

OIR: 2526/7

16 July 2025

Tēnā koe

Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)

Thank you for your email of **3 July 2025** requesting the following information:

- 1. If your Council chooses to vote in favour of the LGNZ remit proposing the anti-rates cap campaign, I request the following official information:***

The names of every Elected Official who:

- voted in favour of the LGNZ proposal to mount the anti-rates cap campaign;***
- voted against; and***
- abstained.***

The Council is aware of the paper on rates capping which is to be considered at the LGNZ conference. Councillors have not undertaken a vote on this issue in any Council meetings.

Accordingly, your request is refused under section 17(e) of the Act as the document or documents alleged to contain the information requested does not exist.

- 2. All correspondence since 1 May 2025 between your Council and LGNZ, related to capping rates.***

For the avoidance of doubt, if the Council votes against the LGNZ remit/proposal, I do not require the above information and the request can be withdrawn.

Please find attached the correspondence received from LGNZ to Council related to capping rates.

Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.

There has been no correspondence from the Council to LGNZ related to capping rates. Accordingly, this part of your request is refused under section 17(e) of the Act as the document or documents alleged to contain the information requested does not exist.

You have the right to request the Ombudsman to review this decision. Complaints can be sent by email to info@ombudsman.parliament.nz, or by post to The Ombudsman, PO Box 10152, Wellington 6143.

Ngā mihi,



Mark de Haast

Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū

From: Susan Freeman-Greene <susan.freeman-greene@lgnz.co.nz>
Sent time: 07/07/2025 12:31:57 PM
Cc: Susan Freeman-Greene <susan.freeman-greene@lgnz.co.nz>; Scott Necklen <scott.necklen@lgnz.co.nz>; Amanda Wells <amanda.wells@lgnz.co.nz>; Simon Randall <simon.randall@lgnz.co.nz>; Ranjani Ponnuchetty <ranjani.ponnuchetty@lgnz.co.nz>; Mereana Taungapeau <Mereana.Taungapeau@lgnz.co.nz>; James Crow <James.Crow@lgnz.co.nz>
Subject: Some updates and LGNZ's latest four-monthly report
Attachments: image001.png image002.png

Kia ora Mayors, Chairs and Chief Executives

LGNZ's March-June four-monthly report

Below is LGNZ's latest four-monthly report for member councils. These reports are designed to be put on your council agenda for discussion and feedback. Please get in touch you'd like a National Council member and one of LGNZ's LT to speak to it at your council meeting (via zoom).

[Download the LGNZ four-monthly report for March-June 2025](#)

Nominations open: media support

We have been working with media on a range of stories around nominations opening and raising awareness of the elections. We have produced a guide for media with key information and detailed statistics that can be used in stories – we're sharing this with you as your media teams might also find it useful.

Download [LGNZ's 2025 local election media guide](#)

Rates capping

We're aware of activity around our rates capping work, specifically the AGM paper, which we drafted with the full expectation it would become public. We know some councils put our AGM papers on their agendas in the process of making a decision (and therefore on their website) which means anyone can easily find them.

We want elected members to understand and engage in this issue as it directly relates to local government's ability to make decisions on behalf of its communities, which is a critical principle of localism.

We are also aware that councils have been deluged by emails generated via a TPU platform. Some of these are LGOIMA requests on your council's response to the AGM paper. As these are legitimate requests, you will need to process each you have received so far. TPU seems to have offered to some councils that they will send replies on your behalf to those who have made these LGOIMA requests using their online tool. Our understanding is that this is unlikely to satisfy the requirements of LGOIMA and you will need to process each individual request you have received.

And on a different note, we're looking forward to seeing many of you at SuperLocal next week!

Ngā mihi
Susan



Susan Freeman-Greene // Chief Executive
E susan.freeman-greene@lgnz.co.nz // **M** 027 461 4443

Local Government New Zealand
lgnz.co.nz

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From: Susan Freeman-Greene <susan.freeman-greene@lgnz.co.nz>
Sent time: 06/16/2025 11:07:41 AM
Cc: Susan Freeman-Greene <susan.freeman-greene@lgnz.co.nz>; Scott Necklen <scott.necklen@lgnz.co.nz>; Amanda Wells <amanda.wells@lgnz.co.nz>; Simon Randall <simon.randall@lgnz.co.nz>; Ranjani Ponnuchetty <ranjani.ponnuchetty@lgnz.co.nz>; Mereana Taungapeau <Mereana.Taungapeau@lgnz.co.nz>; Kate Harrison <kate.harrison@lgnz.co.nz>
Subject: AGM paper: rates capping
Attachments: image001.png image002.png Rates capping AGM paper.pdf

AY – sent to Sean/Mark cc SLT

Kia ora AGM Presiding delegates, Mayors, Chairs and Chief Executives

Attached is a paper on rates capping that will be considered at our AGM on 16 July. We are providing this paper ahead of the other AGM papers (which will be distributed on 30 June) in case you want to discuss it with your council.

National Council is putting this issue to members because of its significance. The paper sets out a direction of travel on rates capping – the next phase would be agreed at an SGM in 2026.

To ensure presiding delegates are fully briefed ahead of the AGM, we'll be inviting you to a zoom specifically on this paper on Tuesday 24 June at 5pm. Please join that zoom if possible.

Any questions or feedback on this work, please don't hesitate to get in touch.

Ngā mihi
Susan



Susan Freeman-Greene // Chief Executive
E susan.freeman-greene@lgnz.co.nz // **M** 027 461 4443

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Rates capping AGM paper

Purpose of this paper

- To update members on the Government's approach to rates capping and seek agreement on LGNZ's direction of travel.

