



Proposal on the remission and postponement of rates on Māori freehold land policy

Supporting information for the proposed
Long Term Plan 2024-2034
Consultation Document





Statement of Proposal

Remission and Postponement of Rates on Māori Freehold Land Policy

Review of the Remission and Postponement of Rates on Māori Freehold Land Policy

Policy overview

This is a review of the existing Remission and Postponement of Rates on Māori Freehold Land Policy (Policy) adopted by our Council in 2021. The Policy provides guidance on the conditions under which a remission or postponement of rates on Māori Freehold Land may be applied for.

Our Council is required to have a remission and postponement of rates on Māori freehold land policy under section 10t(4)(f) of the Local Government Act 2002 (LGA). A requirement of the LGA is that the Policy must be reviewed at least once every six years using a consultation process that gives effect to the requirements of section 82 of the LGA.

Although not due for review until July 2026, there was an amendment to the LGA (the Local Government (Rating of Whenua Māori) Amendment Act 2021) (the Amendment) in 2021 after this Policy was adopted. Therefore, our Council considered it appropriate to conduct a review to ensure that the Policy complied with the provisions of the Amendment.

Key changes proposed to the policy

When reviewing the Policy in 2021, our Council was aware of the Amendment being passed through Parliament. At that time, the Policy was revised considering the key principles of the Amendment. As a result of the review, there have been no key changes other than adding some content to provide further clarity of the provisions of the Policy. Here is a summary of changes:

- The 'background and legislative requirements' section has been updated to include reference to the Amendment.
- More detail has been included in the Policy to provide clarification of the conditions and criteria for a remission under the Policy.
- More detail has been included to clarify the treatment of Māori Freehold Land used as a single unit.

Analysis of reasonably practical options

In preparing the Policy we have considered the options available. Options are relatively limited as we are required by the LGA to have a Policy and for any changes to the Policy to be consulted on. Practically, there are two options available in relation to the Policy; status quo or adopt the revised Policy.

Option 1 – Status Quo

The Policy would remain the same as present.

Advantages	Disadvantages
<ul style="list-style-type: none">The public are familiar with the current policy	<ul style="list-style-type: none">The current Policy does not make reference to the AmendmentAlthough our application of the Policy takes into account the provisions of the Amendment, some of the provisions are not clearly articulated in the Policy.

Option 2 – Adopt the Policy

Council would adopt the revised Policy as proposed.

Advantages	Disadvantages
<ul style="list-style-type: none">The revised policy makes reference to the Amendment.The provisions of the Amendment are clearly articulated in the revised Policy.	<ul style="list-style-type: none">There are no known disadvantages.



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Remission and Postponement of Rates on Māori Freehold Land

Governance Policy

Policy Owner	Group Manager Corporate Services		
Adopted by	Thames-Coromandel District Council		
Description of policy	This policy sets out the conditions under which Council will provide for remission and postponement of rates on Māori Freehold Land and applicable conditions.		
ECM doc set number	TBC		
Date policy first adopted	1 July 2003	Date this version adopted:	February 2020
This version effective from:	1 July 2021	Date of next review:	1 July 2026

1 Purpose

The purpose of this policy is to provide guidance on when the remission and postponement of rates on Māori Freehold Land may occur and under what conditions.

2 Objectives

2.1 The objectives of this policy are to enable the Council to:

- (a) support the use of Māori freehold land by land owners for traditional purposes;
- (b) recognise and support the relationship of Māori and their culture and traditions with their ancestral lands;
- (c) recognise and take into account the presence of waahi tapu that may affect the use of the land for other purposes;
- (d) avoid further alienation of Māori Freehold Land;
- (e) recognise and take into account the importance of Māori Freehold Land in providing economic and infrastructure support for marae;
- (f) recognise and take into account the importance of Māori Freehold Land for the community goals relating to:
 - (i) preservation of the natural characteristics of the coastal environment;
 - (ii) protection of outstanding natural features; and
 - (iii) protection of significant indigenous vegetation and significant habitats of indigenous fauna.
 - (iv) recognising the level of community services provided to the land and its occupiers.
 - (v) recognising matters related to the physical accessibility of the land.

- (g) facilitate the development or use of Māori Freehold Land where Council considers the rates set on the assessed land value makes the actual use of the land uneconomic;
- (h) facilitating the wish of Māori land owners to develop Māori Freehold Land for economic use and to develop a stable economic base;
- (i) recognise and take into account the importance of the Māori Freehold Land in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere).
- (j) remove the barrier of rate debt for new users to be able to use or develop Māori Freehold Land.

