

1933.
NEW ZEALAND.

RATING OF NATIVE LAND

(REPORT OF COMMITTEE ON).

Laid on the Table of the House of Representatives by Leave.

ORDER OF REFERENCE.

Prime Minister's Office, Parliament Buildings, Wellington.

WHEREAS complaints are made from time to time by local authorities within whose boundaries there exist areas of Native land that difficulty is experienced in collecting rates in respect of such areas by reason of various matters including, *inter alia*, the matters following, namely: that such land is frequently owned by a number of individuals as tenants in common; that such land is unused, unoccupied, or unproductive; that the Maori owners apparently do not fully appreciate the necessity for the payment of their rates; that the remedies at present conferred by the law for recovery of rates assessed upon such land are inadequate: And whereas it is expedient that a Committee should be appointed to inquire and report with regard to the rating of Native lands, and what, if any, amendments are required in the law:

Now, therefore, you

The Hon. ALEXANDER DONALD McLEOD, M.P.,
ROBERT NOBLE JONES, Esquire, C.B.E., and
JOHN HENRY REID, Esquire,

are hereby appointed to be a Committee for the purpose of making inquiry into the following matters, that is to say:—

1. The operation of the existing law relating to the rating of Native lands.
2. In what way the present system of collecting rates on Native land could be improved.
3. The incidence of liability for rates imposed in respect of Native lands and how far the following matters or any of them should affect such incidence:—
 - (1) Ownership in common of land;
 - (2) The fact that land is unoccupied or is not producing revenue;
 - (3) The fact that land is without adequate means of access;
 - (4) The fact that land is reaping little or no benefit from the general expenditure of rates.
4. In view of the well-known difficulty of collecting rates due upon Native lands, what (if any) readjustment is necessary or expedient in the system of granting of Government subsidies to local authorities for hospitals and other purposes.
5. Whether any special provision should be made in respect of those local authorities in the district of which a large proportion of the rateable property is Native land.
6. Any other matter or thing necessary to elicit full information in the premises.

and you, the said Alexander Donald McLeod, are hereby appointed to be the Chairman of the said Committee.

The members of the Committee jointly (or any two of them together) are hereby authorized and empowered to make and conduct an inquiry at such times and at such place or places as they may deem expedient, and are permitted to call before them such person or persons as they may think capable of affording them information in the premises and are also hereby permitted to call for and examine all such records, books, deeds, instruments, accounts, valuation rolls, rate-books, plans, maps, or other documents as they shall judge necessary for the purposes aforesaid or any of them.

The Committee may from time to time associate with itself one or more persons as may be expedient to advise and assist the Committee, but the concurrence of any such person in the report of the Committee shall not be necessary.

And it is desired that, using all diligence, but not later than six calendar months from the date hereof, the Committee do report to me its opinion resulting from the said inquiry in respect of the matters hereby referred to it, together with such suggestions and recommendations it may make as a remedy for all or any of the matters aforesaid which in its opinion require to be remedied, and the manner in which the same should be carried into effect.

The Committee is directed that it shall not at any time without the consent of a Minister of the Crown publish or otherwise disclose the contents or purport of any report so made or to be made by it.

Dated at Wellington, the 18th day of April, 1933.

GEO. W. FORBES, Prime Minister.

Wellington, 29th September, 1933.

To the Right Honourable G. W. Forbes, P.C., Prime Minister, Wellington.

DEAR SIR,—

Acting under your warrant dated 18th April, 1933, we held meetings and heard evidence and statements from local authority and Native representatives at Wairoa, Gisborne, Tolaga Bay, Te Puia, Ruatoria, Te Araroa, Opotiki, Whakatane, Tauranga, Rotorua, Te Aroha, Paeroa, Thames, Whangarei, Kawakawa, Kaeo, Kaitaia, Rawene, Dargaville, Ruawai, Warkworth, Auckland, Ngaurawahia, Hamilton, Te Awamutu, Te Kuiti, Taumarunui, Waitara, Hawera, Wanganui, and Levin. In addition we communicated with the other interested North Island local authorities. We also visited and inspected a number of Native settlements and development schemes, taking statements of Native representatives. From a close examination of figures and balance-sheets placed before us by various local authorities, it is quite apparent that by reason of non-payment of Native rates, together with the non-payment of rates on certain Crown controlled lands occupied by Europeans, several local authorities, particularly within the Auckland Province, are finding it extremely difficult to carry on; and without doubt in that province this is tending to strengthen a widespread demand that rural lands be entirely derated for roading and hospital requirements.

