



Te Tari Taiwhenua  
Internal Affairs



Te Puni Kōkiri  
MINISTRY OF MĀORI DEVELOPMENT

# Proposed changes to the rating of Māori land

Local Government (Rating of Whenua Māori) Amendment Bill



*Right: Minister Mahuta at Te Kotahitanga e Mahi Trust in Kaikohe where she announced significant changes to the rating of Māori land.*



## Introduction

In February 2020, Māori Development and Local Government Minister Nanaia Mahuta announced significant changes to the rating of Māori land.

The proposed legislative changes are part of the Government’s wider commitment to supporting whānau and regional development through whenua. The changes are a significant step forward in:

- reducing the rating barriers for owners of Māori freehold land who want to use, occupy and develop their whenua, particularly for those who have rates arrears
- 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
- providing greater consistency, equity and clarity around the rating of Māori

land for the benefit of Māori land owners and local authorities.

In February 2020, the Local Government (Rating of Whenua Māori) Amendment Bill, detailing the proposed changes, was introduced into Parliament.

This booklet provides an overview of the proposed changes, how you can have your say and where you can get more information about the Bill.

*“While the retention of Māori land is paramount, inheriting rates arrears on land that can’t be sold discourages land owners from engaging with their whenua.”*  
– Minister Mahuta

*Cover: Hone Dalton (Operations Manager) and Talya Marsh (Business Support) from Te Kotahitanga e Mahi Kaha Trust. The Trust provides education and training services for rangatahi living in Northland including land-based training. Photo by Josie McClutchie.*

## Issues with the current rating system

### Rates arrears

The current rating approach has resulted in significant rates arrears on Māori land. Some of the rates arrears are owing from deceased owners and most rates arrears are for the non-payment of penalties rather than the original rates bill.

Rates arrears present a barrier and disincentive to owners engaging, occupying, using and developing Māori land.

### Unused Māori land

It is estimated that more than a third of Māori land blocks are unused and unoccupied. Unused land includes Māori land that has been set aside for conservation purposes under Ngā Whenua Rāhui kawenata.

Owners of unused Māori land blocks are still currently legally obliged to pay rates.

### Lack of clarity and consistency

Local councils across the country take different approaches to the remission and postponement of rates on whenua Māori. For example, while some local authorities remit or postpone rates payments on unused land, others do not. To ensure greater national consistency, central government needs to change the current legislation.

### Restrictions on the sale of Māori land

There are strong restrictions on the sale of Māori land, which means local authorities cannot sell Māori freehold land to recover rating debt and it is also difficult for landowners to secure loans to develop Māori land.

Some local councils with a high concentration of unused Māori land blocks have large rates debts on their books that they have great difficulty in collecting. Local councils and Māori landowners are stuck in a situation that neither can easily resolve without legislative change.

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.

## Key changes proposed

### The proposed changes to support the use and development of Māori land will:

- provide local authorities with the power to remove rates arrears
- make most unused land non-rateable including Ngā Whenua Rāhui that has been set aside for conservation purposes
- provide a statutory rates remission process for Māori land under development
- allow multiple Māori land blocks from one parent block to be treated as one for rating purposes
- enable individual houses on Māori land to be rated as if they were one rating unit. This will enable low income homeowners on blocks with more than one home to access rates rebates.

### An example

It is estimated that more than half of the Māori land blocks within the Far North District Council boundaries are unused and typically these are small land blocks. Around \$20 million in rates arrears is owing for this district.

The proposal to make unused Māori land non-rateable would automatically remove historic rates arrears on unused Māori land and ensure that no further rates arrears accumulate on unused blocks.

This proposal provides owners of Māori land a 'clean slate' and an incentive to use and develop their land. At the point where land is developed, local authorities will be able to charge rates.





## Other changes

### Changes to modernise the legislation affecting the rating of Māori land will:

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

## Have your say

The public, including Māori land owners and whānau, will have the opportunity to make a submission on the Local Government (Rating of Whenua Māori) Amendment Bill at the Select Committee stage.

The Bill was introduced into Parliament on 27 February 2020 and it will be sent to the Māori Affairs Committee following its First Reading.

If the Bill progresses through Parliament in 2020, some of the changes come into force immediately and others will come into force on 1 July 2021.

To keep up-to-date with the Bill’s progress through Parliament and to find out when public submissions are open, go to [www.parliament.govt.nz/en/pb/bills-and-laws/bills-proposed-laws/](http://www.parliament.govt.nz/en/pb/bills-and-laws/bills-proposed-laws/)

## Other support for Māori landowners

The proposed changes to the rating of whenua Māori are part of the Government’s wider commitment to supporting whānau development through whenua.

### Whenua Māori Programme

The Whenua Māori Programme was allocated \$56.1 million in Budget 2019 to enable:

- targeted amendments to Te Ture Whenua Maori Act 1993
- the establishment of on-the-ground advisory services in Te Tai Tokerau (Northland), Wairiki (Bay of Plenty) and Te Tairāwhiti (East Coast)
- easier access to information and resources including the development of the Tupu.nz website
- new and enhanced Māori Land Court technology and services
- the modernisation of the Māori Land Court information systems.

### Te Ture Whenua Māori amendments

Targeted changes to Te Ture Whenua Maori Act 1993 seek to simplify some of the requirements Māori land owners face when dealing with the Māori Land Court, including an improved succession application process and a new dispute resolution service.

This Bill is currently before Parliament; the changes are expected to come into effect in the second half of 2020.

### Investment

The Government has set aside \$100 million of the Provincial Growth Fund to invest in the development of Māori land. In addition, landowners can access funding for feasibility studies through the Whenua Māori Fund from Te Puni Kōkiri.





## For more information

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### **Local Government (Rating of Whenua Māori) Amendment Bill**

To view the Bill, go to [www.legislation.govt.nz](http://www.legislation.govt.nz)

To view the progress of the Bill, go to [www.parliament.nz/en/pb/bills-and-laws](http://www.parliament.nz/en/pb/bills-and-laws)

For general information on the proposed changes, go to [www.tpk.nz/whenua](http://www.tpk.nz/whenua) or email [WhenuaMaoriRating@dia.govt.nz](mailto:WhenuaMaoriRating@dia.govt.nz)

### **Whenua Māori Programme**

For general information, go to [www.tpk.nz/whenua](http://www.tpk.nz/whenua)

To learn more about Māori land blocks, go to [www.tupu.nz](http://www.tupu.nz)

### **Whenua investment**

For information about the Whenua Māori Fund, go to [www.tpk.govt.nz/en/whakamahi/whenua-maori](http://www.tpk.govt.nz/en/whakamahi/whenua-maori)

For information about the Provincial Growth Fund, go to [www.growregions.govt.nz/regions/whenua-maori/](http://www.growregions.govt.nz/regions/whenua-maori/)

