

To: Independent Hearing Panel,
Commission
for the WCC's Proposed District Plan.

JCA Submission for Stream 11

Introduction

The following is the Submission of the Johnsonville Community Association Incorporated (JCA) for Stream 11 to the Independent Hearing Panel on the Proposed District Plan (PDP) for 2024-2034.

The focus of this Submission is on the issue of Significant Natural Areas (SNAs) and indigenous biodiversity as they relate to privately owned land in Wellington city.

Executive Summary

The JCA's position is that:

- a) There should be no SNAs on private land, whether urban or rural land, in Wellington.
- b) Adoption of indigenous biodiversity by private land owners should not result in reclassification of that land by the state as containing SNA subject to control by the state. (State in this context refers primarily to the Wellington City Council (WCC) but can also include the Greater Wellington Regional Council (GWRC) and central government).
- c) If a private land owner wants to change any aspect of the indigenous biodiversity on their privately-owned property that should remain that property owner's right and should not be subject to state control.
- d) The Wellington City Council (WCC) must use a partnership model, rather than a control model, to encourage indigenous biodiversity on private land that are located outside SNAs.
- e) If the state wants to classify SNAs on private land, then the private land owner is to be fully compensated at an independently set fair market value for the loss in the market value of their property. This approach would demonstrate the state's "*willingness to pay*" for the claimed benefits to the public of SNAs located on the landowner's privately-owned property.
- f) However, compensation isn't fully sufficient because the value to landowners of control of their land goes beyond the economic. The control itself, being able to manage and develop their property as they wish, is also of considerable value to landowners.

- g) Without the above approach, land titles will need to record that they have an SNA encumbrance on privately owned land.
- h) SNA encumbrances on private land titles will mean those properties will be less attractive to buy because of the limitations placed by the state on private land owners' full utilisation of their land. Also, SNAs increase the cost of owning land as owners need permission to manage their own property.
- i) Future SNA encumbrances on privately owned land will create risk and uncertainty in the property market and therefore be damaging to the property market.
- j) Conversely, indigenous biodiversity on privately owned land that does not attract an SNA classification will not be damaging to either:
 - i. the value of the landowner's private land, nor
 - ii. the property market.

Indigenous biodiversity has a greater likelihood of being increased where private land does not have an SNA classification on it than the converse. This "encouragement" or partnership approach is completely consistent with the overall objective of the National Policy Statement for Indigenous Biodiversity (NPS-IB) which states in paragraph 2.1 (1) the following:

The objective is to maintain indigenous biodiversity across Aotearoa New Zealand so that there is at least no overall loss in indigenous biodiversity after the commencement date.

- k) Lastly, and most fundamentally of all, any policy setting, regarding no classification of any private land as SNAs not being able to be classified on private land, should be in perpetuity. This is to protect private land owners from the state reneging on an agreed policy setting that there will be no SNAs on private land.

The JCA's reasons for the above positions are set out in more detail below.

We would also note that the NPS-IB is only a government regulation. It is not statute law that has been passed by Parliament. The NPS-IB has therefore not been subject to input from the wider public via the Parliamentary select committee process.

The JCA's Overall Preferred Approach to SNAs

The JCA strongly advocates for the Wellington City Council to adopt a partnership approach regarding encouragement of indigenous biodiversity on private land in Wellington as advocated by the Capital Kiwi Trust Board. Their approach is also strongly encouraged by both:

- a) the NPS-IB (section 3.5 refers), and

- b) the current National Coalition government who have made it very clear that the focus from Councils must be on indigenous biodiversity and not SNAs.

The SNAs are a suitable mechanism for maintaining and promoting indigenous biodiversity on public land. They are not a suitable mechanism for promoting indigenous biodiversity on private land. Partnerships with private landowners, without the threat in perpetuity of SNA classification, is the correct long term strategy for encouraging indigenous biodiversity on private land.

