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**RACP Submission:  
NZ Local Government (Community Well-  
being) Amendment Bill**

May 2018

## Introduction

The Royal Australasian College of Physicians (RACP) welcomes the opportunity to submit feedback on the Local Government (Community Well-being) Amendment Bill (“the Bill”).

The RACP works across more than 40 medical specialties to educate, innovate, and advocate for excellence in health and medical care. Working with our senior members, the RACP trains the next generation of specialists, while playing a lead role in developing world best practice models of care. We also draw on the skills of our members to develop policies that promote a healthier society. By working together, our members advance the interest of our profession, our patients and the broader community.

The RACP’s key points are that:

- The RACP supports the intention of the Bill to give Local Government a more expansive mandate within which to operate and serve the community,
- The RACP supports this intention as in line with the RACP’s **Make it the Norm** Campaign, which encourages equity for all New Zealanders through the social determinants of Health,
- The RACP recommends outlining or guiding the definition of “well-being”, especially by incorporating tino rangatiratanga.

## The Bill

The Bill aims to broaden the purpose of Local Government from providing essential services to giving it a more expansive mandate within which to operate through amendments to the Local Government Act 2002.

The objectives of the Bill are to:

- Restore the purpose of Local Government to “promote the social, economic, environmental, and cultural well-being of communities” (the “four aspects of well-being”),
- Restore territorial authorities’ power to collect development contributions for any public amenities needed as a consequence of development. This will assist in the provision of facilities such as sports grounds, swimming pools, and libraries,
- Make a minor modification to the development contributions power so that it is clear that advances of financial assistance from the New Zealand Transport Agency that are recoverable do not affect the power of territorial authorities to collect development contributions for projects financed using that mechanism.

## RACP Position

The RACP supports the intention of the Bill, which is in line with the RACP’s **Make it the Norm** campaign (the “campaign”), which advocates for health equity through the social determinants of health.

Our campaign calls for policymakers to make health equity the norm to improve health outcomes for the most vulnerable people in our communities. We call for immediate actions including:

- **Making Healthy Housing the norm** by introducing a regulation to mandate a Warrant of Fitness and Health for residential dwellings,
- **Making Good Work the norm**<sup>1</sup> by promoting the Living Wage to support the health and wellness of employees and their whānau, and

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<sup>1</sup> The Royal Australasian College of Physicians Australasian Faculty of Occupational and Environmental Medicine defines ‘good work’ as engaging, fair, respectful, and balances job demands, autonomy and job security. Good work accepts the importance of culture and traditional beliefs. It is characterised by safe and healthy work practices and it strikes a balance between the interests of individuals, employers and society. It requires effective change management, clear and realistic performance indicators, matches the work to the individual and uses transparent productivity metrics. The Royal Australasian College of Physicians Australasian Faculty of Occupational and Environmental Medicine. Realising the health benefits of good work. Consensus Statement [Internet]; 2013; Updated 2017 [cited 22 May 2018]; Available from: <https://www.racp.edu.au/advocacy/division-faculty-and-chapter-priorities/faculty-of-occupational-environmental-medicine/health-benefits-of-good-work>.

- **Making Whānau Well-being the norm** by taking a child-centred approach to all legislation, policy, and regulation<sup>2</sup>.

The intention behind the Bill is to provide clearer authority for local councils to better shape their activities depending on what their communities want from them<sup>3</sup>. The RACP sees this as a positive step towards building a healthier community, which in turn will lead to healthier whānau and healthier children.

## RACP Comments on the Bill

### Provides flexibility for Local Government

The RACP supports the intention of the Bill, which is to provide clearer authority for local councils to better shape their activities, depending on what their communities want from them<sup>4</sup>. The RACP hope that this change will provide Local Government with the flexibility to adjust to their communities' need. This is in line with the College position "Make whānau well-being the norm," as healthier whānau whose specific needs are met make up healthier communities as a whole.

The Bill repeals section 11A, which contains a restrictive list of the core services that the local authority must have particular regard to when performing its role. This removes the obligation for local councils to have regard to particular (stated) core services and gives local authorities the flexibility to respond to their communities according to what the communities decide that they need. The Bill also amends the stated purpose of Local Government by removing the requirement for cost effectiveness and adding in the four aspects of well-being. These changes in the Bill reflect a broad, empowering approach to Local Government and gives local authorities the flexibility to respond to their communities<sup>5</sup>.

