

TRANSFERABLE DEVELOPMENT RIGHTS: BIODIVERSITY SUPPORTED BY THE MARKETPLACE

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Presentation

- NPS Biodiversity 2018 (draft)
- TDR principles
- Costs and benefits
- In situ subdivision vs TDRs
- Mapping vs certification
- Enhancement planting
- Snapshot of New Zealand experience

What makes it work?

- The desire to protect and enhance biodiversity?
- Or is it a rural subdivision workaround?
- Policy emphasis on protection not subdivision
- Supply and demand

QEII vs RMA Covenants

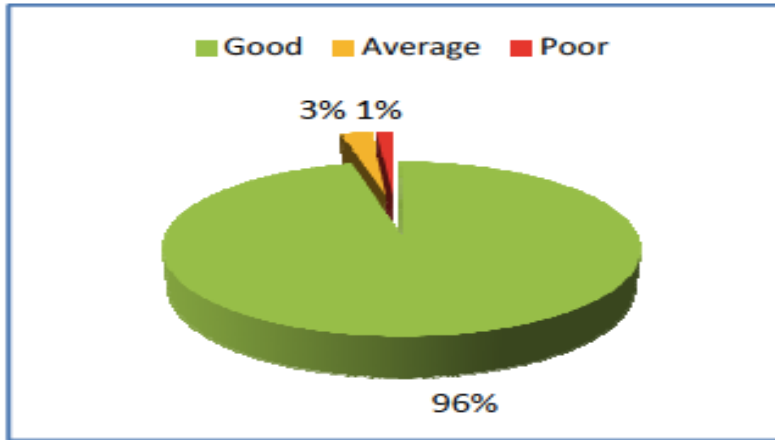


Figure 1: Biodiversity condition in Development Covenants (QEII covenants, June 2010)

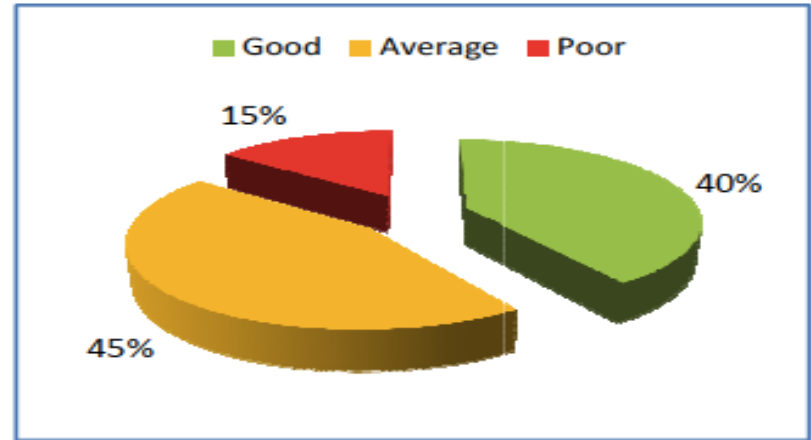


Figure 2: Biodiversity condition in Development Covenants (TCDC covenants, June 2010)

TDR principles

- Technical capability
- Evasion proof
- Clearly specified objectives
- Economic value
- Equity and administrative simplicity
- Minimal transaction costs

Costs and benefits

Party	Cost	Benefit
Donor	1. Opportunity cost of development in <u>favour</u> of protection or planting, physical protection costs ¹ , transfer and legal costs	2. Creation of title
Receiver	3. Payment for title	4. Subdivision rights at least the equivalent value to title purchase cost
Adjacent Public (neighbours of donor and receiver)	5. Receiver <u>neighbour</u> – probable amenity loss through additional lot density	6. Donor <u>neighbour</u> – probable amenity gain through indigenous vegetation retention and no additional <u>neighbour</u>
General Public	7. Nil	8. Biodiversity gain

¹ Protection costs typically include fencing and weed and animal pest control with a requirement for recording protection activities.

In situ subdivision vs TDR

- In situ lots devalue the resource being protected
- In situ seen as more straightforward
- Limit in situ through rules
- Encourage TDR through rules
- Council's to reduce transaction costs.

Mapping vs Certification

- Mapping is seen as administratively easier
- Council controlled mapping has region wide context
- Certification more appropriate for dynamic resource
- Certification is user pays
- Assessment for resource consent to define protection boundaries

Enhancement planting

- Proximity to existing SEA
- Issues raised by past experience
- Priority locations – regional landscape scale plans
- Consent holder cost

Snapshot of New Zealand experience (1)

District Plan Provision	Auckland ¹	Western BOP	<u>Waipa</u>
Name for process	Transferable rural subdivision site	Transferable protection lot	Environmental benefit lot
Protected area	Mapped SEA	Mapped Significant Ecological Feature or Certified ²	Mapped SNA in Rural Zone or Certified ³
Receiver area	Countryside Living Zone	Lifestyle Zone	Rural Zone < 1km of urban areas or Large Lot Zones (LLZ)
Minimum area	Indigenous vegetation 5ha for 1 lot; 10ha for 2 lots; 15ha for 3 lots; +10ha for extra lots. Wetland 0.5ha for 1 lot; 1ha for 2 lots	Variable of forest type 3ha – 5ha or 0.5ha for wetland	Whole of feature
<u>In situ</u> cap	3 lots for indigenous vegetation Nil for wetland	5 lots	1 lot

Snapshot of New Zealand experience (2)

District Plan Provision	Auckland¹	Western BOP	<u>Waipa</u>
Receiver cap	Indigenous vegetation unlimited; Wetland 2 lots	No cap (subject to zone subdivision rules)	Rural zone only 1 lot, LLZ unlimited
Protection of all protected area	Yes	Yes	Yes
Ecologist certification	No	Yes	Yes
Activity Status	Restricted discretionary	Controlled < 2 lots Restricted discretionary > 2 lots	Discretionary
Simultaneous Donor-Receipt	Yes	No	Yes; joint application
Expiry	None stated	5 years	None stated