

Rating of Whenua Māori in Kaipara District

Meeting: Council Briefing
Date of meeting: 4 August 2021
Reporting officer: Christine Toms, Revenue Manager

Purpose/Ngā whāinga

This report provides Elected members with an overview of Māori freehold land (whenua Māori) within the Kaipara district. It also discusses the Local Government (Rating of Whenua Māori) Amendment Bill that was introduced in April 2021 and the key changes resulting from the legislation.

Context/Horopaki

Of the 14,977 rateable units in the Kaipara district 380 have been identified as whenua Māori blocks in the Rating Information Database. Of these 380 whenua Māori blocks, 19 are now non-rateable.

The Local Government (Rating of Whenua Māori) Amendment Bill introduced a number of changes to the Local Government (Rating) Act which impact the way that local government rates whenua Māori. The key changes are discussed below.

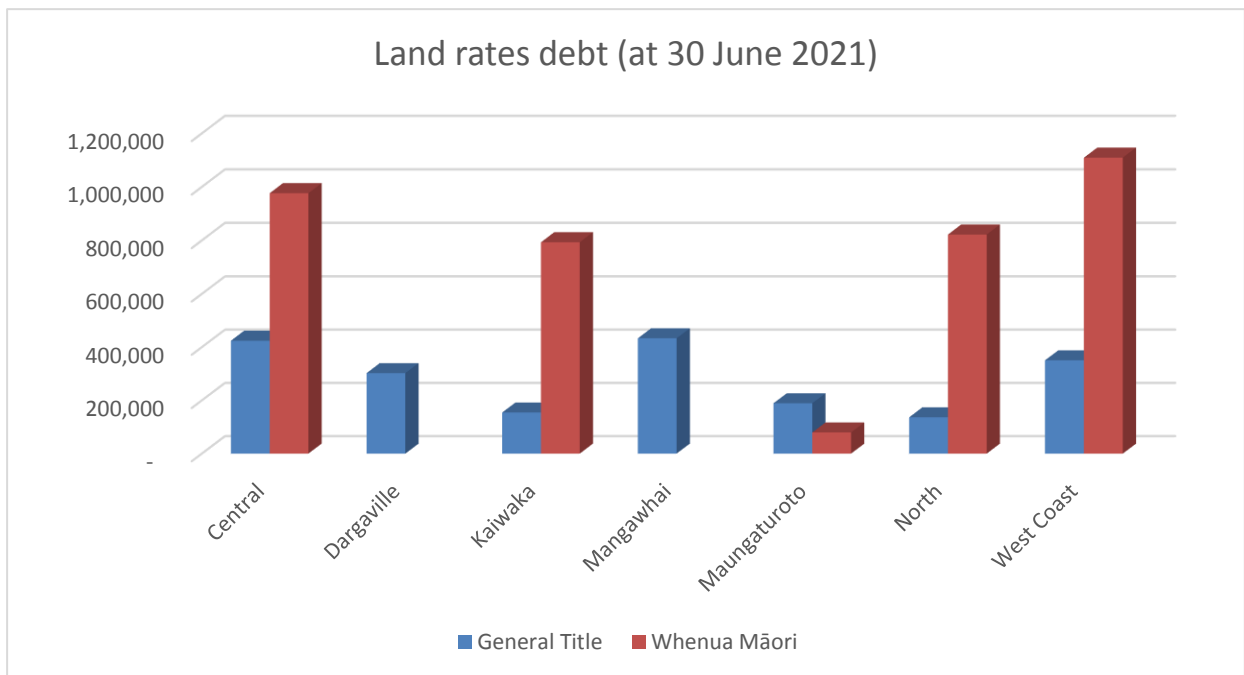
Discussion/Ngā kōrerorero

Whenua Māori Statistics

The table below summarises the rateable rating units, rateable land value and land rate arrears for the district, split into general and whenua Māori titles. The attached map shows whenua Māori in the Kaipara district that has been identified in the Rating Information Database.

Detail (as at 30 June 2021)	Kaipara District	General Title	Whenua Māori	Whenua Māori
Number of rating units	14,977	14,616	361	2.4%
Land value	6,026,660,650	5,954,058,650	72,602,000	1.2%
Land rate arrears (\$)	5,770,060	1,989,738	3,780,322	66.0%

The graph below indicates where land rates debt (by amount) sits in the Kaipara district at 30 June 2021.



It is noted that whilst 2.4% of the rateable rating units in the district are identified as whenua Māori, 66% of rates debt is attributed to this category. The unique status of whenua Māori means that standard rating debt collection actions are either unavailable or ineffective.

Local Government (Rating of Whenua Māori) Amendment Bill

The Purpose of the Act is as follows:

- Provides local authorities with flexible powers to set, assess and collect rates
- Ensures rates are set in line with decisions that are made in a transparent and consultative manner
- Enabling ratepayers to identify and understand their liability for rates
- Supports the principles of the Te Ture Whenua Māori Act 1993
- Reduce barriers for effective partnership between local government and Māori
- Encourages development
- Modernises the rating legislation

