

Māori freehold land – comparison between current and new legislation and the changes we need to make and those we are proposing to choose to make:

Current legislation: **Local Government (Rating) Act 2002**

New legislation: **Local Government (Rating of Whenua Māori) Amendment Act 2021**

Changes that must be made under the new legislation:

Wholly unused land to be non-rateable ¹	
Before: Local Government (Rating) Act 2002	Owners of wholly unused Māori land blocks are legally obliged to pay rates.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021	Historic rate arrears on unused Māori land will be automatically removed and no further rates will be charged on wholly unused land blocks.
Reason:	This lets Māori landowners develop unused Māori land and pay rates once this land comes into use. It also means that unused Māori land does not accumulate rates arrears in the future.
What this means for Council:	Rates will need to know where this land is. Remove from remission policy
Comes into effect:	1 July 2021

Ability to write off arrears	
Before: Local Government (Rating) Act 2002	Local authorities do not have the ability to write-off rates that were considered to be unrecoverable.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021	Local authorities must write off outstanding rates on any land that they consider unrecoverable, including rates debt inherited from deceased owners.
Reason:	This change gets rid of one of the major barriers to Māori landowners engaging, using and developing land which currently has rates owing. It also lowers the administrative costs for local authorities who may be trying to collect unrecoverable rates.
What this means for Council:	Chief Executive power to write-off rates of deceased landowners and rates that cannot be 'reasonably recovered' in the opinion of the CE.
Comes into effect:	Day after Royal assent ² , 13 April 2021

Rates remission for Māori freehold land under development

Before: Local Government (Rating) Act 2002	Local authorities across the country take different approaches to the remission of rates on whenua Māori. While some local authorities remit or postpone rates payments on unused land, others do not.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021	Local authorities are now able to remit rates on Māori land in order to encourage development, regardless of what their current policy states.
Reason:	All Māori landowners will be able to apply for rates remission while their land is under development and if the applications are successful, it will provide some rates relief for Māori landowners while they bring their land into greater use. This will encourage local authorities to consider the mutual benefits in Māori landowners and the local community developing Māori land in the region.
Comes into effect:	Day after Royal Assent , 13 April 2021

Ngā Whenua Rāhui kawenata land to be made non-rateable

Before: Local Government (Rating) Act 2002	Local authorities have the ability to collect rates on Māori land protected for conservation purposes under Ngā Whenua Rāhui.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021	All land protected by Ngā Whenua Rāhui is non-rateable and outstanding rate arrears are written of
Reason:	This recognises the conservation value of the land and will make it more attractive for Māori landowners to set aside land blocks or part of their blocks for conservation purposes. This clarifies the rating of Ngā Whenua Rāhui.
Comes into effect:	1 July 2021

Treating multiple blocks as one

Before: Local Government (Rating) Act 2002	Multiple land blocks from the same parent block are rated individually.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021	Māori landowners can make an application to have multiple Māori land blocks that come from the same parent block to be treated as one rating unit.

Reason:	This will encourage the development of unused land by reducing the overall rating liability for the blocks, as well as supporting economic development in the region. Instead of paying several uniform charges on individual blocks originating from one parent block there will only be one set of uniform charges to pay.
Comes into effect:	1 July 2021

Rating individual homeowners on Māori land separately	
Before: Local Government (Rating) Act 2002	Multiple homeowners on the same block of Māori land are treated as a separate rating unit. If there are low-income homeowners on Māori land and the property has more than one home, or is used for a variety of purposes, they are not eligible for a rates rebate.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021	Upon request, local authorities can rate individual houses on Māori land as a separate rating unit. If the houses are chosen to be rated individually, the occupant of the house becomes responsible for the rates on the house, and each homeowner will also have access to the Rates Rebate Scheme.
Reason:	It makes it easier for individual homeowners to pay rates for their home and ensures they are not liable for any rates arrears owed by neighbouring homeowners. It also ensures low income homeowners on Māori land are eligible for the rates rebate scheme, which provides a partial refund of rates paid to council.
Comes into effect:	1 July 2021

Changes officers are proposing to make that are not legislatively required:

Expanding the scope	
Before: Local Government (Rating) Act 2002:	Under legislation Owners of wholly unused Māori land blocks are legally obliged to pay rates. However, Councils could choose to do more than this. Under our current policy ³ Council would consider on a case-by-case basis whether to postpone or remit rates on Māori Freehold land. Because of this most of the land in Te Awa Karangi ki Tai is already non-rateable.
After: Local Government (Rating of Whenua Māori) Amendment Act 2021:	All local authorities are required to have a policy on the remission and postponement of rates on Māori freehold land under section 102 of the Local Government Act 2002. Section 108 and

	schedule 11 of the LGA set out further detail for what must be included in the policy
Officers proposed addition:	To expand the policy to include considering applications for remission of rates on general land collectively owned by Māori in the circumstances set out in this policy
Reason:	While the legislative requirement is to have a policy relating to Māori freehold land, there are instances where land in general title, owned by Māori, has similar characteristics as Māori freehold land or where rate relief may achieve similar purposes as those intended by providing rate relief for Māori freehold land.

Definitions

Whenua Māori: Māori land

Whenua rāhui: reserve, reserve land - land set aside for a special purpose.

Wāhi tapu: sacred in relation to land