

He Taura Kaupapa Here Whakakore Utu me te Whakatārewa Rēti

Rate Remission and Postponement Policy

Remission and postponement policies are primarily used to address any inequities as a result of setting of the rates and provide assistance to those who are affected more than others.

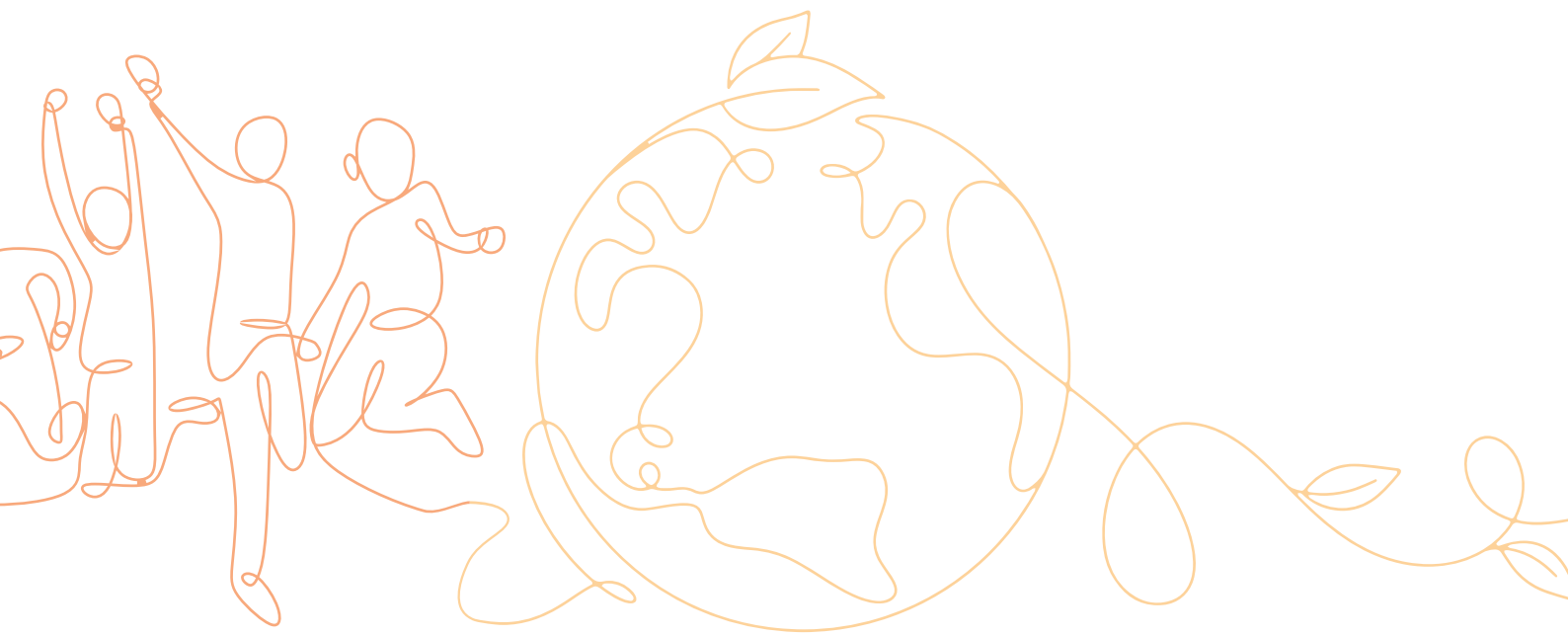


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Introduction

Section 102(3) of the Local Government Act 2002 (LGA) provides that a council may adopt a rates remission policy and a rates postponement policy. This policy addresses both remission and postponement of rates.

Sections 102(1) and 102(2) and 108 of the LGA require councils to adopt rates remission and postponement policies on Māori freehold land. Council has considered the matters listed in Schedule 11 clause 1 of the LGA and recognises that the nature of Māori land is different to general title land.

Policy Objectives

Fair and equitable collection of rates which:

- a. Aligns to community, cultural, environmental, and economic outcomes, including the outcomes of Tairāwhiti 2050.
- b. Recognises affordability and ratepayer circumstances and avoids further alienation of Māori freehold land.
- c. Enables the use / development of land, including for traditional purposes, including wāhi tapu.
- d. Applies the relevant provisions of the Local Government Act and the Local Government (Rating) Act 2002.
- e. Aligns with Te Ture Whenua Māori Act 1991 Preamble principles by:
 - i. recognising of Māori freehold land as taonga tuku iho
 - ii. promoting the retention of, and facilitating the occupation, development, and utilisation of Māori freehold land in the hands of its owners, whanau, and hapū.
 - iii. protecting wāhi tapu.

Remission and postponement policies allow for the fine tuning of the rating system and an opportunity to support community outcomes by offering financial relief for some ratepayers.

Principles

In order to make informed and consistent funding choices, the following funding principles have been developed and applied:

- a. All funding options will consider affordability.
- b. Funding choices will support the outcomes of Tairāwhiti 2050.
- c. Council will explore funding options from all other sources before choosing rates to fund activities.
- d. In collaboration with Māori, funding choices will contribute to enabling the development of Māori land.
- e. Each generation should pay for the services they receive.
- f. Revenue collection will be obvious, transparent, efficient, and simple.
- g. Actions and inactions that adversely affect the community, environment or Council assets can expect to pay more.
- h. Users of services can expect to contribute to the cost of operating the service.
- i. Borrowing will be used when it is financially efficient to do so and in the best interest of the community.

