

Productivity Commission's Local government funding and financing consultation

15 February 2019

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Submitter details

1. Nelson Marlborough Health (Nelson Marlborough District Health Board) (NMH) is a key organisation involved in the health and wellbeing of the people within Te Tau Ihu. NMH appreciates the opportunity to comment from a public health perspective on the Productivity Commission's consultation on Local government funding and financing.
2. NMH makes this submission in recognition of its responsibilities to improve, promote and protect the health of people and communities under the New Zealand Public Health and Disability Act 2000 and the Health Act 1956.
3. This submission sets out particular matters of interest and concern to NMH.

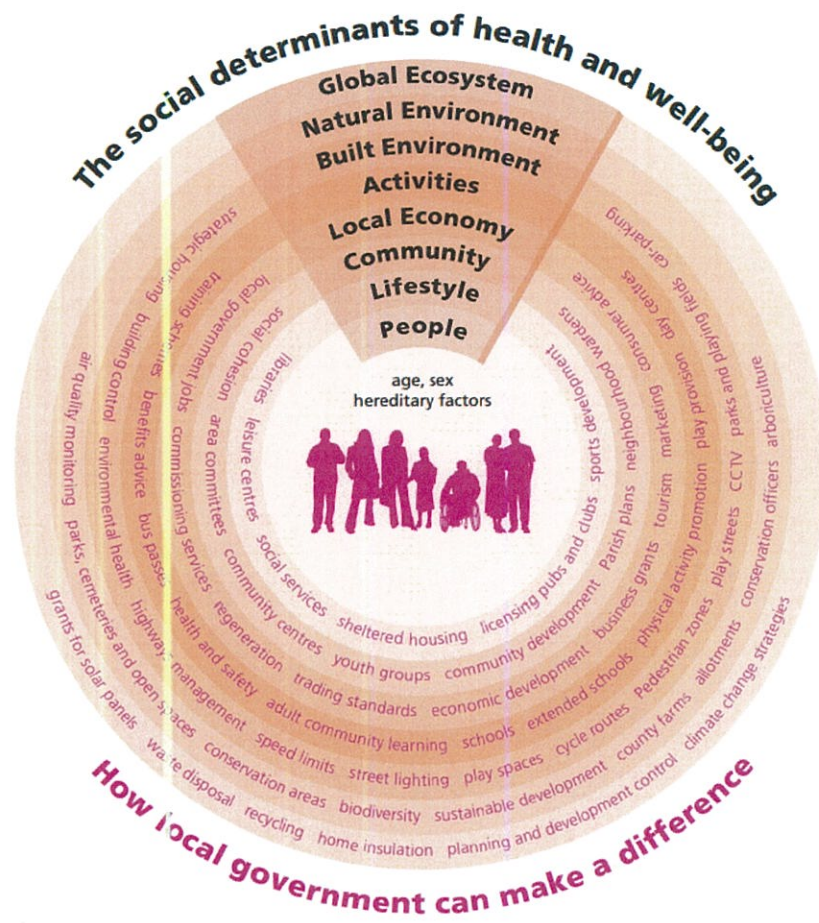
General Comments

4. Health has many dimensions. It has been defined as "a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity"¹. Health is created by the conditions around us, the conditions in which people are born, grow, live, work, and age. Local government is an important influence on the health and wellbeing of communities and populations. The decisions that local government makes affect the determinants of health. The extensive influence of local government on health is illustrated in the diagram below.² The diagram demonstrates the sheer multitude of services and activities that local government can or does provide, how these craft the places we live, work, grow and play in, and therefore how local government influences health and wellbeing³.

¹ WHO (1948) Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946

² Campbell, F. (Ed) (2010) The social determinants of health and the role of local government. Improvement and Development Agency, Local Government Association. London, England.
<https://www.local.gov.uk/sites/default/files/documents/foreward-and-introduction-c1c.pdf>

³ Public Health Association of New Zealand (2013) Getting into the Act: Local government and public health in 2013 and beyond. Retrieved from <http://www.lgnz.co.nz/assets/Publications/Local-government-and-public-health-in-2013-and-beyond.pdf>



5. Local government is vital to public health. It is in the interest of New Zealand's population, therefore, for public health practitioners and local government to work together.
6. NMH welcomes this report looking at the local government funding and financing arrangements. It is noted that this report has not incorporated Treasury's work into the Living Standards Framework. This vision of this framework is focused on higher living standards for New Zealand and takes into account the human, social, natural, and financial/physical capitals which together represent New Zealand's economic capital. Whilst this Inquiry has focused on financial/physical capitals in relation to funding and financing, it would have been beneficial to also focus on highlighting the importance of human, social and natural assets and how to utilise these effectively to improve the wellbeing of New Zealanders.

