

RATES REMISSION AND POSTPONEMENT POLICY REVIEW

Department: Finance

EXECUTIVE SUMMARY

- 1 This report seeks Council's approval:
 - a) For proposed changes to the Rates Remission and Postponement Policy (the Policy) and
 - b) That the Policy be consulted on through the 9 year plan consultation process.
- 2 The Local Government Act 2002 (LGA) provides that local authorities must have a policy on the remission and postponement of rates on Māori freehold land and may have a rates remission policy and a rates postponement policy. Any policy adopted must be reviewed at least every six years with appropriate consultation.
- 3 The Policy has been reviewed with some changes proposed. The proposed changes update the Policy to align with legislation, and improve practices. The Policy with tracked changes is provided at Attachment A and a clean version at Attachment B.

RECOMMENDATIONS

That the Council:

- a) **Approves** the proposed Rates Remission and Postponement Policy, with any amendments.
- b) **Approves** that the Rates Remission and Postponement Policy be consulted on through the 9 year plan consultation process.

BACKGROUND

Local Government Act 2002

- 4 Section 102(3) of the LGA provides that a local authority must have a policy on the remission and postponement of rates on Māori freehold land, and may adopt either or both of the following policies:
 - a) Rates remission policy
 - b) Rates postponement policy.
- 5 Policies adopted under that section must state the objectives sought to be achieved by the remission and postponement of rates, and the conditions and criteria to be met for rates to be remitted or postponed.

- 6 The policies must be reviewed at least once every six years and be consulted on.

Dunedin City Council Rates Remission and Postponement Policy

- 7 The Policy includes remission of rates for:
- a) Extreme financial hardship (also postponement of rates),
 - b) Penalties,
 - c) Certain targeted rates on farmland,
 - d) Certain targeted rates on farmland and commercial land used by the same ratepayer as a single entity,
 - e) Certain targeted rates for a family flat,
 - f) Land voluntarily protected for conservation purposes,
 - g) Rates following a natural disaster or calamity,
 - h) Unexpected events, and
 - i) Māori freehold land.
- 8 There are several hundred applications for rates remission and postponement every year.
- a) The majority of these relate to remission of rates for penalties and for family flats. For example, there are approximately 90-100 family flat rates remissions per year.
 - b) Very few relate to extreme financial hardship and Māori freehold land. For example, for extreme financial hardship, in the last five years there were seven applications for rates remission or postponement.
 - c) Since the Māori freehold land remission policy was adopted six years ago there have been two applications under this policy via the Ngai Tahu Law Centre.

DISCUSSION

- 9 The Policy was last reviewed in 2021. In accordance with the LGA, a review has now been carried out and amendments are proposed for the Council to consider. Reasons for the key proposed changes and potential implications are discussed.

Changes to align with legislation

Remission of rates relating to Māori freehold land

- 10 Since the last review of the Policy, the Local Government (Rating of Whenua Māori) Amendment Act 2021 was introduced, and the Policy has been updated to align with this Act. Key proposed changes are:
- a) Sections 11 and 12 are updated to provide an introduction and explanation of the Local Government (Rating of Whenua Māori) Amendment Act.

- b) For Māori freehold land, the requirement for land to be unoccupied with no place or residence, and with no income derived is removed. This aligns with Schedule 1(1)14A of the Local Government Rating Act as unused Māori freehold land is non-rateable.
- c) The scope and definitions of the Policy are updated to better align with legislation such as the Local Government (Rating of Whenua Māori) Amendment Act 2021, Rating Valuations Act 1998, Local Government (Rating) Act 2002 and Te Ture Whenua Māori Act 1993.

Further improvements identified

- 11 Section 2, for remission of rates, a condition is added that the ratepayer may be required to seek financial advice. This would support the application and help to provide independent assurance of the need.
- 12 Section 3, for postponement of rates, a requirement is added that the total amount postponed may not exceed 20% of the property's most recent capital valuation. This would mitigate the risk for the Council, helping to ensure that the value of the rates postponement does not exceed the capital value of the property. The 20% value aligns with other local authority policies.
- 13 Section 4, in the remission of penalties section, an application need not be in writing unless the penalty exceeds \$200. The amount is amended from \$100 to \$200 to reflect the increase of rates, and subsequently penalties, over time. This reflects current practice and delegations.
- 14 Section 8 on remission of rates on land voluntarily protected for conservation purposes is updated to align with Second Generation Plan (2GP) which has changed since the last review of the Policy.
- 15 Some general amendments have also been made to improve the clarity and understanding of the Policy.

Summary of proposed changes

- 16 Key proposed changes are summarised in the table below.

Section of Policy	Detail of change
Alignment with Legislation	
Scope and Definitions	Updated to align with legislation.
Sections 11 & 12: Māori Freehold Land	Updated introduction and explanation to align with Local Government (Rating of Whenua Māori) Amendment Act 2021. Requirements for land to be unoccupied with no place or residence, and with no income derived are removed – aligns with Schedule 1(1)14A of Local Government Rating Act as unused Māori freehold land is non-rateable.
Further improvements identified	
Section 2: Remission of rates for financial hardship	Add that the ratepayer may be required to seek financial advice.

Section of Policy	Detail of change
Section 3: Postponement of rates for financial hardship	Add the requirement that the total amount postponed may not exceed 20% of property's most recent capital valuation.
Section 4. Remission of penalties	An application need not be in writing unless penalty exceeds \$200.
Section 8: Remission of rates on land voluntarily protected for conservation purposes	Updated to align with 2GP.

