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**KEI MUA I TE AROARO O TE RŌPŪ WHAKAMANA  
I TE TIRITI O WAITANGI**

**BEFORE THE WAITANGI TRIBUNAL**

**WAI 2750**

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**IN THE MATTER OF**                    **the Treaty of Waitangi Act 1975**

**AND**

**IN THE MATTER OF**                    **Kaupapa inquiry into claims concerning  
Housing Policy and Services**

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**CROWN BUNDLE OF EVIDENTIAL FACT SHEETS FOR  
TE TARI TAIWHENUA –  
DEPARTMENT OF INTERNAL AFFAIRS  
5 Poutū-te-rangi | March 2021**

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<b>RECEIVED</b> Waitangi Tribunal
<b>8 Mar 2021</b>
Ministry of Justice WELLINGTON

**CROWN LAW**  
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**EVIDENTIAL FACT SHEET**

**RATES REBATE ACT 1973**

**(TE TARI TAIWHENUA – DEPARTMENT OF INTERNAL AFFAIRS)**

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1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Rates Rebate Act 1973</p> <p><b>Year introduced:</b> 1973</p> <p><b>Still current?:</b> Yes</p> <p><b>Administering agency(ies):</b> Department of Internal Affairs (<b>DIA</b>)</p> <p><b>High level summary of policy/programme:</b> The Rates Rebate Act sets up a scheme to assist ratepayers on low incomes by providing a rates rebate (or partial refund) on rates paid to local authorities.</p> <p><b>Overlapping/Related policies/programmes:</b> Besides rates rebates, applicants may also be eligible for an Accommodation Supplement. The Accommodation Supplement can provide targeted support for the housing costs for people on low incomes because rates rebates are only available to home-owners (not tenants and other occupiers).</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b> Applications are made to local authorities which reduce the rates by the amount of the rebate and are reimbursed by DIA.</p>
2.	<b>Aims or Objectives of the Policy / Programme</b>	The Rates Rebate Act was introduced to assist ratepayers with low-income who had difficulty paying their rates.
3.	<b>Description of Policy / Programme</b>	<p>The Rates Rebate Act sets up a Rates Rebate Scheme (<b>RRS</b>) to provide financial assistance in the form of a rebate (i.e. a deduction in the applicant's rates bill) to those on low incomes to assist them in meeting the cost of their rates. The RRS also provides financial assistance in the form of a partial refund, instead of a rebate, in some cases.</p> <p>Ratepayers receive a level of assistance based on their income threshold for the previous year. The level of assistance also varies according to the rates bill and number of dependants. The maximum RRS is \$655 year (or approximately \$12.60 a week). The average rebate per applicant in 2018/2019 was \$540 (or approximately \$10.38 a week).</p> <p>The rebate covers up to two-thirds of a rates bill less a minimum contribution of \$160. The rebate is further abated by \$1 for every \$8 by which the income of the ratepayer (and their spouse/partner) exceeds the income abatement threshold of \$26,150 with an additional \$500 allowed per dependant, or \$630, whichever amount is smaller. The amounts are increased annually. DIA</p>

		<p>has an online rates rebate entitlement calculator.</p> <p>Further information on the RRS and guidance on submitting an application is available at: <a href="https://www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/">https://www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/</a> and <a href="https://www.solgm.co.nz/rates-and-rebates/">https://www.solgm.co.nz/rates-and-rebates/</a>.</p>
4.	<b>Outline of the process to develop this Policy / Programme</b>	<p>The Rates Rebate Act was introduced in early 1973. It was passed by Parliament relatively quickly without any substantive changes being made during the Parliamentary process. The objectives and general mechanics of the scheme remain the same today.</p>
5.	<b>Outline of steps taken to implement the Policy / Programme</b>	<p>Low-income ratepayers are informed about the scheme primarily through information provided by local authorities when rates invoices are sent out. They are also informed through other local authority information channels and the govt.nz website.</p> <p>DIA provides information directly to Citizens Advice Bureau and Grey Power (most applicants in the scheme are elderly (i.e. super annuitants) so Grey Power are a key entity involved in providing information to eligible applicants).</p> <p>In 2019/2020 there were 97,612 applications with payments totalling \$57.9 million.</p> <p>Note: Applicants apply to their relevant local authority for the RRS. The local authority then seeks reimbursement from DIA. Applicants do not apply to DIA.</p>
6.	<b>Outline of monitoring and evaluation built in to Policy / Programme</b>	<p>There have been a large number of minor and/or administrative changes to the scheme over the years by both Order in Council and legislative amendment.</p> <ul style="list-style-type: none"> <li>• In 2008 the Government determined that the income threshold and rebate amounts would increase in line with the Consumer Price Index each year.<sup>1</sup></li> <li>• In 2018 the Government amended the Act to make residents of licence-to-occupy retirement villages eligible for the RRS (see s 7A). Residents of retirement villages who contribute to the outgoings of the village can now apply for a refund.</li> <li>• The definition of income in s 2 has had minor amendments made to it 18 times since enactment mainly to take into account changes to benefits. For example in 2019 it was amended to add the winter energy payment under the Social Security Act</li> </ul>

<sup>1</sup> This change was enacted by Order in Council because s 3(3) provides that the rates can be amended by Order in Council.

