

Press Release

19 April 2013

Council warns of massive legal costs

Kaipara District Council may be forced to find \$500,000 in unbudgeted funds so it can pay for legal costs against the Mangawhai Residents and Ratepayers Association (MRRA).

In March, the MRRA lodged judicial review proceedings against the Council. The proceedings relate to the Mangawhai Community Wastewater Scheme, historical rating issues and Council's Development Contributions Policy.

In a report to Commissioners to be discussed at next week's Council meeting (Tuesday 23 April) Chief Executive Steve Ruru said Council's legal costs could be as high as \$500,000, based on the scope of the proceedings filed by the MRRA. "We would hope it's nothing like that but we have to be prepared. At the moment, we simply don't have that money unbudgeted so it will need to come from somewhere else or we will have to raise it."

Mr Ruru said it was possible the money could be taken from Council's operational budget. "Given a significant amount of our total budget goes on roading, we are most likely to recommend cutting back on road maintenance to pay the legal fees. Potentially, Council would need to raise additional revenue to pay for the legal defence by increasing rates," he said. "Absolutely no-one wins out of this one. It's a double-whammy for all ratepayers."

Chair of Commissioners John Robertson said he was hugely disappointed that the MRRA had taken legal action when Commissioners, Council staff and many others throughout Kaipara were doing all they could to move the District forward, not back.

"We understand the need for accountability and we are just as determined as anybody else to hold those responsible for what has happened, accountable. What we don't understand is why a small group of ratepayers is so determined to impose huge additional costs on their own community."

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Media: For more information please contact Barbara Ware on 09 439 3123