OPTIONS

17 As this review is required by legislation, there are no options.

NEXT STEPS

18 The proposed Policy, including any amendments, will be consulted on as part of the 9 year plan consultation.

Signatories

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Attachments

	Title	Page
A	Rates Remission and Postponement Policy Draft - Track Changes (<i>Under Separate Cover 1</i>)	
B	Rates Remission and Postponement Policy Draft - Clean (<i>Under Separate Cover 1</i>)	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Future Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The review of the Rates Remission and Postponement Policy contributes to the Financial Strategy and Revenue and Financing Policy.

Māori Impact Statement

Proposed changes regarding Māori freehold land has been made to align to legislation.

Sustainability

There are no implications for sustainability.

Zero Carbon

This report does not have implications for city or DCC emissions.

LTP/Annual Plan / Financial Strategy / Infrastructure Strategy

Any decision to change the rating policies may impact on the 9 year plan, Annual Plan and Financial Strategy.

Financial considerations

There may be financial implications for the Council from the proposed amendments.

Significance

The proposed amendments to the policy are considered of low significance in terms of the Council's Significance and Engagement Policy. The policy will however be consulted on in accordance with the requirements of the Local Government Act.

Engagement – external

There has been no external engagement in reviewing this Policy. External engagement will occur as a part of the 9-year plan consultation process.

Engagement - internal

Finance and In-House Legal Counsel have been engagement with in review of this Policy.

SUMMARY OF CONSIDERATIONS***Risks: Legal / Health and Safety etc.***

There are no identified risks.

Conflict of Interest

There is no known conflict of interest.

Community Boards

There are no implications for Community Boards.

Rates remission and postponement policy | Kaupapa here whakaheke rēti, whakakoreka**Purpose**

- To support fairness and equity of the rating system.
- To provide certainty about sources and levels of funding.
- To provide financial assistance or support for ratepayers where they might otherwise have difficulty meeting their rate payment obligations.
- To provide greater consistency, equity and clarity around the rating of Māori land.
- To support broader Council policy objectives.

Scope

The Dunedin City Council (the Council) sets rates under section 23 of the Local Government (Rating) Act 2002. Rates are used by the Council to fund the balance of its costs once all other funding sources are taken into account.

Section 102 of the Local Government Act 2002 provides that a council may have a rates remission and postponement policy- (the Policy). Section 102(3A) of the Local Government Act 2002, requires that any remission or rates postponement policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

The Policy contains the full details of each remission and postponement scheme as well as outlining the objectives and criteria for each scheme and applies to every ratepayer or their agent (as defined within the Policy).

Once adopted this Policy must be reviewed at least once every six years.

Definitions

"Current rating year" is 1 July to 30 June of the year of application.

"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 home and chattels.

"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.

"Māori freehold land" is land whose beneficial ownership ~~that~~

has been ~~investigated- determined~~ by the Māori Land Court by ~~and a~~ freehold order- ~~has been issued, or was set aside by the Crown as Māori freehold land and awarded by Crown Grants to specific individuals, or~~

~~— has had the status determined as Māori freehold land by order of the Māori Land Court.~~

~~— Māori freehold land is held by individuals who have shares together as tenants in common.~~

"Multiple owners" in respect to Māori freehold land, is land owned by more than one person.

"Rates instalment notice" is a quarterly rates invoice for a rating unit.

"Rating unit" has the same definition as the Rating Valuations Act 1998 is the unit of liability (land) that gives rise to the obligation on the ratepayer to pay rates.

"Register" is a database maintained for the purpose of recording properties of which the Council has agreed to remit.

"Remitted rates" are rates for which the requirement to pay is remitted.

"Unexpected event" is any event that is resolved as an unexpected event by the Council, this may include but is not limited to a declared State of Emergency or a pandemic or other event.

1. General provisions

- 1.1 All applications under this Policy must be made in writing, using the prescribed form unless expressly declared otherwise in this Policy. Copies of the prescribed forms may be obtained from the Council Offices or Customer Service Centres.
- 1.2 All applications must be made by the ratepayer or their authorised agent, (excluding a mortgagee of the ratepayer).
- 1.3 A reference to a ratepayer is reference to all persons entered on the Council's rating information database in respect of that rating unit.
- 1.4 All applications will be considered on their individual merits and on a case by case basis.
- 1.5 The extent of the rates remission is at the sole discretion of the Council. This Policy does not provide for the permanent remission of rates and the remission may be cancelled or reduced at any time.

2. Remission of rates for ~~extreme~~ financial hardship

Objective

- 2.1 To assist ratepayers experiencing ~~extreme~~ financial hardship while providing for the collection of rates.

Conditions and Criteria

- 2.2 Applications for remission of rates for the current rating year for an amount of up to one rate instalment may be made by a ratepayer (or their agent) who can demonstrate to the Council's satisfaction that they meet all of the following criteria:
 - 2.2.1 The rating unit to which the application relates is the primary private residence owned and occupied by them, or farmland occupied by the ratepayer.
 - 2.2.2 The ratepayer does not own (or have an interest in) any other rating units, including investment properties (whether in the district or another), except for farmland which may include several rateable units that are used as one farming unit.

2.2.3 The ratepayer does not have the financial capacity to pay their rates instalment when demanded or the payment of the rates instalment would create ~~extreme~~ financial hardship for the ratepayer.

2.2.4 The ratepayer may be required to seek, and provide evidence of, financial advice from an appropriate outside agency with relevant expertise e.g. financial mentors, or the like.

2.2.42.2.5 The remission will apply for the rating year in which the application is made.

2.2.52.2.6 The ratepayer is not in arrears from a previous rating year.

3 Postponement of rates for ~~extreme~~ financial hardship

Objective

- 3.1 To assist ratepayers to continue to live in their own home where they are experiencing financial hardship which temporarily affects their ability to pay rates.

Conditions and criteria

- 3.2 Applications for postponement of up to 100% of rates for the current rating year may be made by ratepayers (or their agent) who can demonstrate to the Council's satisfaction that they meet all of the following criteria:

3.2.1 The rating unit to which the application relates is the primary private residence owned and occupied by the ratepayer, or is farmland occupied by them.

