



## **Nelson Tasman Climate Forum**

### **Submission on Local Government (System Improvements) Amendment Bill**

**27 August 2025**



## Contents

Nelson Tasman Climate Forum – Who we are .....	1
1. Introduction .....	2
2. Rates increases are not driven by well-being programmes, but local government cost inflation, infrastructure, debt, depreciation and responding to climate change events .....	4
3. Well-being Spending is a Cost-avoidance Mechanism .....	5
4. Council roles in Climate Mitigation and Adaptation .....	5
5. Waste Management .....	6
6. Other Local Government Responsibilities .....	7
7. Funding Local Government .....	7
8. Conclusions and Recommendations .....	7

## Nelson Tasman Climate Forum – Who we are

The [Nelson Tasman Climate Forum](#) (NTCF) launched in February 2020 as a community-led climate action initiative open to everyone. The Forum aims to weave the community together around urgent, strategic action to achieve the following goals:

- Rapidly reduce the region's greenhouse gas emissions, increase carbon sequestration and undertake other climate stabilising initiatives, consistent with the urgency of the situation.
- Adapt to the likely adverse environmental effects of climate change and the resulting social and cultural effects, using inclusive and responsible decision-making to support these desirable outcomes.
- Respond to climate change in a way that recognises the rights of all living organisms, including people, and provides for a just, equitable, and resilient society.

The Forum is volunteer-led, apolitical, and registered as a non-profit partner under the Tasman Environmental Trust. In the five years the Forum has been functioning, volunteers have carried out over 30 community projects. These include monthly Repair Cafés in Whakatū Nelson, Motueka and Tākaka, a yearly Climate Action Festival, a climate action campaign called [Take the Jump](#), art events and photography exhibitions, active transport projects with students and employees, an annual Climate Camp for intermediate students, a Climate Action Plan for the region, waste reduction projects, letter writing campaigns, government and Council submissions, and the protection and restoration of native habitats.

We acknowledge the kaitiaki status of Ngāti Kuia, Rangitāne o Wairau, Ngāti Apa ki te Ra Tō (Kurahaupo waka), Ngāti Kōata, Ngāti Rārua, Ngāti Toa Rangatira (Tainui waka), Ngāti Tama ki Te Waipounamu, Te Āti Awa o Te Waka a Māui (Tokomaru waka) and Te Runanga o Ngai Tahu rohe of Ngāti Waewae and Ngāti Kuri o Kaikoura as Manawhenua, tangata whenua of this rohe. We recognize their continuous relationship to the land and pay our respects to tūpuna and kaumātua, past, present and future.

**Please note:** whilst the Nelson City Council and Tasman District Council have both signed the Nelson Tasman Climate Forum Charter, this submission has been prepared completely independently of the Councils. This submission is in no way intended and nor should be construed to represent the views of either Council in any way.

This submission has been prepared by the NTCF Submissions Group. We endorse the submission of Jenny Easton (one of our members) focussed on the pivotal role of territorial authorities alongside communities in addressing climate adaptation the importance of tikanga Māori knowledge when appointing council-controlled organisation directors. We thank you for the opportunity to present our submission and for your consideration of our contribution.

## 1. Introduction

1. We **submit against** the proposal to replace Section 3(d) of the Local Government Act ('LGA') (i.e. Purpose of the Act):
  - which 'provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach' (the 'four well-beings')
  - with 'provides for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions'.
2. We **submit against** its corollary in Section 10 (Purpose of local government):
  - to replace subsection (b), that promotes the four well-beings, with
  - new subsections (b) and (c), that promote a narrow focus on delivery of cost-effective, good-quality local infrastructure, local public services, and performance of regulatory functions, and thereby supporting local economic growth and development.
3. We **submit against** new Section 11A (Core services to be considered in performing role), in conjunction with proposed Section 101(1) (1AAA) (b), that a local authority must have particular regard to new Section 11A when determining its approach to financial management.
4. We **oppose** these sections on eight broad grounds (particularly in combination with proposed rates capping legislation):
  - i. Facile problem definition. Both Regulatory Impact Statements (RIS) are qualified: 'The panel considers that the information and analysis summarised in the RIS *partially meets* the quality assurance criteria'. Constraints include limited consultation, limited options, limited analysis, and showing no regard to the Department's finding that the 'implementation of the proposed changes to the purpose may create additional costs and issues that would not be offset by potential gains from proposed changes when considered in isolation'.
  - ii. While we acknowledge the financial pain for many ratepayers of current large rates increases, we do not see a sound case that these large increases are materially the result of activities undertaken by Councils in fulfilment of the four well-beings, but rather local government cost inflation, infrastructure renewals, debt, depreciation, climate change events, and unfunded mandates. The proposed solution does not match the problem.