		2018 to the income calculation. The basic calculation [that rates are rebated subject to income thresholds and allowances for dependants] has remained unchanged.
7.	<b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b>	<p>Recipients of New Zealand Superannuation payments are the main beneficiaries of the RRS. The number of rebates reached a peak of over 115,000 in 2011. The number of rebates steadily declined from 2011/2012 to 2017/2018. The main reason is that the income abatement threshold has not kept pace with increases in the value of New Zealand Superannuation payment. (See Productivity Commission Inquiry into Local Government Funding and Financing which is available at <a href="https://www.productivity.govt.nz/assets/Documents/a40d80048d/Final-report_Local-government-funding-and-financing.pdf">https://www.productivity.govt.nz/assets/Documents/a40d80048d/Final-report_Local-government-funding-and-financing.pdf</a>.)</p> <p>The number of rebates increased in 2018/2019 due to the 2018 amendments (which made residents of licence-to-occupy retirement villages eligible for the RRS) but dropped again in 2019/2020.</p> <p>Funding is not available to increase the income abatement threshold to the level it would have been had it kept pace with superannuation.</p> <p>In 2019 the Budget included a specific appropriation of \$52,248,000 to pay for rates rebates. A specific appropriation in the Budget for rates rebates is required because payment to eligible applicants is a statutory obligation. The specific appropriation ensures that funds are available to meet that financial obligation. The amount of the appropriation is calculated by Treasury by modelling population and income changes against past payment totals.</p>

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**EVIDENTIAL FACT SHEET**

**WHENUA MĀORI RATING**

**(TE TARI TAIWHENUA – DEPARTMENT OF INTERNAL AFFAIRS)**

**5 Poutū-te-rangi | March 2021**

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1.	<b>Basic information</b>	<p><b>Title of policy / programme:</b> Whenua Māori Rating</p> <p><b>Year introduced:</b> The programme will be introduced upon enactment of the Local Government (Rating of Whenua Māori) Amendment Bill (<b>the Bill</b>). The Bill was introduced to Parliament in February 2020. It has completed the Select Committee process and is awaiting second reading.</p> <p><b>Still current?:</b> The programme is not yet in operation. It will commence operation when the Bill is passed by Parliament and the Local Government (Rating of Whenua Māori) Amendment Act (<b>the Act</b>) comes into force.</p> <p><b>Administering agency(ies):</b> The Department of Internal Affairs (<b>DIA</b>) will administer the Act in conjunction with Te Puni Kōkiri (<b>TPK</b>) and the local authorities listed in the Local Government Act 2002, sch 2.</p> <p><b>High level summary of policy/programme:</b> The Bill seeks to broadly support owners of Māori freehold land to engage with, use, develop and live on their land. It also modernises some aspects of the Local Government (Rating) Act 2002 that are inconsistent with today’s expectations of Māori–Crown relationships. In addition, the Bill will make minor amendments to other legislation, including the Local Government Act 2002, Te Ture Whenua Māori Act 1993 and the Rates Rebate Act 1973.</p> <p><b>Overlapping/Related policies/programmes:</b> The Rates Rebate Act 1973 (DIA) (see separate evidential fact sheet)</p> <p><b>Other agencies involved in development, implementation, or ongoing administration:</b> Department of Conservation<sup>1</sup></p>
2.	<b>Aims or Objectives of the Policy / Programme</b>	<p>The purpose of the Bill is to better enable Māori land owners to develop and use their land, including for housing, and to modernise the provisions in the Local Government (Rating) Act 2002 relating to Māori freehold land. The general policy statement for the Bill says it is intended to “support the development of, and provision of housing on, Māori land” and “modernise rating legislation affecting Māori land”.</p> <p>Rates and rate arrears can be an impediment to owners of Māori land. The impediment can come from difficulty with both engaging with the relevant local authority about the possibility of developing land and realising the opportunity to develop land.</p> <p>The current structure of the Local Government (Rating) Act 2002 prevents access to the Rates Rebate Scheme to people who</p>

<sup>1</sup> Clause 50(1) of the Bill will make land subject to Ngā Whenua Rāhui kawenata non-rateable. Ngā Whenua Rāhui kawenata are administered by the Department of Conservation.