Remissions assist to support the funding principles by modifying the incidence of rates. In developing of remissions and postponement policies Council has considered how modifying the rates through remissions supports achieving the outcomes of Tairāwhiti 2050. These Policies will reduce the rates paid by some ratepayers and in doing so will contribute to:

- a. Addressing any unintended consequences arising from the application of rating policy.
- b. Addressing financial affordability.
- c. Removing financial barriers to use and development of land.

Remission and postponement policies work well when addressing individual needs or the needs of a small group. For a large group, it is likely that changes to the rating system are more cost effective and efficient way to implement the principles.

Councils' principles align with the principles of the Te Ture Whenua Māori Act preamble.

Preamble to Te Ture Whenua Māori Act

Nā te mea i riro nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i riro atu ai te kāwanatanga kia riro māi ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Māori 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: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles.

Overall Remission Policy Conditions and Criteria

1. Where a property or part of that property is sold or transferred within the period of remission or postponement, Council may recover the rates remitted or postponed for the applicable period. This may apply to the whole property or the portion that has been sold or transferred.
2. The Council can impose conditions concerning future actions that must be taken before the remission is granted.
3. Ratepayers need to advise Council of any changes that may impact the eligibility for a remission.
4. All Māori Freehold Land policies apply only to Māori Freehold Land. General policies may apply to both general land and Māori freehold land.

Making an Application? This is what you need to know:

1. An application is required for each remission applied for, unless stated otherwise.
2. Where applications are required, all applications must be made in writing, using the prescribed form unless expressly declared otherwise in this policy. Copies of the prescribed forms can be downloaded from the Council's website or obtained from the Council's office.
3. All applications must be:
 - a. Made by the ratepayer or their authorised agent.
 - b. Accompanied by any required additional information.
4. Applications will be considered on their individual merits and on a case-by-case basis. The applicant will be notified of the outcome of their application.
5. Council may:
 - a. Request additional information from applicants to enable the assessment.
 - b. Inspect the property in order to assess the application and to confirm compliance with policy criteria from time to time. Inspection will be with the owner's or ratepayers' consent and may include taking of photos or video in person or remotely.
6. The applicant of the property, must provide proof of eligibility (including required additional information, listed under each policy) which will be confirmed using relevant Council records.
7. To be considered for a rate remission under each policy, make sure that conditions and criteria (both general and specific, if stated) are met before applying.
8. All personal information provided to Council will be treated as confidential.
9. Incomplete information or if an inspection is not granted for Council officers to make an assessment may mean that the application cannot be processed.
10. Rate remissions result in the relevant rates account for a rating unit recording the rates or portion off the rates remitted as paid.
11. Remissions are not paid in cash to the ratepayer. Multi-year rate remissions are applied in the relevant rates account for a rating unit recording the rates or portion of rates remitted as paid when the rates are assessed.
12. Any decision made by Council under this policy is final.
13. If a ratepayer contests a decision made under delegation to staff, the applicant may request the matter be referred to Council or a committee delegated to undertake such a review.

General Policies

1. Community, Recreation & Not for Profit Organisations

1.1. Objectives

To assist in the ongoing provision of not-for-profit community services and recreational opportunities that benefit the community.

To assist an organisation's survival by making membership of the organisation more accessible to the community, particularly disadvantaged groups such as children, youth, young families, aged and economically disadvantaged people.

These objectives support the principle of removing financial barriers to enable the land to be used for community and / or recreational purposes in support of Tairāwhiti 2050 outcomes.

1.2. Remission Period

Up to 3 years – subject to the conditions and criteria still being met.

1.3. Remission Value

Up to 100% of rates, except for targeted rates for the following services supplied to the rating unit: wastewater (sewerage), waste management (rubbish collection and recycling), and water supply.

1.4. Conditions and Criteria

The application must support the objectives of this policy.

The rating unit must be used exclusively or principally for sporting, recreation, or community purposes.

The remission will be calculated on Council's assessment of the degree to which community benefit is derived from the activities or assets of the organisation relative to other organisations.

This remission does not apply to organisations/groups whose primary purpose is to address the need of adult members (over 18 years) for entertainment or social interaction or engage in a recreational, sporting or community services as a secondary purpose.

1.5. Additional Information for Application

The following information must accompany the application form:

1. Statement of organisation's objectives.
2. Financial accounts.
3. Information on activities and programmes.
4. Details of membership or clients.
5. Any other information to support the conditions and criteria.

2. Economic Development

2.1. Objective

To promote employment and economic development by offering rates remissions to encourage existing businesses to expand and grow, and new businesses to set up.

This objective supports the principle of removing financial barriers to development of land.

2.2. Remission Period

Up to 3 years – subject to the conditions and criteria still being met.

2.3. Remission Value

Up to 100% of rates.

2.4. General Conditions & Criteria

The application must support the objective of this policy and the matters that Council views the development as set out below when staff consider any remission granted.

In Council's view the development:

- a. Is strategically important to the economic development of the district.
- b. Creates significant and lasting new employment opportunities within the district.
- c. Bring significant amount of new capital investment to the district and will add value to the local resources.
- d. Has strong financial viability and would provide long-term benefits.
- e. Does not adversely impact on existing businesses.

2.5. Additional Information for Application

The following information must accompany the application:

- a. Description and plan of the development.
- b. An estimate of the costs of development and capital investment involved.
- c. An estimate of the likely number and type of jobs created by the development.
- d. Evidence that the jobs created will be new to the district.
- e. Any other relevant information requested in order to establish that the development meets the conditions and criteria of this policy.

3. Excess Water

3.1. Objective

To provide a rate relief to ratepayers in situations where water usage is high due to a water leak or damage to the property's internal water reticulation system of which the ratepayer was unaware.

This objective supports the principle of financial affordability and encourages timely repair of the leak.

