

Auckland Regional Public Health Service

Rātonga Hauora ā Iwi o Tamaki Makaurau



Working with the people of Auckland, Waitemata and Counties Manukau

Auckland Regional Public Health Service

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18 March 2016

Annual Budget 2016/2017

Auckland Council

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Submission on Auckland Council Annual Budget 2016/2017

Thank you for the opportunity for Auckland Regional Public Health Service (ARPHS) to provide a submission on Auckland Council's Annual Budget 2016/2017.

The following submission represents the views of the Auckland Regional Public Health Service and does not necessarily reflect the views of the three District Health Boards it serves. Please refer to Appendix 1 for more information on ARPHS.

The primary contact point for this submission is:

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Yours sincerely,

A handwritten signature in black ink, appearing to read "Jane McEntee".

Jane McEntee
General Manager
Auckland Regional Public Health Service

A handwritten signature in blue ink, appearing to read "David Sinclair".

Dr. David Sinclair
Medical Officer of Health
Auckland Regional Public Health Service

ARPHS recommends:

- Continue with investments proposed under the Auckland Plan and the Long Term Plan 2015/2025
- Maintain at least current service levels
- Set the Uniform Annual General Charge at the lower level of \$350 per annum
- Reduce rates for Māori freehold land where significant barriers to development exist
- Begin financial assistance pilot for on-site wastewater systems (septic tank) upgrades and monitor environmental outcomes.

Public health and wellbeing is supported in proposed Council budget

1. Auckland Regional Public Health Service (ARPHS) supports the proposals outlined in the Annual Budget 2016/2017 for continuing investment in services and initiatives aimed at improving Auckland's community health and well-being.¹ These proposals continue the direction outlined last year in Council's Long Term Plan 2015/2025.
2. In our feedback last year on the Ten Year Budget 2015-2025 ARPHS supported:
 - A low Uniform Annual General Charge because of its regressive nature
 - Structuring infrastructure funding and development contributions to support compact urban development and discourage urban sprawl
 - Investment in active transport and public transport infrastructure
3. Underpinning the Long Term Plan and the Auckland Plan are integrated principles and actions which go a long way to fostering the health and wellbeing of the population and concur with the ARPHS vision of *Te Ora o Tamaki Makaurau*: health for all the people of Auckland.
4. Current service levels should at least to be maintained because the ongoing provision of appropriate services makes a daily positive impact on the lives and health of residents. Wise investments in maintaining and improving the infrastructure also make the city and region more resilient, more productive and more sustainable.
5. In addition, supporting the resilience of Auckland through maintaining infrastructure, community services and facilities may become increasingly important if the global and national economic situation deteriorates. Austerity in council programmes and services, by contrast, would have a negative overall impact on the community as a whole.

Fixed Rates Charges (Uniform Annual General Changes)

¹ <http://shapeauckland.co.nz/media/1520/annual-plan-2016-17-accessible-consultation-doc.pdf> pp7-16

6. ARPHS supports the lower level of \$350 per annum for the Uniform Annual General Charge (UAGC) for two main reasons:
 - People with higher income use local government services more than people on lower incomes, so should contribute more to their funding; and
 - A high UAGC is regressive, in that it moves the rates burden more onto people less able to pay.
7. The State Services Commission's 2007 "Kiwis Count" survey showed that people with higher incomes and higher qualifications used local government services significantly more than people on lower incomes². This would support having higher rates contributions from people on higher incomes.
8. "An analysis of the impacts of rates compared to household income ... using census data for median household incomes ... shows a strong relationship between average property value and average household income."³ A lower UAGC reduces the proportion of rates being paid in areas of Auckland where property values and incomes are lower.
9. Families and people on lower incomes spend a higher proportion of their income on food and basic living expenses.⁴ A New Zealand study found low income households (earning \$35,000 NZD or less) spend an average of 30% or more of their net income on food, compared with the New Zealand average of 18%⁵.
10. Rate increases lead to increased housing costs (e.g. through rent), which many lower income families find difficult to pay⁶. This in turn contributes to overcrowding⁷ and a greater disease burden, especially for children.⁸ The 2013 Census also recorded that Māori are disproportionately represented in lower income groups. A

² State Services Commission Kiwis Count Survey 2007 <https://www.ssc.govt.nz/kiwis-count> Retrieved 11 March 2016

³ <http://shapeauckland.co.nz/media/1513/supporting-information.pdf> p8

⁴ Regional Public Health (2011): 2011 Food Costs for Families: Analysis of the proportion of the minimum wage and income support benefit entitlements that families need to purchase a healthy diet, Regional Public Health Information Paper September 2011, Lower Hutt.