		<p>would otherwise be eligible for the rebate where there is more than one home on a block of Māori land. The programme aims to remove that barrier. (See evidential fact sheet on the Rates Rebate Act 1973 (DIA) for further information on the Rates Rebate Scheme.)</p> <p>The Waitangi Tribunal has produced a useful history on Māori land rating which provides further information. It is available at: <a href="https://waitangitribunal.govt.nz/assets/Documents/Publications/wt-theme-i-maori-and-rating-law.pdf">https://waitangitribunal.govt.nz/assets/Documents/Publications/wt-theme-i-maori-and-rating-law.pdf</a>.</p>
3.	<b>Description of Policy / Programme</b>	<p>The Bill will:</p> <ul style="list-style-type: none"> <li>• support the development of Māori land;</li> <li>• support the development of housing on Māori land; and</li> <li>• modernise rating legislation affecting Māori land.</li> </ul> <p>The Bill will improve a number of issues with the current local government rating system that applies to Māori.</p> <p>In particular, the Bill seeks to address the accumulation of rates on unused Māori land and land which have been inherited from a deceased owner. Accumulation of rates arrears prevents the ability of Māori land owners to engage with local government about the development of their land.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• Clause 39 will create a power for a chief executive of a local authority to write off rates.</li> <li>• Clause 50(4) will make unused land non-rateable.</li> </ul> <p>The full current version of the Bill can be found here: <a href="https://www.legislation.govt.nz/bill/government/2020/0226/latest/LMS290544.html">https://www.legislation.govt.nz/bill/government/2020/0226/latest/LMS290544.html</a>.</p>
4.	<b>Outline of the process to develop this Policy / Programme</b>	<p>Much of the current rating legislation for Māori land is largely unchanged from the Maori Land Rating Act 1924 and is no longer consistent with present-day expectations regarding the Māori–Crown relationship.</p> <p>The issues were raised in the report following the Shand Inquiry “Funding Local Government: Report of the Local Government</p>

		<p>Rates inquiry” in August 2007 (see <b>DIA.002.0701</b>) and a supporting report to the Shand Inquiry which summarised the results of 12 separate hui the Inquiry held (see <b>DIA.002.0628</b>). One part of the Inquiry’s terms of reference was to “Examine the impact of rates on land covered by Te Ture Whenua Māori Act 1993” (see <b>DIA.002.0984</b>). The panel concluded that “A different approach [to rating Māori land] is needed and that resolution of the problems should be an urgent priority for central and local government and for Māori” (see <b>DIA.002.0931</b>). It did not, however, have any suggestions as to what that approach should be.</p> <p>While the Government of the day commenced work on this matter, little progress was made at the time and the work eventually dropped from the work programme.</p> <p>The issue arose again when the Key Government proposed a substantial reform of the Te Ture Whenua Māori Act 1993 in 2016. The Bill as introduced contained some provisions relating to rating Māori land, and a number of additional provisions were added, either by Select Committee or by Supplementary Order Paper. The Bill was discharged in 2018.</p> <p>The work on the current Bill was commissioned by Hon Nanaia Mahuta, then Minister of Māori Development and Minister of Local Government, shortly after the previous Te Ture Whenua Māori Bill was discharged. A key consideration was that the programme should deliver benefits to Māori land owners promptly. Since the current law relating to rating Māori land is very similar to that which applied in 1924, it was not possible in the required timeframes to carry out a full review of those provisions. Rather, the focus was on the measures originally proposed in the previous Government’s bill and other specific issues that the Minister asked DIA to focus on. The issue of valuation of Māori land for rating purposes was not able to be progressed at that time, even though it was identified by the Shand Inquiry as a significant issue.</p> <p>As part of the development of the Bill, DIA researched many examples of how Māori land was rated using the website Māori Land Online, local authority websites and Court cases. TPK acquired a comprehensive set of rating valuation data for Māori land that was used for some aspects of the analysis.</p>
5.	<p><b>Outline of steps taken to implement the Policy / Programme</b></p>	<p>The Bill was introduced to Parliament in February 2020. It has completed the Select Committee process and is awaiting second reading.</p> <p>The Select Committee was unable to agree to recommend that the Bill be passed (see <a href="https://www.parliament.nz/resource/en-NZ/SCR_99749/75673fe0e2fcad594b341923085b6cbbb095205b">https://www.parliament.nz/resource/en-NZ/SCR_99749/75673fe0e2fcad594b341923085b6cbbb095205b</a>).</p>

		<p>The Bill has been reinstated to the Parliamentary Order Paper. DIA has discussed the Bill with the Minister of Local Government and the aim is to pass the Bill by the end of February 2021.</p> <p>Public submissions on the Bill were considered through the Departmental Report to the Select Committee (see <b>DIA.002.0561</b>).</p> <p>The Bill should become fully implemented from 1 July 2021. This date is useful because a number of the provisions in the Bill need to be implemented from the commencement of a financial year.</p> <p>Local authorities need time to identify properties which will become non-rateable as a result of enactment of the Bill and to put in place systems to implement the housing provisions of the Bill. Assistance will be provided by DIA to local authorities on these issues.</p>
6.	<b>Outline of monitoring and evaluation built in to Policy / Programme</b>	<p>A formal monitoring and evaluation programme is not proposed. DIA will consult informally with local authorities on the effect of implementation.</p> <p>While the programme is not, strictly, intended to lead to the construction of more housing, it removes some impediments to promote construction of houses on Māori land.</p>
7.	<b>Availability of quantitative or qualitative data to demonstrate success or failures of the Policy / Programme to achieve its stated aims</b>	<p>It is too early to evaluate.</p>