(1) UNOCCUPIED NATIVE LANDS.

As a result of our investigation and observation we are satisfied that in a number of counties there are considerable areas of Native land with no rateable value. Section 104 of the Rating Act, 1925, enables the removal of such areas from valuation rolls by the Governor-General in Council exempting them from rateability, but so far very little appears to have been done in that direction. We are of the opinion that the Native Department, acting in conjunction with the Valuation Department and the local authorities should make a much wider use of the section of the Rating Act referred to, and we recommend accordingly.

(2) ROAD REQUIREMENTS OF NATIVE OCCUPIED OR OCCUPIABLE LANDS.

From the inquiries we have made and on the candid admission of many Natives themselves, we are satisfied that the great bulk of Native occupied or occupiable land is as well served by roads and bridges as the land of Europeans who are paying rates in the same localities. Many Native holdings on which in recent years practically no rates have been paid have highways running through or fronting them, and it is manifestly unfair that European ratepayers alone should be compelled to pay the rates required for the construction and maintenance of such roads. The construction of access roads to individual holdings (whether Native or European) has always been recognized as a responsibility of the land served or of the Crown, or of both in some proportion. Many of the individual Native holdings or titles are of so small an area as to be incapable of supporting a family, and the provision of actual road access to such is an economic impossibility. Very small blocks (particularly on the hilly country of what is known as the East Coast or Poverty Bay District) if farmed by Natives, must be done on community or family lines, and even then the construction of purely access roads thereto must be a charge on the land or a responsibility of the Crown. After full and careful consideration we find no reasonable ground for the Natives refusing to pay rates because of the failure of local authorities to provide road access to each individual holding, and we report accordingly.

(3) NATIVE LAND DEVELOPMENT SCHEMES.

We visited and inspected several development schemes controlled by the Native Department, and were much impressed by the progress made in most of the schemes. We are of the opinion that similar schemes ought to be brought into operation, with advantage both to the country generally and the Natives themselves, and we congratulate the Native Department on the progress already made. Our attention, however, was drawn to the fact that no rates were being paid on the lands included in these development schemes, although much use was being made of the roads and other facilities already provided or maintained by local authorities. Further, that there was a tendency to treat these development lands as if they were lands owned by the Crown, and thus not liable for payment of rates. This, apart from being unfair to local authorities, is not helping to educate Natives in one

of the first essentials of citizenship. As an illustration, our attention was drawn to a Native area which was leased by a European who paid rent and full rates thereon. The Native Department recently purchased the goodwill of the lease as a base farm in connection with its development schemes, since when no rates have been paid. Although the Native Department admits the justice of rates being paid, it is understood that there are technical difficulties in the way of their payment on account of the Crown having acquired the lessee's interest. Again our attention was drawn to several instances where the Native Department had advanced finance to individual Natives under its control, for the purpose of further development of their holdings, and although the Department takes 100 per cent. orders over production and allows the Natives living expenses out of it, usually it does not contribute anything towards rates until the Crown is fully recouped for the interest on advances made. While desiring to encourage in every reasonable way the further development of Native lands, local-authority representatives feel strongly that this non-payment of Native rates is highly unfair to other ratepayers, and are of the opinion that some provision should be made for the payment of a proportion of the rates on development lands. With this opinion we are in agreement, and urge that, after reasonable provision is made for living-expenses, at least 50 per cent. of rates be the next charge against the land or produce, progressively increasing annually until such time as each holding is fully developed, and we recommend accordingly.

(4) RATES ON NATIVE OCCUPIED LANDS ALREADY REASONABLY DEVELOPED.