⁵ Smith, C., Parnell, W. R., Brown, R. C. and Gray, A. R. (2013), Balancing the diet and the budget: Food purchasing practices of food-insecure families in New Zealand. *Nutrition & Dietetics*, 70: 278–285. doi: 10.1111/1747-0080.12043

⁶ Statistics New Zealand. 'Mapping Trends for the Auckland Region.' Accessible from: http://www.stats.govt.nz/browse_for_stats/people_and_communities/Geographic-areas/mapping-trends-in-the-auckland-region/housing.aspx

⁷ http://www.stats.govt.nz/Census/2013-census/data-tables/tables-about-a-place.aspx?request_value=24395&tabname=Households

⁸ Infectious Diseases Attributable to Household Crowding in New Zealand: A Systematic Review and Burden of Disease Estimate (2013). Baker, M.G., McDonald. A., Zhang.J., Howden-Chapman. P. He Kainga Oranga / Housing and Health Research Programme. University of Otago. Wellington.

lower UAGC therefore should contribute a lift to Māori social and economic wellbeing, consistent with the objectives in the Auckland Plan.

11. ARPHS accordingly supports the UAGC remaining a small proportion of total rates.

Māori Freehold Land Rates

12. ARPHS supports the proposal to reduce rates for some Māori freehold land where significant barriers to development exist.
13. The proposal is a constructive step towards creating 'Significant lift in Māori Social and Economic Wellbeing' (Auckland Plan, Transformation Shift 6), and should have indirect benefits for the health and wellbeing of Māori.
14. We note that the Independent Māori Statutory Board has identified rates on Māori freehold land as a priority issue.⁹

Economic rationale

15. The outline of the economic rationale for rating Māori freehold land at a lower level is straightforward. The legal restrictions on Māori freehold land mean the land cannot be subdivided for residential subdivision. The land's value, for rating purposes is therefore different from the economic value of land which can be resold for residential subdivision.
16. Due to the small number of properties involved, the partial reduction or remission of rates on Māori freehold land is expected to lead to an increase of only 25 cents per annum in other rates.

Public health benefits

17. An example of the potential benefit to public health and wellbeing ensuing from proceeding with the rating proposal is that it may facilitate the development of papakainga housing. Papakainga is a form of housing development on multiply-owned Māori or ancestral land. The literal meaning of papakainga housing is, 'a nurturing place to return to'.¹⁰
18. Papakainga housing has been particularly important for elderly Māori, and creates benefits in community health and wellbeing.¹¹
19. ARPHS supports the proposal to reduce rates for some freehold Māori land, and encourages Council to proceed with developing further initiatives towards achieving the Auckland Plan Transformation Shift 6 'Significantly lift Māori Social and Economic Wellbeing'.

⁹ Independent Maori Statutory Board, Schedule of Issues of Significance to Maori in Tamaki Makaurau. P27

¹⁰ <http://wdc.govt.nz/CommunitySafetyandSupport/Housing/Documents/Papakainga-housing-brochure.pdf>

¹¹ Independent Maori Statutory Board, Schedule of Issues of Significance to Maori in Tamaki Makaurau. P23

Financial assistance pilot for on-site wastewater systems (septic tank) upgrades

20. ARPHS strongly supports the Council's proposal outlined at section 2.7.
21. There are significant public health benefits from effective operation of home wastewater systems, particularly in areas where poorly treated effluent can find its way into ditches and streams, and then into waters used for gathering shellfish, and for swimming.
22. ARPHS is interested in the environmental monitoring and reporting back of the effectiveness of the operation of this pilot programme.
23. ARPHS supports the development of future region-wide initiatives to address public health and environmental effects of poorly performing onsite waste water systems. By making existing systems more effective, the best use of historical investment in onsite systems can be made before sewage reticulation is needed.
24. For many residents, onsite treatment systems have effectively been regarded as a 'fit and forget' system. This has made these systems prone to premature failure due to lack of preventive maintenance.
25. A region-wide proactive system of management and maintenance of existing onsite systems (estimated at some 60,000 installations) via a Bylaw and cost-recovery mechanisms would maximise the life of these installations to the benefit of all parties.
26. ARPHS recommends the development of such a region-wide system for proper management of onsite wastewater systems.

Conclusion

27. Thank you for the opportunity to contribute a Submission on Auckland Council Annual Budget 2016/2017.

Appendix 1 - Auckland Regional Public Health Service

Auckland Regional Public Health Service (ARPHS) provides public health services for the three district health boards (DHBs) in the Auckland region (Auckland, Counties Manukau and Waitemata District Health Boards).

ARPHS has a statutory obligation under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities in the Auckland region. The Medical Officer of Health has an enforcement and regulatory role under the Health Act 1956 and other legislative designations to protect the health of the community.

ARPHS' primary role is to improve population health. It actively seeks to influence any initiatives or proposals that may affect population health in the Auckland region to maximise their positive impact and minimise possible negative effects on population health.

The Auckland region faces a number of public health challenges through changing demographics, increasingly diverse communities, increasing incidence of lifestyle-related health conditions such as obesity and type 2 diabetes, infrastructure requirements, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.