



Policy - Rates Remission and Postponement - including Rates Remission and Postponement for Māori Freehold Land

Kaupapahere Murua me Whakatārewa

The Local Government Act 2002 provides that the Council may adopt rates remissions and/or postponements policies. Council has developed policies for rates relief drawing on the principles that rate relief policies should be:

- effective in promoting the achievement of Environment Southland’s strategic outcomes;
- just and equitable, considering individual circumstances;
- cost-effective, transparent and easy for the ratepayer to apply;

1. Contents

1. Contents
2. Overall remissions and postponement policy conditions and criteria
3. Recognition of Obligations to Maori
4. Remission for halls owned by clubs or societies
5. Remission for sports associations without a liquor licence
6. Remission of penalties
7. Postponement Policy
8. Policy – Rates Remission and Postponement on Māori Freehold Land

Payment arrangements

Council can enter a payment arrangement at any time. This may be more suitable than a remission.

Payment arrangements allow ratepayers catchup on rates. Ratepayers unable to pay a full instalment or have arrears should contact Council rates staff and see if a payment arrangement is appropriate. Arrangement can include a remission under this policy if the arrangement is honoured.

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B5.5	Executive	Approved – 23-24 July 2003 Reviewed –22 March 2006 Reviewed – 4 February 2015 Reviewed – 13 December 2017 Reviewed – 28 March 2018 Reviewed – April 2021 Approved – 30 July 2021 Reviewed – March 2024 Approved – 17 July 2024	Council	A33382	Delegations Manual (S.4.2.5)

2. Overall remissions and postponement policy conditions and criteria

1. Rate remissions are deducted from the rates account of the property on which the remission is granted. Remissions are not paid in cash to the ratepayer. Multi-year remissions are deducted from the rates assessment when the rates are assessed.
2. All applications must be made in writing by the ratepayer or their authorised agent and provide supporting information to Council's satisfaction to support consideration of the remission.
3. All personal information provided to Council will be treated as confidential.
4. All applications will be considered on their individual merits and on a case-by-case basis.
5. Changes of circumstance should be advised to Council. Should Council become aware of any change Council may undertake an investigation and will review the validity of any remission or postponement. The applicant will be advised of the review and its outcome.

3. Recognition of Obligations to Māori

The amendment of the Local Government Act 2002 ([102\(3A\)](#)) in the Local Government (Rating of Whenua Māori) Amendment Act 2021 requires that the Rates Remissions Policies must support the principles set out in the [Preamble](#) to Te Ture Whenua Māori Act 1993.

This policy supports the matters in the Preamble by giving effect to Council's statutory obligations under the Local Government Act 2002 and the Local Government (Rating) Act 2022 including the matters in the rates remissions policies, Local Government Act 2002 [Schedule 11](#) and Local Government (Rating) Act 2002 [Schedule 1](#).

All policies in the Rates Remission and Postponement Policy also apply to Māori freehold land unless stated otherwise.

4. Remission for Halls owned by clubs or societies

Objective

To support communities by providing rates remissions, so that rates are the same as if it were used by a council, to organisations which have halls or properties which are used and operated in a similar vein to those owned by councils, in that they provide a benefit to the community (e.g. scouts, guides, private museums).

Remission Period

Indefinitely – so long as the hall ownership is unchanged and remains available to the community.

Remission Value

100% of rates.

Conditions and Criteria

Land owned by a ratepayer, other than a council, and used in a non-profit fashion as a public hall, library, museum, art gallery or other similar institution.

5. Remission for sports associations without a liquor licence

Objective

To support the community by remitting rates on land owned by sports associations operating without a liquor licence.

Remission Period

Indefinitely – so long as the land ownership is unchanged and the land is used for sport or other recreational and non-commercial purpose.

Remission Value

50% of rates.

Conditions and Criteria

1. The land must be owned by the sports association (note land owned or used by a local authority is non-rateable).
2. The land must not be used for horse or greyhound racing.
3. The land must not hold any area subject to a liquor licence.

6. Remission of penalties

Objective

To be just and equitable in the imposition of penalties, by providing for remissions where late payment of rates resulted from circumstances affecting the ratepayer's ability to pay on time.

Remission Period

Current instalment only.

Remission Value

Up to 100% of penalties.

Conditions and Criteria

1. The applicant has a good record of on-time payments of all rate instalments and:
 - (a) the ratepayer suffered due to a significant family disruption such as death, illness, accident of a family member or other 'one-off' event; or
 - (b) the property was recently sold and the settlement date coincided with or was near the penalty dates; or
 - (c) the rate assessment/invoice was not received before the penalty is incurred (on one occasion only); or
 - (d) other reason for which it would be just and equitable to remit all or part of the penalty.
2. Where a ratepayer has been in default for greater than one year and has current and arrears penalties (greater than one year) the arrears penalties may be written-off as part of the settlement arrangements for the collection of all outstanding rates and an arrangement for the on-time payment of future rates.
3. The penalty remission only applies when the instalment has been paid, a direct debit authority lodged or the ratepayer enters a payment arrangement to pay overdue rates within a specified timeframe (up to one year).
4. Under an arrangement (including direct debit), penalties may not be applied while those arrangements are honoured.

7. Postponement or remission for unforeseen circumstances

Objective

To assist ratepayers experiencing financial circumstances and/or adversely impacted by natural disaster or other calamity (as determined by Council) which directly affects their ability to pay rates.