Significant Issues in Relation to SNAs on Private Land

The JCA has the following significant issues in relation to SNAs on private land in Wellington:

1. Is There Actually a Lack of SNAs in Wellington?
2. Adverse Effects of SNAs on Private Urban Land.
3. Adverse Effects of SNAs on Private Rural Land.
4. Council Decision in June 2022 Approving No SNAs on Private Land Has Been Ignored.
5. Some Private Land Properties in Wellington have 100% SNA Classification.
6. Proposal to Add Back 1300 “Trimmed Out” Landowners to Wellington’s SNA.
7. Adding Indigenous Biodiversity to Private Land Outside an SNA may Create New SNAs on Private Land.
8. The Capital Kiwi Case Highlights the Need for a Partnership Model rather than a Control Model for Encouraging Indigenous Biodiversity.
9. Partnership versus Control Model to Encourage Indigenous Biodiversity on Private Land.
10. Dubious Cost Benefit Analysis on the Effect of SNAs on Property Values.
11. Compensation is Required where Private Land has been Given an SNA Encumbrance.
12. Damaging Effect of SNAs on the Property Market Including Landowners Enjoyment of Their Property.

Each is discussed in turn below.

Is There Actually a Lack of SNAs in Wellington?

According to paragraph 64 of the Section 42A Report, *“approximately 18% of the total land area (5239 hectares) in Wellington City”* is subject to an SNA classification.

And according to paragraph 160 of the Section 42A Report, *“urban environments make up a very small amount of the overall land area of New Zealand (approximately one percent). This is important context, given that the NPS-IB applies to most of the land area of New Zealand, and has the potential to have a disproportionate and disabling effect on urban development within existing*

urban areas if the NPS-IB objective 'to maintain indigenous biodiversity across Aotearoa New Zealand' is applied in an unfettered manner."

The overall NPS-IB objective requires the following:

"to maintain indigenous biodiversity across Aotearoa New Zealand so that there is at least no overall loss in indigenous biodiversity after the commencement date"

and the JCA notes that:

- *"no overall loss"* infers a net loss objective, and
- it is an objective and rather than a quantified target.

Given the fact that Wellington is a nature orientated and connected city, it is highly dubious that Wellington has a problem regarding a lack of significant natural areas, and therefore indigenous biodiversity, in Wellington.

However, it is noted that the one area within the city that is under real threat from a lack of biodiversity and green space are those suburbs that are planned to have high urban densification like Johnsonville. That is where the Council needs to place its biodiversity focus so that it provides a real value add to residents in these highly densified urban environments.

Recommendation:

The Commission to note that there is a significant presence of SNAs in Wellington.

Adverse Effects of SNAs on Private Urban Land

The Section 42A Report states in paragraph 64 that the final SNA classification affects *"approximately 400 private landowners"* and in paragraph 65 that *"some 1300 private landowners"* had been *"trimmed out"* of the SNA classification on private land. The option of adding back the trimmed out 1300 private landowners to an SNA classification on their private land prior to the Resource Management (Freshwater and Other Matters) Amendment Bill being passed into law by the end of 2024 has been raised in the Section 42A Report.

The JCA's position is that there should be no SNAs on private land, whether urban or rural, in Wellington city for the following reasons:

- a) It is a clear breach of a private landowner's property rights.
- b) It will not allow a private landowner to achieve maximum utilisation of their private land so it is a clear loss of amenity.
- c) It is theft of individual private landowner's property rights by the state (whether local, regional or national government) without compensation.
- d) Unless provided with compensation from the state for the SNA classification, a property owner will incur a substantial financial loss on the value of their private land and property.

- e) The state has not included in the NPS-IB government regulation the provision of financial compensation to private land owners whose private land has been given an SNA classification.
- f) The crystal-clear unwillingness of the state to provide compensation clearly calls into question the state's "*willingness to pay*" for the benefits of indigenous biodiversity to the state.
- g) It will result in damage to the property market because it will provide uncertainty and risk in the market regarding property utilization and value changes associated with the SNA classification being extended to all private land.
- h) The NPS-IB government regulation makes no mention whatsoever of the loss of property rights and amenity or the loss of property value. Its silence tries to pretend that this isn't a relevant issue when it is the key game changer regarding encouragement of indigenous biodiversity.
- i) The NPS-IB was passed by the previous Labour government as a government regulation, rather than as an Act of Parliament, to avoid scrutiny and input from the wider public.
- j) The NPS-IB government regulation that results in such clearly unfair and inequitable outcomes that it is not good law.

Currently, the Wellington City Council's misguided focus on SNAs on private land in Wellington is a value destroying proposition for Wellington rather than being a value adding proposition.

Recommendations:

The Commission to note that the above adverse effects on private urban land as well as private rural land.