- iii. The Bill is framed in a paradigm of getting back to ‘basics’, of infrastructure (pipes, roads, and waste ‘disposal’), local public services and regulatory functions; it is oblivious to the value of other vital facets of community well-being, including cost increases that can be avoided by investments therein, and in particular mitigation of and adaptation to climate change and protection of biodiversity.
- iv. We consider the ‘basics’ are intimately dependent on the four well-beings, and that infrastructure is simply only one of the means of securing the basics. The Government’s proposed changes have it precisely backwards; it is the four well-beings that should be the focus of local government, and infrastructure only one means of achieving these broader goals which determine overall quality of life.
- v. We consider that greater investment in the four well-beings, along with reduced investment in unnecessary or unsustainable infrastructure, will provide a greater quality of life for the majority of ratepayers. Priorities should be on supporting activities which ensure the security of adequate nutritious food, clean water, air and soil, safe and healthy housing, ease of access to necessary amenities, and a safe climate.
- vi. The need for and importance of the four well-beings will increase significantly over coming decades as councils face the increasing challenges of climate change and related existential threats.
- vii. Infrastructure investments should focus on minimising the negative impacts of climate change rather than on contributing to economic growth as their primary goal, which only adds to transgression of planetary boundaries of our Earth system.<sup>1</sup>
- viii. The effect of the proposed repeal of the four well-beings in conjunction with new Section 10 (c) (to support local economic growth and development by fulfilling the purpose set out in paragraph (b)) is to place a high priority on economic well-being. Yet, exponential economic growth cannot go on forever in a finite world.

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<sup>1</sup> Planetary boundaries represent critical Earth system processes within which humans evolved in preindustrial time. Seven are now beyond safe operating limits, increasing the risk of irreversible environmental changes: climate change, biosphere integrity, land system change, freshwater change, biogeochemical flows (nitrogen and phosphorus cycles), novel entities (human-made chemicals and pollutants), and ocean acidification (Bartels, M. 2023 [Humans have crossed 6 of 9 ‘planetary boundaries’](#); Findlay, H.S. et al. 2025 [Ocean acidification: another planetary boundary crossed](#)).

## 2. Rates increases are not driven by well-being programmes, but local government cost inflation, infrastructure, debt, depreciation and responding to climate change events

The evidence points to the majority of recent past local government expenditure growth has come from, and projected increases over the next decade and longer are forecast to come from local government cost inflation, renewals of three-waters assets, roading and public transport infrastructure, increases in debt-servicing costs, and responding to climate change events. For example:

- i. Local government cost increases in recent years (2021-2023) have been well above the Consumers Price Index (CPI). The overall capital goods price index peaked at 13% per annum, civil construction costs at 15%, transport capital cost escalation at 19%, and water systems at 15%.<sup>2</sup>
- ii. Interest payments by councils topped \$1.3 b in the September 2023 year, up 64% on pre-pandemic payments. These payments now equate to 8.8% of operating income.<sup>3</sup>
- iii. Three-waters renewals alone are projected to add between \$120 billion and \$185 billion in council capital expenditure over about 2020-2050.<sup>4</sup>
- iv. In Nelson Whakatū City, 6.8% of the average 8.2% average rates rise in the Long Term Plan 2024-2034 arose from higher interest costs (\$4.2 m), increased depreciation (\$1.5 m) and raised insurance levies (\$750,000). The LTP provided for an additional \$300 Storm Recovery Charge per annum over the 10 years of the Plan on each separately used or inhabited part of a rating unit to cover the estimated \$60 million repair cost (after insurance and central Government contributions) of the August 2022 atmospheric river severe weather event.<sup>5</sup>

In contrast, current spending categorised under the four well-beings (community well-being plans, arts and culture grants, environmental restoration, social cohesion initiatives, etc.) accounts for a small percentage of total council expenditure. Removing the legislative mandate for that small percentage cannot offset the much larger proportion of the budget consumed by infrastructure, debt, etc.

