



Rating of Māori Freehold Land Policy

July 2024

Definitions

Rates includes land rates, water rates, and penalties payable on unpaid rates.

Māori freehold land means land whose beneficial ownership has been determined by the Māori Land Court by freehold order.

Multiple ownership means Māori freehold land in multiple ownership by more than two persons (defined in section 5 of the LGRA).

This policy allows for rates postponement and remissions on Māori freehold land and reflects the requirements of section 108 of the Local Government Act 2002 (LGA). A rates remission is a partial reduction in the amount of rates payable. For postponed rates, ratepayers still have to pay the postponed rates, but at a later date.

Matters relating to rates relief on Māori freehold land

1. This policy has been determined in consideration of the matters described in clause 1 of Schedule 11 of the LGA and the following objectives described in clause 2 of Schedule 11 of the LGA:
 - a. supporting the use of the land by the owners for traditional purposes;
 - b. recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands;
 - c. avoiding further alienation of Māori freehold land;
 - d. facilitating any wish of the owners to develop Māori freehold land for economic use;

- e. recognising and taking account of the presence of wāhi tapu that may affect the use of the land for other purposes;
- f. recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere);
- g. recognising and taking account of the importance of the land for community goals relating to —
 - i. the preservation of the natural character of the coastal environment;
 - ii. the protection of outstanding natural features;
 - iii. the protection of significant indigenous vegetation and significant habitats of indigenous fauna; and
 - iv. recognising the level of community services provided to the land and its occupiers; and
- h. recognising matters related to the physical accessibility of the land.
- c. provide greater consistency, equity, and clarity around the rating of Māori freehold land for the benefit of Māori landowners; and
- d. support the objectives described in in clause 2 of Schedule 11 of the Local Government Act 2002.

Statutory Requirements

3. Section 102(3A) of the LGA provides that this policy must support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993. These principles include recognition that land is a taoka tuku iho of special significance to Māori people, and for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles. The Council considers that the objectives described in clause 2 above demonstrates that this policy supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.
4. Section 114 of the LGRA allows the Council to remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if:
 - a. its policy on the remission and postponement of rates on Māori freehold land adopted under section 102(1) of the LGA includes provision for the remission of the rates; and
 - b. the Council is satisfied that the conditions and criteria in the policy are met.

Policy Objectives

2. The objectives of this policy are to:
 - a. ensure the fair and equitable collection of rates;
 - b. reduce the barriers for owners of Māori freehold land who want to use, occupy, build houses on and develop their whenua, particularly for those who have rates arrears;

5. Section 114A of the LGRA allows the Council to remit all or part of the rates on Māori freehold land if the ratepayer has applied in writing for a remission on the land and the ratepayer or another person is developing, or intends to develop the land.
6. Section 115 of the LGRA requires the Council to postpone all or part of the rates on Māori freehold land if it has adopted a postponement policy and it is satisfied that the conditions and criteria of the policy are met.

Criteria for remission of rates

7. The Council may, upon receipt of an application from any owner or group of owners (Applicant), remit up to 100% of the rates on any rating unit containing Māori freehold land where:
 - a. the land is in multiple ownership and there is no formal occupation or lease agreement;
 - b. any use of the land is minor, informal and unauthorised;
 - c. the rates are not being paid; and
 - d. the size, location, lack of fencing or other features preclude the productive or practical use of the land.
8. Applications for remission must be prepared on the Council's prescribed form and be supported by:
 - a. a schedule of owners;
 - b. record of title (where applicable);
 - c. confirmation of land status;
 - d. plan of property and aerial photograph (if available);

- e. details of any use or occupation; and
 - f. reasons why relief is sought.
9. Any rating unit that receives a rates remission under this policy shall be:
 - a. recorded in a register held by the Council; and
 - b. subject to annual inspection by the Council to ensure that the land continues to qualify for a rates remission.
10. The amount and timing of any remission of rates provide by the Council under this policy is at the sole discretion of the Council.

Criteria for postponement of rates

11. The Council must, upon receipt of an application from an Applicant, postpone up to 100% of the rates on any rating unit containing Māori freehold land where:
 - a. the land is in multiple ownership and there is no formal occupation or lease agreement;
 - b. any use of the land is minor, informal and unauthorised;
 - c. the rates are not being paid; and
 - d. the size, location, lack of fencing or other features preclude the productive or practical use of the land.
12. Applications for postponement must be prepared on the Council's prescribed form and be supported by:
 - a. a schedule of owners;
 - b. record of title (where applicable);
 - c. confirmation of land status;

- d. plan of property and aerial photograph (if available);
 - e. details of any use or occupation; and
 - f. reasons why postponement is sought.
13. Rates penalties will not be applied or will be remitted for the agreed period of postponement.
14. The Council may charge an annual fee (effectively interest) which shall be added to the total amount of postponed rates. This fee will be calculated at the end of each rating year on the accrued amount postponed (including any fees) at the beginning of that financial year. The fee will be based on the Council's estimated cost of borrowing as published in the Council's Annual Plan.
15. The postponed rates will remain as a charge against the rating unit containing Māori freehold land and will continue to be postponed and will not become payable until the earlier of the date:
 - a. that the Applicant ceases to be the owner of the rating unit containing Māori freehold land;
 - b. the date specified by the Council at the time of granting the postponement.

Historical rates arrears

16. Following the enactment of the Local Government (Rating of Whenua Māori) Amendment Act 2021:
 - a. historic rates arrears on unused Māori freehold land were automatically removed (and any unused rating unit of Māori freehold land became fully non-rateable under Schedule 1 of the LGRA); and

- b. pursuant to clauses 90A and 90B of the LGRA, the Council may write-off:
 - i. any outstanding rates in respect of Māori freehold land that cannot reasonably be recovered; and/or
 - ii. all or part of the outstanding rates in respect of Māori freehold land that were inherited from or payable by a deceased owner.

Review of this policy

17. This policy shall be reviewed at least once every six (6) years. The Council may also conduct a review of this policy:
- a. following changes to relevant legislation which relates to rating or to Māori freehold land; and
 - b. at its sole discretion.

Kohikohika Māori Māori collection