 **Landcare Broken Hill Inc**

***Greening the Hill Mk2***

ABC Radio interview No.30 – 19 November 2019

**THE MONETARY VALUE OF TREES**

**The ‘values’ of trees.**

In previous interviews I have talked the wonderful ‘values’ of trees. I have mentioned the following benefits:

* Environmental – to the air - by acting as trees do, absorbing carbon dioxide, giving us back oxygen in return
* Biodiversity – providing a home for birds, animals and insects (such as pollinators like bees). Our world needs such other creatures (think of that earlier interview where I mentioned the Japanese park where they play recorded birdsong).
* Climatic – by creating micro-climatic effects, keeping the surrounding temperature cooler
* Environmental – to the soil – by keeping the soil in place, reducing the movement of air borne dust
* Aesthetic – by creating a more attractive environment, loved by most of us, but especially artists
* Health – human physical health - by providing shade to protect we humans from the sun’s UV rays
* Health – human mental health – proven to highly beneficial to mood, lessening stress, calming, people are more relaxed in a treed setting
* Cultural – often being associated with the history of a places, with events, with the character of a place – providing a signature of a place, a sense of place

There are many other ‘values’ which listeners will readily identify or understand.

But my focus today is on the monetary value of trees. Trees are worth a lot of money and their removal gives rise to a loss of that monetary value.

**A little bit of my personal background, dealing with valuers**

Some listeners may recall that by profession I’m a lawyer, in fact I’m a QC having specialised in all areas of law dealing with property and the environment throughout my career. Much of that time has been spent dealing with the issues of land valuation, compensation claims and the like. In Victoria I was once a Senior Legal Member of an Administrative Tribunal that heard legal cases dealing with land valuation disputes and most recently I spent over two years as a Judge of the NSW Land & Environment Court in Sydney. In both positions I sat on and determined land valuation cases and in all those cases, I regularly heard the evidence of some of the Nation’s leading land valuers.

**Devaluing Private Property – the tree removal effect**

It is a fact the land valuers attribute considerable value to a tree or trees growing on private property. They will also attribute value to a tree growing in the naturestrip growing outside a property. Decades of valuation ‘learning’ has determined that the presence of a tree adds considerably value to property. The text books on land valuation are abound with instances of ascribing value to such physical features, recommending different methodologies to determining tree value.

Although there are many reasons why valuers have determined that trees add monetary value to property, an obvious one in determining the market value of a tree is an acceptance that in the market place there is a far greater number of people who value the benefits of having a tree when comparing it to the value of the same property without a tree. What the “willing purchaser is prepared to pay to secure a property from a willing vendor, or seller” has been proved time and time again to be greater if a tree or trees come(s) with the property.

I was once in a court case many years ago, where the valuers agreed that each one of five trees growing in a naturestrip added about $25,000 per tree to the value of a property. And that was so long ago, that such values would be small compared to the current day.

So my message to the property owners in Broken Hill: if you wish to retain the monetary value in your properties, then do all you can to keep your trees. On the other hand, if you don’t care about the monetary value of your property and want to, in effect, throw money down the drain, then remove that tree you may not like. But if you do remove that valuable tree, don’t complain later when you later find your property has been devalued.

One point to remember, more often than not, to reverse that silly decision to remove the tree that added value to your property, it will probably take more than the rest of your lifetime to get a replacement tree to grow back to the same size as the removed tree – especially in the harsh Broken Hill environment where it takes so long for trees to grow to any impressive (and valuable) size.

**Tree Removal on Public Land**

Most municipal Councils in Australia have a policy in place dealing with the valuation of trees in public places and a process to deal with circumstances where development requires the removal of a tree, so that the development can proceed.

There are dozens of Council policies to view on the web, but for this talk I thought I’d look at a rural-based council – the City of Bendigo in Central Victoria – which is perhaps more relevant to rural Broken Hill. So in a document titled “Tree Valuation in the City of Greater Bendigo”

Where a public tree removal is approved by Council’s Parks and Open Unit for development, construction or works, the associated cost of the tree, its removal and replacement shall be paid by the property owner or representative prior to its removal.