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<sup>2</sup> Olsen, B. 2024. [Analysing increases in local government costs: for Local Government New Zealand](#).

<sup>3</sup> Ibid.

<sup>4</sup> Department of Internal Affairs | Te Tari Taiwhenua 2025. [About the Water Services Reform Programme](#).

<sup>5</sup> Nelson City Council 2024. [Nelson's Long Term Plan 2024-2034: consultation document](#).

### 3. Well-being Spending is a Cost-avoidance Mechanism

International and domestic evidence shows that targeted well-being programmes reduce long-term liabilities.<sup>6</sup> For example:

- A study of the costs and benefits of the Warmer Kiwi Homes Programme found improvements to heating systems resulted in benefits to health and mortality rates with a high primary benefit-cost ratio of \$4.66 of benefit for every \$1 spent on the programme.<sup>7</sup>
- The Auckland Council Retrofit Your Home Financial Support Programme found that for every dollar invested, it returns \$3.10 of social, environmental and economic value.<sup>8</sup>

Eliminating the statutory purpose that underpins such programmes does not save money; it merely shifts costs onto future years, where they re-emerge as higher infrastructure, health, justice or emergency management bills – all of which are ultimately funded by rates or taxes.

Ignoring the four well-beings will make ratepayers less secure, and increase disaster recovery costs as climate disasters become both more frequent and more severe.

### 4. Council roles in Climate Mitigation and Adaptation

The years 2023 and 2024 were the two hottest years on record, 1.45 °C and 1.55 °C above pre-industrial levels, an unprecedented leap of global temperature exceeding 0.4 °C.<sup>9</sup> This signals an earlier than expected breach of the Paris Agreement 1.5 °C threshold.<sup>10</sup>

Regrettably, central Government's climate response is woefully inadequate as a fair share contribution by Aotearoa New Zealand to the needed global effort to fulfil on the Paris Agreement: no financial provision for meeting the first Nationally Determined Contribution; a fully unambitious second Nationally Determined Contribution; an ETS that does not serve to drive down gross emissions; and a second emissions reduction plan which has areas of significant risk.<sup>11</sup>

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<sup>6</sup> Corbin, J.H. et al. 2021. [Wellbeing as a policy framework for health promotion and sustainable development](#).

<sup>7</sup> Parsons, H. et al. 2023. [Overseas programmes for improving the operational carbon emissions from existing residential buildings – lessons for Aotearoa New Zealand](#).

<sup>8</sup> Rohani, M., K. McFarlane, D. Birchfield & M. Adler 2014. [Auckland Council retrofit your home financial support programme: a social return on investment \(SROI\) evaluation](#).

<sup>9</sup> WMO 2024. [WMO confirms that 2023 smashes global temperature record](#); WMO 2025. [WMO confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level](#).

<sup>10</sup> Cannon, A.J. 2025. [Twelve months at 1.5 °C signals earlier than expected breach of Paris Agreement threshold](#).

<sup>11</sup> He Pou a Rangi Climate Change Commission 2025. [Monitoring report: emissions reduction – Assessing progress towards meeting Aotearoa New Zealand's emissions budgets and the 2050 target \(2025\)](#).

To their great credit, Nelson City Council and Tasman District Council have over recent years engaged extensively with iwi and their communities in preparing climate change response strategies and action plans.<sup>12, 13</sup> These plans are guides for community action as much as for Council activities themselves.

It would be unconscionable in our view if the effect of this Bill, in conjunction with proposed rates capping legislation, would render these climate strategies and action plans ineffective. This is particularly the case for climate adaptation: ‘adapting to a changing climate is different for each individual community – it is an inherently local issue’.<sup>14</sup>

We **assert** responding to climate change is a core responsibility of local and regional government.