3 Background and legislative requirements

- 3.1 The Council is required under section 10t(4)(f) of the Local Government Act 2002 (LGA) to have a policy on the remission and postponement of rates on Māori Freehold Land.
- 3.2 Section 108 and Schedule 11 of the LGA details the requirements for the policy.
- 3.3 Section 108(4A) of the LGA states that this policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the LGA.
- 3.4 The current policy has been in effect since 1 July 2003.
- 3.5 Section 114 of the Local Government (Rating) Act 2002 (LGRA) allows the Council to remit all or part of the rates on Māori Freehold Land if its policy includes provisions for this and if it is satisfied that the conditions and criteria in the policy are met.
- 3.6 Section 115 of the LGRA requires the Council to postpone all or part of the rates on Māori Freehold Land if its policy includes provisions for this, the ratepayer has applied in writing and if the Council is satisfied that the conditions and criteria in the policy are met.
- 3.7 Schedule 1 of the LGRA specifies land that is fully non-rateable.
- 3.8 The amendment of the Local Government Act 2022 in the Local Government (Rating of Whenua Māori) Amendment Act 2021 requires that the Remission and Postponement of Rates on Māori Freehold Land Policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This Policy supports the matters in the Preamble by giving effect to Council's statutory obligations under the LGA and the LGRA, including the matters in the rates remission policies, LGA Schedule 11 and LGRA Schedule 1.
- 3.8 The Local Government (Rating of Whenua Māori) Amendment Act 2021 provides a mechanism for local authorities to support whānau and regional development through whenua by:
 - reducing 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
 - Stimulating regional development
 - Providing greater consistency, equity and clarity around the rating of Māori land for the benefit of Māori landowners and local authorities.

4 Principles

- 4.1 Only land determined to be Maori Freehold Land by the Māori Land Court is covered by this policy.
- 4.2 Appeals against decisions made by officials acting under delegated authority under this policy may be appealed to the Council's Risk and Assurance Committee at the discretion of the Chairperson of that Committee. In determining whether to hear an appeal, the Chairperson must consider that:
 - (a) there is some doubt in the judgement exercised by the official; or
 - (b) there is some doubt as to interpretation of the policy; or
 - (c) there appears to be a serious issue of equity and fairness involved.
- 4.3 All applications for rates remission or postponement should be made prior to the commencement of the rating year (1 July) unless otherwise specified. Remissions for applications received during a rating year will be applied from the date of application once the remission is approved. Applications will not be backdated.
- 4.4 All remissions and postponements must be reported to the appropriate Committee of the Council by 31 August for the year ending the 30 June preceding.

5 Policy Statements

5.1 Remission of Rates on Māori Freehold Land

- 5.1.1 Application for remission may be made by either the owners of the land, or by the Council's staff on behalf of the owners. Any such application should be supported by:
 - (a) schedule of owners; and
 - (b) record of title; and,
 - (c) confirmation of land status; and
 - (d) plan of the property; and
 - (e) aerial photograph if available; and
 - (f) the objectives that will be achieved by providing a remission.
- 5.1.2 The Council may remit rates for rating units that fall within the following criteria:
 - (a) the land is unoccupied and no income is derived from the use or occupation of that land; or
 - (b) the land is better set aside for non-use (because of its natural features) and is unoccupied, and no income is derived from the use or occupation of that land;
or
 - (c) the land is inaccessible and is unoccupied; or
 - (d) any unoccupied portion of a rating unit if only a part is occupied.
- 5.1.3 The remission will be for 100% of rates except that no remission will be granted for targeted rates for water, wastewater, or solid waste. Where there are no services provided to the property, all rates will be remitted. If the remission applies to only part of the rating unit, only the portion of property value-based rates will be remitted.
- 5.1.4 Penalties will not be assessed on the portion of Māori Freehold Land entitled to a rates remission under this policy.

- 5.1.5 Council may request evidence each year (statutory declaration), to confirm that the rating unit still complies with the conditions and criteria of the policy.
- 5.1.6 The Council must write-off rates arrears for unused Māori Freehold Land which is fully unrateable as specified in Schedule 1 of the LGRA.

