

Auckland Council Rates Remission and Postponement Policy Consultation – Submission



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To: Auckland Council
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From: Queen Elizabeth the Second National Trust
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Introduction:

QEII National Trust is an independent statutory organisation, established over 40 years ago to facilitate protection and enhancement of natural and cultural heritage on private land for the benefit of present and future generations of New Zealanders.

The principal means by which we achieve this objective are open space covenants. These are established over private land to protect “open space” - features of scientific, aesthetic, cultural, recreational, scenic, or social value. We have over 4430 registered open space covenants protecting over 170,000 hectares across New Zealand, 279 of which are in the Auckland Council region.

One of our statutory functions is to make recommendations to appropriate bodies, such as local government, regarding protection and enhancement of open space. This includes giving advice on policies and proposals.

Executive summary:

We submit that rates remission should be available to all properties subject to QEII covenants in the Auckland Council region, and that a grants scheme should be established in addition to rates remission, to encourage and support maintenance of indigenous biodiversity protected by QEII covenants.

QEII National Trust opposes Auckland Council’s proposed policy as it:

- Discourages landowners from protecting natural heritage areas on their properties.
- Does not support protection of the environment and biodiversity on private land in the region.
- Fails to acknowledge the role that landowners with covenants play in private land conservation and in protecting land for the benefit of all New Zealanders.
- Does not reflect Council’s statutory obligations under the LGRA or the RMA.

SUBMISSION:

QEII National Trust strongly opposes the proposal to remove rates remissions on land protected with an open space covenant.

We submit that Auckland Council should expand rates remission to all properties with QEII covenants in the Auckland Council area.

We understand that there is a need for equal treatment for QEII covenants across the entire Auckland Council region, however, we submit that the best way to provide this equality would be by offering rates remission to all QEII covenanted properties, not removing remissions for all properties.

In our submission, Auckland Council's proposed policy fails to consider the contributions and benefits of private land conservation offered by QEII covenants, and disincentivises landowners from protecting their land in the future.

We propose that Auckland Council should:

- Support establishment of new private legal protection through rates remissions.
- And
- Support management of QEII covenant areas by contributing to covenant maintenance and enhancement through a grants scheme, or other support mechanism.

BACKGROUND:

QEII covenants and the Local Government Rating Act 2002 (LGRA).

The LGRA states, "land owned or used by and for the purposes of the Queen Elizabeth the Second National Trust is non-rateable". QEII National Trust is of the view that open space covenants are non-rateable under the LGRA, and that the proposal by Auckland Council is unlawful.

Notwithstanding the position under the LGRA, we make this submission on the policy issues around Auckland Council's proposal.

Local authorities' obligations under the Resource Management Act 1991 (RMA)

Local authorities, under the RMA, must recognise and provide for matters of national importance including:

- Preservation of the natural character of the coastal environment, wetlands, and lakes and rivers and their margins.
- Protection of outstanding natural features and landscapes.
- Protection of significant indigenous vegetation and significant habitats of indigenous fauna.

We can play an important role in assisting Auckland Council to meet these responsibilities.

QEII covenants offer robust protection for natural features on private land, forever. A covenant is a legally binding protection agreement registered on the title to land. Covenants are voluntary, but once in place they bind all present and future landowners. QEII covenants are a powerful tool for preservation and protection of the above matters of national importance identified by the RMA.

In addition, sections 30 and 31 of the RMA set out that a function of local authorities is to establish, implement, and review objectives, policies, and methods for maintaining indigenous biological diversity. This requires proactive management and intervention.

The focus of local authorities' biodiversity function under sections 30 and 31 of the RMA is implicitly on private land. As an agency with a proven track record protecting biodiversity on private land, QEII can play an important role in assisting local authorities to meet their ss30 and 31 RMA responsibilities for maintaining biodiversity; by providing grants to support to landowners with QEII covenants.

Our reasoning in favour of rates remission for all QEII covenant areas:

1. Auckland Council's proposal does not achieve a sensible policy outcome

Currently, landowners voluntarily undertake Auckland Council's statutory obligation under the RMA, by protecting natural heritage on their land. Charging rates on land that contributes to protection of the region's biodiversity will disincentivise private land conservation and send a message to those landowners who have protected areas on their land that Council does not support their efforts.

The proposal policy also fails to recognise the significant costs incurred by landowners who protect their land with QEII, particularly the economic opportunity-cost incurred when restricting land development forever.

We submit that Council's policy should provide rates remission to encourage landowners to protect natural features on their land with QEII covenants, as well as to recognise the efforts of landowners who have already done so.

2. Legal protection of private land prevents habitat loss and protects New Zealand's indigenous biodiversity

Habitat loss because of human activities is the major threat to indigenous plants, both in New Zealand and globally (Dopson et al. 1999 and IUCN 2000). The main cause of biodiversity loss on private land is from habitat destruction or modification (Davis et al 2016, Department of Conservation guidelines for assessing significant ecological values).

This habitat loss can be prevented through legal protection of ecosystem fragments on private land. Covenants are an important mechanism for protecting biodiversity on private land (Department of Conservation 2017, New Zealand's threatened species strategy – draft for consultation). This valuable protection offered by QEII covenants needs to be recognised by Council through rates remission.

3. Indigenous biodiversity in the Auckland region is under threat

The Auckland region contains a diverse range of terrestrial and wetland ecosystems and associated species. Since pre-human times, many ecosystem types in the Auckland region are thought to have been reduced to <10% of their original range (Singers *et al* 2017, Indigenous terrestrial and wetland ecosystems of Auckland).

Indigenous biodiversity is still under threat from ongoing loss and fragmentation of indigenous land cover, as well as increasing threats from invasive species and diseases (Auckland Regional Council 2010, State of the Auckland Region report 2009; Sawyer and Forbes August 2013, Threatened and unique biodiversity assets of Auckland report).