3.2. Remission Period

On a case-by-case basis – subject to the conditions and criteria still being met.

3.3. Remission Value

Up to the full amount of the difference between normal consumption and the actual water consumption for the billing period. By exception, a remission may be backdated to earlier billing periods.

3.4. Conditions & Criteria

The application must support the objectives of this policy.

The excess water charges must be for an amount which is considerably in excess of the average water used in the previous four billing periods and take any seasonal variations into account.

The plumber's report and repairs are to Council's satisfaction.

A remission will not be provided if negligence is shown regarding timeliness of repair or maintenance of the system (for example, multiple leaks).

A remission under this policy will only be granted once in any given rating year.

3.5. Additional Information for Application

The following information must accompany the application:

- a. A report from a registered plumber stating the cause of water loss is a result of a leak or damage to the ratepayer's internal water reticulation system.
- b. Proof of repairs to the internal reticulation system for verification.

4. Exceptional Circumstances and / or Financial support

4.1. Objective

To assist ratepayers experiencing financial hardship and/or are adversely impacted by a natural disaster or other calamity which directly affects their ability to pay rates. Or a situation has arisen where some event has occurred which makes the collection of rates impractical, impossible, or unreasonable. The objective supports financial affordability by providing relief from paying rates in exceptional circumstances. Exceptional circumstances could include community organisations ceasing operation, an unintended rating situation where it is fair and reasonable to remit rates in certain situations, an unpredictable event including natural disasters, pandemic, epidemic or other calamity that affect the ratepayer's ability to pay rates.

4.2. Remission Period

Current years rates only. See postponement policy for multi-year relief options.

4.3. Remission Value

Up to 100% of rates and current penalties.

4.4. General Conditions and Criteria

The application must support the objectives of this policy.

Council must be satisfied that:

- a. the ratepayer does not have financial capacity to pay their rates instalment when due; or
- b. the payment of the rates instalment would create financial hardship for the ratepayer.
- c. In the event of an exceptional circumstance that is not associated with hardship, there are exceptional circumstances where a situation has arisen which makes the collection of rates impractical, impossible, or unreasonable.
- d. exceptional circumstances remissions do not cover remissions for road closure.

4.5. Specific Criteria for Financial Hardship

To determine whether financial hardship exists, the ratepayer's personal circumstances, for both residential and non-residential applications, will be considered including age, physical or mental disability, injury, illness, and family circumstances.

All residential applicants must receive advice from an approved budget advisory service.

All business and commercial applicants must receive advice from an Accountant, Lawyer, or other independent and suitably qualified professional.

If the ratepayer owns other property or has a significant financial interest in a business, information on the financial circumstances of the business may be required to assist in assessing financial hardship.

4.6. Specific Criteria for Exceptional Circumstances which can be considered separately to financial hardship

The land has become unusable or uneconomic because of exceptional circumstances such as severe erosion, land formation changes such as slips, any natural disaster or calamity.

The ownership of the land has become indeterminate or uneconomic (such as a club becoming defunct) or an unintended rating situation has arisen where it is fair and reasonable to remit rates in certain situations.

4.7. Additional Information for financial hardship application

The following information must accompany the application:

For Individuals

- Budget Sheet completed by an approved Budget or Financial Advisor.

For Businesses

- Statement of Assets & Liabilities.
- Current Balance Sheet.
- Forecast Cash Flow Statement for the following 12 months.

5. Fragmented & Uneconomic Coastal Rural Land

5.1. Background

Some coastal rural land used for pastoral farming has a valuation in excess of its economic use, based on the potential for housing development which is in excess of its current use; such development has not started or cannot occur.

5.2. Objective

To recognise special circumstances pertaining to coastal rural land used for pastoral farming and situations where multiple coastal rural properties are effectively used as one farm property.

This objective supports the principles by removing the impact of unintended consequences and making rates more affordable for pastoral farms on coastal land removing financial barriers to the use of the land.

5.3. Remission Period

Indefinitely – subject to the conditions and criteria still being met.

5.4. Remission Value

Up to full amount of the General rate and targeted Subsidised Local Road rates.

Council may give a remission of general and/or targeted rates based on the difference in land value and/or capital value between the best potential value of the land arising from its coastal location, and the economic value arising from its actual use.

Where a farm is made up of several individual titles which may or may not be adjacent, Council may remit general and/or targeted rates based on the difference in land value and/or capital value between the actual accumulated value of the individual land blocks and the value of a single block of land in the same locality with the same land area.

5.5. Conditions and Criteria

The application must support the objectives of this policy.

The land must be rural land that has a valuation significantly more than the rating value (uneconomic land) of its current use as its rating value is based on its potential for housing development in a coastal area.

Where coastal land is used for pastoral farming and contains multiple rating units (fragmented land) valued at a higher amount due to their potential for housing a remission may be made to give the effect as if the land were valued as pastoral land.

Where coastal rural rating units are used as one pastoral farm, and each have a housing site as part of the rating valuation, an application can be made to have all properties valued as if they were one contiguous farm property. For example, a farm of five 20-hectare properties will be treated for rating purposes as if it is a single 100-hectare pastoral block. The value of the primary block would not be changed, because it can support a housing site; however, the remaining four blocks will receive a remission of that part of their value which relates to potential housing sites.

The Council have the discretion whether to extend, reduce or cancel this remission at any time for any reason.

5.6. Additional Information for Application

A signed statement by the applicant that land is used for pastoral purposes only and including the following:

- a. Details of the rating units involved.
- b. Details of the tenure.
- c. Proof of ownership.
- d. Evidence of whether the land is formally or informally leased.