5.2 Incentivising the development of Māori Freehold Land

- 5.2.1 Council may remit rates on a five-year sliding scale on Māori Freehold Land for the purposes of incentivising development as follows:
 - Year 1 and 2: 80% remitted
 - Year 3: 60% remitted
 - Year 4: 40% remitted
 - Year 5: 20% remitted.
- 5.2.2 The following conditions and criteria apply for remission under this policy.
 - (a) The land, or portion of the land for which a remission is sought must be Māori Freehold Land as determined by the Māori Land Court and been previously unused or unoccupied.
 - (b) The development is likely to have any or all of the following benefits:
 - (i) benefits to the district by creating new employment opportunities, and/or new homes;
 - (ii) benefits to Council by increasing the rating base in the long term;
 - (iii) benefits to Māori by providing support for marae;
 - (iv) benefits to the owners by facilitating the occupation, development and utilisation of the land.
 - (c) Applications must be accompanied by a business case.
 - (d) Key considerations by Council may include confirmation that;
 - (i) professional advice has been obtained;
 - (ii) there is a suitable management structure in place;
 - (iii) appropriate financial arrangements for the development of the land have been made;
 - (iv) suitable monitoring and reporting systems have or will be established;
 - (v) realistic financial projections and cash flows have been provided.
 - (e) Upon approval, a regular annual report and financial statements on the development must be submitted to Council each year.
- 5.2.3 Once granted, the remission may be applied annually until the qualifying criteria is no longer met.
- 5.2.4 The remission does not apply to targeted rates for water, wastewater or solid waste.

5.3 Papakāinga on Māori Freehold Land

- 5.3.1 Council recognises the importance of Māori Freehold Land in providing landowners and their whanau with the opportunity to establish papakāinga. The imposition of multiple Uniform Annual General Charges (UAGC) and other non-service related fixed charges may act as a disincentive to occupy Māori Freehold Land for papakāinga purposes.
- 5.3.2 Council may remit multiple UAGCs as well as other fixed charges for separately used or inhabited parts of a rating unit which are subject to a licence to occupy or other informal arrangement for the purposes of providing residential housing to the occupier.
- 5.3.3 The following conditions and criteria apply for remission under this policy.
- (a) The area of land covered by each arrangement must have a separate valuation issued by Council's valuation services provider and will be issued with a separate rate assessment pursuant to the Local Government (Rating) Act 2002 Section 45(3).
 - (b) The occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the application.
- 5.3.4 The remission does not apply to targeted rates for water, wastewater, solid waste, or the targeted rate in the dollar on land value for local works and services.
- 5.3.5 Council reserves the right to cancel the remission on the portion of a rating unit if the rates remain unpaid for a period of more than one month after the due date.
- 5.3.6 UAGCs and other fixed charges will remain in remission so long as the occupation continues to comply with the conditions and criteria of this policy.

5.4 New users of Māori Freehold Land

- 5.4.1 Council recognises that significant rate arrears due to the challenges of multiple ownership can act as a disincentive to any new users of Māori Freehold Land where a new user could become responsible for payment of any existing arrears of rates and penalties on the land.
- 5.4.2 Council may postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a new user and that person agreeing to pay the rates while they are using the land.
- 5.4.3 The following conditions and criteria apply for postponement under this policy.
- (a) The person proposing to use the land must be a new user.
 - (b) Where land has recently moved from multiple ownership to sole ownership, the sole owner will be treated as a new user.
 - (c) On approval of the application, the new user must keep the current and future rates up to date for as long as they continue to use the land.
- 5.4.4 Council has the sole discretion to grant the application and may seek additional information before making the final decision.

5.4.5 If the current and future rates are not paid within one month of the due dates, Council reserves the right to reapply the postponed rates to the land.

5.4.6 Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

5.5 Māori Freehold Land used as a single unit

5.5.1 A person using two or more rating units of Māori Freehold Land may apply to Council for the rating units to be treated as one unit for the purposes of a rating assessment.

5.5.2 The rating units will be treated as one unit for assessing a rate if the units are:

- (a) used jointly as a single unit by the person; and
- (b) derived from the same original block of Māori Freehold Land.

5.5.3 It is sufficient evidence that the rating units are derived from the same original block of Māori Freehold Land if the rating units share a name in common in the permanent records at the Māori Land Court.

5.5.4 On request from the person using the units, Council may apply to the Register of the Māori Land Court for a determination as to whether the rating units are derived from the same original block of Māori Freehold Land.

5.6 Postponement of Rates on Māori Freehold Land

5.6.1 Only land determined to be Māori Freehold Land by the Māori Land Court is covered by this policy.

5.6.2 The Council will consider postponement of rates while previously unoccupied and unused land is subject to clearing, development, for the growing of crops or pasture, or development for tourism, aquaculture, apiculture or carbon farming.

5.6.3 Application for postponement should be made by the owners of the land prior to commencement of the development. Any such application should be supported by:

- (a) schedule of owners; and
- (b) record of title; and,
- (c) confirmation of land status; and
- (d) plan of the property; and
- (e) aerial photograph if available; and
- (f) details of the proposed development; and
- (g) the amount of income being derived from the land; and
- (h) whether the land is occupied and to what extent it is occupied; and
- (i) whether the block of land is connected to council services i.e water, sewerage and stormwater; and
- (j) the proposed length of postponement; and
- (k) an arrangement to pay rates at the end of the postponement period.

