hour and that the council should lead the charge.

She asked that the council publicly endorse the campaign – and support local businesses to become living wage employers.

"Many workers living and working in this city ... have low

pay. They need an income not to just survive but to participate in society."

Council employee Mailiki Rahman, who is paid \$13.85 an hour as a cleaner, said he moved to New Zealand from Malaysia two years ago with his wife and young children.

"It's been a struggle for us to keep up with living costs to provide healthy food and give decent clothes to our kids.

"I'm here to ask support for the living wage. Our council can help us make our way towards a better and more decent life."

Mayor Celia Wade-Brown said she would work to make sure the option of paying a living wage was fully explored.

"If we want to be a people-centred city and a living wage city, then we will do all we can to get there. Not every business will be able to step up in this tough economic time, but it's worth exploring."

Councillors voted for a report to be produced for the annual plan on the cost of supporting or implementing a living wage for all staff.



Putting their case: The living wage delegation makes its plea

4.95

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KPMG SURVEY

Big banks raking in big money

Claire Rogers

New Zealand's big banks made a net profit of \$914 million for the three months ending June, up a whopping 45 per cent on the previous quarter, according to a KPMG report.

The turnaround was largely due to a recovery in their investments, which took a big hit in the three months to the end of March, causing the banks' net profit to fall 45 per cent.

KPMG's Financial Institutions Performance Survey for the quarter found total lending for business and consumers inched upwards in the quarter by 0.8 per cent to \$251.2 billion - a 2.4 per cent increase on the June quarter last year. The slight increase is likely to be due to a lift in agricultural loans as dairy farms tended to change hands on May 1.

The ratio of impaired asset expense to average gross loans fell 31 per cent to 0.18 per cent in the quarter, with losses in Canterbury after the earthquakes below expectations, KPMG said.

The firm said the volatility in the banks' profits was caused by "fair value movements in their derivatives and instruments", with ANZ and BNZ making the biggest profit gains in the quarter after suffering the biggest blows in the three months ending March.

Masssey University banking expert Claire Matthews said while \$914m was erasing the high side for a combined quarterly profit, banks

tended to report differently in the "off quarters" of June and December, compared to the half-year and full-year quarters of March and September.

ANZ National, Westpac and BNZ all worked to a financial year ending in September.

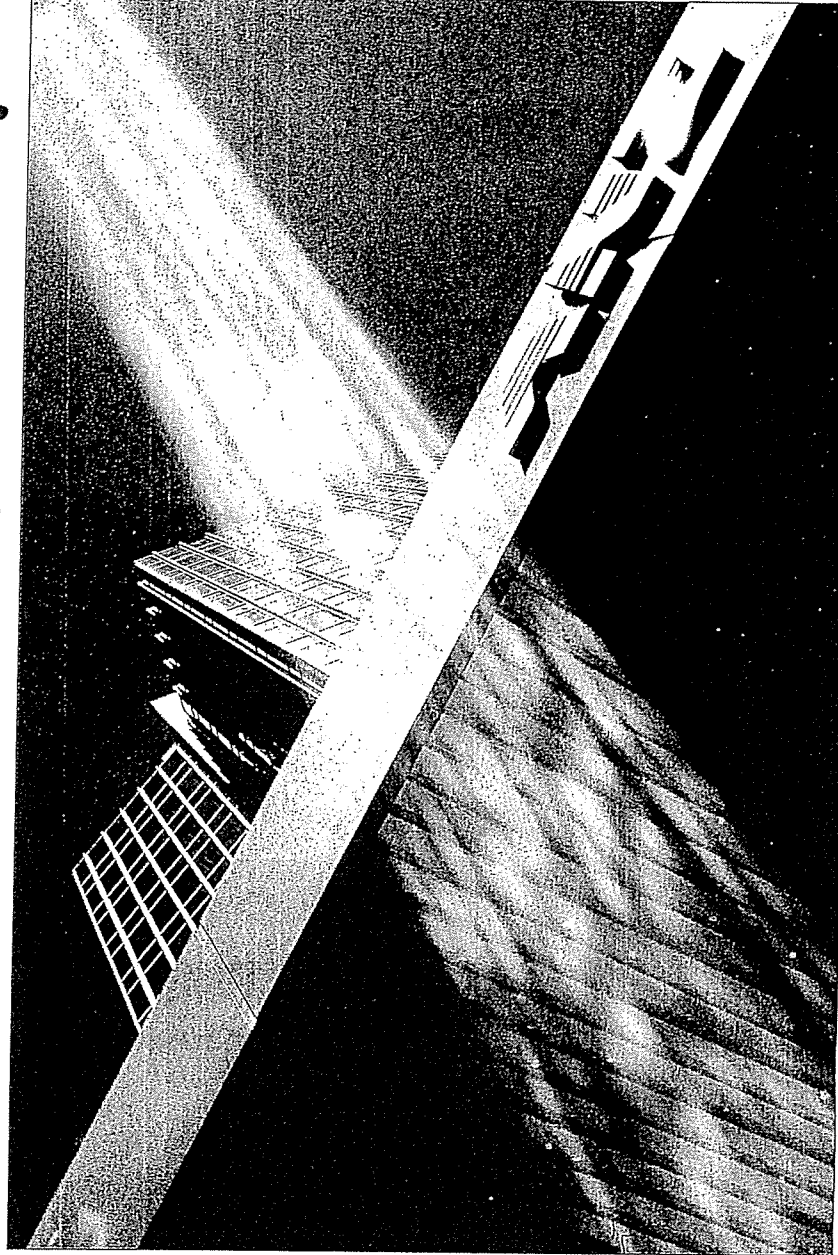
"In March they possibly were booking things through because it was the half-year. And in the September quarter the profit will tend to be lower for the three banks because it's their full year and there's a lot of things they account for that they don't at other times of the year."