Recommendations

- That the AGM **approves** the direction of travel set out in this paper.
- That the AGM **notes** members will agree the next phase at a Special General Meeting after the 2025 elections (in March 2026 or earlier if needed).

Background

What is rates capping and what is being proposed?

Rates capping sets a limit on how much councils can increase rates. Often the cap is indexed to economic measures such as consumer inflation, local government inflation or population.

All rates capping policies effectively transfer local fiscal decisions from local communities to central government politicians or bureaucracies.

In August 2024, the then Local Government Minister set out a Local Government Forward Work Programme. This programme included a proposal to investigate a rates cap on "non-core" expenditure by councils. This policy was to be modelled on similar policies in Australian states New South Wales and Victoria.

The Government plans to distinguish between core and non-core spending, applying the cap only to non-core expenditure. Core services may be identified in the soon-to-be-reinstated Section 11A of the Local Government Act 2002 and new purpose of local government. It's still unclear how the Government will enable the cap to apply only to non-core expenditure as this is not a feature of other rate caps overseas. The distinction is likely to be unworkable at a practical level and generate significant bureaucracy. It is unclear for instance how support activities which are used across all councils services, such as call centres and human resource functions would be defined in such a cap.

What rates capping looks like in other countries

Rates capping looks slightly different in each jurisdiction. In NSW, rates capping extends to charges like development contributions. An independent authority decides the rates cap level and considers exemptions to it. However, in Victoria, the essential services commission provides advice to the state's Minister of Local Government who then decides the level of the rate cap.



LGNZ has engaged with local government experts from New South Wales and Victoria to understand how rates capping has affected their councils. They told us rates capping has led to negative outcomes for councils and communities, including:

- Degraded infrastructure and service delivery;
- Financial instability among councils;
- Severe infrastructure backlogs;
- Bureaucratic and expensive processes to approval rates above the cap;
- Reduced local economic growth; and
- Diminished local voice in council investment and revenue decisions.

NSW and Victoria's experience also suggests that once rates caps are in place, removing them is very challenging politically. NSW and Victorian councils also say that impacts worsen over time. Initially councils in those states were able to sell assets, and reduce services and staffing, to offset impacts of the rates cap. After several years, this is no longer an option.

LGNZ's advocacy so far

LGNZ's top advocacy priority (as set by members) is better local government funding and financing. Rates capping directly constrains local government funding and financing. Rates capping also runs counter to localism. Locally elected representatives – who are directly accountable to communities – are better placed than Wellington to make local taxation and investment decisions. Rates capping is not primarily about rates increases: it's about who decides what rates increases should be.

So far, LGNZ has communicated our views on rates capping in conversations and meetings with politicians and officials, via submissions, and through media. Some elected members around the country have publicly spoken out against the policy of their own accord.

Our advocacy needs to step up a gear

If we don't strengthen our advocacy, the Government is likely to implement rates capping. The Government is likely to introduce legislation next year. However, it is still politically possible to prevent rates capping. LGNZ successfully opposed a similar proposal in 2009. More recently, South Australia has held off a rates cap through lobbying and a strong public campaign.

Others will campaign for rates capping

Pressure group the Taxpayers Union has launched a campaign in support of rates capping that features anti-council rhetoric ("ballooning staff numbers and vanity project spending see councils delivering fewer core services"). This campaign is targeting particular councils and Mayors ahead of the local government elections.

Without balance, supportive voices will capture the public narrative around rates capping.

How we could stop rates capping

We would develop a comprehensive advocacy plan

This plan would draw on the strategies from LGNZ's 2009 advocacy and South Australia's successful campaign. We anticipate that public intensity would need to build as key policy milestones are passed (for example, when the Bill is introduced).

Being louder publicly would be essential

To argue that councils are better placed than central government to make rates decisions, we must boost public trust and confidence in local government. This would be one prong of our campaign, including highlighting popular council services and infrastructure that would be threatened by rates capping. A campaign centred on what the public would lose to a rate cap – and who has the right to decide – is more likely to succeed than one focussed on technicalities.

LGNZ sets the tone for rate capping advocacy. We know other groups and organisations oppose this policy but given this sits squarely in our space, no one will stick their neck out more than we do. Visible advocacy from LGNZ would be required to activate a "coalition of the willing".

The consequences of being louder

We also need to consider what political consequences might result from strongly and vocally opposing rates capping. Misinformation about LGNZ's political neutrality already exists. While we do (and will continue to) work closely with the Government on many other policies and portfolios, opposing specific proposals gains more attention.

However, other membership bodies talk loudly and publicly to the Government when certain lines are crossed. For example, Federated Farmers' "SOS: Save Our Sheep" campaign is aggressively calling on the Government to stop carbon forestry and preserve the sheep industry. Playing out across billboards, social media and media. It's important to note that opposing a policy does not prevent us from working constructively with the Government on other policy areas.

We need a mandate from members

The paper and the AGM 2025 vote are about confirming our direction of travel rather than agreeing explicit actions.

If the AGM agrees to the direction of travel, we will continue our current approach while developing a plan for the next phase.

That next phase would go to a Special General Meeting for approval. This SGM would be held after the 2025 elections so that we have an explicit mandate from the next triennium's members. It would potentially be held in March 2026 (or earlier if necessary).

LGNZ is clear that a mandate is needed from members to proceed with a strong public campaign.