

Moreover, before proceeding to examine or recommend a scheme of adjustment of the incidence of rating, it is necessary to explain and desirable if possible to dispose of two matters—viz., (a) Native rates, (b) sewerage-works—which have materially complicated the issue.

(a) *Native Rates.*—The difficulties of the borough have been increased by the non-payment of Native rates. Native properties comprise roughly one-sixth in rateable value of the lands at present in the borough, and should therefore, under the present system of rating, contribute approximately one-sixth of the total rates levied. The amount collected from the Natives during the past five years was approximately one-fifth of their full contribution. The sum of £3,444 5s. 5d. is accepted by the Borough Council, and by Mr. G. P. Shepherd for the Native Department, as the total sum outstanding in respect of all unpaid Native rates as at 31st March, 1928, including the 10-per-cent. penalty imposed during the period of the existence of the borough and the Town Board.

After considerable discussion, in which the Commissioners participated, the Borough Council, by resolution dated 24th May, 1928, recorded its willingness “to accept a cash payment equal to 25 per cent. of the total Native rates of £3,444 5s. 5d. owing as at 31st March, 1928, plus all costs incurred by the Council to date in connection with liens and applications, in full settlement of all Native rates owing up to 31/3/28, provided the Native Department proceeds with a scheme to vest all Native land not occupied by the owners in the Maori Land Board, with wide powers of administration and alienation, the revenue to be applied in payment of all future rates. Rates collected between now and date of concluded agreement to be retained by the Council and deducted from £3,444 5s. 5d., and the 25 per cent. assessed on the net balance outstanding as at date of concluded agreement.”

Your Commissioners generally approve of the scheme of settlement embodied in the foregoing resolution. It is well known that the question of payment of Native rates is one which has given concern to a considerable number of local bodies in the North Island of New Zealand, and in certain cases settlements have been arrived at with a degree of equity to the local bodies, accompanied by some recognition of the extraordinary position which Native lands have in the past occupied in regard to rating. Your Commissioners are informed by the Native Department that the counties of Kawhia, Waitomo, Bay of Islands, Taumarunui, and Whangarei, and the Kaikohe Town Board, have settled for outstanding rates on a basis not exceeding 25 per cent. The following table shows the position of unpaid Native rates in the case of Otaki :—

Otaki Town Board—							£	s.	d.
1/4/13—31/3/20 ..	..	..	..	..	..	..	436	15	4
1920–21 ..	..	..	..	..	..	..	94	7	5
Otaki Borough Council—									
1921–22 ..	..	..	..	..	..	..	135	0	10
1922–23 ..	..	..	..	..	..	..	129	12	10
1923–24 ..	..	..	..	..	..	..	171	3	4
1924–25 ..	..	..	..	..	..	..	293	1	10
1925–26 ..	..	..	..	..	..	..	452	12	5
1926–27 ..	..	..	..	..	..	..	627	8	4
1927–28 ..	..	..	..	..	..	..	869	16	2
							3,209	18	6
Add 10 per cent., penalty for overdue rates ..							234	6	11
							£3,444	5	5
Twenty-five per cent. of this amount ..							£861	1	4

It will be noted that the above computation includes all Native rates prior to 1924–25, and therefore statute-barred unless protected by liens or judgments.

The Commissioners therefore recommend, subject as appears in the next succeeding paragraph, a cash payment to the Otaki Borough Council by the Government of £861 1s. 4d., or 25 per cent. of all Native rates outstanding as on 31st March, 1928, calculated on the basis set out in the above table.