

## NEW ZEALAND INSTITUTE OF VALUERS

### SUPPLEMENTARY WRITTEN SUBMISSIONS TO THE GOVERNMENT ADMINISTRATION SELECT COMMITTEE REGARDING THE LAND TRANSFER BILL MAY 2016

The Select Committee's questions included a focus on the concept of compensation in land valuation. Mr Peter Bates, for the NZIV, cited *Green & McCahill Holdings Limited v Auckland Council (as Successor to Rodney District Council)* HC AK CIV 2011-404-007233 [26 March 2013]. In particular Mr Bates referred to paragraph 55 which states:

*"The expression "full compensation" means such sum of money as will place the dispossessed owner in a position as similar as possible to that which the owner was in before the land was taken.<sup>25</sup> The governing principle of compensation is the award of a monetary equivalent for that which has been lost. The word "full" can probably be equated with the word "fair".<sup>26</sup> A claimant is entitled to receive the full money equivalent of what he has lost and in respect of each category of compensatable loss. Use of the word "full" implies a direction that his or her entitlement must not be whittled down in any respect.<sup>27</sup>"*

[Footnotes were:]

*"25. Russell v Minister of Lands (1898) 17 NZLR 241 (SC) at 253; and see Peter Salmon, The Compulsory Acquisition of Land in New Zealand (Butterworths, Wellington, 1982) at [11.1].*

*26. Riddiford v Attorney-General [2009] NZCA 603 at [24].*

*27. Drower v Minister of Works and Development [1984] 1 NZLR 26 (CA) at 29; Laws of New Zealand Compulsory Acquisition and Compensation at [66]; and see Te Marua Ltd v Wellington Regional Water Board [1983] NZLR 694 (CA) at 697."*

The above reasoning was not overturned by the subsequent decisions and gives a concise explanation of the compensation principles (albeit that case related to a market value differential basis for compensation).

The above was presented in oral submissions by Mr Bates for the NZIV, to Select Committee on 11 May 2016 and the above extract supplied as supplementary written submissions.