The average interest margin earned by banks fell six basis points to 2.25 per cent, a squeeze attributed to increased competition on home interest rates. That will likely tighten further in the September quarter as the rivalry has really hotted up, Matthews said.

"There had been an expectation until recently that it wasn't too long before the Reserve Bank began increasing interest rates but that has been pushed out by quite a period now. So fixed rates have come down and that will also be impacting on the interest margin."

That squeeze was bad news for people dependent on interest from savings for their income - notably retired people - but could also mean that borrowers were able to spend more given they weren't paying as much interest.

KPMG warned the ongoing European debt crisis could ultimately impact New Zealand banks' access to funding.



Shining results: A recovery in investments has been lucrative for the big banks. KPMG's Financial Institutions Performance Survey reports.

While Europe's plight was a risk, "it's possibly not as big a threat as some would suggest", she said.

The Europeans had been managing the crisis for a while now and banks had not struck major problems getting finance recently. The survey included the results of eight banks: ANZ Banking Group, BNZ, ASB, pac.

Photo: FINPAX.NZ

MARKET INDEX
CLOSE OF BUSINESS YESTERDAY

NZX 50	4004.26	▲ 16.09
NZ Dollar		
US	81.64	▼ 0.38
Aust	78.99	▲ 0.13
Oil		
\$US	109.28	▼ 3.91
Fixed Interest		
90-DAY RATE		▼ 2.59

Shares B8

>> The New Zealand sharemarket opened the week on a strong note, replacing the declines seen late last week to climb back above the 4000-point mark again on the main bourse. The NZX 50 index traded up 16.09 points to 4004.26. Within the index, 26 stocks rose, 15 fell and nine were unchanged.

Haier's stake up

>> Haier's stake in Fisher & Paykel Appliances is creeping upwards, with the Chinese whiteware giant now holding more than 52 per cent of the Kiwi company. Haier announced last Thursday it had upped its takeover offer from \$1.20 a share to \$1.28 - scrapping into the valuation range recommended by independent adviser Grant Samuel of \$1.28 to \$1.57 a share. The sweetened offer won over institutional shareholders Accident Compensation Corporation, Harbour Asset Management, and AMP Capital, who agreed to sell the 14.1 per cent of F&P Appliances they collectively held. Other shareholders have accepted the increased offer. Haier says its shareholding has now increased to 52.39 per cent.

READERS' FORUM

Taylor's vocal departure needless

How great it was to hear Dick Taylor resigning from the Halberg Awards Committee after disagreeing with the All Whites' wins in various categories. Who needs him on this?

Whether he agrees or disagrees with the decision as to who wins any award at this prestigious event, the sad part is that by going public with his feelings he has not only placed a blot on this and future Halberg Award ceremonies, but can you imagine how deflated the winners must be.

They had no part to play in the decision-making process and deserve to look back on this with pride. I wonder how he feels about this?

He should have just resigned and said nothing rather than seek press exposure.

A. Walker, Remuera.

Award gripes unjust

Those critical of the All Whites winning the Halberg Award are a silly bunch. Obsessed with minority sports played by a handful of ex-British colonies (rugby, netball, league), they fail to recognise that even attending the Fifa World Cup finals is an achievement in itself. That's why we have only done it twice.