A more adaptable Local Government can better respond to the individual needs of communities and the whānau within those communities. The RACP promotes the scientific evidence that healthier communities have a flow on effect meaning healthier whānau and healthier children. Factors influencing whānau health including workplaces, recreational facilities, social support, education, housing are all more easily adapted to the local community under these changes. The changes also mean that Local Governments can develop new services without the fear of judicial review<sup>6</sup>.

Community level factors are important for whānau health and whānau well-being. Whānau who were interviewed have reported the importance of participating in cultural and sporting groups and having positive experiences with responsive services, such as counselling and family support services. Participants who could access appropriate services when they needed them gained valuable support and personal strength, and were able to re-engage with education and employment<sup>7</sup>.

The Regulatory Impact Statement notes that "the nature and extent of the impact of the changes depends on the way that local authorities interpret and apply the provisions"<sup>8</sup>. The RACP encourages Local Government to base their decision-making on a robust and thorough evidence base. We encourage Local Governments that are considering policy changes to use a health-impact assessment. The RACP recommends that new spending conducted by Local Government is decided from a Health in All Policies approach<sup>9</sup>. This will put the health and well-being outcomes of communities first.

<sup>2</sup> The Royal Australasian College of Physicians. Make it the Norm: Equity Through the Social Determinants of Health. August 2017. <https://www.racp.edu.au/fellows/resources/new-zealand-resources/new-zealand-election-statement-2017>.

<sup>3</sup> First Reading of the Local Government (Community Well-being) Amendment Bill. 11 April 2018.

<sup>4</sup> Local Government (Community Well-being) Amendment Bill 2018. First Reading. 11 April 2018.

<sup>5</sup> Department of Internal Affairs. Regulatory Impact Summary: Local Government (Community Well-being) Amendment Bill. 5 March 2018.

<sup>6</sup> Ibid.

<sup>7</sup> Superu: Social Policy Evaluation and Research Unit. Families and Whānau Status Report 2017. Wellington.

<sup>8</sup> Ibid.

<sup>9</sup> Community and Public Health define the Health in All Policies approach as "an approach to public policies across sectors that systematically takes into account the health implications of decisions, seeks synergies, and avoids harmful health impacts, in order to improve population health and health equity". Community and Public Health.

## Restores the Four Aspects of Well-being

The RACP supports the Bill's aims to restore the four aspects of well-being. These were previously removed from the Local Government Act 2002 in 2014. The Bill inserts the four aspects of well-being, which are social, economic, environmental, and cultural into the Local Government regulatory framework and references them into other parts of the Local Government Act.

The RACP supports these changes. The reinstatement of community well-being into the focus of Local Government objectives is a positive step towards a healthier community. Councils play an important role in the everyday lives and environments of communities. Therefore, local council decisions affect community health in consequential ways. The decisions made by local council play a crucial role in supporting quality of life outcomes that build a sense of belonging, well-being, and happiness in local communities. These decisions heavily influence the health of whānau and families.

## Allows Local Councils to pay a Living Wage

The RACP support the changes to section 10(1)(b) of the Bill as a means of allowing for Local Government (and potentially contractors) to pay their staff a Living Wage. The RACP support this change as a move in line with our election statement call for action to 'Make good work the norm'. The Living Wage helps to provide people in work with an income which enables them to meet everyday expenses for their whānau and to participate in society.

Section 10(1)(b) of the Act states that the purpose of Local Government includes finding the most cost-effective means to perform local functions and provide local services. A number of local councils who have considered paying their staff, and the staff of contractors, the Living Wage have faced problems based on the purpose contained in section 10(1)(b). Wellington City Council were reported to have withdrawn a decision that its contractors should be required to pay a living wage in the face of legal action asserting that local authorities paying the living wage would contradict the 'most cost-effective element of s10(1)(b)<sup>10,11</sup>. The Bill replaces the purpose contained in section 10(1)(b) with the four aspects of well-being. This effectively removes the explicit consideration for cost-effectiveness in favour of a less prescriptive approach for the way Local Governments can make their decisions.