6. Land Affected by Plan Changes

6.1. Objective

To recognise the existing use of land affected by zoning changes, when there is a plan change which rezones land to enable a higher value land use.

This objective supports the principle of financial affordability by providing relief from paying rates on a higher land value as a consequence of a plan change.

6.2. Remission Period

Up to 6 years.

6.3. Remission Value

Up to the value of additional rates as a result of the plan change.

6.4. Conditions & Criteria

The application must support the objectives of this policy.

The land has been used in accordance with the applicable rules in the Tairāwhiti Resource Management Plan and resource consents prior to the plan change.

The land must be subject to a plan change, other than by the owner, resulting in a different zoning.

The remission ceases to apply if:

- a. The land is sold or transferred.
- b. The use of land changes.

7. Natural Heritage and Cultural Heritage

7.1. Objectives

To acknowledge the wider community benefit of protecting natural and cultural heritage areas which are on privately owned land, including whenua Māori.

To recognise the extent of voluntary protection given to natural and cultural heritage areas on private land, including whenua Māori, with or without public access. (e.g., Nga Whenua Rahui, Queen Elizabeth II Covenants (QEII)). Please click on this link to view)

[Ngā Whenua Rāhui Fund application form \(doc.govt.nz\)](#)

[Protecting Your Land | QEII National Trust](#)

These objectives support our principle to remove financial barriers to protecting land.

7.2. Remission Period

Indefinitely – as long as the natural or cultural heritage remains protected and in existence.

7.3. Remission Value

Up to 100% of rates, excluding rates for services to the property. Land not subject to an encumbrance recorded on the certificate of title shall have the remission level set in accordance with the merit of the application.

7.4. Conditions and Criteria

The application must support the objectives of this policy.

Natural, historic, and cultural heritage areas will be independently assessed by a certified professional.

The area shall have no, or minimal economic activity associated with it.

An encumbrance (or similar mechanism) shall be in place over the land or part of the land for the purpose of providing protection to the natural or cultural heritage, which Council considers is satisfactory to provide long-lasting protection.

This policy does not apply to land with a covenant under the Reserves Act 1977, the Conservation Act 1987 or Heritage New Zealand Pouhere Taonga Act 2014 which are non-rateable under the Local Government Rating Act 2002.

7.5. Additional information for Application

In addition to the standard application form, the following information must be provided:

- a. Contact Council to discuss your proposal.
- b. An independent assessment of the natural and cultural values.
- c. A copy of the certificate of title and the encumbrance or other protection.
- d. Other information to support the application.

8. Payment Arrangement and Rate Arrears

8.1. Objective

To allow for the remission of rates and water rates and to allow the ratepayer to catch up on rates arrears.

This objective supports the principle is to remove financial barriers to the recovery of rates arrears.

8.2. Remission Period

Determined on a case-by-case basis.

8.3. Remission Value

Up to \$500 plus any penalties.

8.4. Conditions and Criteria

The application must support the objectives of this policy.

The ratepayer must enter into a genuine arrangement with Council which can be a formalised agreement between parties for commitment and compliance purposes to pay overdue rates within an agreed timeframe.

Council may remit rates and water rates arrears of up to \$500 and can apply a penalty suppression on the property to avoid further penalties within the arrangement period. The penalty suppression is lifted when the payment arrangement is concluded.

The ratepayer may be offered a remission of a fixed amount if overdue rates are repaid in accordance with the entering into genuine payment arrangement as outlined under condition 1. This may be any amount up to the full sum of past penalties still owing.

9. Penalties

9.1. Objective

To allow for the remission of penalties when payments are not received by the date set for penalty imposition due to circumstances outside of the ratepayer's control.

This objective supports the principle to remove financial barriers to the recovery of rates.

9.2. Remission Period

One off.

9.3. Remission Value

Up to 100% of the penalty.

9.4. Conditions and Criteria

The application must support the objectives of this policy and:

- a. The ratepayer suffered due to a significant family disruption such as death, illness, accident of a family member, rates invoice not received, or other 'one-off' event; or
- b. The property was recently purchased, and the settlement date coincided with or was near the penalty dates; or
- c. Rateable Māori freehold land vested in trustees, which has derived insufficient income from the land to pay the rates (where section 93 of the Local Government Rating Act 2002 applies).
- d. The applicant has a good record of on-time payments for previous rate instalments.
- e. The ratepayer enters a genuine arrangement to pay overdue rates within a specified timeframe or has paid the relevant rates in respect of rates to which the penalty was added.

10. Permanent Crops

10.1. Background

Under capital value rating schemes, permanent crops are regarded as part of the capital value. This means that under capital rating, two identical farms, one of which grows a permanent crop such as citrus, and the other grows an annual crop such as squash, could pay completely different rates, even though their utilisation of Council's infrastructure services (e.g., roads) maybe the same.

10.2. Objective

To maintain relativities in the rates paid between horticulturalists who grow permanent crops and those who grow annual crops, for subsidised targeted road rates set on capital value.

This objective supports the principle of making a modification to the rates any unintended consequences arising from the application of rating policy (see 11.1).

10.3. Remission Period

The remission will apply for a period of one financial year.

10.4. Remission Value

Based on valuation information calculated by Council's rating valuer where the portion of the rate set on capital value is due to capitalised crop value.

2021/2022 The remission in rates (based on the rating valuer's calculation) must be greater than \$100 but no more than \$7,000.

10.5. Conditions and Criteria

Application must support the objectives of this policy.

The land must be a horticultural block on which permanent crops comprise part of the property's capital value.

The rates remitted under this policy will be on application from the ratepayer and for the targeted subsidised roading rates, on the portion of their capital value which is due to capitalised crop value. In some cases, such as financial hardship, the rates remitted may also include general rates set on capital value.

