



# Statement of proposal

Northland Regional Council's draft policies on the remission and postponement of rates on Māori freehold land pertaining to the Kaipara and Whangārei districts

Date: July 2022

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# Council's rating policies- have your say

Rating policies outline the way that councils achieve fair and equitable rates collection to support the overall wellbeing of the community. The remission of rates involves reducing the amount owing or waiving collection of rates altogether, where it's considered appropriate to do so. Postponement allows ratepayers to postpone payment of all or a portion of their rates, essentially borrowing the equivalent amount from Council each year.

Broadly speaking, councils consider the following objectives when developing these policies:

- The fair and equitable collection of rates across all sectors of the community.
- The community benefit of providing assistance to some charitable and community organisations.
- Providing financial assistance to support ratepayers where they may otherwise have difficulty
- Addressing any rating anomalies and enabling economic development
- Recognising the particular conditions of some Māori Freehold Land
- Working within legislation

This statement of proposal supports Northland Regional Council (NRC)'s consultation on its draft policies on the remission and postponement of rates on Māori freehold land pertaining to the Kaipara and Whangārei districts. Because the three district councils across Northland are contracted to collect rates on behalf of the Northland Regional Council, it is simpler, more effective and administratively efficient that the rating policies adopted by NRC closely match or are identical to those of the district councils.

The Kaipara and Whangārei district councils made some changes to their policies as part of the recent annual plan process (March/April 2022). NRC now seeks to align their policies with these changes. These changes reflect the new requirement that policies on the remission and postponement of rates on Māori freehold land support the principles set out in the Preamble to Te Ture Whenua Maori Act 1991.

NRC invites the Northland community to have their say on these changes. Details of the changes and where to find more information is set out in the statement of proposal below.

To make a submission, go to [www.nrc.govt.nz/haveyoursay](http://www.nrc.govt.nz/haveyoursay)

**Have your say by 4pm, Wednesday 10 August 2022.**

# Statement of proposal

## Northland Regional Council's draft policies on the remission and postponement of rates on Māori freehold land pertaining to the Kaipara and Whangārei districts

July 2022

### Purpose

The purpose of this document is to inform the public and seek comments on council's draft policies on the remission and postponement of rates on Māori freehold land, in relation to the Whangārei and Kaipara districts only. Consultation is being carried out to ensure that council's policies remain in line with those of the Whangārei and Kaipara District Councils, following changes made by the Whangārei and Kaipara District councils during their recent annual plan process.

### Background

Section 102 of the Local Government Act 2002 (LGA) requires local authorities to adopt a policy on the remission and postponement of rates on Māori freehold land. In development of these policies, the council has considered Schedule 11 of the LGA and recognises that the nature of Māori freehold land is different to general title land.

For wider context, Section 102 also allows a local authority to adopt rates remission and postponement policies. Sections 108 and 109 of the LGA require the policies to be reviewed at least once every six years.

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's (NRC) behalf. It is administratively efficient that the council adopts policies on the remission and postponement of rates and penalties, that are the same as those of the three district councils. NRC does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (for example, a policy, or part of a policy, related solely to water rates).

NRC adopted their policies on the remission and postponement of rates and penalties, and early payment of rates, in June 2021 as part of the suite of documents adopted with the Long Term Plan 2021-2031, and following appropriate consultation.

The Kaipara and Whangārei councils have subsequently made changes to their policies for Māori freehold land by way of a process carried out concurrently with the development of their 2022/23 annual plans, to give effect to a new requirement for such policies to support the principles set out in Te Ture Whenua Māori Act 1993.

These principles, including *"to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu"* are supported by council. Council consider that this support is reflected in making the proposed changes to these rating policies, as set out here.

NRC now seeks to receive feedback and update their policies accordingly, with a view to keeping their policies consistent with those of the district councils.

This document comprises a summary of the proposed amendments to the policies, since their adoption in June 2021, that are relevant to NRC:

## Whangārei district

Whangārei District Council have made wording changes to their definitions section and policy for whenua Māori.