The JCA requests the Commission support the JCA's recommendation to the WCC that SNAs are not be placed on private urban land in Wellington.

Adverse Effects of SNAs on Private Rural Land

In addition to all of the reasons set out in the previous section, the JCA's position is that there should be no SNAs on private rural land in Wellington city for the following reasons:

- a) This approach ensures equality of treatment between private urban land owners and private rural land owners.
- b) Private rural land owners are already subject to extensive restrictions in terms of what they can do with their land. For example, trimming vegetation near tracks is already limited to a specified width.
- c) An SNA classification also ignores the additional costs (financial and other) imposed on landowners, e.g. to gain permission for activities on their land,

as well as the impact of this loss of control on their use and enjoyment of their property.

- d) The Section 42A Report supports SNAs being included on private rural land on the basis that the benefits of the indigenous biodiversity to the public are greater than the cost, in terms of financial loss of land value, to the rural landowner. The JCA has concerns with the analysis from Appendix F that the Council officer has relied upon in reaching this conclusion. These concerns are set out later in this submission.

Recommendations:

The Commission to note that the above adverse effects on private rural land.

The JCA requests the Commission support the JCA's recommendation to the WCC that SNAs are not be placed on private rural land in Wellington.

Council Decision in June 2022 Approving No SNAs on Private Land Has Been Ignored

At a Wellington City Council meeting in June 2022, the councillors voted for an amendment to lift SNAs from **ALL** privately owned land for the next year. This decision was made because there was a huge backlash from the public against the imposition by the Council of SNAs on private land in Wellington.

When Associate Environment Minister Andrew Hoggard announced in March 2024 that the government was suspending rules around Significant Natural Areas for three years while it replaces the Resource Management Act he included the following comment in his statement:

"For now, the government has agreed to suspend the obligation for councils to impose SNAs under the NPS Indigenous Biodiversity, and we're sending a clear message that it would be unwise to bother".

The Associate Environment Minister made this statement because he is well aware, from his rural and farming background, that there is widespread disagreement from:

- the rural community, and
- Maori (particularly up in Northland where they own considerable private rural land containing a high % of SNA), and
- the wider public

all of whom strongly oppose the imposition of SNAs on their private land. Andrew Hoggard has been a past President of Federated Farmers for many years.

The Section 42A Report is notable in terms of excluding the above relevant information in relation to work being done by the Council to impose SNAs on Wellington. Surely, the Council officer must have been aware that it was very

relevant to include all of the above information in his Section 42A Report for Stream 11 to assist the Commission’s consideration of the SNA issue for Wellington.

Recommendations:

The Commission to note that the Section 42A Report has omitted any reference to:

- a) the Council decision made in June 2022 to lift SNAs from ALL privately-owned land in Wellington for the next year, nor**
- b) any reference to the public backlash from Wellingtonians that led to this Council decision, nor**
- c) the crystal-clear advice from Associate Environment Minister Andrew Hoggard in March 2024 that Councils would be “*unwise to bother*” imposing SNAs on private land.**

Some Private Land Properties in Wellington have 100% SNA Classification

Within the 400 private landowners that have private land with an SNA classification, there are some landowners whose property has a 100% SNA classification e.g. rural areas south and west of Brooklyn. This means that these private landowners do not have any control over the utilisation of their land. If they have an alternative usage for that land, they will not be able to give effect to that desired usage. As such, for these landowners their private land has been rendered **completely** worthless by the SNA classification process.

The issue that some landowners face having most or all of their entire property zoned as SNA is hidden in the “average” values used in the Section 42A Report. This concentration of SNA’s in some areas and complete absence in others makes the commentary about “the average” meaningless and actually misleading as to the impact of SNAs on landowners. The Section 42A makes no comment on the impact both financially and liveability of landowner properties that are to be subject to 100% SNA.

The Section 42A Report has not highlighted this issue nor provided a table showing for the 400 private landowners the % extent of SNA classification for each property. This needs to be done.

Private Land Classification (Urban, Rural, Future Urban, etc)	Property Size (Hectares)	% of the Property Size that is subject to the SNA classification

In a fair and equitable society, the state would pay compensation to these landowners if they wanted compensation. The above table would provide a key input when considering the compensation amount that should be paid to such landowners.