Note: *The Council's valuers will provide additional valuation data on all properties with a land use classification of "Horticultural".*

This additional data will be the Capital Value of the permanent crops plus the capital value of any supporting structures for those crops. It will not include other items, such as irrigation systems, packing sheds or the like.

11. Rates Transition Policy

11.1. Objective

To provide rates relief for the unintended and significant impact on specific rates caused by changes to the Revenue and Financing Policy.

This objective supports the principle of making a modification to the rates any unintended consequences arising from the application of rating policy.

11.2. Remission Period

One year but up to three years on a case-by-case basis.

11.3. Remission Value

See below.

11.4. Conditions and Criteria

The application must support the objectives of this policy.

This policy only applies if:

- a. There is an increase to the rates applied to a rating unit as a result of changes made to the Revenue and Financing Policy; and
- b. The rates increase for a rating unit is 10% or more as a result of changes made to the Revenue and Financing Policy when compared to the total rates payable for the previous year and after other remissions have been applied.
- c. There was financial hardship arising from the increase in rates.

A property may be eligible for a remission if:

- a. A rate has increased by at least:
 - i. \$1,000; and
 - ii. 30% of the total for that rate compared to the previous rating year.

The amount remitted will be up to amount of the increase above the \$1,000 and 30% threshold (whichever is higher).

If the remission is applied to more than one year, then the rate of remission in the years following will decrease 30% from the previous year; up to a maximum of three years.

The remission will be applied as a lump sum to the rates assessed against each rating unit in that year of application.

No remission will be granted if the total remission for all the relevant rates subject to the specific changes does not exceed \$500 (GST inclusive).

Note: *A remission may be offered to smooth rate peaks due to changes to the Revenue and Financing Policy for certain activities which lead to financial hardship as a result of significant increases in the amount of rates assessed for a rating unit.*

12. Uniform Annual General Charge (UAGC) and certain Targeted Rates

12.1. Objectives

To provide for the remission of the UAGC and certain targeted rates on properties where it would be when circumstances are inappropriate and/or impractical to charge them, when Council may wish to encourage sub-division development in urban areas. It includes:

- a. Multiple dwellings.
- b. Dwellings on rural and commercial property essential to the business.
- c. Uninhabitable dwellings or land.
- d. Land which cannot be built on.
- e. Land which is contiguous.
- f. Land that has been recently subdivided.
- g. Low value properties.
- h. Other examples of unintended consequences.

This objective supports the principle of making a modification to the rates to address unintended consequences arising from the application of rating policy.

Note: *Certain targeted rates are charged per SUIP (separately used or inhabited part of a rating unit) for services above what would be supplied to a single household or in the case of uninhabitable buildings / properties as a part charge.*

12.2. Remission Period

Typically for 3 years but up to indefinitely – subject to change of circumstances.

12.3. Remission Value

Up to 100% of the UAGC and selected targeted rates.

Discretionary Targeted rates include but not limited to:

- a. Water Supply connection charge
- b. Toilet Pan charges
- c. Refuse and recycling collection.
- d. Transfer Station refuse sticker charges.
- e. Parks and reserve rate
- f. noise control
- g. animal control
- h. passenger transport

12.4. General Conditions and Criteria

The application must support the objectives of this policy.

This policy applies where there are:

- a. Multiple dwellings recorded on the valuation records, but one or more dwellings are not being used as dwellings, are derelict or uninhabitable.
- b. Multiple dwellings on a property, but they are being used by members of the direct family of the ratepayer (such as granny flats, teenagers) or as one tenancy.
- c. Multiple dwellings on a property, but one or more is used by live-in caregivers for health reasons, or to provide humanitarian assistance (in other words, used by persons who would normally "live in" if the ratepayer's primary accommodation had been large enough in the first instance).
- d. Businesses with separately accessible accommodation on the rating unit, which is a prerequisite for the efficient operation of that business.
- e. Dwellings on rural land that are vacant for more than three months of the current rating year and no income is derived from the use of the dwelling.
- f. Uninhabitable land in residential or lifestyle rating categories.
- g. Near contiguous rural properties up to 10 km apart operating as a single farming unit.
- h. Near- contiguous rural properties up to 10km apart used for the same purpose and the same business.
- i. Near contiguous subdivision properties in common ownership.
- j. Properties valued below \$6,001.
- k. Other circumstances where a remission of a UAGC or certain targeted rates is just and equitable.

12.5. Specific Condition and Criteria - multiple dwellings (12.4 (a) (b) &(c))

An assessment will be made as to whether there is:

- a. physical conditions which would make it inappropriate or impractical for the additional dwelling or flats to be separately inhabited, or
- b. a dwelling in very poor and uninhabitable condition, or
- c. a dependency relationship between the primary ratepayer or primary tenant and the occupiers of the flat/dwelling e.g., supporting family members unable to live alone for health reasons or a school age child / teenager.

Where family occupy the additional dwelling independently and have a separate income, a partial remission of the UAGC would be considered e.g., the portion of the UAGC covering roading and governance is payable. Reviewed 3 yearly.

12.6. Specific Condition and Criteria – commercial and rural dwellings under the same ownership (12.4 (d) & (e))

An assessment will be made as to whether there is:

- a. a dwelling in very poor and uninhabitable condition, or
- b. a dependency relationship between the primary ratepayer or primary tenant and the occupiers of the flat/dwelling, or
- c. a dwelling that is vacant for more than three months of the current rating year and no income has been derived from the use of the dwelling, or
- d. a dwelling on rural and commercial property essential to the ongoing operation of the business. A partial remission of the UAGC would be considered e.g., the portion of the UAGC covering roading and governance is payable.