3.2.2 The ratepayer does not own (or have an interest in) any other rating units or investment properties (whether in the district or another), except for farmland which may include several rateable units that are used as one farming unit.

3.2.23.2.3 The ratepayer does not have the financial capacity to pay their rates, or the payment of rates would create financial hardship.

3.2.33.2.4 There are no outstanding rate arrears owed in respect of the rating unit.

- 3.3 The ratepayer may be required to make arrangements acceptable to the Council for payment of future rates.
- 3.4 A postponement will apply from the beginning of the rating year in which the application is made and will end at the conclusion of the rating year.
- 3.5 The Council will require a ratepayer to make an application each year for continued postponement.
- 3.6 Any postponement will continue to apply for the applicable rating year or until the earliest of the following:
- 3.6.1 the death of the ratepayer(s); or
 - 3.6.2 the ratepayer(s) cease to be the owner or occupier of the rating unit; or
 - 3.6.3 the ratepayer(s) cease to use the property as his/her residence; or
 - 3.6.4 a date specified by the Council; or

3.6.5 at the ratepayer's request.

3.7 Notwithstanding the above, if the total amount postponed exceeds 20% of the property's most recent Capital Valuation, or Council considers that continued postponement will cause the capital value limit to be exceeded, the postponement will cease, and the total postponed amount will become due for payment. In this circumstance, a payment arrangement may be entered into.

3.73.8 The Council may charge an annual fee to cover the Council's administrative and financial costs, on postponed rates for the period that the rates are postponed.

3.83.9 The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this Policy.

3.93.10 Postponed rates will be registered as a statutory land charge on the rating unit title.- This means that the Council will have first call on the proceeds from the sale or lease of the rating unit. All costs associated with the statutory land charge will be met by the ratepayer, including but not limited to preparation and registration of the statutory land charge.

3.103.11 Penalties will not be applied or will be remitted for any rates that have been postponed.

3.113.12 The ratepayer agrees to meet any Council costs associated with granting the postponement.

4 Remission of Penalties

Objective

4.1 To set parameters for the Council to remit penalties where it is fair and equitable to do so, and to encourage ratepayers to pay arrears and keep payment up to date.

Conditions and criteria

4.2 Applications for remission of up to 100% of any penalties may be made by ratepayers who can demonstrate to the Council's satisfaction that they meet one or more of the following criteria:

4.2.1 Compassionate reasons (including the illness or death of a spouse or partner).

4.2.2 The rate account went to the wrong address.

4.2.3 The ratepayer did not receive an account.

4.2.4 The Council made a mistake.

4.2.5 Previous owners did not pay rates in full before property sale was completed or the Council was not notified of the sale at settlement.

4.2.6 Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.

4.2.7 Previous history of prompt payment and is paying the rate account within 10 working days of the instalment due date, or as soon as practicable and offers a reasonable excuse for tardiness.

4.3 An application for this remission need not be in writing unless the penalty exceeds \$~~1~~200.

4.4 Penalties will not be applied where a ratepayer has entered into a repayment agreement satisfactory to the Council and makes the agreed regular rate payments.

4.5 Where a ratepayer has not paid the first instalment by the due date of that instalment but pays the total annual rates and charges by the second scheduled instalment due date, late payment penalties on the first instalment will be remitted.

5 Remission for Certain Targeted Rates on Farmland

Objective

5.1 To support fairness and equity of the rating system by providing for relief from certain targeted rates for rural land, which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Conditions and criteria

5.2 Applications for ~~100%~~ remission of ~~one~~up to 100% of applicable targeted rate(s) may be made by ratepayers of rural land, which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

5.3 Applications may be made in respect of any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge- and must demonstrate to the Council's satisfaction that they meet the following criteria:

5.3.1 The rating units must be owned by the same ratepayer.

5.3.2 Only one of the units may have any residential dwelling situated on the rating unit which is occupied by the ratepayer as their principal private residence.

5.4 Where any of the rating units lies within the district of an adjoining Local Authority which applies their sets of Targeted Rates to the rating units in the District, the Council may waive the applicable targeted rate(s) on those rating units.

5.5 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.

5.6 A remission will apply from no later than the beginning of the next rating year commencing 1 July from which the application is made until the occupier no longer meets the criteria above.

6 Remission for certain Targeted Rates on Farmland and Commercial Land used by the same Ratepayer as a Single Entity

Objective

- 6.1 To support fairness and equity of the rating system by providing relief from certain targeted rates on Farmland and Commercial properties where the ratepayer occupies and uses the adjoining land as one unit.

Conditions and criteria

- 6.2 Applications for ~~100%~~ remission of ~~one~~ up to 100% of applicable targeted rate(s) may be received from ratepayers of rural land and commercial land, which is contiguous, farmed as a single entity and owned by the same ratepayer.

Applications may be made in respect of applicable targeted rate(s) set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge and must demonstrate to the Council's satisfaction that they meet the following conditions:

- 6.2.1 all rating units must be occupied by the same ratepayer
 - 6.2.2 all rating units must be used by the ratepayer as a single entity
 - 6.2.3 all rating units must be contiguous or separated only by road, railway, drain, water race, river or stream
 - 6.2.4 the number of Community Services Targeted rates is limited to the number of inhabited dwellings on each rating unit
 - 6.2.5 the occupier is unable to negotiate a lease compliant with the Local Government (Rating) Act 2002.
- 6.3 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 6.4 A remission will apply from no later than the beginning of the next rating year commencing 1 July from which the application is made until the occupier no longer meets the criteria above.