Of the 36 terrestrial and wetland ecosystem types identified within the Auckland region, 28 are under threat or have suffered ecosystem collapse (Singers *et al* 2017, Indigenous terrestrial and wetland ecosystems of Auckland). Protection of these areas with covenants is critical to ensure they are retained for future generations to enjoy. Remitting rates over these areas is appropriate to acknowledge the significant contribution of landowners in protecting these areas for the benefit of whole region.

4. Legal protection prevents indigenous habitat destruction and protects from the impact of domestic stock

QEII covenants often protect the habitat of threatened indigenous species, and provide corridors linking larger areas of land set aside for conservation. Stock exclusion provided by QEII covenants is critical in encouraging regeneration of native vegetation.

The New Zealand Biodiversity Action Plan 2016-2020 (DOC, 2016) outlines National Target 10 as, "Landowners are supported to protect more rare and threatened habitats and ecosystems". The Action Plan states that NZ will expand partnerships by continuing to grow the network of covenants on private and Māori land. The aim is to support stewardship of naturally uncommon ecosystems and habitats.

Charging rates on land that contributes to the protection of threatened habitats fails to incentivise private land conservation, and removing existing remissions sends the message that the contribution of existing covenantors is not valued. We submit that providing rates remission to all QEII covenants is an important step towards meeting the aims of the Biodiversity Action Plan.

QEII covenants contribute to protecting habitat on private land that may be under represented in the public conservation estate or other reserves (Davis and Cocklin, 2001, Protecting habitats on private land; Parliamentary Commissioner for the Environment 2017, Taonga of an island nation: Saving New Zealand's birds). This critical protection should be recognised by Council through rates relief.

5. Landowners make a significant financial contribution to conservation and the legal protection of our natural and cultural heritage

A 2017 study by the Waikato University Institute for Business Research has found that, on average, the cost to a landowner to establish a covenant is \$64,108. Our landowners then spend, on average, \$5,964 annually to maintain and enhance each covenant.

In addition, this research found that, by restricting future use of their land, covenantors have foregone income in the order of \$137,783 net present value per covenant (calculated over a 30-year period).

In the Auckland Region, the 279 registered QEII covenants equate to:

- \$17.8 million in covenant establishment costs
- \$1.663 million in annual covenant maintenance costs
- \$38.441 million in forgone income from restricting development

Rates remission is an acknowledgement of the sacrifice that these landowners have and continue to make for the benefit of the Auckland Region and all New Zealand.

6. Private land protection is a more robust form of legal protection than District Plan rules

Section 6 of the RMA requires those exercising powers under the RMA to recognise and preserve important natural areas, and protect those areas from subdivision.

Land designated for protection under a District Plan is typically still capable of being developed, subject to the appropriate consents. District Plans can also change, exposing previously protected areas for subdivision and development.

A QEII covenant ensures development rights cannot be exercised, protecting the land forever. It is appropriate for Council to recognise and encourage this robust protection through rating remission.

Our reasoning in favour of grants scheme for stewardship of QEII covenants:

7. Grants do not achieve the same outcome as rates remission

The proposal to replace the remissions with grants is understood in terms of how it would be cost-neutral to Council. However, rates remission for QEII covenants directly encourages landowners to covenant additional areas. In contrast, grants for QEII covenant areas do provide some incentive to protect land, but primarily, grants would assist landowners to improve areas already protected.

We encourage local authorities to consider grants schemes to provide support to landowners who have protected biodiversity on their properties with QEII covenants. Providing grants towards maintenance and enhancement of QEII covenants ensures that the funding is being used to maintain indigenous biological diversity in areas protected forever. Grants would be particularly valuable for those QEII covenantors who are suffering from hardship or are otherwise incapable of keeping up with the stewardship challenges of their covenants.

It is our submission that a grants scheme should not be considered as a *replacement* for rates remission for QEII covenanted areas. Encouraging protection of more biodiversity areas is important, but independent from supporting maintenance of areas already protected. Grants and rates remissions would be the best scenario for biodiversity protection in the Auckland Council region.

8. A grants scheme for QEII covenants benefits the Auckland Council

Under sections 30 and 31 of the RMA, local authorities are required to establish, implement, and review objectives, policies, and methods for maintaining indigenous biological diversity. This will largely have to take place on private land.

A grant scheme available to QEII covenantors in the Auckland region would be an efficient means for Auckland Council to comply with this RMA obligation:

- Funding would go to persons or organisations already committed to biodiversity protection.
- Areas protected by QEII covenants can never be developed, so there is no risk that funds will be ‘wasted’ by later development of a site to which Council has contributed.
- QEII would be able to work with landowners, ensuring grant money is spent effectively.
- Supporting areas already protected by QEII would be far more cost-effective than establishing new areas.
- Funding would automatically go to areas confirmed as having biodiversity values, so Council would not need to assess the values for each grant request.

CONCLUSION:

For the reasons outline above, QEII National Trust strongly opposes the proposal to remove rates remission for properties subject to QEII covenants.

We acknowledge that the status quo does not provide equal support across the Auckland Council region, and agree that this inequality needs to be remedied. However, we submit that the appropriate solution is to extend the rates remission to all QEII covenanted properties in the area, not remove the remissions.

Replacing remissions with grants does not recognise the different activities which remissions and grants encourage in landowners. Rates remission encourages landowners to set aside more land for protection, and grants schemes encourage increased maintenance and enhancement of areas already protected. Both these activities are important and should be encouraged.

QEII National Trust submits that remissions should be available to all QEII covenants across the Auckland Council region, and that a grants scheme should be established for maintenance and enhancement of areas protected by QEII covenants.

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