

Press Release

28 February 2013

Bill to Fix Kaipara Rating Issues Closer

The Kaipara District Council (Validation of Rates and Other Matters Bill) being drafted by Council was tabled at the Council meeting on 26 February 2013. Commissioners resolved to pursue a parliamentary solution to resolving historical rating issues in December 2012 after investigating a range of options. They believe a Local Bill will clearly highlight all past mistakes and offer the best opportunity for local people to have their say via the Select Committee process.

The draft Local Bill details all the errors and omissions that occurred between 2006/2007 and 2012/2013 including:

- setting rates which were inconsistent with the Funding Impact Statement in the Long Term Plan and/or Annual Plan,
- setting rates which were unauthorised by the Rating Act,
- failing to provide the right information on rating assessment notices; and
- the late adoption of the Long Term Plan 2012/2022 and subsequent setting of that year's rates.

The draft Local Bill notes that while procedural errors were made in setting rates, the services the rates paid for were still supplied. It also notes that, had the process been error-free, it is likely exactly the same rates would have been struck.

Under the draft Local Bill rates would not be reset or replaced; they would simply be validated. This means that any unpaid rates and penalties for the years 2006/2007 - 2012/2013 would still have to be paid.

Chair of Commissioners John Robertson said it was important to note that the draft Bill does not cover possible mistakes made in Council's 2006 decision to extend the scope of the Mangawhai Community Wastewater Scheme. He said Commissioners did not want to validate any of those decisions by including them in the legislation.

"At some point, Council may wish to take action against the decision-makers involved in issues at Mangawhai. We don't want to prejudice our legal position by including this in the Bill. We want to keep options for seeking redress on behalf of ratepayers open," he said, "Those options would not be clear until the Office of the Auditor-General released its independent report into the Scheme later this year. Some issues around Mangawhai rates might also be addressed in an amendment to the Long Term Plan to be released for public consultation in March."

Mr Robertson also said he believed further minor changes were likely but was confident the draft Local Bill was in good shape. "It's very important for the District that all the mistakes made by the previous councils

are clearly identified in a very public way. I'm very hopeful that many people in Kaipara will get involved in the Select Committee process and have their say on what's occurred."

As this is a Local Bill once it is finalised Mike Sabin, the local Member of Parliament for Northland, will be required to introduce it into the House to begin the legislative process.

Ends

For more information contact Barbara Ware on 09 439 3123