7 Remission of certain Targeted Rates for a family flat

Objective

- 7.1 To support fairness and equity of the rating system by providing relief from certain targeted rates where the ratepayer occupies and uses a second self-contained dwelling on their property for family use and does not rent the flat on the open market separately from the main dwelling.

Conditions and criteria

- 7.2 Applications for ~~100%~~ remission of ~~one~~ up to 100% of applicable targeted rate(s) may be made by ratepayers that have a second self-contained dwelling on their property, owned by the same ratepayer.

- 7.3 Applications may be made in respect of any targeted rate set based on a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge and must demonstrate to the Council's satisfaction that they meet the following conditions:
- 7.3.1 All rating units must be occupied by the same ratepayer
 - 7.3.2 All rating units must be used by the ratepayer as a single entity
 - 7.3.3 The number of Community Services Targeted rates is limited to the number of inhabited dwellings on each rating unit
- 7.4 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 7.5 A remission will apply from no later than the beginning of the next rating year commencing 1st July from which the application is made until the occupier no longer meets the criteria above.

8 Remission of rates on land voluntarily protected for conservation purposes

Objective

- 8.1 To encourage property owners to protect and ~~preserve open spaces~~ enhance significant indigenous biodiversity within the city ~~for the benefit and enjoyment of present and future generations of the people of Dunedin.~~
- 8.2 The policy is intended to support the Council's goal of identifying and protecting areas of ecological significance by recognising private land with high biodiversity value and to promote and encourage more landowners to participate in the process of promoting a quality environment and sustainable management of our resources by ensuring that existing values are not compromised and by encouraging improvement.

Conditions and criteria

- 8.3 Applications for remission of up to 100% of rates for the next rating year commencing 1 July ~~for any period~~ may be made by ratepayers where a rating unit meets all of the following criteria:
 - 8.3.1 The rating unit is within the city. It may be a part of a larger property in which case the area concerned shall be separately rated; and
 - 8.3.2 The rating unit is ~~an area of land listed in Schedule 25.4 of the District Plan scheduled~~ as an Area of Significant ~~Conservation value~~ Biodiversity Value (ASBV) in the Second Generation District Plan (2GP) Appendix A1.2; or the land has been assessed for ecological significance and meets one or more of the criteria in 2GP Policy 2.2.3.2 and the landowner has agreed for the land to be so listed; and scheduled as an ASBV in 2GP Appendix A1.2 in the next appropriate plan change; or the land is protected by a covenant formally registered for the protection of indigenous biodiversity values (e.g. Department of Conservation conservation covenant), and
 - 8.3.3 The conservation of the rating unit contributes to the maintenance of indigenous biodiversity across Dunedin. ~~benefit and enjoyment of citizens of Dunedin by preserving~~

~~particular natural or historic or cultural features within the district.~~ This could include, but is not limited to, the following features:

- A specific area of ~~forest or bush~~ indigenous vegetation; or
- A specific visual or scenic feature of the landscape; or
- A specific area of indigenous vegetation connected to traditional mahika kai or other indigenous uses; or
- Any specific feature the conservation of which, in the view of the Council, meets the Council's goal regarding the environment.

8.4 When determining an application, the Council shall have regard to the following matters:

- 8.4.1 the desirability of preserving particular natural or historic or cultural features within the district.
- 8.4.2 whether, and to what extent, the preservation of particular natural or historic or cultural features might be prejudicially affected if rates remission is not granted in respect of the land on which they are situated.
- 8.4.3 whether, and to what extent, preservation of particular natural or historic or cultural features are likely to be encouraged by the granting of rates remission.
- 8.4.4 the extent to which the preservation of different types of natural, historic, and cultural features should be recognised by different criteria and conditions for rates remission, and whether different levels of rates remission should apply.
- 8.4.5 the extent to which rates remission should be available where the preservation of natural, historic or cultural features does not restrict economic utilisation of the land; such other matters as the Council considers relevant.

8.5 The Council may impose conditions on a property owner when granting relief.

Explanatory Note - Where the rating unit is owned or used by and for the purposes of the Queen Elizabeth the Second National Trust it is non-rateable under the Local Government (Rating) Act 2002.

9 Remission of rates following a natural disaster or calamity

Objective

- 9.1 To provide rates relief to ratepayers where the use of any rating unit has been detrimentally affected by erosion, subsidence, submersion or any natural disaster, and where Government funds that rates relief.

Conditions and criteria

- 9.2 Applications for remission of up to 100% of rates ~~for~~ may be made by ratepayers where a rating unit meets all of the ~~period for which the~~ following criteria:
 - 9.2.1 The rating unit is uninhabitable, or its use is detrimentally affected by erosion, subsidence, submersion or any natural disaster.

~~8.5.18.3.1 The remission will apply only to each single event and to the rating unit affected by such an event.~~

9.2.2 The Government has established and approved a reimbursement scheme for rates remitted for such properties.

9.2.3 Applications for this remission must be in writing describing the nature of the event, the steps being taken to return the rating unit to a usable state and provide an estimate of the time the rating unit is expected to be affected.

9.3 All applications must be made within three (3) months of the event.

9.4 The Council can set additional criteria for each event, as criteria may change depending on the nature and severity of the event and available funding at the time.

9.5 The remission will apply only to each single event and to the rating unit affected by such an event.

9.59.6 The remission will apply for the period which the rating unit is uninhabitable or its use is detrimentally affected.

9.69.7 The Council may require other records, such as insurance claims, as part of the approval process.

10 Remission of rates for unexpected events

Objective

10.1 To support fairness and equity of the rating system by providing rate relief for any unexpected event where it may be considered appropriate to do so.

Criteria

10.2 The Council may ~~resolve to~~ remit any rate or rate penalty for any unexpected event, where it considers that is appropriate, fair and equitable to do so.

10.3 An unexpected event is any event that is resolved as an unexpected event by the Council, this may include but is not limited to a declared State of Emergency or a pandemic or other event.

