Remission and Postponement of Rates on Māori Freehold Land Policy

Introduction

We are reviewing our policy on the remission and postponement of rates on Māori freehold land to make it easier for landowners to develop the land for the benefit of themselves, their whanau and their hapū.

We are also wanting to ensure we acknowledge the special significance of land to Māori and the unlikelihood of Māori land being sold, in the way we charge rates on Māori land.

What is a remissions and postponements policy?

A rates remission is a partial reduction in the amount of rates a ratepayer has to pay. A ratepayer may be eligible for rates remission if their property meets certain criteria. This policy provides information on the rates remissions available for Māori freehold land.

The postponement of rates is a last resort to help ratepayers after all avenues to meet rates commitments have been exhausted.

What is Māori Freehold Land?

Māori freehold land is land, which the Māori Land Court has determined to have the status of Māori freehold land as defined in Te Ture Whenua Māori Act 1993 (Māori Land Act).

In a modern context it has two main characteristics, which make it a unique land tenure:

economic value – An interest in Māori land is, like general land, an economic asset that may be used, traded, sold or transferred.

Unlike general land, law sets strong rules around ensuring that land stays in the hands of its owners, whānau and the hapū associated with it.

cultural value – The law recognises that Māori land is a taonga tuku iho of special significance to Māori passed from generation to generation.

An interest in Māori land is also considered a tangible whakapapa (genealogical) link for owners to their past and present whānau, hapū and Iwi, whether they live on or close to the land or not.

Māori freehold land is held by individuals who have shares together as tenants in common. This can make developing Māori freehold land particularly challenging.

Context

Under New Zealand law, we are now required to show how our policies on the remission and postponement of rates on Māori freehold land support the principles in the Preamble to Te Ture Whenua Māori Act 1993. These principles remind us of the special significance of land to Māori and to support its development for the benefit of owners and their whanau.

In line with that direction, we are looking to amend our current Remission and Postponement of Rates on Māori Freehold Land Policy to allow us to consider the benefits of developing Māori freehold land and to introduce mechanisms that acknowledge the unlikelihood of Māori land being sold. We also want to recognise that traditional western notions of land value may not be the same for Māori.

While Tauranga has provided for rates remission on Māori freehold land for some time, the emphasis was on owners having to comply with criteria rather assessing what outcomes may be achieved through developing the land.

Council cannot charge rates on Māori freehold land that is unused.

Key changes to the current policy

Current	What we're proposing	Why
No reference to the Preamble of Te Ture Whenua Maori Act 1993 in our policy	We are proposing a new purpose statement for this policy that will paraphrase the Preamble	This will show strong support for the Preamble principles
Applications for remission must include all the following information; • the number of owners on the land; and • the physical location of the land; and • the nature and extent of any Waahi Tapu and the impact of that Waahi Tapu on land development and usage; • and the amount of income being derived from the block; and • whether the land is occupied and to what extent it is occupied; and • whether the block of land is connected to council services e.g. water and sewerage; and • whether there are any potential development options for the block of land.	Council may consider any application for remission that meets one of the following five benefits; • benefits to the district by creating new employment opportunities: • benefits to the district by creating new homes: • benefits to the council by increasing the council's rating base in the long term: • benefits to Māori in the district by providing support for marae in the district: • benefits to the owners by facilitating the occupation, development, and utilisation of the land.	This encourages council to consider the outcomes intended from land development, rather than simply requiring the applicant to comply with criteria.
Land returned through right of first refusal or treaty settlement is excluded from the current policy	We are proposing to extend the provisions for rates remission on Māori freehold land to land returned to collective ownership through right of first refusal schemes or treaty settlement. (It is proposed to exclude land returned as commercial redress as this land already has income earning potential.)	This recognises that land held in collective ownership would otherwise not be eligible for the incentives provided by rates remission.
Council could charge rates on land partially used to grow kai for community use or land used to grow a seasonal crop.	We are proposing to remit up to 100% of rates where the land has limited productive use	This recognises that the land would otherwise be unproductive. Allowing for some use recognises the desirability of supporting the land for traditional use or for economic benefit.

Unclear whether the rates remission currently available to community and non-profit organisations extends to land that provides non-commercial benefit to Māori	We're proposing to include provisions noting that remission is available to land providing non-commercial benefit to Māori	This clarifies that land used for a non-pecuniary or non-economic benefit for Māori is treated the same way as land providing for other community organisations
Māori freehold land rated on its capital value	We are proposing to remit the portion of rates attributed to the subdivision potential of the land	This recognises that the value of the land to the owners may not be in its potential to be subdivided, and the unlikelihood of the land being sold

What we want to know

We want to know if you think these proposed changes meet our obligations to recognise the special significance of land to Māori and support the development of land for the benefit of owners and their whanau? Is there anything else that you think we should add to the policy that would enable owners to more easily develop their land? How else could we recognise the special significance of land to Māori in the way we charge rates for Māori land?

We welcome feedback from xx to xx, xx 2022. Feedback can be provided through this form or at <<insert address>>.

We will use this feedback to propose a final revised Remission and Postponement of Rates on Māori Freehold Land Policy for adoption by Council. Final policies will be adopted by 1 July 2022.

If you have any questions, please contact the Policy team on (07) 577 7000 or info@tauranga.govt.nz (attn: Policy team).