



# Statement of Proposal

## Policies on the Remission and Postponement of Rates

Consultation 9 June – 7 July 2022

This is a proposal to review our Policies on the Remissions and Postponement of Rates (Policies) under the Local Government Act 2002 (LGA). We are proposing some amendments and additions to our Policies in response to the Local Government (Rating of Whenua Māori) Amendment Act 2021.

The purpose of the review is to ensure the policies support the Preamble to Te Ture Whenua Maori Act 1993. An assessment of these policies has been undertaken, including a legal review, and some amendments have been proposed.

We are inviting submissions on the proposed Policies to assess support/objections so any alterations can be considered before Council adopt the Policies. Once adopted, the policies come into effect retrospectively on 1 July 2022.

## **Background**

Council is consulting on the Policies using section 82 (Principles of Consultation) of the LGA.

The Local Government (Rating of Whenua Maori) Amendment Act 2021 came into force in 2021. Among other things it;

- a) expanded the purpose of the Local Government (Rating) Act 2002 to include facilitating the administration of rates in a manner that supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993;
- b) expanded non-rateability to unused rating units of Maori freehold land;
- c) introduced a statutory remission for Maori freehold land under development;
- d) requires a council's policy on the remission and postponement of rates on Maori freehold land to support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993, by 01 July 2022.

## **Purpose**

The purpose of the consultation is to invite views of those affected by the proposal, and for those views to be presented to Council for consideration before Council adopt the Policies.

## **What are the Policies?**

The Policies provide us with the legislative authority to consistently and fairly remit rates or penalties on rates, or to allow for the postponement on payment of rates in situations it has deemed appropriate. Remissions and postponement of rates provide rates relief in situations to support both the fairness and equity of the rating system and the overall wellbeing of the community.

## **Reason we review our Policies**

The Local Government (Rating of Whenua Māori) Amendment Act 2021 requires Council to review its existing policies on the remission and postponement of rates on Māori freehold land by 1 July 2022.

The purpose of the review is to ensure the policies support the Preamble to Te Ture Whenua Māori Act 1993.

## **What are the key changes to the Policies?**

### Proposed amendment

Sections 5 and 6 of the Policies provide the Policy on the remission of rates on Māori Freehold Land, and Policy on the postponement of rates on Māori freehold land. The proposal seeks to align the Policies with the Local Government (Rating of Whenua Māori) Amendment Act 2021, the key part being to ensure our policy supports the principles set out

in the Preamble of the Te Ture Whenua Māori Act 1993. A summary of the key proposed changes are listed below;

- Recognising that remission can now be made on part of a rating unit.
- A new objective has been included relating to Papakāinga, reflecting clause 2(f) of Schedule 11 of the Local Government Act 2002 and that land with Papakāinga on it is not specifically non-rateable. Such a change should be considered from a policy perspective given the Rating Act now also provides for separate rating areas for housing and the Rates Rebate Act 1973 has been amended to allow applications to be made for a rebate on separate rating areas.
- We are also proposing to delete objectives and/or conditions from the Policies that are now covered by legislation.
- Other proposed changes are cosmetic in nature.

### **Analysis of reasonably practicable options**

We have considered three possible options in reviewing the policies and we would like your thoughts on what we should do.

#### Option 1 – Adopt the Policies

Council would adopt the Policies as they have been proposed.

<b>Advantages</b>	<b>Disadvantages</b>
Updating of existing Policies would occur to reflect current circumstances.	Rates remissions entitlements may change for some property owners.

#### Option 2 - Status quo

The Policies would remain the same as present.

<b>Advantages</b>	<b>Disadvantages</b>
The public are more likely to be familiar with the current Policies.	Updating/additional Policies to reflect current circumstances would not occur.
	Redundant policy wording would be retained.
	Policies would no longer be consistent with legislation.

#### Option 3 – Revoke the Policies

Council would revoke all or some of the Policies.