11 Māori freehold land

11.1 Council recognises the complexities of Māori freehold land ownership, especially when there are multiple owners, or it is without a management structure in place. Due to the nature of the ownership structure, or its location/isolation, or for other reasons; it can be a challenge for owners to develop or reside on their whenua.

Rateable Māori land

11.2 Rates are payable on Māori freehold land, unless the land comes under one of the exceptions in the rates legislation, or Council decides to remit (not collect) or postpone collection of rates for the land.

11.3 A person using Māori freehold land is liable for the rates if the land is in a rating unit in multiple ownership that is not vested in a trustee; or a separate rating area.

11.4 Where trustees are liable to pay the rates on rateable Māori freehold land (Section 93 of the Local Government (Rating) Act 2002) trustees are to declare income received from the land to ascertain rates liability, if requested by the local authority.

11.5 Examples of non-rateable Māori freehold land

- Wholly unused Māori land,
- Ngā whenua rāhui kawenata land,
- A Māori burial ground or urupā,
- Land used for the purpose of a marae,
- A Māori reservation

[This is not a complete list of non- rateable Māori freehold land, refer to Part 1, Schedule 1 Local Government (Rating) Act 2002 for complete list].

11.12 Remission of rates on Māori freehold land

12.1 The Local Government (Rating of Whenua Māori) Amendment Act 2021 introduced changes to the Local Government-(Rating) Act 2002, to add a new purpose to the Local Government (Rating) Act 2002 to facilitate the administration of rates in a manner that supports the principles set out in the preamble to Te Ture Whenua Māori Act 1993. Accordingly, the Local Government Act 2002 requires that councils have policies for the remission and postponement of rates on Māori freehold land, that recognise that the nature of Māori freehold land is different to general land, and that remission policies help deal with these matters and to support whenua Māori landowners.

Objective

12.2 The objectives of this Policy are to:

12.2.1 Support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

12.2.2 Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.

12.2.3 Recognise situations where land use is limited due to the physical accessibility of the land.

12.2.4 Recognise situations where land use is limited due to the marginal quality of the land.

12.2.5 Recognise situations where there are no practical means of enforcing the rates assessed due to the dispersion of multiple owners.

12.2.6 To account for the importance of land relating to the preservation of the natural character of the coastal environment, the protection of outstanding natural features and the protection of significant indigenous vegetation and significant habitats of indigenous fauna; and land that is set aside as whenua rāhui.

~~12.2.7 Encourage owners or trustees to use or develop the land.~~

Conditions and Criteria

- 12.3 Applications for remission of up to 100% of rates may be made by ratepayers on Māori freehold land.
- 12.4 A register titled the Māori Freehold Land Rates Remission Register (the Register) will be maintained by the Council to record properties for which it has agreed to remit rates pursuant to this Policy.
- 12.5 Rates may only be remitted where the rating unit has been entered onto the Register.
- 12.6 The criteria for eligibility for entry to the Register are as follows:
- 12.6.1 The land listed on the application must be Māori freehold land.
- 12.6.2 The matters listed in Schedule 11 of the Local Government Act 2002 will be taken into account.
- ~~11.1.1 The land must be unoccupied by any persons, with no place of residence built thereon.~~
- ~~11.1.2 No income is derived from any use of the land.~~
- 12.7 The Council reserves the right to seek further information as it deems necessary.
- 12.8 The application must include reasons why the remission is sought and demonstrate the objectives of this Policy that will be achieved by the granting of the rates remission.
- 12.9 Where the land is vested in multiple owners, a copy of the minutes authorising individuals to act for the other owners should be enclosed, if it can be practicably obtained.
- 12.10 The Register will be reviewed annually, and eligible landowners may need to re-apply at the request of the Council. If the land has been developed within this period and/or any use of the land has become capable of generating an income, the rates will cease to be remitted from 1 July the following year.
- 12.11 The Council may at its own discretion add the land to the Register without an application if it is considered reasonable in the circumstances to do so in accordance with the eligibility requirements in Clause 12.6.

13 Postponement of rates for Māori freehold land

- 13.1 There is no specific policy for the postponement of rates on Māori freehold land, however other Council rates postponement policies may apply.

Associated Documents:

- [Local Government Act 2002](#)
- [Local Government \(Rating\) Act 2002](#)
- [Local Government \(Rating of Whenua Māori\) Amendment Act 2021](#)
- [Te Ture Whenua Māori Act 1993](#)
- [Rating Valuations Act 1998](#)

 DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti			
RATES REMISSION AND POSTPONEMENT POLICY			
Approved by:	Council		
Sponsor:	Chief Financial Officer		
Department responsible:	Finance		
Date approved:	2025	Reviewed:	2024
Next review date:	2030	DOC ID:	

Purpose

- To support fairness and equity of the rating system.
- To provide certainty about sources and levels of funding.
- To provide financial assistance or support for ratepayers where they might otherwise have difficulty meeting their rate payment obligations.
- To provide greater consistency, equity and clarity around the rating of Māori land.
- To support broader Council policy objectives.

Scope

The Dunedin City Council (the Council) sets rates under section 23 of the Local Government (Rating) Act 2002. Rates are used by the Council to fund the balance of its costs once all other funding sources are taken into account.

Section 102 of the Local Government Act 2002 provides that a council may have a rates remission and postponement policy (the Policy). Section 102(3A) of the Local Government Act 2002, requires that any remission or rates postponement policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

The Policy contains the full details of each remission and postponement scheme as well as outlining the objectives and criteria for each scheme and applies to every ratepayer or their agent (as defined within the Policy).

Once adopted this Policy must be reviewed at least once every six years.

Definitions

"Current rating year" is 1 July to 30 June of the year of application.

"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 home and chattels.

