

Tēnā koe xxx,

Thank you for your e-mails dated xxx and yyy regarding South Wairarapa District Council (the Council).

Along with other community members, you raised concerns about the increase in 2021/22 rates and wanted to know why these were different from what was in the consultation document (CD) and long-term plan (LTP). We collected information from the Council to inform our response. We also wanted to give the Council an opportunity to fully engage with the community on this matter. This delayed our response to you, which I apologise for.

The Council has acknowledged that the proposed rates increase could have been more clearly set out in the LTP CD. This was not something that was identified as a concern as part of the audit. The Council published a statement on 3 September 2021 to explain to the community what had happened and to set out potential next steps. I encourage you to engage with the Council on these next steps.

There are two main factors why the 2021/22 rates were different from those described in the CD and LTP: the 2020/21 rates holiday, and land value increases.

2020/21 Rates holiday

The rates holiday implemented by the Council in 2020/21 has contributed to the increase in rates in 2021/22. Essentially, to reduce the impact of Covid-19 on ratepayers in 2020/21, the Council borrowed \$1.5m to maintain its programme of work rather than funding this amount from rates. This was a one-off arrangement that was not repeated in 2021/22, and so meant an increase in the proportion of Council funding to be collected from rates in 2021/22.

Land value increases

Rates this year were also affected by the fact that all properties went through the three-yearly revaluation by Quotable Value. The revaluation meant that many land and capital values significantly increased, so the way rates were distributed across properties was different to previous years. The effect of revaluation was variable because it depended on the specific circumstances of each property. The CD included a statement alerting ratepayers to this.

The Council's 3 September statement sets out the reasons why this situation occurred. We will continue to liaise with the Council to ensure we understand how it will respond to community concerns.

As part of our report to Parliament on councils' LTP processes we analyse all feedback we receive and consider bringing these matters to the attention of Parliament where relevant.

Thank you for taking the time to write to us.

Ngā mihi,
Laura