Postponement Period

Up to three years – at the discretion of Council.

Postponement Value

Up to 100% of rates.

Remission Period

Current instalment only.

Remission Value

Up to 100% of rates.

General Conditions and Criteria

1. Council must be satisfied that the ratepayer does not have financial capacity to pay their rates instalment when demanded or the payment of the rates instalment would create financial hardship for the ratepayer.
2. The land has become unusable or uneconomic because of severe erosion, land formation changes such as slips, natural disaster or calamity and directly as a result of this exceptional circumstances the ratepayer's ability to pay the rates is severely and temporarily impeded.
3. Evidence of financial circumstances must be submitted, along with advice from an approved budget advisor, lawyer or chartered accountant.
4. In the case of widespread events such as pandemic or natural disaster Council will decide on the level of response it is able to make.
5. A postponement will be made by way of a payment arrangement (for a period up to three years) that ensures future rates are able to be paid.
6. A remission will be at Council's discretion.
7. Where an arrangement is in place, (including direct debit), penalties will not be applied while those arrangements are honoured. Failure to meet the payment arrangement could result in the removal of postponement and penalties will then be charged.

8. Policy – Rates Remission and Postponement on Māori Freehold Land

The Rates Remissions and Postponement on Māori Freehold Land Policy supports the matters in the Preamble to Te Whenua Māori Act 1993 and considers the matters in the Local Government Act 2002 Schedule 11 and the categories of non-ratable land in the Local Government (Rating) Act 2002 Schedule 1.

1. Māori freehold land - nature of the land remission

Objective

To give effect to land (or part of the land) that may not meet the criteria of the Local Government (Rating) Act 2002 as non-rateable and where it is better the land's natural or cultural significance is preserved.

The extent of relief is at the discretion of the Council and may be cancelled or reduced at any time.

Remission Period

Indefinitely – so long as the land still qualifies under the policy.

Remission Value

Up to 100% of rates.

Conditions and Criteria

Rates may be remitted on land that meets any of the following criteria:

1. the land is occupied, and no income is derived from the use or occupation of that land;
2. the land is better set aside for non-use (whenua rāhui) because of its natural or cultural features or is unoccupied, and no income is derived from the use or occupation of that land;
3. the land is inaccessible and is unoccupied;
4. only a portion of the land is occupied;
5. other purposes.

Examples of “other purposes” are remissions on dwellings and commercial zones, contiguous (not in same ownership but in common usage, and rating units that are used for residential purposes that include separately inhabited part occupied by dependant family members.

Owners or trustees making application should include the following information in their applications:

- (a) details of the property;
- (b) the objectives that will be achieved by providing the remission;
- (c) documentation that proves the land that is the subject of the application is Māori freehold land.

2. Māori freehold land - economic incentives remissions

Objective

The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners consistent with s114A of the Local Government (Rating) Act 2002.

Remission Period

Up to five years at the discretion of Council.

Remission Value

Up to 100% of rates.

Conditions and Criteria

1. The Council may remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the Council is satisfied that the development is likely to have any or all of the following benefits:
 - (a) benefits to the district by creating new employment opportunities;
 - (b) benefits to the district by creating new homes;
 - (c) benefits to the council by increasing the council's rating base in the long term;
 - (d) benefits to Māori in the district by providing support for marae in the district;
 - (e) benefits to the owners by facilitating the occupation, development, and utilisation of the land.
2. A remission application must be made in writing.
3. The Council may remit all or part of the rates having considered the duration of the development and the stages of development, having regard to when the ratepayer is likely to generate income from the development or in the case of housing when the dwelling is likely to be used.
4. The Council may put conditions on a remission including consideration of commencement and completion of the development.
5. Eligibility for this remission will be reviewed once the remission period expires. The Council may provide rates remission for other purposes if these remissions ensure ratepayers are treated equitably by the Council.

3. Māori Freehold land postponement policy

The same policies apply to Māori Freehold land as they do to general land, as per section 7 of this policy.

For information

The follow is a precis of the major matters for Māori freehold land as provided in local Government legislation.

1. Local Government (Rating) Act 2002
 - (a) The Act provides many clauses to address the nature of Māori Freehold Land. For example: trustee liability, multiple landowners, deceased owners, unproductive land, separation of land.
 - (b) Provision for the chief executive of Council to write-off rates that cannot be recovered.

- (c) Provision of remissions on land under development.
 - (d) Non-rateable land
 - (i) Nga Whenua Rahui kawenata land under the reserves and conservation acts.
 - (ii) Education land including:
 1. Wānanga
 2. Kura Kaupapa Māori
 3. Special programmes under the education and training act
 - (iii) Urupa
 - (iv) Māori customary land.
 - (v) Marae or meeting place.
 - (vi) Māori reservation held for the common use and benefit of the people of New Zealand.
 - (vii) unused rating unit of Māori freehold land.
2. Local Government Act 2002
- (a) Consider the matters in schedule 11 in developing a Remission on Māori Freehold land Policy.
 - (i) supporting land for traditional purposes;
 - (ii) recognising the relationships with ancestral lands;
 - (iii) avoiding further alienation of the land;
 - (iv) facilitating development;
 - (v) taking account of waahi tapu;
 - (vi) recognising the importance of the land to Marae and papakainga;
 - (vii) recognising the importance of the land for community goals;
 - (viii) recognising the level of community services provided to the land recognising the physical accessibility to the land.