Ref: [redacted]

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12 August 2025

[redacted]

OFFICIAL INFORMATION REQUEST FOR RATING INFORMATION

I refer to your official information request dated 30 July 2025. This is reproduced in **bold type**, with our responses below each part:

1. **"You didn't attach a table."**

   Please see attached sample rate table as per pages 24-25 of our published Annual Plan 2025/26.

2. **"The annual plan process."**

   While Council's major planning document is the Long Term Plan 2024-2034, the Annual Plan 2025/26 is an exceptions document, outlining the key changes to year two of the Long Term Plan and the overall impact those changes will have on the rates and level of debt. All other information on Council's work programme for 2025/26 is outlined in year two of the Long Term Plan. The Annual plan process involves Council staff reviewing all budgets as set in the Long Term Plan and proposing changes where necessary for reasons such as; requirements imposed by central government, inflation, interest rate changes and changes in the operating environment. Elected members review all proposed changes and might bring additional changes as prompted by the community. If the proposed changes are deemed to be significant there would be a consultation with the community before elected members deliberate on the feedback received and approve the final budgets for the annual plan and set the rates requirements. Under the Local Government Act 2002, councils aren't required to consult on an Annual Plan if there are no significant or material changes from what was set out for that year in the Long Term Plan. There was no consultation on the Annual Plan 2025/26 as there was deemed to be no significant changes from year two of the Long term Plan 2024/34. The outcome from approved exceptions in the 2025/26 Annual Plan was no change to the planned rate increase of 6.5% that was forecast in the Long Term Plan 2024-2034 for the 2025/26 year.

3. **"Reference to the law which allows Council, based on the annual plan, to increase the rates; What tools are in place for controlling that Council uses all funds collected with the increase in a good face;"**

   The Local Government Act 2002 and the Local Government (Rating) Act 2002 govern a local council's ability to increase rates based on an annual plan in New Zealand. Specifically, the Local Government Act mandates that councils prepare and adopt an annual plan each year. This plan outlines the council's activities and budget for the year, including how rates will be set. The Rating Act provides the legal framework for how councils can actually set and collect rates. Council staff are delegated authority according to various delegation levels to spend the approved annual plan budgets. Where the need for budget changes arises in the normal course of operations, budget changes are approved by Business unit managers within a cost centre, Group Managers within an activity and by Full Council for any changes to the overall budgets or for changes between activities. A specified tender process overseen by a tenders committee is followed for all contracts that meet the threshold requirements. Accounting staff produce financial reports to monitor the actual spend against budget on a monthly basis for the Senior Leadership Team, on a quarterly basis for the Audit Risk and Finance committee and on an annual basis for the Annual report which is audited by Audit New Zealand and published and available for anyone to view.

4. **"How is the increase calculated? For example, why is it not -6.5% or not 35%?"**

   The increase in total rates required is calculated using accounting software which calculates the net of all operating and capital costs, loan requirements and repayments, subsidy and grant income, fees and charges and other revenue which leaves a rating requirement to balance the books. The rating requirement for the annual plan year is compared to the rating requirement form the previous annual plan with the difference being an increase or decrease and for the 2025/26 year was an average increase across all rates of 6.5%. The increased rating requirement of 6.5% is an average across all of the different rates with each one having different increases (General Rate, Storm Recovery Charge, Stormwater Charge, Flood Protection rate, Wastewater, Water annual charge and water by meter).

5. **"The limits of the rate increases the Council has the right to use."**

   There is no limit on rates increases imposed on Councils but under the Local Government Act 2002 Council must manage its assets, expenses, revenues, investments, liabilities and general financial dealings prudently and in a manner that sustainably promotes the community's current and future interests. Nelson City Council has set its own limit in the Long Term Plan 2024/34 (Local Government Cost Index plus 2.5%). Council can breach this limit as required as it is self-imposed but would consult with the community if any breach was deemed to be significant. In the Long Term Plan 2024/34 we had forecast to breach our rates limit in years one and two due to the ongoing impact of inflation and the need to repay the August 2022 severe weather event and consultation was done on this basis. Council does not meet the rates affordability benchmark in 2025/26, as the planned increase of 6.5% is above the quantified limit of 5.7% set in the Long Term Plan.

6. **"My properties' valuations/ rates/increases from 2018;"**

[redacted]

7. **"The calculation and reference to the law, of the average valuation of residential land for Nelson;"**

Average Residential Land Value	
2025/26	$405,000
2022/23	$485,000

Property valuations are subject to the Rating Valuations Act 1998 https://www.legislation.govt.nz/act/public/1998/0069/latest/whole.html and a general revaluation must revise its District Valuation Roll at intervals of not more than 3 years.

8. **"The calculation and reference to the law allow the Council to increase the rate ABOVE the average of 6.5% if the land value has decreased less than 16.1%."**

   The percentage increase to your annual rates charges will be impacted by your relative increase or decrease in land valuation when compared to the average increase or decrease of the region. So effectively, has your share of the total land value increased or decreased. For example, your [redacted] property had a decrease in land value of 6.78% and with the average decreasing by 16.1% you had an effective increase in your share of the total value. The percentage increase to your annual rates charges will also be impacted by the mix of rates that are charged on your property as different rates had different adjustments (the Wastewater rating requirement for example increased by 11.7% while the Stormwater Charge requirement only increased by 5.9%). Councils' power to set rates are set out in the Local Government Act 2002 (the LGA) and in the Local Government (Rating) Act 2002 (the Rating Act).