<b>Advantages</b>	<b>Disadvantages</b>
No one would be eligible for a rates remission, we may collect more in rates and penalties on late payments.	No one would be eligible for a rates remission, removing the ability to remit rates in certain circumstances where it would otherwise be reasonable to do so.
	Revocation of certain policies would be in breach of our role under section 102 of the Local Government Act 2002 that states that we are required to adopt a policy on the remission and postponement of Māori freehold land.

### **Statutory requirements**

Under section 102 of the Local Government Act 2002 we are required to adopt a policy on the remission and postponement of Māori freehold land and may adopt a policy on the remission of rates. In reviewing these Policies, we must do so giving effect to section 82 - principals of consultation.

*102 Funding and financial policies*

*(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).*

*(2) The policies are—*

- (a) a revenue and financing policy; and*
- (b) a liability management policy; and*
- (c) an investment policy; and*
- (d) a policy on development contributions or financial contributions; and*
- (e) a policy on the remission and postponement of rates on Māori freehold land; and*
- (f) in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.*

*(3) A local authority may adopt either or both of the following policies:*

- (a) a rates remission policy;*
- (b) a rates postponement policy.*

*(4) A local authority—*

- (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section:*

Furthermore, the Local Government (Rating of Whenua Maori) Amendment Act 2021 came into force in 2021. Among other things it;

- a) expanded the purpose of the Local Government (Rating) Act 2002 to include facilitating the administration of rates in a manner that supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993;
- b) expanded non-rateability to unused rating units of Maori freehold land;
- c) introduced a statutory remission for Maori freehold land under development;
- d) requires a council's policy on the remission and postponement of rates on Maori freehold land to support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993, by 01 July 2022.

The principles in the Preamble are wide ranging. The most relevant to local government are

“And whereas it is desirable to recognise that land is a taonga *tuku iho* of special significance to Maori people and, for that reason, 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”. requires Council to review our existing policies on the remission and postponement of rates on Maori freehold land by 1 July 2022.

### **Proposed Policies – from draft to adoption**

The views of the community are vital to our success. Therefore, we would like to invite the community to provide submissions on the proposed amendments to the policies to assist us in the decision making process.

### **The submission process**

Process	Date
Council approve statement of proposal and Policies on the Remission and Postponement of Rates for public consultation	8 June 2022
Consult the community	9 June to 7 July 2022

Council to consider the submissions and adopt Policies	13 July 2022
Submitters to be advised of outcome of hearing	July/August
Policies come into effect retrospectively	1 July 2022

### **Where can I find more information?**

You can download the Policies on the Remission and Postponement of Rates at [www.mppdc.govt.nz](http://www.mppdc.govt.nz) and you can view a copy of these documents at our offices or libraries.

### **How can I have my say?**

We actively encourage the community to contribute to the formation of these important documents and it is easy to have your say. Simply make a submission and return it to us by 8 July 2022.

You can make a submission:

Online - through our website at [www.mppdc.govt.nz](http://www.mppdc.govt.nz)

Email - [info@mppdc.govt.nz](mailto:info@mppdc.govt.nz)

Written- you can simply write your submission as a letter and either drop it off at one of our offices or post it to: Submissions  
PO Box 266  
Te Aroha 3342

Note: Please be aware that submissions made to Council are public information. Your submission will be used and reproduced for purposes such as reports to Councillors, which are made available to the public and media.

If you advise in your submission that you wish to speak to your submission, you can do so at the Council meeting 13 July 2022. If you advise on your submission that assistance is required Council is able to offer assistance with special requirements such as New Zealand sign language and audio visual mechanisms.

### **Office and library locations**

- Te Aroha Council Office: Kenrick Street Te Aroha
- Te Aroha Library: Rewi Street, Te Aroha
- Morrinsville Area Office or Library: Canada Street, Morrinsville
- Matamata Area Office or Library: Tainui Street, Matamata

### **Any questions?**

We are here to help - so if you have any questions about the Policies or the submission process please let us know. Just call us on 07 884 0060 and let our friendly Customer Services staff know you have a question about the Policies on the Remissions and Postponement of Rates.

**You must have your submission back to Council by 7 July 2022**