A key recommendation in our campaign is making 'good work' the norm by promoting the Living Wage<sup>12</sup>. This will support the health and wellness of employees and their whānau. A Living Wage enables workers and their whānau to participate within society. This distinguishes the Living Wage from the 'minimum' wage, poverty lines, and income hardship. People receiving the Living Wage can consider future and protective expenses. The WHO define a 'Healthy Living Wage' as remuneration which takes into account the real and current costs of living, based on health needs including adequate nutritious food, shelter, water and sanitation, and social participation<sup>13</sup>. The New Zealand Living Wage is the hourly wage a worker needs to pay for the basic necessities of life, enabling workers and their families to live with dignity and participate as active citizens in their communities. In 2018, this is calculated at \$20.55 an hour, which is \$4.05 more than the minimum wage of \$16.50<sup>14,15</sup>.

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Health in All Policies [Internet]; 2018. Last updated 20 February 2018. [cited 22 May 2018]; Available at: <https://www.cph.co.nz/your-health/health-in-all-policies/>.

<sup>10</sup> Department of Internal Affairs. Regulatory Impact Summary: Local Government (Community Well-being) Amendment Bill. 5 March 2018.

<sup>11</sup> New Zealand Society of Local Government Managers. Turning up the Engine – Potential Changes to Local Government Law. A Submission to the Hon Nanaia Mahuta, Minister of Local Government and the Hon Meka Whaitiri, Associate Minister of Local Government. Wellington. December 2017.

<sup>12</sup> See Footnote 1 for the definition of "Good Work".

<sup>13</sup> World Health Organization. Closing the gap in a generation: Health equity through action on the social determinants of health. 2008. Geneva, Switzerland: World Health Organization.

<sup>14</sup> Living Wage Aotearoa. What is the Living Wage? [Internet]; 2018 [cited 16 May 2018]; Available from: <https://www.livingwage.org.nz>.

<sup>15</sup> Employment New Zealand. Current minimum wage rates [Internet]; 2018 [cited 22 May 2018]; Available from: <https://www.employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-rates>.

The RACP supports this change as a positive step towards local councils paying their employees the Living Wage.

## Changes to Development Contributions

The RACP is concerned about the risk of local authorities using the enhanced option of contributing to the funding of community infrastructure through using development contributions inappropriately. Extending the range of community infrastructure that can be recovered through development contributions is also likely to lead to an increase in the amount of development contributions payable for any particular development<sup>16</sup>.

The RACP notes that there are processes and procedures in place that may mitigate this. The Regulatory Impact Statement notes that a local authority must have a development contributions policy and must consult on the draft of that policy and any amendments<sup>17</sup>. This gives the community the opportunity to comment on any changes that are made to a local authority's development contributions policy<sup>18</sup>. There are existing provisions that require local authorities to provide a detailed explanation of what will be funded by development contributions. Lastly, the Department has promised to work with the Society of Local Government Managers on preparing practice guides and promoting good practice<sup>19</sup>.

## Cultural Well-being

The RACP supports the addition of the purpose of Local Government to include promoting the cultural well-being of communities. For example, active participation in Māori communities and networks is an important determinant of well-being for whānau. Over the last two decades there has been an increase in whānau access to Māori culture, Māori networks, marae, and tribal endeavours<sup>20</sup>. It is important for local councils to give serious thought to what cultural well-being is and how to apply that to their planning and practice.

## “Well-being” Undefined

There is no definition for the term “well-being” in the Bill, even though the term is used consistently throughout. This results in a lack of clarity for those interpreting the new legislation. The RACP recommend that either a definition or guidance principles on interpretation of the term could be included. The terms “whānau well-being”, “community well-being”, and “health” should be included in the definition.

The RACP recommend the inclusion of the term “health” in the definition of “well-being”. Health is a consideration that may be overlooked by local council decision-makers if not defined or stated as an important consideration in the Bill. The RACP recommend two models that could be used for the definition of “health”; Te whare tapa wha and the World Health Organisation (WHO) definition of health.