"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.

"Māori freehold land" is land whose beneficial ownership has been determined by the Māori Land Court by freehold order "Multiple owners" in respect to Māori freehold land, is land owned by more than one person.

"Rates instalment notice" is a quarterly rates invoice for a rating unit.

"Rating unit" has the same definition as the Rating Valuations Act 1998.

"Register" is a database maintained for the purpose of recording properties of which the Council has agreed to remit.

"Remitted rates" are rates for which the requirement to pay is remitted.

"Unexpected event" is any event that is resolved as an unexpected event by the Council, this may include but it not limited to a declared State of Emergency or a pandemic or other event.

1 General provisions

- 1.1 All applications under this Policy must be made in writing, using the prescribed form unless expressly declared otherwise in this Policy. Copies of the prescribed forms may be obtained from the Council Offices or Customer Service Centres.
- 1.2 All applications must be made by the ratepayer or their authorised agent, (excluding a mortgagee of the ratepayer).
- 1.3 A reference to a ratepayer is reference to all persons entered on the Council's rating information database in respect of that rating unit.
- 1.4 All applications will be considered on their individual merits and on a case by case basis.
- 1.5 The extent of the rates remission is at the sole discretion of the Council. This Policy does not provide for the permanent remission of rates and the remission may be cancelled or reduced at any time.

2 Remission of rates for financial hardship

Objective

- 2.1 To assist ratepayers experiencing financial hardship while providing for the collection of rates.

Conditions and Criteria

- 2.2 Applications for remission of up to 100% of rates for the current rating year may be made by a ratepayer (or their agent) who can demonstrate to the Council's satisfaction that they meet all of the following criteria:
 - 2.2.1 The rating unit to which the application relates is the primary private residence owned and occupied by them, or farmland occupied by the ratepayer.
 - 2.2.2 The ratepayer does not own (or have an interest in) any other rating units, including investment properties (whether in the district or another), except for farmland which may include several rateable units that are used as one farming unit.
 - 2.2.3 The ratepayer does not have the financial capacity to pay their rates when demanded or the payment of the rates would create financial hardship for the ratepayer.

- 2.2.4 The ratepayer may be required to seek, and provide evidence of, financial advice from an appropriate outside agency with relevant expertise, for example financial mentors, or the like.
- 2.2.5 The remission will apply for the rating year in which the application is made.
- 2.2.6 The ratepayer is not in arrears from a previous rating year.

3 Postponement of rates for financial hardship

Objective

- 3.1 To assist ratepayers to continue to live in their own home where they are experiencing financial hardship which temporarily affects their ability to pay rates.

Conditions and criteria

- 3.2 Applications for postponement of up to 100% of rates for the current rating year may be made by ratepayers (or their agent) who can demonstrate to the Council's satisfaction that they meet all of the following criteria:
 - 3.2.1 The rating unit to which the application relates is the primary private residence owned and occupied by the ratepayer, or is farmland occupied by them.
 - 3.2.2 The ratepayer does not own (or have an interest in) any other rating units or investment properties (whether in the district or another), except for farmland which may include several rateable units that are used as one farming unit.
 - 3.2.3 The ratepayer does not have the financial capacity to pay their rates, or the payment of rates would create financial hardship.
 - 3.2.4 There are no outstanding rate arrears owed in respect of the rating unit.
- 3.3 The ratepayer may be required to make arrangements acceptable to the Council for payment of future rates.
- 3.4 A postponement will apply from the beginning of the rating year in which the application is made and will end at the conclusion of the rating year.
- 3.5 The Council will require a ratepayer to make an application each year for continued postponement.
- 3.6 Any postponement will continue to apply for the applicable rating year or until the earliest of the following:
 - 3.6.1 the death of the ratepayer(s); or
 - 3.6.2 the ratepayer(s) cease to be the owner or occupier of the rating unit; or
 - 3.6.3 the ratepayer(s) cease to use the property as his/her residence; or
 - 3.6.4 a date specified by the Council; or
 - 3.6.5 at the ratepayer's request.
- 3.7 Notwithstanding the above, if the total amount postponed exceeds 20% of the property's most recent Capital Valuation, or Council considers that continued postponement will cause the

capital value limit to be exceeded, the postponement will cease, and the total postponed amount will become due for payment. In this circumstance, a payment arrangement may be entered into.

- 3.8 The Council may charge an annual fee to cover the Council's administrative and financial costs, on postponed rates for the period that the rates are postponed.
- 3.9 The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this Policy.
- 3.10 Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds from the sale or lease of the rating unit. All costs associated with the statutory land charge will be met by the ratepayer, including but not limited to preparation and registration of the statutory land charge.
- 3.11 Penalties will not be applied or will be remitted for any rates that have been postponed.
- 3.12 The ratepayer agrees to meet any Council costs associated with granting the postponement.

4 Remission of Penalties

Objective

- 4.1 To set parameters for the Council to remit penalties where it is fair and equitable to do so, and to encourage ratepayers to pay arrears and keep payment up to date.

Conditions and criteria

- 4.2 Applications for remission of up to 100% of any penalties may be made by ratepayers who can demonstrate to the Council's satisfaction that they meet one or more of the following criteria:
 - 4.2.1 Compassionate reasons (including the illness or death of a spouse or partner).
 - 4.2.2 The rate account went to the wrong address.
 - 4.2.3 The ratepayer did not receive an account.
 - 4.2.4 The Council made a mistake.
 - 4.2.5 Previous owners did not pay rates in full before property sale was completed or the Council was not notified of the sale at settlement.
 - 4.2.6 Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.
 - 4.2.7 Previous history of prompt payment and is paying the rate account within 10 working days of the instalment due date, or as soon as practicable and offers a reasonable excuse for tardiness.
- 4.3 An application for this remission need not be in writing unless the penalty exceeds \$200.
- 4.4 Penalties will not be applied where a ratepayer has entered into a repayment agreement satisfactory to the Council and makes the agreed regular rate payments.