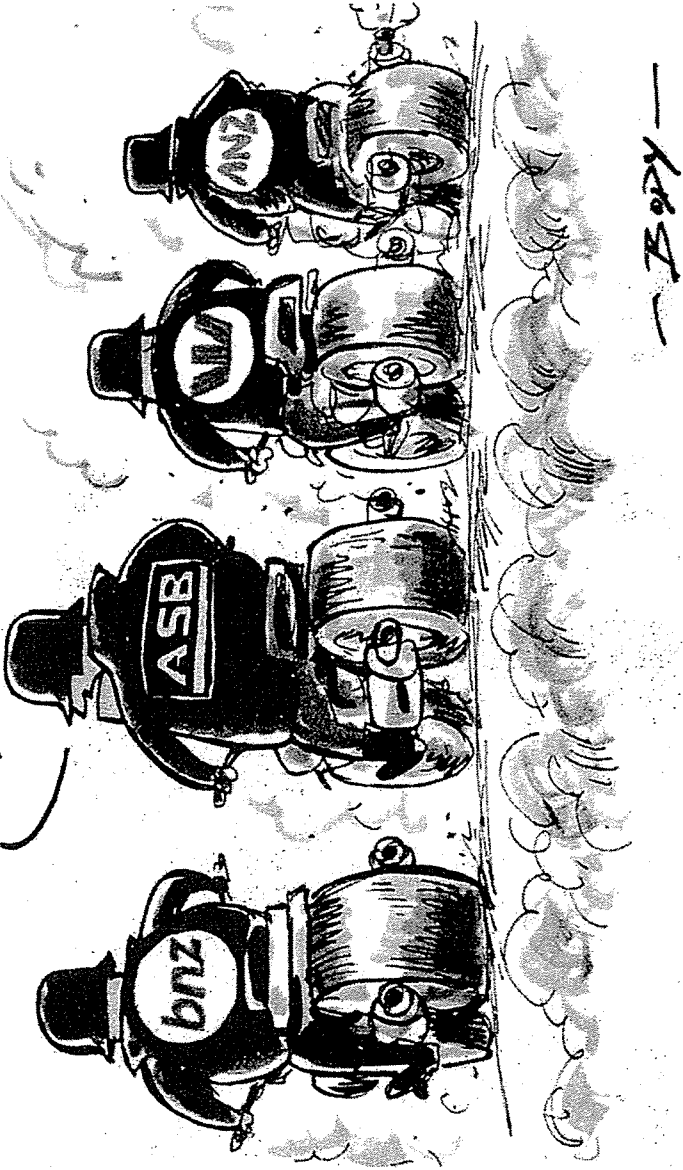
Merely qualifying for South Africa put the All Whites in a position that more than 160 other countries were envious of.

Let me put it in perspective for you. If I came 7th in the Waitakere City 11km fun-run, and you finished 16th at the 2008 Olympics in the marathon, whose achievement is more significant? Clearly, according to those who label the All Whites as mediocre, my 7th is better than your 16th, thus I am the more accomplished athlete. But such flawed logic fails to consider the quality of the field.

Andrew Stevenson, Mairangi Bay.

BODY'S VIEW

SO WHAT DO YOU
THINK OF THESE AUSSIE
GANGS COMING HERE
AND TAKING EVERYTHING
OVER?



Power price shocker

State-owned electricity generator Genesis tells customers in a February 7 letter that one of the reasons it is raising power prices is "to make an acceptable return on our assets".

Finance Minister Bill English told Parliament's finance and expenditure select committee two days later that power prices had already gone up "pretty relentlessly" in order to generate returns "which look reasonably high compared with the bond rate and are as high as private sector returns in the same market. Probably both are doing better than they should".

English said "getting a competitive electricity market is more important for us than maintaining" those returns.

Perhaps he should have talked to Genesis before February 7.

David Barber, Wellington.

Leaders outsmarted

John Key has been outfoxed by the race-based political strategists using the Foreshore and Seabed Bill to advance their agenda.

Len Brown was also outfoxed by the same race-based strategists when he voted \$5 million for their style of ethnic bureaucratic parasitism. The long-term strategy for Maori separatists is to access power and funds to control people, land and sovereignty.

This programme masquerading as Maori rights really has little to do with Maoridom, which is tribal-based and fraught with division.

The core characteristic of the thinkers and thinking behind the political games which are tying our elected leaders and institutions in knots arise from Marxism. Lenin said "a lie told often enough becomes the truth" and ain't that so just now.

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For a gallery of cartoons go to nzherald.co.nz

om?

Australians flock to community banking

As our People's Bank comes under pressure, Australia's community bank scheme gathers strength.

ine the effects of slower and steady moves away ks and Dent sees a long, ugly ket from 2015 to 2025. He e.

won't be a mad rush for the aid Sylvester Schieber, vice of research and information n consultants Watson Wyatt, mers will become more con-as they get older. It's more of ener than a complete wet

re knows exactly what will when the boomers retire. no precedent for a generation baby boom during a modern : period so drawing parallels And, because boomers could h longer than their parents, ght start taking withdrawals i most people think.

help is on the way: the echo group, those born from 1982 2000, is nearly the same size oomers. They're entering the e now and they too will need for retirement, most likely corporate saving plans.

boomers dismiss any of a stampede to the exits. "If illion of us were going to re-he same time, I'd be con-" said Chris Pelkin, vice t of operations for First Amer-l Estate Tax Service in Den-Don't believe there will be a y impact on the stockmarket e than I believed in Y2K's of throwing our lives out of e said. Others simply plan to retirement, starting second r part-time work.

many of the people who own on't need to sell them for re- David Blitzer, strategist for & Poor's, said 75% of all ere owned by the wealthiest he population. "Their biggest is keeping the money from am. They won't be in a mad ell."

isn't so sure. "We expect a fall markets like Japan in the 3ut he thinks the market has five years to rally as the rest oomers stuff money into the for retirement. "It's the best pportunity in many decades," d.