Reviewed 3 yearly.

12.7. Specific Condition and Criteria – uninhabitable land (12.4(1) (f))

An assessment will be made as to whether a building consent has been refused or it is likely that a building consent would be refused on every part of the property because of flooding or land instability.

Reviewed 5 yearly.

12.8. Specific Condition and Criteria – contiguous properties (12.4(1) (g) & (h))

To provide relief to ratepayers who occupy several near adjacent rating units, but which do not meet the criteria of Section 20 of the Local Government (Rating) Act 2002

Pastoral

This remission is only applicable to land categorised by the Rating Valuer as a pastoral block.

The remission encourages the use of small pastoral blocks which would otherwise be uneconomic to use without remission of the Uniform Annual General Charge.

An assessment will be made as to whether there is:

- a. Rural properties within 10 km of the parent block and operating as one farming operation.
- b. Land that is not contiguous but used for the same purpose and the same business.
- c. The remittance of rates is based on the following guide, but can be overridden if it assists in certain circumstances (e.g., financial hardship):
 1. Up to 500 metres = 80%
 2. 501 metres to 3,000 metres = 50%
 3. 3,001 metres to 10,000 metres = 20%

Urban sub-divisions

In urban areas, when a developer splits a block of land into two or more titles for the purpose of selling them for separate occupation, the implication of charging full UAGCs as soon as a Deposited Plan is registered could be a financial disincentive to the sub-divider. Council wishes to encourage development, not discourage it.

An assessment will be made as to whether there is:

Urban subdivisions creating more than two near contiguous bare block titles. A remission may be applied for up to 3 years from first assessment or until sold (whichever is earlier).

12.9. Specific Condition and Criteria – low value properties (12.4(1) (j))

The capital value of the property is less than \$6,001.

The property is not used for any form of residential occupation (other than, for example, camping for a few weeks every year).

Remission of rates: Māori freehold land

Introduction

Tairāwhiti has a significant amount of whenua Māori - Māori freehold land. This policy explains the criteria and conditions used to determine whether the rates should be remitted on this land.

These policies are in addition to the general policies and only apply to Māori freehold land. Māori freehold land is defined in section 5 of the Local Government (Rating) Act 2002 (LGRA) as 'land whose beneficial ownership has been determined by the Māori Land Court by freehold order'.

Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectible.

Objectives

1. The purpose of this remissions policy is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.
2. This remissions policy meets the following Gisborne District Council objectives:
 - a. aligns to community, cultural, environmental, and economic outcomes, including the outcomes of Tairāwhiti 2050.
 - b. recognises affordability and ratepayer circumstances and avoids further alienation of Māori freehold land.
 - c. enables the use / development of land, including for traditional purposes, including wāhi tapu.
 - d. applies the relevant provisions of the Local Government Act and the Local Government (Rating) Act 2002.
3. This Remission policy is in two parts:
 - a. Part 1 Unused Portions of Māori freehold Land
 - b. Part 2: Development of Māori freehold Land
4. In determining this policy, the Council has taken into consideration all the objectives listed in Schedule 11 of the Local Government Act 2002 (all are important and relevant to whenua Māori in Tairāwhiti, please click on this link to view)

[Local Government Act 2002 No 84 \(as at 12 November 2018\), Public Act Schedule 11 Matters relating to rates relief on Māori freehold land – New Zealand Legislation](#)

General provisions for Māori freehold land

Where land is in multiple ownership, a written statement authorising an individual to act for the owners must be submitted with all applications.

13. Part 1 Unused Portions of Māori Freehold Land

13.1. Background

This policy addresses situations where the Council has created one or more separate rating areas (SRA) for Māori freehold land (contained in one rating unit, but where the balance of the initial rating unit is unused).

While the Schedule 1, Part 1, Clause 14A of the Local Government (Rating) Act 2002 (LGRA) makes unused Māori freehold land non rateable, it only applies to whole rating units. The Council had a remission policy which provided remissions for unused portions of Māori freehold land, which pre-dates Clause 14A. This remission continues that policy.

13.2. Eligibility /Criteria

The remission applies to land within a rating unit where:

- a. One or more SRA have been created from a rating unit that is Māori freehold land AND
- b. There is residual land that forms part of the rating unit, that is outside of an SRA (balance land) and that otherwise meets the requirements of an unused rating unit in LGRA Part 1, Clause 14A; and
- c. There is no person using the balance land.
- d. The portion of the rating unit is used in a similar manner to a reserve or conservation area. This includes retirement of erosion-prone land into permanent natives.

13.3. Application Requirements

- a. Application requirements are:
 1. the ratepayer or another person has applied in writing for a remission on the balance land, by completing the Gisborne District Council form for remissions on Māori freehold land; AND
 2. an aerial photo (provided by Council) where the applicant has defined the balance land that is outside of any SRA, to the satisfaction of council.

13.4. Remission Value and Duration

- a. The application of remissions to the balance land will be the same procedure that the Council applies to unused rating units under Schedule 1, Part 1, Clause 14A, Local Government (Rating) Act 2002.
- b. The remission will be ongoing. The balance land subject to the remission will be checked each three years as part of the general revaluation process. If the council becomes aware of use and the balance land is identified as being used it will become rateable. The remission will apply until the conditions and criteria are no longer met.
- c. All rates, or where applicable part rates will be remitted from the balance land (to remove doubt this includes area, value based, uniform and targeted rates); with the exception of targeted rates for a service that is used.