Recommendations:

The Commission to note that the Section 42A Report has omitted:

- a) the fact that some private land properties in Wellington have a 100% SNA classification, and**
- b) a table as set out above showing the % of the SNA classification on the private land held by the 400 landowners**

The Commission to also note that the table is pre-requisite information to assist the determination of any financial compensation to be paid to private landowners whose private land is subject to an SNA classification.

The JCA requests the Commission support the JCA's recommendation to the WCC that the WCC be required to provide a table that shows the % of the SNA classification on the private land held by the 400 landowners.

Proposal to Add Back 1300 "Trimmed Out" Landowners to Wellington's SNA

The Council officer has indicated in the Section 42A Report that the 1300 private landowners that have been trimmed out of the SNA classification for Wellington could be added back to Wellington's SNA before the Resource Management Amendment Bill becomes law.

This would make some sense if it was clear that the new National Coalition government wanted to see more private land classified as containing SNA. But the above statement from Associate Minister Andrew Hoggard makes it very clear that it is unwise to impose more SNAs. Hence, why this government has incorporated in the Amendment Bill, from its commencement, a 3 year suspension period for councils from imposing new SNAs on their communities. The intent from the government in this area could not be clearer. Adding back SNA properties is contrary to intent of this government.

Recommendations:

The Commission to note that the option, as set out in the Section 42A Report, of adding back 1300 "trimmed out" private landowners to Wellington's SNA is completely contrary to the intent of the new National Coalition government.

The JCA requests the Commission support the JCA's recommendation to the WCC that the JCA does not support the option from the Council officer to add back 1300 "trimmed out" private landowners to Wellington's SNA.

Adding Indigenous Biodiversity to Private Land Outside an SNA may Create New SNAs on Private Land

The NPS-IB wants to encourage private landowners to add or restore indigenous biodiversity to their private land. If significant indigenous biodiversity is added to a landowner's private land then the Council can classify that private land as an SNA.

Paragraph 192 of the Section 42A Report states the following:

“any new SNAs identified in the future would need to proceed through a plan change process, with opportunities for landowners to make submissions”.

If the plan change process identifies the indigenous biodiversity as an SNA then the landowner is punished in three ways by the state:

- a) the land owner's land title is encumbered with an SNA classification, and
- b) the land owner's full utilisation of their property is restricted and controlled, and
- c) the land owner's property value will fall significantly without any prospect of compensation from the state that has inflicted this deliberate damage on the private landowner.

A policy setting process that results in these punishment outcomes for a completely innocent private landowner, doing their best to promote indigenous biodiversity on their private land, is simply moronic.

For all of the above reasons, the JCA does not support the proposal from the Council that when private land owners add or restore indigenous biodiversity to their private land that that indigenous biodiversity can be classified as an SNA.

As outlined in this submission's Executive Summary, the JCA is firmly of the view that if a private land owner wants to change any aspect of the indigenous biodiversity on their private land that should remain that property owner's right and should not be subject to state control.

Recommendations:

The Commission to note that:

- a) **the JCA considers that where a private landowner adds indigenous biodiversity to their private land the Council should not be allowed to create an SNA classification for that private land, and**
- b) **the JCA considers that the private landowner should be free to change any aspect of indigenous biodiversity on their private land.**

The JCA requests the Commission support the JCA's recommendation to the WCC that any addition of indigenous biodiversity to a landowner's private land should not allow a Council to create a SNA classification on that private land.

The Capital Kiwi Case Highlights the Need for a Partnership Model rather than a Control Model for Encouraging Indigenous Biodiversity

In paragraph 180 of the Section 42A Report the following is stated:

Capital Kiwi Trust Board [91.1, supported by Airways Corporation of New Zealand Limited FS106.1] is concerned that the identifying of SNAs on land where bird species (ie kiwi) have been introduced will impose significant constraints on private landowners, which would prevent them from participating in this type of conservation work. They seek clarification that the Council will not identify SNAs on land where species have been introduced voluntarily.

In paragraph 191 of the Section 42A Report the Council officer replied as follows:
I sympathise with the concerns of Capital Kiwi Trust Board [91.1] that, over time when (hopefully) the efforts of the Trust Board and private landowners to support species recovery and conservation come to fruition, new areas of land will be subsequently identified as SNAs. I can see how as vegetation begins to regenerate, either because of restoration efforts or natural regeneration, and when predator control and kiwi habitat expands, that such areas will be considered for identification as SNAs. This highlights an inherent tension within the NPS-IB as it requires councils to promote and provide for restoration while at the same time requiring restrictions on land to protect indigenous biodiversity. There is unfortunately a risk that landowners may consider opting out of participation in conservation work after weighing up the potential that this land may at some stage in the future be identified as a SNA. The Council is required to commence a review of the plan at least every ten years (or sooner if it chooses to do so). I recommend that this tension be considered at next review.