The full suite of policies on the remission, postponement and early payment of rates recently adopted by Whangārei District Council, can be found on their website:

<https://www.wdc.govt.nz/Council/Council-documents/Policies/Rates-Remission-and-Postponement-Policy>

The rating policies that relate to rates collected by the Whangārei District Council on NRC's behalf, including the policies on māori freehold land that are proposed to be adopted by the council, can also be found on our website: [www.nrc.govt.nz](http://www.nrc.govt.nz)

Policy	Change	Current wording	Proposed wording
Policy 21/114 Remission of Rates on Māori Freehold Land	Clarification of what land is defined as 'used' by adding two sentences.	2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.  3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non-useable portions and the rates will be remitted on the percentage of non-useable land.	2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way. Land that is maintained to reduce fire risk, or land that is unfenced and grazed by wandering stock for no income by the owners is not 'used'.  3. In order to encourage the development of the land, the rating unit may be apportioned into used and non-used portions and the rates will be remitted on the percentage of non-used land. Any 'used' dwellings (occupied dwellings) or activities using the land for commercial or agricultural purposes will be rated the general and targeted rates per separately used or inhabited parts of a rating unit.
Policy 21/115 Postponement of Rates on Māori Freehold Land	Alteration of policy wording with the intention of adding more flexibility on the amount of time before the postponed rates is offered.	4. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be written off.	4. The rates will remain as a statutory charge against the property until they are written off no later than six years from the date they were assessed.



# Kaipara District

Kaipara District Council has altered text, deleted text, and added new text to the policies for Māori Freehold land, as set out in the table below.

Council is proposing to adopt all of these changes with the exception of the removal of clause 1.5 'rates postponement' which states '*This policy does not provide for the postponement of the requirement to pay rates*'. Council proposes to retain this clause to make the policy position on postponement clear, set out as point 7 in the draft policy. The other proposed changes support the principles set out in the Preamble to Te Ture Whenua Māori Act 1991, and at this stage it is not considered that there is additional benefit to be gained by introducing postponement in the Kaipara district.

The rating policies that relate to rates collected by the Kaipara District Council on NRC's behalf, including the policies on māori freehold land that are proposed to be adopted by council, can be found on our website [www.nrc.govt.nz](http://www.nrc.govt.nz)

The full suite of policies on the remission, postponement and early payment of rates recently adopted by Kaipara District Council can be found on their website: <https://www.kaipara.govt.nz/a-z-documents>

Current policy	Change	Current wording	New wording and policy number
Māori Freehold land rates postponement and remission policy.			
1.1 Overview, background and objectives	Amendment of text.	<p>This Policy is to ensure the fair and equitable collection of rates occurs from all sectors of the community. It is important to also recognise that Māori freehold land has particular conditions, and ownership structures which may make it appropriate to provide relief from rates.</p> <p>Specifically this Policy considers the matters set out in schedule 11 of the LGA 2002 and is intended to support the following objectives:</p> <ul style="list-style-type: none"> <li>Recognise matters related to the physical accessibility of the land.</li> <li>Facilitate development or use of the land.</li> </ul> <p>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.</p>	<p><b>2. Objective</b></p> <p>2.1 The purpose of this policy is to ensure that the fair and equitable collection of rates from all sectors of the community, while recognising that Māori freehold land has particular conditions and ownership structures, which may make it appropriate to provide relief from rates in circumstances beyond what it already provided by legislation.</p> <p>2.2 In determining this policy, Council has considered the matters set out in schedule 11 of the LGA and how it supports the principles set out in the preamble to Te Ture Whenua Māori Act 1993.</p>

