

24 May 2018

"Auckland hotel, motel and service apartment providers have commenced a judicial review proceeding against Auckland Council in the High Court challenging the validity of Council's targeted rate which was imposed last year. Providers of hotels, motels and service apartments have united together as CARP (Commercial Accommodation Rate Payers) and is looking to rescind the targeted rate due to its unfairness and lack of consultation by Auckland Council.

In its proceedings, CARP states that Auckland Council's decision to impose a targeted rate based on capital value:

- Was unreasonable because the cost it imposes on commercial accommodation providers is vastly disproportionate to the benefit they receive.
- Breached the Local Government Act by failing to consult properly on the application of the targeted rate and on its remissions policy;
- Failed properly to make an assessment of the benefits of the activities funded by the targeted rate;
- Breached the Local Government (Ratings) Act and the Local Government Act by not following the special consultative procedure required

CARP has also raised issues in relation to Council's funding of ATEED and about whether Council has properly looked at the law as part of its decision making process on the targeted rate."

*This statement was provided by the lawyers acting on behalf of CARP.*