

Draft “Rating policies: Effective 1 July 2018”: *Schedule 11 considerations – matters relating to rates relief on Māori freehold land*

Background

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's behalf, and it is administratively efficient that where possible the council adopts policies on the remission and postponement of its rates and penalties, and early payment of its rates that are materially the same as those of the three district councils.

Section 108 of the Local Government Act 2002 (LGA) states that when council is determining its policies on remission and postponement of rates for Māori freehold land, it must consider Schedule 11, which outlines matters relating to rates relief on Māori freehold land. Sections 109 and 110 states that council may also consider Schedule 11 in determining its other policies on remission and postponement of rates.

In summary, Schedule 11 requires the consideration of a number of objectives (clause 2) to each district and an analysis of how the remission and postponement of rates for Māori freehold land achieve any that are relevant. All of these objectives are considered by council to be important within each of the constituencies of the Northland region.

Schedule 11

Matters relating to rates relief on Māori freehold land

- 1) The matters that the local authority must consider under [section 108\(4\)](#) are—
 - a) the desirability and importance within the district of each of the objectives in [clause 2](#); and
 - b) whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land; and
 - c) whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land; and
 - d) the extent to which different criteria and conditions for rates relief may contribute to different objectives.
- 2) The objectives referred to in [clause 1](#) are—
 - 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 the land for economic use:
 - e) recognising and taking account of the presence of waahi 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:
 - h) recognising the level of community services provided to the land and its occupiers:
 - i) recognising matters related to the physical accessibility of the land.

Consideration and analysis

Far North constituency

Of the 14 policies that council is to adopt for the Far North constituency, 12 apply to Māori freehold and one policy applies only to Treaty Settlement lands. These policies are set out below, with an analysis of to what extent the policies for remission and postponement support or facilitate achievement of the objectives set out in Schedule 11, or would otherwise be affected if there was no remission or postponement.

Policy that applies remission and postponement to Māori freehold land	Schedule 11 objectives that are supported or facilitated by this remission or postponement
Common-use properties	<ul style="list-style-type: none"> Facilitating any wish of the owners to develop the land for economic use 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)
Community, sports and not-for-profit organisations	<ul style="list-style-type: none"> Recognising the level of community services provided to the land and its occupiers
Extreme financial hardship	<ul style="list-style-type: none"> Avoiding further alienation of Māori freehold land
Incentivising Māori economic development	<ul style="list-style-type: none"> Facilitating any wish of the owners to develop the land for economic use
Landlocked land	<ul style="list-style-type: none"> Recognising matters related to the physical accessibility of the land
Land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes	<ul style="list-style-type: none"> Recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes Recognising and taking account of the importance of the land for community goals relating to— <ul style="list-style-type: none"> 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.
Māori Freehold Land not used	<ul style="list-style-type: none"> Avoiding further alienation of Māori freehold land
New users of Māori Freehold Land	<ul style="list-style-type: none"> Supporting the use of the land by the owners for traditional purposes Facilitating any wish of the owners to develop the land for economic use.
Papakāinga on Māori Freehold Land	<ul style="list-style-type: none"> 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).
Penalties	<ul style="list-style-type: none"> No specific objectives apply.
Properties spanning multiple districts	<ul style="list-style-type: none"> No specific objectives apply.
Unusable land	<ul style="list-style-type: none"> Recognising matters related to the physical accessibility of the land.

Far North District Council's (FNDC) 'rating relief policies' have undergone significant review by the FNDC, resulting in policies with less repetition and duplication, reduced complexity, and a simpler structure. An analysis of the changes that are to be adopted by council, and the Schedule 11 considerations specific to these changes, are set out below.

Revised policy	Relevant changes	Schedule 11 considerations
Extreme financial hardship	Change from postponement to an annual remission and includes Māori freehold land.	Recognises that extreme financial hardship is present amongst ratepayers of Māori freehold land. The change of postponement to remission now makes it possible to apply this policy without potentially alienating owners from their land.
Incentivising Māori economic development	<i>New policy:</i> Remit rates on Māori Freehold Land for the purposes of incentivising economic development.	Provides incentives for Māori land owners to develop Māori freehold land for economic use. Enables owners to develop an economic base and to assist with the subsequent payment of rates.
Landlocked land	Includes Māori freehold land.	Consistent with equitable approach to policies in the Far North district, recognises matters relating to the physical accessibility of the land.
Māori Freehold Land not used	The definition of ‘use’ has been explained in more detail, removed the condition that unused Māori Freehold Land that is deemed to have a high amenity value cannot receive a remission.	Allows for a more consistent approach across Far North district, and addresses issues of equity. Removes contradiction with the Regional Policy Statement regarding preservation of the natural character of the coastal environment.
New users of Māori Freehold Land	Provision for a sole-owner to be treated as a new user with rates postponed as well, where the land was previously in multiple-ownership.	Recognises the nature of multiple-ownership can create a rates debt that may be passed on to a sole owner.
Papakāinga on Māori Freehold Land	Aligned definition of papakāinga to the Far North District Plan.	Provides for strategic alignment in Far North district.
Treaty settlement lands	<i>New policy:</i> Remit rates on Treaty settlement land.	The rating relief policies for Māori Freehold Land do not apply to all properties returned as part of Treaty of Waitangi settlements (as some can be classed as general title). This policy provides the post settlement governance entities time to develop plans for the use or protection of cultural or commercial redress properties.
Unusable land	Changes from a postponement to a remission, and includes Māori Freehold Land.	Consistent with equitable approach to policies in the Far North district, recognises the importance of land in providing economic support.

Kaipara constituency

One policy, ‘KD1 Māori Freehold Land rates postponement and remission policy’ is to be adopted by council that is specific to Māori freehold land in the Kaipara constituency.

This policy states that it considers the matters set out in schedule 11 of the LGA 2002 and is intended to support the following objectives:

- Recognise matters related to the physical accessibility of the land
- Facilitate development or use of the land (ie, facilitating any wish of the owners to develop the land for economic use).

This policy also has an objective to recognise situations where there is no occupier, or person gaining an economic or financial benefit from the land.

Whangārei constituency

Two policies are to be adopted for the Whangārei constituency that are specific to Māori freehold land.

Policy WD08 Remission of rates on unoccupied Māori Freehold Land (WDC ref. 17/111)

This policy states that its objectives are:

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

Council considers that, in particular, the policy supports the following Schedule 11 objectives:

- Facilitating any wish of the owners to develop the land for economic use
- 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).

Policy WD09 Postponement of rates on Māori Freehold Land (WDC ref. 17/112)

Remission of rates on unoccupied Māori Freehold Land This policy aims to facilitate and encourage the use of the land, and encourage the development and use of Māori freehold land, where full payment of rate arrears would be a disincentive.

Council considers that in particular, the policy supports the following Schedule 11 objectives:

- Supporting the use of the land by the owners for traditional purposes
- Avoiding further alienation of Māori freehold land
- Facilitating any wish of the owners to develop the land for economic use.