

## **Tax Working Group Public Submissions Information Release**

### **Release Document**

**September 2018**

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## INTRODUCTION

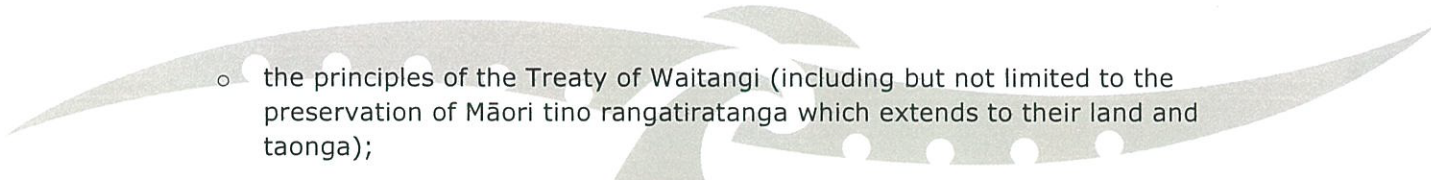
These submissions are prepared on behalf of Te Rūnanga-Ā-Iwi-O Ngāpuhi (the *Rūnanga*). The Rūnanga operates as the mandated iwi authority for Ngāpuhi. We are responsible for leading the spiritual, social, cultural, environmental and economic growth of Ngāpuhi by ensuring the self-determination and on-going sustainability of our people. At the time of the 2013 Census, the Ngāpuhi population included over 125,000 descendants (18.8 percent of the Māori population).<sup>1</sup>

Ngāpuhi has yet to settle with the Crown in relation to the Crown's historic breaches of the Treaty of Waitangi. When Ngāpuhi does settle, it is likely that we will have significant land holdings. We welcome the opportunity to comment on the impacts that either a capital gains tax or a land tax will have on Māori as well as the other issues raised in the Tax Working Group's 'Future of Tax' Submissions Background Paper.

## SUMMARY OF SUBMISSIONS

- We support moves that would broaden the tax base and increase the overall fairness of the tax system. We are in favour of changes that would, among other things, support regional development and environmental sustainability.
- We support the retention of the Māori authority tax regime given its importance to communal Māori ownership of certain assets.
- We are opposed to taxing land held communally by Māori on an unrealised basis (either by a land tax or a capital gains tax) on the basis that it intrudes upon Māori tino rangatiratanga (Māori rights to self-determination and sovereignty) by introducing new costs associated with land ownership.
- We are also concerned that, without sufficient safeguards, an unrealised tax on land assets could form the basis upon which Māori may be alienated from their land.
- We are opposed to the unrealised taxation of land in the post-settlement context given the significant difficulties post-settlement entities may have in meeting such a tax. This is based on assumptions about the typical profile of a post-settlement entity as having a large portion of land holdings relative to liquid assets. We note that if post-settlement entities were subjected to this type of taxation there would arguably be a conflict between the taxing regime and the treaty settlement regime.
- We consider granting narrow exemptions for land held by Māori and used for certain cultural or environmental purposes would fall short of the Crown's obligations as a Treaty partner. We consider the most appropriate way to address the concerns that we have raised would be to introduce wide exemptions for Māori.
- A framework for exploring the impacts of either a capital gains tax or a land tax should have regard to:

<sup>1</sup> Per the 2013 Census Iwi individual profile for Ngāpuhi, available online at:  
<[http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/iwi-profiles/individual.aspx?request\\_value=24531&parent\\_id=24527&tabname=&sc\\_device=pdf](http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/iwi-profiles/individual.aspx?request_value=24531&parent_id=24527&tabname=&sc_device=pdf)>

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- the principles of the Treaty of Waitangi (including but not limited to the preservation of Māori tino rangatiratanga which extends to their land and taonga);
  - the effect that the tax will have on the Treaty settlement process, particularly whether there are any tensions;
  - the risk that the tax will have the effect of alienating Māori from their land; and
  - the cultural and environmental benefits that can be promoted through tax concessions for land held by Māori.

## THE TAXATION OF LAND

Ngāpuhi have not yet settled their historic Treaty claims with the Crown and are currently working to progress this. When these claims are settled, Ngāpuhi can expect to receive significant land assets, or significant financial redress that will be put towards acquiring land assets, within our tribal area. This post-settlement asset base will form the basis for future development and will be key to achieving our spiritual, social, cultural, environmental and economic aspirations for members of our iwi and for and the Northland area.

When we do settle with the Crown, we expect that our asset profile will become heavily weighted towards land assets. We are concerned that if we are subject to an unrealised tax on our land assets at this stage, it would significantly hinder our ability to meet our development goals while also retaining the land received through the Treaty settlement process. Both the retention of our land and achieving our development goals are of critical importance to us and we consider that the best way to protect these interests would be an exemption for land held by Māori being taxed in any new land taxing regime.

The same will be true for other Māori undertaking or have already completed their Treaty settlement process. We consider that, if land assets are to be taxed on an unrealised basis, all Māori entities should be exempt from land taxes.

Please contact us if you wish to discuss any of the matters raised in our submissions.

Mauri Ora  
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Raniera Te Tinga Tau

Chairman Te Runanga a Iwi o Ngāpuhi