- 4.5 Where a ratepayer has not paid the first instalment by the due date of that instalment but pays the total annual rates and charges by the second scheduled instalment due date, late payment penalties on the first instalment will be remitted.

5 Remission for Certain Targeted Rates on Farmland

Objective

- 5.1 To support fairness and equity of the rating system by providing for relief from certain targeted rates for rural land, which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Conditions and criteria

- 5.2 Applications for remission of up to 100% of applicable targeted rate(s) may be made by ratepayers of rural land, which is non-contiguous, farmed as a single entity and owned by the same ratepayer.
- 5.3 Applications may be made in respect of any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge and must demonstrate to the Council's satisfaction that they meet the following criteria:
- 5.3.1 The rating units must be owned by the same ratepayer.
- 5.3.2 Only one of the units may have any residential dwelling situated on the rating unit which is occupied by the ratepayer as their principal private residence.
- 5.4 Where any of the rating units lies within the district of an adjoining Local Authority which applies their sets of Targeted Rates to the rating units in the District, the Council may waive the applicable targeted rate(s) on those rating units.
- 5.5 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 5.6 A remission will apply from no later than the beginning of the next rating year commencing 1 July from which the application is made until the occupier no longer meets the criteria above.

6 Remission for certain Targeted Rates on Farmland and Commercial Land used by the same Ratepayer as a Single Entity

Objective

- 6.1 To support fairness and equity of the rating system by providing relief from certain targeted rates on Farmland and Commercial properties where the ratepayer occupies and uses the adjoining land as one unit.

Conditions and criteria

- 6.2 Applications for remission of up to 100% of applicable targeted rate(s) may be received from ratepayers of rural land and commercial land, which is contiguous, farmed as a single entity and owned by the same ratepayer.
- 6.3 Applications may be made in respect of applicable targeted rate(s) set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of

charge and must demonstrate to the Council's satisfaction that they meet the following conditions:

- 6.3.1 all rating units must be occupied by the same ratepayer
 - 6.3.2 all rating units must be used by the ratepayer as a single entity
 - 6.3.3 all rating units must be contiguous or separated only by road, railway, drain, water race, river or stream
 - 6.3.4 the number of Community Services Targeted rates is limited to the number of inhabited dwellings on each rating unit
 - 6.3.5 the occupier is unable to negotiate a lease compliant with the Local Government (Rating) Act 2002.
- 6.4 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 6.5 A remission will apply from no later than the beginning of the next rating year commencing 1 July from which the application is made until the occupier no longer meets the criteria above.

7 Remission of certain Targeted Rates for a family flat

Objective

- 7.1 To support fairness and equity of the rating system by providing relief from certain targeted rates where the ratepayer occupies and uses a second self-contained dwelling on their property for family use and does not rent the flat on the open market separately from the main dwelling.

Conditions and criteria

- 7.2 Applications for remission of up to 100% of applicable targeted rate(s) may be made by ratepayers that have a second self-contained dwelling on their property, owned by the same ratepayer.
- 7.3 Applications may be made in respect of any targeted rate set based on a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge and must demonstrate to the Council's satisfaction that they meet the following conditions:
- 7.3.1 All rating units must be occupied by the same ratepayer
 - 7.3.2 All rating units must be used by the ratepayer as a single entity
 - 7.3.3 The number of Community Services Targeted rates is limited to the number of inhabited dwellings on each rating unit
- 7.4 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 7.5 A remission will apply from no later than the beginning of the next rating year commencing 1st July from which the application is made until the occupier no longer meets the criteria above.

8 Remission of rates on land voluntarily protected for conservation purposes**Objective**

- 8.1 To encourage property owners to protect and enhance significant indigenous biodiversity within the city.
- 8.2 The policy is intended to support the Council's goal of identifying and protecting areas of ecological significance by recognising private land with high biodiversity value and to promote and encourage more landowners to participate in the process.

Conditions and criteria

- 8.3 Applications for remission of up to 100% of rates for the next rating year commencing 1 July may be made by ratepayers where a rating unit meets all of the following criteria:
- 8.3.1 The rating unit is within the city. It may be a part of a larger property in which case the area concerned shall be separately rated; and
- 8.3.2 The rating unit is scheduled as an Area of Significant Biodiversity Value (ASBV) in the Second Generation District Plan (2GP) Appendix A1.2; or the land has been assessed for ecological significance and meets one or more of the criteria in 2GP Policy 2.2.3.2 and the landowner has agreed for the land to be scheduled as an ASBV in 2GP Appendix A1.2 in the next appropriate plan change; or the land is protected by a covenant formally registered for the protection of indigenous biodiversity values (e.g. Department of Conservation, conservation covenant), and
- 8.3.3 The conservation of the rating unit contributes to the maintenance of indigenous biodiversity across Dunedin. This could include, but is not limited to, the following features:
- A specific area of indigenous vegetation; or
 - A specific visual or scenic feature of the landscape; or
 - A specific area of indigenous vegetation connected to traditional mahika kai or other indigenous uses; or
 - Any specific feature the conservation of which, in the view of the Council, meets the Council's goal regarding the environment.
- 8.4 When determining an application, the Council shall have regard to the following matters:
- 8.4.1 the desirability of preserving particular natural or historic or cultural features within the district.
- 8.4.2 whether, and to what extent, the preservation of particular natural or historic or cultural features might be prejudicially affected if rates remission is not granted in respect of the land on which they are situated.
- 8.4.3 whether, and to what extent, preservation of particular natural or historic or cultural features are likely to be encouraged by the granting of rates remission.