This Section 42A recommendation is to clarify this issue in the future rather than now must create uncertainty and risk for property owners. The JCA recommends the PDP include a clear statement on whether the voluntary introduction of native species will or will not lead to the imposition of an SNA. For the PDP to not provide clarity on this key issue from the start creates a moral hazard for those property owners who are supporting the expansion of indigenous biodiversity, including Kiwi, in Wellington City.

The JCA requests that Commissioners include in the PDP clear criteria on if, and when, the future voluntary introduction of native species onto private land will result in this land being rezoned as SNA.

Recommendations:

The Commission to note the downside risks and moral hazard to promoting indigenous biodiversity in Wellington as illustrated by the Kiwi Capital Trust Board’s unsatisfactory interactions with the Council regarding the promotion of kiwi in Wellington.

The JCA requests the Commission support the following JCA’s recommendations to the WCC:

- a) the PDP is to include a clear statement on whether the voluntary introduction of native species will or will not lead to the imposition of an SNA on private land, and
- b) the PDP is to contain clear criteria on if, and when, the future voluntary introduction of native species onto private land will result in this private land being rezoned as SNA.

Partnership versus Control Model to Encourage Indigenous Biodiversity on Private Land

The Council is currently using a control model to impose SNAs on private land currently and into the future. This will have the following adverse outcomes for private landowners:

- a) The land owner’s land title is encumbered with an SNA classification, and
- b) The land owner’s full utilisation of their property is restricted and controlled, and
- c) The land owner’s property value will fall significantly without any prospect of compensation from the state that has inflicted this deliberate damage on the private landowner.

The NPS-IB does not advocate the usage of a control model to promote indigenous biodiversity with private landowners. The NPS-IB encourages the usage of a partnership model as set out in section 3.5 (1) (d), (e) and (f) as follows:

(1) Local authorities must consider:

.....

(d) the importance of forming partnerships in protecting, maintaining, and restoring indigenous biodiversity; and

(e) the role of people and communities, particularly landowners, as stewards of indigenous biodiversity; and

(f) the value of supporting people and communities in understanding, connecting to, and enjoying indigenous biodiversity.

NB: Bolding, for emphasis purposes, has been made by the JCA.

The Capital Kiwi Trust Board's interaction with the Wellington City Council is a classic illustration of an unwillingness on the part of the Council to use a partnership model to address the Capital Kiwi Trust Board's concerns.

Instead, the Wellington City Council has a goal confusion problem because it has a shut mind to using a partnership model to promoting indigenous biodiversity on private land.

The acid test for this issue is to ask this question:

Should SNA classifications on private land be allowed to discourage the addition and restoration of indigenous biodiversity on private land?

The Council's answer to this question is: *yes*.

Whereas, the NPS-IB's answer to this question is: *no. Please see our overall objective in Part 2.1 of the NPS-IB.*

The overall objective in the NPS-IB is the promotion of indigenous biodiversity and SNAs are not mentioned in the overall objective. The Section 42A Report claims to align to the NPS-IB but it fails to consider the partnership aspects as mandated in Section 3.5 (1) the NPS-IB. The JCA asks Commissioners to recognise this failure in the Section 42A report and require WCC officers to properly align the PDP objectives and rules to support partnership with private land property owners.

The SNAs are a suitable mechanism for maintaining and promoting indigenous biodiversity on public land. They are not a suitable mechanism for promoting indigenous biodiversity on private land. Partnerships with private landowners, without the threat in perpetuity of SNA classification, is the correct long-term strategy for encouraging indigenous biodiversity on private land.