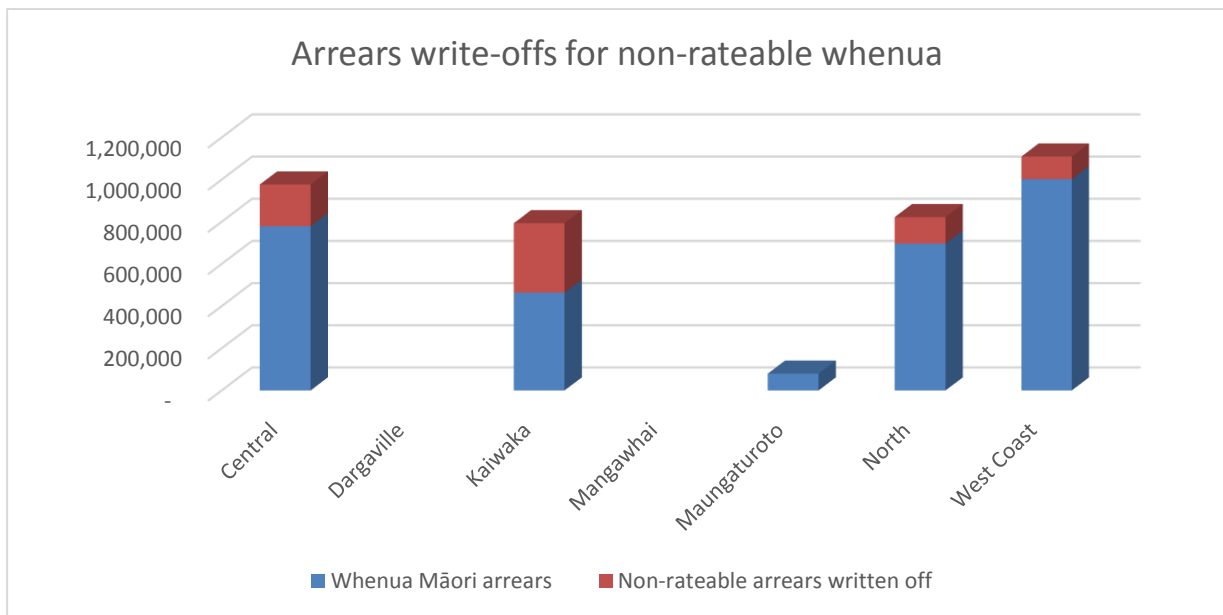
Key changes that result from the Amendment Bill

The table below indicates the key changes and the implications for council

Key Change	Level of additional work required to implement	Comment
Before land can be declared abandoned, court requires evidence that the general land was not whenua Māori that changed to general title under Part 1 of the Māori Affairs Amendment Act 1967	None	Criteria already met
Before land can proceed through the rating sale process, court requires evidence that the general land was not whenua Māori that changed to general title under Part 1 of the Māori Affairs Amendment Act 1967	Medium input Requires titles to be searched to confirm history	Currently no land in Kaipara District proceeding to rating sale
Person actually using the land is liable for the rates. Legal proceedings can proceed to recover unpaid rates	Medium input	Resource required to identify person using the land if different from owners
In certain circumstances whenua Māori may be separated into separate rating areas Allows occupiers of separate rating areas to apply for rates rebates Occupiers only liable for rates on the piece of whenua that they occupy, rather than being liable for rates on the entire block	Medium input	Processes within council already exist. Doesn't increase overall rates as areas must be treated as one for rating purposes
Whenua Māori subject to Ngā Whenua Rāhui kawenata will be non-rateable	Medium input	Departments of Conservation and Internal Affairs working together to provide local authorities with information
Marae and urupā are to have non-rateable status regardless of land area (currently limited to less than 2 hectares)	None	Currently all Marae and urupā in Kaipara district are non-rateable
Some marae and meeting houses may currently have land that is used primarily for agricultural, commercial or residential purposes. The Act clarifies that these types of land are rateable	Unknown	Resource required to identify if this is the case in Kaipara.
All unused whenua Māori is to have non-rateable status and any arrears are to be written off	Medium input	19 blocks identified to date. Arrears of approximately \$760,000 written off.

		<p>Potential to decrease rating base and therefore funding will be spread across fewer rating units.</p> <p>Will remove the requirement to write off arrears at 6 yrs statute barr, therefore reducing provision for bad debt.</p> <p>Additional resource may be needed in this area.</p>
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The graph below shows the impact of the arrears write-offs that result from making whenua Māori non-rateable.



Power of chief executive to write off rates

The Local Government (Rating of Whenua Māori) Amendment Bill provides the chief executive with the power to write off arrears that, in the chief executive's opinion, cannot reasonably be recovered.

The chief executive of a local authority may, write off all or part of outstanding rates debts that are payable by a person beneficially entitled to the deceased owner's beneficial interest in the land, and were payable by the deceased owner at the death of the owner.

The chief executive may write off rates on their own initiative; or a ratepayer can make an application at any time.

The chief executive can delegate the power to write off rates.

This delegation authority recognises that all debt on general land can reasonably be recovered through the Local Government (Rating) Act 2002, this delegation authority to write off rates arrears therefore does not apply to general land.

The objectives of the power to write of rates are:

- To prevent rates debt from being the obstacle to the utilisation of whenua Māori
- To prevent rates debt from being a deterrent to beneficiaries seeking succession to their whenua
- To ensure owners of whenua Māori that is in multiple ownership can approach Council with enquiries in relation to their whenua, without the fear of rates debt being assigned to them singularly/personally
- To clean slate historic rates debt to support future rates to be paid unencumbered

Next steps/E whaiake nei

Ongoing education and continuing identification of land and owners to determine correct rating status and rates liability.

Working closely with Māori Land Court to assist with upcoming whenua Māori expo hui being held in September 2021.

Attending upcoming Mana Whenua forum to discuss these rating changes.

Policy on remission and postponement of rates on whenua Māori is to be formally reviewed, consulted on and adopted by 1 July 2022.

At next review (before 1 July 2024) the following policies must consider the implications of the Local Government (Rating of Whenua Māori) Amendment Bill:

- Revenue and Financing Policy
- Development Contributions Policy
- Any general rates remission and postponement policy

A lot of work still to be done in this space and currently reviewing resourcing requirements in the Revenue team to ensure that there's capacity to focus in this area.

Attachments/Ngā tapiritanga

	Title
A	Map of district showing whenua Māori blocks that have been identified in the Rating Information Database