1.2.1 Remission for undeveloped and inaccessible Māori Freehold Land.	Alteration of policy wording.	<ol style="list-style-type: none"> <li>1. The council may remit rates penalties and/or current year or arrears of rates on Māori Freehold land where the land has been unoccupied for the period which the remission is requested;</li> <li>2. To be eligible for remission no person may, during the course of the year for which the remission is granted: <ol style="list-style-type: none"> <li>a) Lease the land;</li> <li>b) Do one or more of the following things on the land, for profit or other benefit: <ol style="list-style-type: none"> <li>i. Reside on the land;</li> <li>ii. De-pasture or maintain livestock on the land;</li> <li>iii. Store anything on the land;</li> <li>iv. Use the land in any other way.</li> </ol> </li> </ol> </li> </ol>	<p><b>3. Policy</b></p> <p>3.1 Council may remit some or all of the rates on a rating unit of Māori freehold land where it considers it just and equitable to do so because:</p> <ol style="list-style-type: none"> <li>a. There are special circumstances in relation to the rating unit, or the incidence of rates (or a particular rate) assessed for the rating unit which mean that the rating unit's rates are disproportionate to those assessed for comparable rating units.</li> <li>b. The circumstances of the rating unit or rate payer are comparable to those where a remission or non-rateability would be granted under the Local Government (Rating) Act 2002, but the circumstances are such that the land does not qualify.</li> <li>c. There are exceptional circumstances such that the council believes it is equitable to remit rates.</li> </ol>
1.2.2 Remission to facilitate development of Māori Freehold Land	Removal of conditions	The council may remit the previous years arrears and penalties provided the person or entity requesting the remission will pay for the annual rates for the current and previous two years and has agreed to contract to the council to keep all the future rates paid in full.	None
1.4 Delegation of decision-making	Removal of text relating to delegation of decision-making	Decisions about applying a remission of rates will be made as outlined in the council's delegations manual.	None.
New policy wording	New wording added		<p><b>5. Applications</b></p> <p>5.1 Applications for remissions under this policy must be made in writing, and must include the following information:</p> <ol style="list-style-type: none"> <li>a) the details of the property for which the application for remission is being made</li> <li>b) an explanation of why the applicant considers the circumstances of the application</li> </ol>

			<p>meet the objective (Clause 2) of this Policy.</p> <p>c) an explanation of how the matters under Clause 3 of this Policy applies to the circumstances of the application.</p> <p>d) d. documentation that proves the land which is the subject of the application is Māori freehold land, as defined above.</p>
New policy wording			<p><b>6. Relevant legislation</b></p> <p>6.1 Legislation relevant to this Policy includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>a. Local Government Act 2002 (LGA)</li> <li>b. Local Government (Rating of Whenua Māori) Amendment Act 2021</li> <li>c. Te Ture Whenua Māori Act 1993</li> <li>d. Local Government (Rating) Act 2002</li> </ul> <p>6.2 This Policy is adopted in accordance with the requirements of sections 102(1) and 108 of the LGA. Under section 108(4A) of the LGA this policy is required to be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the LGA.</p>



# Assessment of options

The reasonably practicable options are:

- That council updates and adopts rating policies on the remission and postponement of rates on Māori freehold land to align with the Whangārei and Kaipara district councils, or
- The council establishes its own draft policies.

No other reasonably practicable options were considered in any depth due to the low level of significance of the policies.

The advantage of adopting the policies set by each of the three district councils in Northland is that it would be administratively efficient for each district council that administers our rate collection in their respective district to only apply one set of policies. Ratepayers will also avoid possible confusion by having a single approach to all of their rates. Additionally these proposed changes achieve compliance with the new requirement that councils policy on the remission and postponement of rates on māori freehold land supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

The disadvantage is that the council does not have a single set of policies which are applied on a uniform basis across the region.

## Have your say

Full copies of the proposed rating policies and information on how to make a submission are available from the council website at [www.nrc.govt.nz/haveyoursay](http://www.nrc.govt.nz/haveyoursay)

Submissions can be lodged online at the above URL, posted or delivered to one of our service centres, or emailed to [submissions@nrc.govt.nz](mailto:submissions@nrc.govt.nz)

**Submissions close 4pm, Wednesday 10 August 2022.**

**Whangārei**  
36 Water Street  
Whangārei 0110

**Dargaville**  
Ground floor  
32 Hokianga Road  
Dargaville 0310

**Kaitaia**  
192 Commerce Street  
Kaitaia 0410

**Waipapa**  
Shop 9, 12 Klinac Lane  
Waipapa 0295

Hours: 8am - 4.30pm

Hours: 9am - 4pm

Hours: 8.30am - 4pm

Hours - 8.30am - 4.30pm

## Northland Regional Council

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