14.Part 2: Development of Māori Freehold Land

14.1. Background

- a. This policy provides a remission to support Māori freehold landowners and those responsible for whenua Māori who wish to develop previously unused or unoccupied land for economic use which could lead to future financial returns for Māori freehold landowners, economic development of the Tairāwhiti district, and payment of rates to Council. It is designed to encourage land development by effectively providing a “rates holiday” that aligns to the time period when the land provides a sustainable financial return.
- b. This Policy is also designed to:
 1. support the Council in its application of Section 114A, LGRA and
 2. encourage land development.
 3. applies during the start-up phase only (e.g., prior to crops or the development providing a sustainable financial return) and once the business is achieving a sustainable financial return the remission policy will no longer apply.

14.2. Eligibility / Criteria

This remissions policy applies:

- a. To Māori freehold land as defines by section 5 LGRA and undertaken by the landowner or a third party.
- b. This remission can be applied to part of a Māori freehold land rating unit.
- c. This remission applies during the start-up phase only of a development (e.g., prior to crops providing a sustainable financial return), and will not be available once the development is achieving a sustainable financial return. Council will assess the extent to which a sustainable financial return is received, with input from relevant experts.

14.3. Exclusions

For the avoidance of doubt, the following uses do not qualify for this remission, however these types of development may be considered for remission under The LGRA 114A, 'Remission of rates for Māori freehold Land under development'.

- a. Commercial Forestry
- b. Commercial Apiculture
- c. Carbon farming or similar not covered by the LGRA.

14.4. Application/ Remission Requirements

Application requirements are:

- a. the ratepayer or another person has applied in writing for a remission, by completing the Council form for remissions on Māori freehold land, AND
- b. an agricultural or business plan related to the proposed development, undertaken to the satisfaction of the Council, AND
- c. undertake development according to the agreed programme; AND
- d. provides annual reports and other updates as requested; AND
- e. the Council may itself or through its agents, evaluate the proposed development, including it's financial viability, and timeline for the development.

14.5. Remission

- a. 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 benefits identified in Section 114A (3), LGRA.
- b. The partial or full remission of rates can apply until:
 1. Agricultural uses: commercial harvest which will be determined by the Council, or its agent based on the particular crop. The Council will consider the agricultural plan as part of its decision-making process.
 2. Commercial uses: gross income equals or exceeds wage and salary costs. Following this Council may grant partial rates remission for a further three years based on the business plan to profitability; and
 3. New Housing: a new home(s) has achieved occupation or practical completion in the opinion of the Council or their valuer or a code of compliance certificate is issued by Council under the Building Act. For projects with multiple homes, SRA's may be created as homes are occupied or completed.
 4. The project is abandoned or not be pursued according to the plan including allowance for schedule contingency.

14.6. Remission value

- a. Applies to general rates uniform annual general charges and targeted rates, including penalties for unpaid rates in the period that the remission is applied.
- b. excludes targeted rates for services used.

14.7. Definitions - Relating to Part 2. Development of Māori Freehold Land

- a. Agriculture/Agricultural: Includes any legal form of farming, arable, horticulture and viticulture, or similar uses, but does not include indigenous or exotic forestry.
- b. Improved utilisation of the land would usually constitute a change of use such as a dairy conversion or new horticultural or viticultural activity. Typically, there is greater projected revenue and additional jobs.
- c. New Home / Homes and New Commercial Premise / Premises, includes refurbishment of an existing structure that has been unused for at least one rating year.
- d. Commercial Use: commercial use includes any business activity that is based at the property and includes IT, office, hospitality, storage, industrial, accommodation, sale of goods and /or distribution. To remove doubt the policy does not include employed people working from home.
- e. Construction Period: Means from the point of application to the point at which occupation occurs, practical completion or a completion certificate under the Building Act is issued by the Council. To remove doubt when the property is used, the remission will cease.
- f. New agricultural or horticultural production means undertaking new rural activities or reactivation of lapsed activities. An example would be land that was farmed for dry stock but left idle for at least one rating year (1 July to 30 June). Then reactivation would include activities such as securing boundary an / or internal fencing, repairing gates and tracks, repairing / replacing yards and farm buildings and introduction of stock.
- g. First commercial harvest means: Point at which commercially viable production commences. This will be assessed by the Council or its agent, based on planned use using usual periods for the particular crop and will be informed by the agricultural plan. This section does not apply to forestry or other crops where there is more than 2 years between harvests.
- h. Area: Where the use being remitted is the sole use of the block then the remission will apply to the whole block. Where there are also other uses of the land it will apply to the special rateable area.
- i. The remission applies to all rates other than service rates where the service is used.
- j. Unused Land: as defined by Note 4A, Part 1, Schedule 1, LGRA: For the purposes of clause 14A. A rating unit is unused if:
 1. there is no person actually using any part of the rating unit; or
 2. the entire rating unit is used in a similar manner to a reserve or conservation area and no part of the rating unit is:
 - a. leased by any person; or
 - b. used as residential accommodation; or
 - c. used for any activity (whether commercial or agricultural) other than for personal visits to the land or personal collections of kai or cultural or medicinal material from the land; and
 - d. a rating unit must not be treated as being used solely because a person is a participant under the Climate Change Response Act 2002 in respect of an activity relating to the rating unit.

14.8. Checking Process

Note that before processing any application the Council will first check whether the rating unit is eligible under the Local Government (Rating) Act 2002 to be:

- a. non-rateable (Part 1, Schedule 1, LGRA)
- b. partially rateable (Part 2, Schedule 1, LGRA)
- c. treated as a single rating unit in common ownership (Section 20 and 20A, LGRA)
- d. eligible for the apportionment of rates for separate rating areas (section 98B, LGRA)
- e. eligible for the remission of rates where the land is under development (section 114A, LGRA)
- f. exempt from paying rates by an Order in Council (Section 116, LGRA).