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact me.

Yours sincerely

Nikki Harrison
Group Manager Corporate Services

Encl: AP 2025-26 sample rate table

Examples of Total Impact of General and Targeted Rates on Different Land Uses and Values (GST Inclusive)												
				2025/26 Rates								
Property Type	2021 Land Value	2024 Land Value	2024/25 Rates	General Rate	UAGC @8.7%	Storm Recovery Charge	Stormwater Charge	Flood Protection Rate (LV)	Waste water	Water Annual Charge	Total Rates	$ increase on 2023/24 Rates
Residential	$265,000	$225,000	$3,102	$1,184	$369	$300	$408	$85	$709	$273	$3,328	$226
	$305,000	$260,000	$3,281	$1,369	$369	$300	$408	$98	$709	$273	$3,526	$245
	$380,000	$340,000	$3,615	$1,790	$369	$300	$408	$128	$709	$273	$3,977	$362
	$430,000	$365,000	$3,837	$1,921	$369	$300	$408	$138	$709	$273	$4,118	$281
	$475,000	$405,000	$4,038	$2,132	$369	$300	$408	$153	$709	$273	$4,344	$306
	$500,000	$410,000	$4,149	$2,500	$369	$300	$408	$179	$709	$273	$4,739	$589
	$540,000	$460,000	$4,327	$2,421	$369	$300	$408	$174	$709	$273	$4,654	$327
	$560,000	$475,000	$4,417	$2,500	$369	$300	$408	$179	$709	$273	$4,739	$322
	$590,000	$510,000	$4,550	$2,685	$369	$300	$408	$193	$709	$273	$4,936	$386
	$625,000	$510,000	$4,706	$2,685	$369	$300	$408	$193	$709	$273	$4,936	$230
	$670,000	$550,000	$4,907	$2,895	$369	$300	$408	$208	$709	$273	$5,162	$255
	$870,000	$710,000	$5,798	$3,737	$369	$300	$408	$268	$709	$273	$6,064	$267
	$1,200,000	$980,000	$7,268	$5,159	$369	$300	$408	$370	$709	$273	$7,588	$320
	$1,500,000	$1,220,000	$8,604	$6,422	$369	$300	$408	$461	$709	$273	$8,941	$337
				Average Residential Land Value is $405,000								
Multi Residential (Two flats - Two UAGC & Wastewater Charges)	$510,000	$435,000	$5,938	$2,519	$738	$600	$408	$164	$1,417	$547	$6,393	$455
	$1,550,000	$1,350,000	$10,744	$7,817	$738	$600	$408	$510	$1,417	$273	$11,763	$1,019
Empty Residential Section (Water annual charge included if water meter is installed)	$200,000	$170,000	$1,847	$895	$369	$300	$408	$64			$1,972	$125
	$470,000	$380,000	$3,376	$2,000	$369	$300	$408	$143		$273	$3,494	$119
	$860,000	$730,000	$5,113	$3,843	$369	$300	$408	$276		$273	$5,469	$356
Small Holding (Water annual charge included if water meter installed)	$550,000	$510,000	$2,870	$2,416	$369	$300	$0	$193			$3,277	$407
	$700,000	$650,000	$3,729	$3,079	$369	$300	$0	$245		$273	$4,267	$538
Rural (Water annual charge included if water meter installed)	$1,380,000	$1,290,000	$4,820	$4,414	$369	$300		$487			$5,570	$749
	$2,230,000	$2,230,000	$7,644	$7,630	$369	$300		$842		$273	$9,414	$1,770
Commercial - Outside Inner City / Stoke - 1 Unit	$600,000	$720,000	$10,042	$9,186	$369	$300	$408	$272	$177	$273	$10,985	$943
Commercial - Outside Inner City / Stoke - 1 Unit	$630,000	$820,000	$10,472	$10,462	$369	$300	$408	$310	$177	$273	$12,299	$1,827
Commercial - Outside Inner City / Stoke - 3 Units	$260,000	$310,000	$5,973	$3,955	$738	$600	$408	$117	$354	$273	$6,446	$473
Commercial - Stoke - 1 Unit	$53,000	$63,000	$2,108	$949	$369	$300	$408	$24	$177	$0	$2,227	$119
Commercial - Inner City - 2 Units	$385,000	$440,000	$10,003	$8,793	$738	$600	$408	$166	$354	$273	$11,333	$1,329
Commercial - Inner City - 2 Units	$435,000	$500,000	$11,011	$9,992	$738	$600	$408	$189	$354	$273	$12,554	$1,543
Commercial - Inner City - 1 Unit	$1,530,000	$1,760,000	$32,270	$35,172	$369	$300	$408	$665	$177	$273	$37,364	$5,094

This table does not include water charges based on consumption. For occupied residential properties, this is charged at $2.764 per cubic meter and an average useage of 160 m^3 costing $442.24 (GST Incl).