As these holdings are closely intermingled in the main with European lands whose occupiers pay full rates, we know of no sound reason that the Natives should not also pay full rates. No convincing reasons were advanced by Natives themselves during the course of our inquiries, and data submitted on behalf of a number of County Councils proves that full use is being made by Natives of the facilities provided by local authorities. Unless the State is prepared to meet fully the responsibilities for Native rates, it is unjust that a policy of non-payment by Natives should cast the liability on European ratepayers of particular districts. Now that consolidation or individualization of Native titles has reached the stage it has, we are of the opinion that a closer co-ordination between the Valuation Department, the Native Department, and the Native Land Court is required. Local authorities periodically pay large amounts to the Valuation Department for correct valuation rolls, and are entitled to more information regarding Native holdings than they are now receiving. Section 107 of the Rating Act, 1925, gives wide and extensive powers to the Native Land Court to protect the voting-rights of Natives, and we feel that if full use was made of those powers by the Court and valuation officers, it would be of great assistance to local authorities. At present page after page of valuation rolls appear with the word "Natives" in the occupier's column. Although not specially directed to inquire into this phase of the Native rating problem, we recommend that it be further investigated.

(5) COLLECTION OF NATIVE RATES.

The collection of Native rates has always been a more or less difficult matter, but in recent years with many local authorities it appears that the collecting of an appreciable amount of Native rates has been an impossibility. The charging-order system against land has hopelessly broken down. Quick and liquid finance is a pressing necessity with most local authorities, particularly those having a large percentage of rateable Native land. Even if timely finance was not a pressing necessity, the ultimate result of carrying the system of charging-order against land into full effect, must be the entire dispossession of Natives of their lands. No local authority, however urgently in need of revenue, desires to see Natives dispossessed of their lands, and it is certain that no Government could stand by and watch Native land generally being compulsorily disposed of for rate liabilities. Native advisers are well aware of this fact. A heavy responsibility will, however, be thrown upon the State, or a weighty load cast on a section of ratepayers already overburdened, if something effective, even if unusual, is not quickly attempted in the direction of ensuring payment of Native-land rates being provided for. A number of the most reliable and responsible of local authority representatives in rural districts seriously affected by the non-payment of Native rates state that they would be satisfied during the period of present abnormal depression with the payment by Natives of 50 per cent. of rates levied, provided such was assured or in some way guaranteed. Others just as strongly protest that it would be unreasonable to allow many Native landholders, who are Europeans in every sense of the word, to escape payment of any portion of their rates. After very careful consideration, we are of the opinion that a statutory charge against the revenue from the land should be introduced. If this suggestion proves impracticable, we can suggest no other likely to be of value. A charge against dairy-produce should not be difficult of application and collection, and against other forms of production for which the use of roads and bridges is a necessity, not impossible. We therefore recommend that competent officers of Treasury and Law Drafting Departments investigate the matter and, if it is found practicable, we recommend that amending legislation be introduced accordingly.

(6) NATIVE LIABILITY TO HOSPITALS AND CHARITABLE INSTITUTIONS.

This is a problem which is becoming more difficult year by year, owing to the increase of Native population in certain hospital districts. In the early stages Natives were suspicious of hospital treatment, but are now making full use of the facilities offered. Natives are largely settling in localities where the climate suits them and where food-supplies are more readily available. The result is that in some hospital districts, holding a large Native population, the burden is becoming more than the European ratepayers can carry. In addition to the means already suggested by us as to the collecting of Native rates, we recommend that consideration be given to the granting of increased subsidies to those hospital districts serving the requirements of a large Native population.

(7) NATIVE RATES IN BOROUGH AND TOWN DISTRICTS.

Seeing that little or no saleable produce is derived from Native land situate within borough or town district limits, we can suggest no practicable alternative to the present charging-order system. We, however, are of the opinion that some less expensive and less cumbersome charging-order method should be framed, securing to local authorities up to 50 per cent. of the rates annually levied against Native lands, and we recommend accordingly.

In conclusion, we desire to express our thanks to the representatives and officers of the various local authorities visited for the manner in which they made desired information available to us. Also we desire to express our thanks to officers of the Native Department for their valued assistance.

A file of statements made and papers produced to the Committee is appended. [Not printed.]

A. D. McLEOD, Chairman.
J. H. REID, } Members.
R. N. JONES, }

To the Right Honourable G. W. Forbes, P.C., Prime Minister, Wellington.

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