In addition, the Council will check on whether other Council remissions policies that apply to both general title and Māori freehold land should apply.

Postponement of rates

15. Financial Hardship

15.1. Objective

To assist ratepayers experiencing financial hardship which directly affects their ability to pay rates.

These objectives support our principle of financial affordability.

15.2. General Conditions and Criteria

The application must support the objectives of this policy.

The Council must be satisfied that the ratepayer does not have the financial capacity to pay their rates instalment when demanded, or the payment of rates instalment would create financial hardship to the ratepayer for both residential and non-residential ratepayers.

Any postponed rates will be postponed until:

- a. A date specified by the Council; or
- b. The death of the ratepayer (s); or
- c. The ratepayer (s) cease(s) to be the owner of the rating unit through sale or transfer.
- d. The ratepayer (s) cease(s) to use the property as their residence.

Postponed rates may be registered as a charge, by registering a Notice of Charge on the Record of Title.

An annual postponement fee may be required. This fee will be calculated as a percentage interest rate and will be used to cover Council's administrative and financial costs.

Before making written application, the applicant must have received budget advice from the Budget Advisory Service, accountant or lawyer and must make the budget adviser's findings available to Council staff.

Applicants may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Residential

The rating unit must be the primary residence of the ratepayer.

When considering whether financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:

- Age
- Physical or mental disability
- Injury
- Illness
- Family circumstances
- All property and other assets (including financial assets)

The Council must be satisfied that the ratepayer does not have the financial capacity to pay their rates instalment when demanded, or the payment of rates instalment would create financial hardship to the ratepayer.

Non-residential Rating units

The postponement of rates is a last resort to assist commercial, industrial, business or farming ratepayers after all other avenues to meet commitments have been exhausted. The financial hardship must be caused by circumstances outside the business's control.

In addition to the general criteria, the following criteria for non-residential applications must also be considered.

Criteria for postponement of rates for non-residential rating units, in cases of hardship are as follows:

- The applicant must be unable to pay their rates because of business circumstances.
- The applicant must have tried all other avenues (including a loan from their bank) to fund their rates.
- The net value of an applicant's property (after the value of all the mortgages on the property and the total value of the rates postponed) must exceed 10% of the market value of the property.

16. Postponement of Rates for Māori freehold land

Council's policy is that rates for Māori freehold land will not be postponed but instead will be dealt with under the rate remission policies for Māori land.

Definitions - General Definitions in relation to the whole Rate Remission & Postponement Policy

For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.

APICULTURE refers to any commercial bee keeping activities from the sitting of beehives on a rating unit.

ARREARS means unpaid rates as at 30 June of the rating year prior to application.

CARBON FARMING refers to any land use in which landowners capture economic benefit from carbon sequestration.

COUNCIL means the Gisborne District Council or the Te Kaunihera o Te Tairāwhiti and includes any person or agent authorised by the Gisborne District Council.

CONTIGUOUS means next to each other or separated only by a road, railway, drain, water race, river, or stream.

CULTURAL HERITAGE means historical, archaeological, tradition or other special cultural significance associated with human activity.

ENCUMBRANCE means protection by way of an item registered on the land title such as a covenant or encroachment, in the case of private land.

FINANCIAL HARDSHIP means that the ratepayer is unlikely to have sufficient funds after the payment of rates for the care of any dependents, reasonable living expenses, health care and provision for the maintenance of their homes and chattels.

HORTICULTURAL BLOCK is determined by Council's valuer based on the Rating Valuation Rules.

LANDLOCKED LAND means a piece of land to which there is no legal or reasonable access.

LAND USE is used in this policy in the context of rating definitions as documented in the Rates Setting Policy.

LGA refer to Local Government Act 2002.

LGRA refer to Local Government (Rating) Act 2002.

MĀORI FREEHOLD LAND is the land whose beneficial ownership has been determined by the Māori Land Court by freehold order (Section 5 LGRA)

NATURAL DISASTER has the same meaning as in Earthquake Commission Act 1993 Section 2 (1).

NATURAL HERITAGE AREA means Protection Management Areas and areas of significant indigenous vegetation and significant habitats of indigenous fauna within the district which are voluntarily protected in a manner ensuring the long-term protection of natural heritage values contain within them.

OCCUPIED means a formal right by occupation order or informal right by license to occupy Māori Freehold land, or other arrangements are in place are exercised.

OCCUPIER means a person, persons, organisation, or business entity that is using a rating unit or portion of a rating unit under a lease, license, or other formal agreement for a specified period of time.

POSTPONEMENT means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

RATES as defined in the Local Government Rating Act 2002.

RATING UNIT means a rating unit for the purposes of the Rating Valuation Act 1998.

RATEPAYER As defined by the LGRA, section 11.

REASONABLE ACCESS has the same meaning as in Property Law Act 2007 Part 6 Section 326.

REMISSION means that rate is not paid by the ratepayer but is recorded as being paid by Council on behalf of the ratepayer.

SUBDIVISION is deemed to have the same meaning as 'subdivision' under Resource Management Act 1991.

TARGETED RATE as defined in the LGRA.

UNIFORM ANNUAL GENERAL CHARGE (UAGC) is a general rate set and assessed by Council. It's a fixed amount charged to each separately used or inhabited part of a rating unit. (SUIP).

LAND USE is whereby a person leases the land; resides on the land; de-pastures or maintains livestock on the land; stores anything on the land; and/or uses the land in any other way.

UNOCCUPIED means no one resides, de-pastures or maintains livestock, store anything on/ or uses the land in any other way according to Section 96 of LGRA.

WHENUA RAHUI means reserve or reserve land set aside for a special purpose.