Recommendations:

The Commission to note that:

- a) the Council's control model used for encouraging indigenous biodiversity in Wellington is in conflict with Section 3.5 (1) of the NPS-IB which requires a partnership approach, and**
- b) partnerships with private landowners, without the threat in perpetuity of SNA classification, is the correct long-term strategy for encouraging indigenous biodiversity on private land.**

The JCA requests the Commission support the JCA's recommendations to the WCC that:

- a) WCC officers be required to properly align the PDP objectives and rules to support partnership with private landowners in promoting indigenous biodiversity in Wellington, and**

- b) WCC officers be required to adopt a strategy for encouraging indigenous biodiversity on private land that entails partnerships with private landowners without the threat in perpetuity of SNA classification on their private land.**

Dubious Cost Benefit Analysis on the Effect of SNAs on Property Values

In paragraph 210 of the Section 42A Report, the Council indicate they commissioned David Norman, Chief Economist at GHD, to understand the economic implications of SNA identification in the District Plan. The Council officer has summarised David Norman's overall conclusion and table in paragraph 217 of the Section 42A Report.

After reviewing that table and the supporting Appendix F report from David Norman, the JCA requested a copy of the calculation model in its original spreadsheet form that supports the table calculations. At the time of preparing this submission the spreadsheet has not been provided to the JCA.

In the interim, and pending receipt and careful review of the spreadsheet calculations, the JCA has concerns about this analysis.

The costs to the private landowner appear understated in the following two areas. The analysis does not show:

- a) the effect of the size of the SNA (i.e. the SNA land size as a % of the total private land size) on the value of a private landowner's land, nor
- b) any foregone developer profit margin from the private land.

The importance of these issues can be illustrated by using the land value information contained in the example in paragraph 4.1.5 of Appendix F. The model uses the following example:

- a) Land holding of 800m².
- b) Land is made up of two possible 400m² sections.
- c) Land value of 800m² before any subdivision is \$896,282.
- d) SNA is identified across 100m² of the property.
- e) The land is now, because of the SNA on the land, not able to be subdivided.
- f) The model estimates the land of 800m², inclusive of SNA, is now worth \$853,034.
- g) The model states that financial loss to the landowner in terms of land value is \$43,248.

But is the financial loss in land value really this low? Consider these two scenarios:

- a) Scenario 1: Pre-SNA rules, the private landowner could have subdivided the whole section into two 400m² sections and sold one of those sections for \$448,141 ($\$896,282 / 2$), or
- b) Scenario 2: Alternatively, the landowner could have built a small house on that 400m² section costing \$400,000 with a developer profit margin of say \$50,000 and sold the land and the house. In this scenario, the private landowner's gain would be \$498,141 ($\$448,141 + \$50,000$).

The model is indicating the cost in terms of the loss of land value is \$43,248 whereas the JCA's calculation suggests the cost could be between \$448,141 and \$498,141. This suggests that the cost to private landowners encumbered with an SNA classification on their private land could be very substantial. In summary then, the model appears to be significantly understating the cost to private landowners of the SNA classification on their properties.

When looking at the above calculations it needs to be kept in mind that Wellington has private land with 100% SNA on it. This land is worthless to the private landowner. What compensation is to be paid to such landowners in these situations?

The JCA has also identified problems with the benefit estimates in the economic analysis. The Appendix F analysis report itself states:

There is no perfect way to calculate the likely benefits and costs of the proposed SNAs. There is no single study in New Zealand, for instance, that measures people's willingness to pay specifically to maintain biodiversity. Consequently, estimates need to be formed based on the best comparative studies here and abroad, accounting for variations in scope or any obvious biases in the analysis.

The economic benefit estimate is based on only two reports, one from New Zealand and one from the United Kingdom with the benefit values being based on the 2007 New Zealand study. But is this study appropriate to be used? Key statements from [this NZ study](#) not mentioned in the economics report indicate the answer is no (**bold** added for emphasis):

- The study is called "*Green for green: The perceived value of a quantitative change in the **urban tree estate** of New Zealand.*"¹
- The study "*measures by contingent valuation the perceived monetary value of avoiding a 20% decrease in the **urban tree estate of 15 cities** in Aotearoa New Zealand*".

¹ Green for green: The perceived value of a quantitative change in the urban tree estate of New Zealand. Vesely, É. T. (2007). Ecological Economics, 63(2-3), 605-615.

- *Aesthetics, fresh air and trees representing **nature in the city and bringing wildlife into the urban environment** were the most highly regarded benefits*
- The stated preference survey was sent to just 550 households “with a 63% response rate. There were no return visits made to the households where no one was home originally and the response rate was calculated for the households for which contact has been made”.