8.4.4 the extent to which the preservation of different types of natural, historic, and cultural features should be recognised by different criteria and conditions for rates remission, and whether different levels of rates remission should apply.

8.4.5 the extent to which rates remission should be available where the preservation of natural, historic or cultural features does not restrict economic utilisation of the land; such other matters as the Council considers relevant.

8.5 The Council may impose conditions on a property owner when granting relief.

Explanatory Note - Where the rating unit is owned or used by and for the purposes of the Queen Elizabeth the Second National Trust it is non-rateable under the Local Government (Rating) Act 2002.

9 Remission of rates following a natural disaster or calamity

Objective

9.1 To provide rates relief to ratepayers where the use of any rating unit has been detrimentally affected by erosion, subsidence, submersion or any natural disaster, and where Government funds that rates relief.

Conditions and criteria

9.2 Applications for remission of up to 100% of rates may be made by ratepayers where a rating unit meets all of the following criteria:

9.2.1 The rating unit is uninhabitable, or its use is detrimentally affected by erosion, subsidence, submersion or any natural disaster.

9.2.2 The Government has established and approved a reimbursement scheme for rates remitted for such properties.

9.2.3 Applications for this remission must be in writing describing the nature of the event, the steps being taken to return the rating unit to a usable state and provide an estimate of the time the rating unit is expected to be affected.

9.3 All applications must be made within three (3) months of the event.

9.4 The Council can set additional criteria for each event, as criteria may change depending on the nature and severity of the event and available funding at the time.

9.5 The remission will apply only to each single event and to the rating unit affected by such an event.

9.6 The remission will apply for the period which the rating unit is uninhabitable or its use is detrimentally affected.

9.7 The Council may require other records, such as insurance claims, as part of the approval process.

10 Remission of rates for unexpected events**Objective**

- 10.1 To support fairness and equity of the rating system by providing rate relief for any unexpected event where it may be considered appropriate to do so.

Criteria

- 10.2 The Council may remit any rate or rate penalty for any unexpected event, where it considers that is appropriate, fair and equitable to do so.
- 10.3 An unexpected event is any event that is resolved as an unexpected event by the Council, this may include but is not limited to a declared State of Emergency or a pandemic or other event.

11 Māori freehold land

- 11.1 Council recognises the complexities of Māori freehold land ownership, especially when there are multiple owners, or it is without a management structure in place. Due to the nature of the ownership structure, or its location/isolation, or for other reasons; it can be a challenge for owners to develop or reside on their whenua.

Rateable Māori land

- 11.2 Rates are payable on Māori freehold land, unless the land comes under one of the exceptions in the legislation, or Council decides to remit (not collect) or postpone collection of rates for the land.
- 11.3 A person using Māori freehold land is liable for the rates if the land is in a rating unit in multiple ownership that is not vested in a trustee; or a separate rating area.
- 11.4 Where trustees are liable to pay the rates on rateable Māori freehold land (Section 93 of the Local Government (Rating) Act 2002) trustees are to declare income received from the land to ascertain rates liability, if requested by the local authority.
- 11.5 Examples of non-rateable Māori freehold land
- Wholly unused Māori land,
 - Ngā whenua rāhui kawenata land,
 - A Māori burial ground or urupā,
 - Land used for the purpose of a marae,
 - A Māori reservation

[This is not a complete list of non- rateable Māori freehold land, refer to Part 1, Schedule 1 Local Government (Rating) Act 2002 for complete list]

12 Remission of rates on Māori freehold land

- 12.1 The Local Government (Rating of Whenua Māori) Amendment Act 2021 introduced changes to the Local Government (Rating) Act 2002, to add a new purpose to that Act to facilitate the administration of rates in a manner that supports the principles set out in the preamble to Te Ture Whenua Māori Act 1993. Accordingly, the Local Government Act 2002 requires that

councils have policies for the remission and postponement of rates on Māori freehold land, that recognise that the nature of Māori freehold land is different to general land, and that remission policies help deal with these matters and support whenua Māori landowners.

Objective

- 12.2 The objectives of this Policy are to:

12.2.1 Support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

Conditions and Criteria

- 12.3 Applications for remission of up to 100% of rates may be made by ratepayers on Māori freehold land.

- 12.4 A register titled the Māori Freehold Land Rates Remission Register (the Register) will be maintained by the Council to record properties for which it has agreed to remit rates pursuant to this Policy.

- 12.5 Rates may only be remitted where the rating unit has been entered onto the Register.

- 12.6 The criteria for eligibility for entry to the Register are as follows:

12.6.1 The land listed on the application must be Māori freehold land.

12.6.2 The matters listed in Schedule 11 of the Local Government Act 2002 will be taken into account.

- 12.7 The Council reserves the right to seek further information as it deems necessary.

- 12.8 The application must include reasons why the remission is sought and demonstrate the objectives of this Policy that will be achieved by the granting of the rates remission.

- 12.9 Where the land is vested in multiple owners, a copy of the minutes authorising individuals to act for the other owners should be enclosed, if it can be practicably obtained.

- 12.10 The Register will be reviewed annually, and eligible landowners may need to re-apply at the request of the Council. If the land has been developed within this period and/or any use of the land has become capable of generating an income, the rates will cease to be remitted from 1 July the following year.

- 12.11 The Council may at its own discretion add the land to the Register without an application if it is considered reasonable in the circumstances to do so in accordance with the eligibility requirements in Clause 12.6.

13 Postponement of rates for Māori freehold land

- 13.1 There is no specific policy for the postponement of rates on Māori freehold land, however other Council rates postponement policies may apply.

Associated Documents:

- Local Government Act 2002
- Local Government (Rating) Act 2002
- Local Government (Rating of Whenua Māori) Amendment Act 2021

- Te Ture Whenua Māori Act 1993
- Rating Valuations Act 1998