



Te Tari Taiwhenua
Internal Affairs



Te Puni Kōkiri
MINISTRY OF MĀORI DEVELOPMENT

Changes to the rating of Māori land

Local Government (Rating of Whenua Māori) Amendment Act 2021



Photo: Marama Tiakitai Hart and her son, Bayden Barber on their ancestral whenua in Waimārama, just south of Hastings. Photographed by Josie McClutchie.

Changes to the rating of Māori land

This booklet provides an overview of the major changes that result from the Local Government (Rating of Whenua Māori) Amendment Act 2021.



Introduction

There are 1.4 million hectares of Māori freehold land in Aotearoa, with much of that whenua held by multiple owners. Māori land is a taonga tuku iho, a treasure handed on through the generations. Connection to, use and development of whenua can sustain whānau and strengthen identity and belonging.

In April 2021, the Government passed the Local Government (Rating of Whenua Māori) Amendment Act. Some of the changes to the rating of Māori land are effectively immediately and others will come into force on 1st July 2021.

The changes are part of the Government’s wider commitment to supporting whānau and regional development through whenua by:

- reducing the barriers for owners of Māori freehold land who want to use, occupy, build houses on and develop their whenua, particularly for those who have rates arrears.
- providing greater consistency, equity and clarity around the rating of Māori land for the benefit of Māori landowners and local authorities.
- stimulating regional development – the value of fully utilising and developing Māori land could result in benefits of up to \$1.4 to \$2 billion over 40 years.

For a copy of the Local Government (Rating of Whenua Māori) Act 2021 go to www.legislation.govt.nz and for more information go to tpk.nz/rating.

Note: When referring to Māori land or whenua Māori in this booklet, we mean Māori freehold land. There is around 1.4 million hectares of Māori land in Aotearoa (around 5%) and it is governed by Te Ture Whenua Maori Act 1993.

Major changes to the rating of Māori land



Wholly unused land to be non-rateable

Before	Owners of wholly unused Māori land blocks are legally obliged to pay rates.
After	Historic rate arrears on unused Māori land will be automatically removed and no further rates will be charged on wholly unused land blocks.
Benefits	This clears the way for Māori landowners to develop unused Māori land and pay rates once this land comes into productive use. It also ensures unused Māori land does not accumulate rates arrears in the future.
Comes into effect	1 July 2021



Ability to write-off arrears

Before	Local authorities do not have the ability to write-off rates that were considered to be unrecoverable.
After	Local authorities must write off outstanding rates on any land that they consider unrecoverable, including rates debt inherited from deceased owners.
Benefits	This change alleviates one of the major barriers to Māori landowners engaging, using and developing land which currently has rates owing. It also reduces the administrative costs for local authorities who may be trying to collect unrecoverable rates.
Comes into effect	Day after Royal assent

The value of fully utilising and developing Māori land could result in benefits of up to \$1.4 to \$2 billion over 40 years.



Rates remission for Māori freehold land under development

The remission of rates involves reducing the amount owing or waiving the collection of rates altogether.

Before	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 authorities are now able to remit rates on Māori land in order to encourage development, regardless of what their current policy states.
Benefits	All Māori landowners will be able to apply for rates remission while their land is under development and if the applications is 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 to Māori landowners and the local community of developing Māori land in the region.
Comes into effect	Day after Royal Assent



Ngā Whenua Rāhui kawenata land to be made non-rateable

Before	Local authorities have the ability to collect rates on Māori land protected for conservation purposes under Ngā Whenua Rāhui.
After	All land protected by Ngā Whenua Rāhui is non-rateable and outstanding rate arrears are written off.
Benefits	This recognises the conservation value of the land and will make it more attractive for Māori land owners 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

Ngā Whenua Rāhui already makes up around 13 percent of Māori land and ranges from small blocks (1 ha) to large forests (17,000 ha +). Māori land blocks host around a third of indigenous vegetation on private land across Aotearoa. This is a substantial investment in the environment as well as providing cultural, social and economic benefits to the local community.



Treating multiple blocks as one

Before	Multiple land blocks from the same parent block are rated individually.
After	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.
Benefits	This will encourage the development of unused land by reducing the overall rating liability for the blocks and support 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

A rates rebate is a partial refund for people who pay rates to the council. For 2020/2021, the maximum rebate available was \$655. This amount is adjusted each year for inflation.

The Rates Rebate Scheme provides a rebate of rates to eligible ratepayers to assist low-income households. It is administered by local authorities.

Before	<p>Multiple homeowners on the same block of Māori land are treated as a separate rating unit.</p> <p>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.</p>
After	<p>Upon request, local authorities can rate individual houses on Māori land as a separate rating unit.</p> <p>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.</p>
Benefits	<p>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.</p> <p>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.</p>
Comes into effect	1 July 2021

The building of papakāinga on whenua Māori is increasingly regarded as a viable housing option for whānau and hapū. The legislative change to the rating of individual homeowners on collectively owned Māori land will ensure homeowners have the same rating liability and access to rates rebates as other homeowners.

Other changes

A number of other changes have been made to modernise the legislation affecting the rating of Māori land. These changes include:

- providing protection to Māori land converted to general land by the Māori Affairs Amendment Act 1967 from being sold as ‘abandoned land sales’
- removing the arbitrary two-hectare limit on the non-rateability for marae and urupā
- extending the non-rateability for marae on all kinds of land, not just those on a Māori reservation
- clarifying the obligations on trustees to declare income received from land if requested to work out rates liability
- clarifying that homes on Māori reservations are liable for rates
- referencing the principles of Te Ture Whenua Māori Act 1993 in local government rating legislation to signal the intent of the changes.



Support for Māori landowners

The changes to the rating of whenua Māori are part of the Government's wider commitment to supporting whānau and regional development through whenua.

Te Puni Kōkiri is working with Māori landowners, primarily through the Whenua Advisory Service, to support them to achieve their cultural, social and economic aspirations for their whenua and for whānau.

To contact the Whenua Māori Services, contact whenua@tpk.govt.nz

For general information about whenua Māori initiatives and funding available to support Māori landowners, go to tpk.nz/whenua

If you are interested in developing housing on Māori land, go to tpk.nz/housing

To learn more about Māori land blocks, go to Tupu.nz

Te Ture Whenua Māori Act 1993

Te Ture Whenua Māori Act is the primary legislation for Māori land. It aims to balance the protection of Māori land for future generations with the ability to use and develop land to meet the aspirations of whānau.

The Act:

- promotes the retention and use of Māori land
- facilitates the occupation, development and use of that land
- ensures decisions made about Māori land are fair and balanced, taking into account the needs of all the owners and their beneficiaries.

For more detail about Te Ture Whenua Māori Act 1993, go to

www.maorilandcourt.govt.nz and

www.tpk.nz/whenua.