Specific Comments

7. **Question 8** *How are local authorities factoring in response and adaptation to climate change and other natural hazards (such as earthquakes) to their infrastructure and financial strategies? What are the cost and funding implications of these requirements?*

NMH supports the commentary given on climate change stating that there has been few national mechanisms in place related to climate change adaption and managed retreat. Whilst the effects of climate change will impact each region differently, it is important that there is national direction and financial support for councils regarding adaption strategies.

8. **Question 11** *Is local government expenditure shifting away from traditional core business into activities such as economic development, sport and recreation and community development? If so, what is the rationale for this shift, and could these activities be better provided by other parties?*

The Local Government (Community Well-being) Amendment Bill seeks to restore the purpose of local government to be "to promote the social, economic, environmental, and cultural well-being of communities". Should this Bill be passed, then government expenditure needs to support work in this area. NMH notes that the consultation documents states that there are no clear definitions of core and non core activities and that LGNZ has noted that "non-core" activity areas include many activities and services that local government has provided for many decades such as parks, recreational facilities and libraries. In absence of any definition of core services, and the Governments adoption of a Wellbeing Framework, NMH stresses the importance of the council as a place shaper that creates places for people to lead healthy lives. The Lyon Inquiry into Local Government acknowledged that "the ultimate purpose of local government should not be solely to manage a collection of public services, but rather to pursue the well-being of a place and the people who live there by whatever means are necessary and available".⁴

9. **Question 16** *How effective are councils' Long-term Plan consultation processes in aligning decisions about capital investments and service levels with the preferences, and willingness and ability to pay, of residents, businesses and other*

⁴ Lyons, M. (2007) Lyons Inquiry into Local Government. Place-shaping: a shared ambition for the future of local government. Available at: <http://www.lyonsinquiry.org.uk/>

local organisations?

Pre-consultation meetings and consultation documents are ways for the Council to communicate with residents on Long Term Plans. In general, consultation documents are expected to concisely and clearly represent significant issues, plans and projects. Many Councils work very hard to engage all the sectors of their communities. However submission data shows that younger people are not engaged in the processes therefore it would of value for Councils to look at the range of mediums available to engage people. Also, the Office of the Auditor General notes that many councils are still missing the opportunity to engage effectively with their communities especially as Long Term Plan documents often include too much background information leading to a loss of focus, had a poor discussion of the infrastructure and financial strategies, or had poorly drafted consultation questions.⁵

10. Question 26 *What measures do councils use to keep services affordable for specific groups, and how effective are they?*

The population of New Zealand is ageing. The Government, through the Positive Ageing Strategy and the Older People's Health Strategy, has made a commitment to supporting ageing in place in terms policy and service provision over the past decade. The Ministries of Social Development and Health actively promote the concept of ageing in place and the importance of older people remaining in their own homes for as long as possible because it enables older people to maintain independence, autonomy, and connection to social support, including friends and family and delays the need for institutional care⁶.

11. Older people tend to be on fixed incomes and therefore may find rate increases difficult to manage. Therefore promotion of the Rates Rebate Scheme and Rates Postponement Scheme would be beneficial to ensure that older people understand their entitlements. In addition house maintenance and quality needs to be considered in order for people to remain in their homes. Some older people may not be able to undertake general maintenance and will need further services to help them. Therefore either central or local government may need to offer assistance.

⁵ Office of the Auditor General (2018) Long-term plans: Our audits of councils' consultation documents <https://oag.govt.nz/2018/ltp-consultation-documents/docs/ltp-consultation-documents.pdf>

⁶ Wiles, J., Leibing, A., Guberman, N. (2011) *The Meaning of "Ageing in Place" to Older People*. The Gerontologist Vol. 52, No. 3, 357–366 Retrieved from <https://www.mentalhealth.org.nz/assets/Dig-deeper/The-meaning-of-ageing-in-place.pdf>

12. In addition, poor housing exacerbates existing health conditions leading to increased GP and hospital visits. Older people living in colder dwellings have an increased risk of respiratory problems. Offering council services for households that gives independent advice about how to improve the health of homes could be a service that is offered by Councils, this would be enable older residents to stay in their homes longer. For example, the Eco Design Advisor service that runs in a range of councils across New Zealand, as the result of a Building Research Association of New Zealand (BRANZ) initiative.

Conclusion

13. NMH thanks the Productivity Commission for the opportunity to comment on the consultation on Local government funding and financing.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'P. Bramley', with a long horizontal flourish extending to the right.

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