\$ nightmare scenario may not pass. But the boomers have y phase of the economy, and they have moved through life. l to believe they won't affect market too.

COMMUNITY-MINDED citi-zens are flocking to support the Bendigo Bank's commu-nity bank scheme with close to 50 branches set up and 30 more due to open by the end of the financial year.

Such is the level of interest that Bendigo Bank has been forced to slow the rollout of new outlets, postponing dis-cussions with at least 100 oth-er interested townships.

The townsfolk have not only proved to be eager cus-tomers but have stumped up \$250,000 plus by becoming shareholders.

The altruistic elements of community banking are well documented: customers (espe-cially businesses) are peeved at big bank branch closures and see a continuing bank branch as a way of kick-starting their often moribund local economies.

But how does the scheme stack up for customers and in-vestors in terms of self inter-est? Community bank customers are subject to the same fees and interest rates as those offered by Bendigo Bank. They also have access to all Bendigo Bank products such as internet banking, ATMs and credit cards.

According to research from the rates and monitoring house Cannex, the Bendigo Bank/community bank's fees and rates are broadly in line with the market's. A key ad-vantage is no account-keeping fees but this is possible at oth-er banks if customers have reasonable account balances.

Bendigo Bank's internet and eftpos transaction fees are on the high end - both 60c - but at 60c a pop the branch cash withdrawal fee is mark-edly lower than bigger banks.

Broadly speaking, custom-ers are no better or worse off if they switch from a big bank. But much to the annoyance of the big banks, Bendigo Bank and other regionals are not on

the receiving end of criticism about retail fees when in fact some of them are higher.

For investors, the com-munity banks have so far pro-duced highly competitive returns.

According to Bendigo Bank head of community banking Russell Jenkins, five of the 46 branches have produced a dividend of between 4.5% and 7.5%. Of the remainder, only three are behind budget. Two are in Western Australia's drought-stricken wheatbelt and the third, in NSW, was hit by floods.

Jenkins said returns were made at the discretion of the bank's local board of management.

The profitable Upwey bank returned 7.5% a year while the Laverion scheme conserved capital to open a branch in nearby Altona. Returns are capped at 5 percentage points above the 90-day bank bill rate, currently 10%.

"That's pretty generous," Jenkins said.

"There aren't too many companies paying anything like a 10% dividend."

The \$1 shares are transfer-able but so far have been lim-ited to private transactions. Bendigo Bank is considering using the Bendigo Stock Ex-change as the conduit for a more formal process.

In the meantime some in-dividual community banks keep a register of interested buyers and sellers.

While the banks have rules to prevent one person (or re-lated entity) from owing more than 10% of any one com-munity bank, Bendigo Bank has seen considerable outside interest from prospective eq-uity holders.

Paradoxically, the strong growth and increasing profit-ability of community banking raises the risk of the scheme becoming a victim of success.

If community bank shares

start being transferred at hefty premiums, it is possible yield-hungry buyers could pressure banks into efficiency measures such as staff cuts which would run counter to the philosophy of maintaining face-to-face banking.

Bendigo Bank recognises the problem but Jenkins be-lieves investors have the right to realise full value for their shares.

He noted one bank set up for \$250,000 was valued at \$350,000 soon after opening.

Others are not so sure the shares should ever be traded above their \$1 nominal value. Upwey Community Bank manager Mike Fleming has re-ceived queries from people outside his community want-ing shares and fears such a trend could erode the purpose of the scheme.

"We have trouble with peo-ple from any community buy-ing into other communities," he said.

There is also a conflict be-tween the commercial objec-tives of listed Bendigo Bank and the "softer" philosophies of the community banking division.

The scheme is cleverly structured so Bendigo Bank receives half the income of each community bank, in re-turn for backing the ventures in prudential and other ways.

In effect, the bank achieves a 50% cost-to-income ratio on the revenues sourced through community banks which is far more efficient than drawing revenue through their own network.

The community banking arm delivered \$1 million to Bendigo Bank's net profit in 1999-2000. It's 2000-2001 re-sults are expected to show a modest increase.

It is possible that, over time, community banking will be a major driver of Bendigo Bank's profits.

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& the end of the
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ANITA DESAI

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