In other words, this key New Zealand Study actually estimated the benefits of retaining trees **inside cities where households valued the benefit of “bringing wildlife into the urban environment”**.

The benefit values from a study measuring the retention of trees in urban city areas **cannot be used to calculate the benefits of retaining trees in areas that are both rural and inaccessible**. It is also likely that the costed benefit values to urban households from retaining trees in far off rural areas would be significantly lower than the values drawn from this study about retaining urban trees which puts into question whether there is any positive Benefit Cost Ratio for SNAs.

The JCA would also claim the small sample size and the age of this one study are also problematic.

The Section 42A Report relies heavily on the economic analysis to justify the imposition of SNAs on millions of dollars of private property. The JCA believes the economic analysis is seriously flawed and asks the Commissioners to discount any reliance on it as evidence to justify SNAs.

Also, in this respect, it is telling that neither the state nor the NPS-IB require financial compensation to be paid to a private landowner for the financial loss of property value arising from an SNA classification. The state claims that the public have a willingness to pay for the benefit of indigenous biodiversity but in fact it is specific individuals that actually incur the cost while the state, the representative of the public in general who benefit, is not prepared to put its money where its mouth is.

It is probably also fair to state that one can:

- a) attribute a **higher level of certainty to the costs** (loss of land and other value) incurred by the private landowner with private land that is subject to an SNA classification, compared to
- b) attribute a **lower level of certainty to the benefits** associated with calculating the value of the benefits (public willingness to pay, etc) with private land that is subject to an SNA classification.

Overall:

- a) the cost to a private landowner of an SNA classification on their private land appear significantly understated, and
- b) conversely, the benefits to the public appear overstated.

If the JCA's assessment is correct, then placement of SNAs on private land would provide a larger net cost loss to private landowners.

Given the latter, a private landowner is more likely to use an independent valuer, rather than the model from Appendix F, to assess their financial loss from an SNA classification on their private land.

Recommendations:

The Commission to note that:

- a) **the costs to private landowners from an SNA classification on their private land appear to be significantly understated, and**
- b) **the benefits to the public from an SNA classification on private land appear to be significantly overstated, and**
- c) **given the latter two points, there is real doubt whether there is any positive Benefit Cost Ratio for SNAs, and**
- d) **placement of SNAs on private land would provide a large net cost loss to private landowners.**

The JCA recommends the Commission discount any reliance on both Appendix F and the comments provided in the Section 42A Report as economic evidence to justify SNAs being classified on private land.

Compensation is Required Where Private Land has been Given an SNA Encumbrance

The previous section of this submission shows that the financial loss to private landowners with land subject to an SNA classification can be substantial.

If SNAs are truly of high value to the state, on behalf of the public, then the state should be only too willing to use money provided by the public to pay compensation to private landowners for SNA classifications on private land.

Compensation should be set by:

- an independent party from the Council, and
- a person who is highly skilled in property valuation work.

Compensation should be based on a robust and sound assessment of the financial loss at fair market rates incurred by each individual private landowner.

Recommendations:

The Commission to note that there is a very strong case for financial compensation where the Council places an SNA classification on a landowner's private land.

The JCA requests the Commission support the JCA's recommendations to the WCC that:

- a) compensation should be paid to landowners whose private land has been given an SNA classification, and**
- b) compensation should be set by:**
 - i. an independent party from the Council, and**
 - ii. a person who is highly skilled in property valuation work.**
- c) compensation amount should be a robust and sound assessment of the financial loss at fair market rates incurred by each individual private landowner.**

Damaging Effect of SNAs on the Property Market Including Landowners Enjoyment of Their Property

The damaging effect is that it will provide uncertainty and risk in the property market regarding:

- property utilization, and
- value changes, as well as
- landowners' enjoyment of their property

associated with the SNA classification on private land.

Recommendation:

The Commission to note that SNAs will have a damaging effect on the property market as well as landowners' enjoyment of their private property, all of which is completely avoidable.

Conclusion

The decisions about this PDP are the biggest change to the city of Wellington in at least the last 50 to 60 years if not longer than that. Decisions about the PDP will affect Johnsonville in particular for the next 50 to 100 years. It is therefore fundamental that those decisions are sound and right. Prescient wisdom is the pre-eminent requirement to achieve this together with fully integrated planning to ensure that the end outcomes are well functioning urban environments.

Warren Taylor

on behalf of the Johnsonville Community Association