5.6.4 The postponement will be for 100% of rates on rating units while development of the land is being undertaken except that no postponement will be granted for targeted rates for water, wastewater, or solid waste. Where there are no services provided to

the property, all rates will be postponed. If the postponement applies to only part of the rating unit, only the portion of property value-based rates will be postponed.

5.7 Delegations for policy statements

5.7.1 Decisions for the remission of rates for Māori Freehold Land, for incentivising the development of Māori Freehold Land, for the remission of rates for papakāinga on Māori Freehold Land, for the postponement of rates on Māori Freehold Land occupied by a new user and for the postponement of rates on Māori Freehold Land is delegated to the Corporate Services Group Manager or the following delegates.

Delegate	Limit (per rating unit per year)
Finance Manager	>\$5,000
Rates Team Leader	\$5,000
Credit Controller	\$3,000

6 Implementation

6.1 The operation of this policy will be delegated to the Chief Executive and a process for applications and decisions under the policy will be designed by the Chief Executive in a manner which gives effect to this policy in its entirety.

7 Measurement and review

7.1 This policy remains in force until reviewed. Reviews will be undertaken within six years of the adoption of the latest version of this policy.

7.2 Any review is to be aligned with Council's preparation of a Long Term Plan.

7.3 Any resulting modifications will not change the entitlement of people already in the rates postponement scheme to continued postponement of all future rates.

8 Definitions

8.1 The following definitions apply in the context of this policy. Terms used in this Policy have the meaning given to them by the LGRA and Te Ture Whenua Māori Act 1993.

Term	Definition
Differentials	Categories applied to the general rate based on the uses to which the land is put and where the land is situated.
Equity	Defined in the economic sense as distributing economic prosperity fairly among the members of society.
Fairness	Just or unbiased.
General rate	Rate applied to all rating units based on land value and differentials.
Māori Freehold Land	Maori freehold land is defined by the Local Government (Rating) Act

Term	Definition
	<p>2002 as being “Land whose beneficial ownership has been determined by the Maori Land Court by freehold order.” The same Act states (section 91):</p> <p><i>“Except where this part otherwise provides, Maori freehold land is liable for rates in the same manner as it if were general land”.</i></p> <p>Only land that is the subject of such an order may qualify for remission under this policy.</p>
New user	Person or persons not identified as owners of the land
Occupation	<p>Occupation is where person/persons do one or more of the following for his or her profit or benefit:</p> <ol style="list-style-type: none"> 1. Resides upon the land. 2. Depastures or maintains any livestock whatsoever on the land. 3. Cultivates the land and plants crops there on. 4. Stores anything upon the land. 5. Uses the land or any improvements thereon in any way.
Ratepayer(s)	Defined as per section 10, 11 and 92 of the Local Government (Ratings) Act 2002.
Rates postponement/Postponed rates	Rates for which the requirement to pay is delayed until a certain time, or until certain events occur. The requirement to pay is not cancelled, but delayed.
Rating unit	Means a rating unit for the purposes of the Rating Valuations Act 1998
Remitted rates	Rates for which the requirement to pay is remitted.
Separately habitable unit	A space used for activities normally associated with domestic living that is in a separate structure to the main dwelling or if within the same structure is separated by a lockable partition and contains a room or portion of a room that incorporates a plumbed sink/tub, and an electrical outlet.
Targeted rate	Rates charged to particular communities or groups of ratepayers
Uniform Annual General Charge (UAGC)	A rate set as a fixed amount per separately used or inhabited part of every rateable part of a rating unit in the district.
Unoccupied land	Means that the land is not occupied.
Unused land	<p>A rating unit is unused:</p> <ol style="list-style-type: none"> 1. where there is no person actually using any part of the rating

Term	Definition
	unit; or 2. the entire rating unit is used in a similar manner to a reserve or conservation area and no part of the rating unit is leased by any person or used as residential accommodation; or used for any activity (whether commercial or agricultural) other than for personal visits to the land or personal collections of kai or cultural or medicinal material from the land.

Relevant Legislation and policies

- Reserves Act 1977
- Te Ture Whenua Māori Act 1993
- Conservation Act 1987
- Local Government Act 2002
- Local Government (Rating) Act 2002
- Local Government (Rating of Whenua Māori) Amendment Act 2021
- Thames-Coromandel District Council’s Rates Postponement Policy
- Thames-Coromandel District Council’s Rates Remission Policy

Document history

Last updated	Version	Description of change	Approved by
December 2020	V1.0	Adopted	Council
March 2024	V1.1	Amended to provide clarity in regards to the provisions of the Local Government (Rating of Whenua Māori) Amendment Act 2021	Council