

Press Release

11 December 2012

Commissioners may seek parliamentary solution to rates

Commissioners at Kaipara District Council are likely to seek a parliamentary solution to resolving historical rating errors.

The recommendation for the Council to pursue a Local Bill is outlined in a formal report to be discussed at the Council meeting next week.

Kaipara District Council made a series of procedural or technical errors when setting rates between 2006-2012. The rating revenue involved adds up to more than \$17 million.

Kaipara Commissioners, who replaced elected Councillors in September 2012, will discuss pursuing a Local Bill to resolve historic issues along with other options on 18 December. But Chair of Commissioners John Robertson said today he believed a Local Bill was the best option to sort out what he called a “dog’s breakfast of procedural and technical failings”.

“The services the rates paid for were still supplied. However, the fact is that mistakes were made and they need to be addressed in a way that is fair, provides certainty and resolves the issues once and for all. Until we do that, Kaipara can’t move on.”

Council lawyers have previously identified a number of largely procedural or technical errors in multiple rating processes. Errors included the Council setting rates that were inconsistent with Financial Impact Statements and failing to provide sufficient information on rating assessment notices. In some instances, the errors caused “notable inequity” between ratepayers, the report says.

“While a Local Bill would validate all the other incorrect historic rates by fixing largely technical deficiencies, the Bill would need to include specific actions to address issues around the Mangawhai targeted rate”, Mr Robertson said.

The report to Council also recommends that any Local Bill not hinder possible legal action by the Council over matters around the extension of the Mangawhai Community Wastewater Scheme. At Council’s request, the Auditor-General’s office is investigating the scheme with a report due out next year. Commissioners have already said they will consider the report with urgency and have not discounted legal action against those involved.

“The option to proceed with a Local Bill would not impact on the 2012/2013 rates which must be paid”, Mr Robertson said. The late adoption of the 2012/2022 Long Term Plan does not invalidate those rates.

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In addition to the Local Bill, the report to Council offers three other options to fix the incorrect rates. They include:

- resetting all of the incorrect rates and collecting any balance owing on any property from the current owners,
- refunding the incorrect rates and reissuing invoices to individual ratepayers who owned property at that time and reissuing invoices to the current owners,
- refunding rates and recollecting them from the entire, existing District in a new rate.

Mr Robertson said he favoured a Local Bill because it would “shine a light” on past mistakes and open past decisions up to full public scrutiny. Should a Bill proceed to Select Committee stage, he hoped public hearings would be held in Kaipara district.

“Local people deserve to know what went on, and deserve to have their say in front of parliamentarians. They will have very clear and very strong views and a Local Bill will allow those views to be heard very publicly.”

Mr Robertson said any Local Bill would need to be sponsored by a Member of Parliament. “Northland National MP Mike Sabin, who has been a strong advocate for the people of Kaipara and their concerns since being elected in 2011, had indicated he would do this”, he said.

“Mr Sabin is also very keen for a process which allows the community to have its full say and an opportunity to highlight failings while contributing to a way forward.”

“The very clear message we’re getting from the community is that people want us to fix things and move on. A Local Bill presents the best opportunity to do that while allowing people to share their views.”

“Establishing accountability and understanding what went wrong and why remain a priority. But dwelling on past issues alone will continue to cost ratepayers and will not help the District get ahead.”

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