## 5. Waste Management

The Bill proposes to add a definition of waste management to Section 5 (1) of the principal Act: **waste management** means solid waste collection and disposal.

It is important to link the LGA with the Waste Minimisation Act. We consider this definition should refer to, and be consistent with, the Waste Minimisation Act (WMA), which encourages waste minimisation and a decrease in waste disposal. The funds from the waste levy should be set aside to enable councils to achieve their waste minimisation goals.

The WMA is clear that the Waste Hierarchy **must** be considered by councils in their waste minimisation and management planning, which includes budget allocation.

Section 44 of the WMA details these requirements. In preparing, amending, or revoking a waste management and minimisation plan, a territorial authority **must** consider the following methods of waste management and minimisation (which are listed in descending order of importance): reduction, reuse, recycling, recovery, treatment, disposal.

Reducing waste will reduce cost, risk and emissions for communities, so this should be the priority for investment and spending on services. Waste management is an expensive service: rates can be reduced when the creation of waste is reduced or avoided.

Central government should use their legislative power to reduce waste through product bans, compulsory product stewardship schemes, increasing accessibility for repair, etc.

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<sup>12</sup> Nelson City Council 2025. [Whakatū Nelson climate change strategy and climate action plan](#).

<sup>13</sup> Tasman District Council 2024. [Tasman climate response and resilience strategy and action plan 2024-2035](#).

<sup>14</sup> Climate Change Commission 2024. [Climate Change Commission delivers first national adaptation plan progress assessment](#).



Instead of a reactive, short-term approach to dealing with waste, we support holistic, long-term strategies that operate at the highest levels of the waste hierarchy. Focusing on managing waste that has already been created means communities will face steadily increasing costs and liabilities over time. This is contrary to the Bill's intent to use ratepayer funds efficiently.

**We propose** waste management be defined as waste reduction, reuse, recycling, recovery, treatment and disposal.

## 6. Other Local Government Responsibilities

Other local government responsibilities (especially of Regional and Unitary Councils) need to be recognised as core responsibilities (e.g. biodiversity, biosecurity, catchment management, natural hazard mitigation and avoidance).

## 7. Funding Local Government

We accept there is a case for shifting specific costs from ratepayers to taxpayers, as proposed by the Productivity Commission e.g. services with local benefits but national spillovers, climate adaptation.<sup>15</sup>

## 8. Conclusions and Recommendations

The removal of the four well-beings from the purpose of the Local Government Act will not reduce rates because:

- i. well-being expenditure is a small share of total council budgets
- ii. rates increases are primarily driven by local government cost inflation, infrastructure renewals, debt servicing, depreciation, unfunded mandates, responding to climate change events, none of which are addressed by the Bill
- iii. well-being programmes generate measurable avoided financial costs; their removal merely transfers liabilities to future years
- iv. more investment in the four well-beings will both reduce overall costs and provide a greater quality of life for ratepayers and their whanau.

**We recommend that Parliament:**

- i. Retain and expand the four well-being items.

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<sup>15</sup> New Zealand Productivity Commission 2019. [Local government funding and financing: Final report](#).

- ii. Councils should be required to assess all physical infrastructure investments in terms of their contribution to the four well-beings.
- iii. Expand the Bill's transparency provisions to include forecast avoided costs from preventative programmes, so ratepayers can see the long-term fiscal value of such investments.
- iv. Introduce a statutory duty on the Secretary for Local Government to report annually on the relationship between well-being spending and rate pressures.
- v. Require Councils to monitor and report regularly on the four well-beings.
- vi. Recognise responding to climate change is a core responsibility of local and regional government, in partnership with central Government and with local communities.
- vii. Link the treatment of waste in the Local Government Act with the Waste Minimisation Act; define waste management as waste reduction, reuse, recycling, recovery, treatment and disposal.
- viii. Recognise the full range of existing Council responsibilities as core responsibilities (e.g. biodiversity, biosecurity, catchment management, natural hazard mitigation and avoidance).
- ix. Re-examine the case for shifting specific costs from ratepayers to taxpayers.