

## High Court

- Alternative dispute resolution
- Property

*Grey District Council v Banks* 14/2/03, Panckhurst J, HC Greymouth M6/02

Unsuccessful application by GDC to have B removed as an arbitrator - GDC owned commercial and residential properties - B leased residential section in Blaketown - dispute arose during rent review as to basis for assessment of future rental - arbitration process invoked - B appointed arbitrator by group of lessees - GDC notified - GDC appointed own arbitrators - process required arbitrators to appoint umpire - dispute arose concerning process - GDC obtained legal opinion on 14 May and issued proceedings - whether B was competent or qualified to act as arbitrator and whether she was disqualified because of personal interest - whether GDC time-barred from making claim.

Held, under s 19(3) Arbitration Act 1996, the Arbitration Act 1908 is only to be used where the arbitration agreement allows two arbitrators but is silent on the appointment of an umpire - test of competence is objective reasonable belief in competence - B is not competent in that she possesses no special degree of skill or experience fitting her to the task - B's direct financial interest is an obvious personal interest barring her acting as impartial or independent arbitrator - 15-day limitation period applies to both challenges of competence and/or self-interest - GDC failed to comply with this - therefore application dismissed.