



## 11. RATING APPORTIONMENTS DECISION

The Financial Services Manager reported on the recent Privy Council decision on rating apportionments. The Privy Council overturned the Court of Appeal decision and has ruled in favour of local government.

This is a significant decision. It means that local authorities need not refund any of the rates that were under challenge. Had the appeal to the Privy Council been unsuccessful, 58 local authorities would have had to make refunds of at least \$36 million to around 12,000 properties. For Christchurch City Council the refund related to uniform annual general charges and would have amounted to \$925,000. This is the amount which was disclosed as a contingent liability in the Council's Annual Report for 2001.

This decision also gives a clear directive that the primary consideration in rating and valuation law is the promotion of a fair and equitable rating system rather than what is administratively convenient.

In the Local Government New Zealand memorandum on the decision, the work of the Apportionments Steering Group, of which Geoff Barnes, the Funds and Financial Policy Manager, was a member, is acknowledged as contributing to this successful outcome.

Members of the Committee also acknowledged the efforts of the Appointments Committee and expressed their appreciation to Geoff Barnes for his contribution to the Committee's work.