“Te whare tapa wha” is a Māori model of health developed by Sir Mason Durie representing the four cornerstones (or sides) of Māori health: taha tinana (physical health), taha wairua (spiritual health), taha whānau (family health), and taha hinengaro (mental health). If one of the four dimensions are missing or damaged then the person, or a collective, may become ‘unbalanced’ and subsequently unwell<sup>21</sup>. The WHO defines health as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”<sup>22</sup>. Both of these models use a holistic approach to health and define health as not just the absence of disease but the presence of a balance of key social, emotional, and mental factors.

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<sup>16</sup> Department of Internal Affairs. Regulatory Impact Summary: Local Government (Community Well-being) Amendment Bill. 5 March 2018.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Durie M, Cooper R, Grennell D, Snively S, Taine N. Whānau Ora: Report on the Taskforce on Whānau-Centred Initiatives. Wellington. Office for the Community and Voluntary Sector. Wellington; 2010.

<sup>21</sup> Ministry of Health. Māori health models – Te Whare Tapa Whā. Māori Health Model/Hauora Māori [Internet]. Available from: <https://www.health.govt.nz/our-work/populations/maori-health/maori-health-models/maori-health-models-te-whare-tapa-wha>.

<sup>22</sup> World Health Organisation. Constitution of the World Health Organisation: Principles [Internet]. 22 July 1946 [cited 22 May 2018]; Available from: <http://www.who.int/about/mission/en/>.

## Te Ao Māori Perspective

For many Māori, the well-being of whānau is just as important as the well-being of the individual, perhaps more important<sup>23</sup>. This can be seen in the many practises in Te Ao Māori that revolve around the primacy of whānau and communities, including relationships and expectations of reciprocity and kinship structures such as hapū and iwi. Health can be seen as a community rather than individual concept. From a Māori point of view, the well-being of the individual is intertwined with the well-being of the whānau<sup>24</sup>.

This should be considered in the wording and implementation of the Bill, particularly if a definition of “well-being” is added. The RACP suggest that the definition of “well-being” could include the concept of “whānau well-being”. This concept is complex and definitions can differ. “Whānau” is often described as whakapapa-based relationships of mutual obligation. “Whānau” includes intergenerational relationships and may extend beyond one household, perhaps including friends and others. “Whānau well-being” can be described as a “collective state of well-being that is enmeshed with well-being at the individual level”<sup>25</sup>.

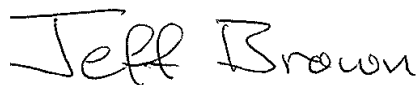
The RACP recommend that the definition of “whānau well-being” also includes the Te Tiriti ō Waitangi principles of partnership, participation, and protection. In particular, the RACP recommend a process incorporating tino rangatiratanga, or self-determination, into the definition. This approach places whānau at the centre of any decision-making about whānau health and well-being and recognises the collective strength and capability of whānau to achieve better health outcomes.

## Summary

- The RACP supports the intention of the Bill as in line with the College’s **Make it the Norm** Campaign, which encourages equity for all New Zealanders through the Social Determinants of Health.
- The RACP supports the flexibility the Bill provides for Local Government to adapt to the needs of their communities, which will lead to healthier communities and whānau.
- The RACP supports that the Bill allows for Local Government to pay the Living Wage.
- The RACP recommends outlining or guiding the definition of “well-being”, especially by incorporating tino rangatiratanga.

The RACP thanks the Governance and Administration Select Committee for the opportunity to provide feedback on this Bill. The RACP would like to present in person to the Government and Administration Select Committee. To discuss this submission further, please contact the NZ Policy and Advocacy Unit at [policy@racp.org.nz](mailto:policy@racp.org.nz).

Yours sincerely



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<sup>23</sup> Superu. Social Policy Evaluation and Research Unit. Families and Whānau Status Report 2017.

<sup>24</sup> Durie M, Cooper R, Grennell D, Snively S, Taine N. Whānau Ora: Report on the Taskforce on Whānau-Centred Initiatives. Wellington. Office for the Community and Voluntary Sector. Wellington; 2010.

<sup>25</sup> Kukutai T, Sporle A, Roskrug M. Subjective whānau wellbeing in Te Kupenga. Social Policy Evaluation and Research Unit. Wellington. April 2017.