The costs associated with removal of a public tree in the City of Greater Bendigo include: **A – Amenity Value** Calculated in accordance with the City’s adopted Amenity Value Formula. B – Removal Costs The sum of the fees incurred by the City for physically removing the tree. **C – Reinstatement Costs** The cost of all works required to replace the loss of vegetation from the landscape.

Just to demonstrate how scientific and exacting is the process followed in Bendigo, I’ll try and explain it simply:

The City of Bendigo adopted a process followed by the City of Melbourne when assessing ‘Amenity Value’. It was first formulated by a Dr Peter Yau in 1990

Amenity Value = Basic Value ($) x Species (S) x Aesthetics (A) x Locality (L) x Condition (C)

**Basic Value ($)** The basic monetary value of a tree was taken from the internationally accepted table of values devised by the American Council of Tree and Landscape Appraisers and the International Society of Arboriculture, which in the base year 1988 was $US27 per square inch trunk basal area. This has been converted to Australian dollars to a value corresponding to centimetres in trunk diameter at breast height (DBH). Basic values were updated in January 2017 to reflect C.P.I. Young trees with a trunk diameter of 6 centimetres or less do not attract an amenity value charge.

**Species Factor (S)** A tree is assessed according to its known natural life span and its rate of growth in a particular environment. For example, a long-lived tree will be scored higher than a short-lived tree. Significant features of the tree will also modify how the tree is scored. Judgment regarding species factor must consider how that species performs in Greater Bendigo and must be made by a qualified Arborist

**Aesthetics (A)** The aesthetic value of a tree is determined by the impact on the landscape if the tree were removed. This category is closely tied to the locality factor (L).

**Locality (L)** The locality factor is determined by the tree's geographical situation. Trees in within a highly urbanised environment score highest because of the stressful growing environment in which the tree must survive. As the location becomes more rural, the significance of the tree diminishes. (In a location like Broken Hill where the environment is so slow, the climate so harsh and the growing rate is so slow, this location factor would be the reverse to that in Bendigo – because of the stressful growing environment, the value of a tree that managed to grow successfully is so much more the greater).

**Tree Condition (C)** The tree condition value is determined by the corresponding total score of the assessment criteria. So a healthy, stable and sound tree gets a rating of 5; some deadwood and dead limbs gets a rating of 3; and extensive dieback and deadwood gets a rating of 1 in the formula.

**B - Removal Costs** Costs will be based on the current costs of tree removal. It includes the physical removal of the tree and the stump.

**C – Reinstatement Costs** The level of reinstatement required will be determined by Council and will take into consideration the location, significance, biodiversity provision and the amenity of the tree removed. Reinstatement costs will also include a 24-month tree establishment fee and any treatment or Water Sensitive Urban Design (WSUD) measure deemed to be required to establish suitable replacement trees or vegetation.

Applying this valuation approach to trees, Councils throughout Australia recoup tens of thousands of dollars per year in compensation for trees that have had to give way for development. Most Councils then place these funds in a tree reinstatement fund which is used to cover the cost of progressive replanting and revegetation of their municipalities.

**The City’s Asset Register – adding trees to the City’s Asset List**

Given the acknowledged values of trees within a municipality, it is now commonplace for Council to add the public trees in streets and parks on to their City’s Asset Register. An Asset Register will have buildings, infrastructure and Council property listed, so that proper budgeting can occur. So if a Council loses a building due to fire, the Council will immediately know what its replacement value would be and so budget accordingly. Now that Councils are aware of the value of trees in their areas, it is common best practice to add trees to their Asset Register.

Taking this step has a real benefit, it causes Councils to be more cautious about removing trees, because to do so, they know their overall asset value will reduce – not a good look for the bottom line! Just as they wouldn’t go out and trash the Council’s fleet of cars, because of the bottom line implications, so it is with decision-making regarding trees. If they take an axe to a tree, they would concurrently be taking an axe to a valuable asset on the Council Asset Register. This tends to improve decision-making!

**The LAST public meeting of Landcare Broken Hill will be**

**at the Centre for Community, 200 Beryl Street, Thursday 28 November 7.00pm**

**when we will discussing the plans for *GREENING THE HILL MK2* in 2020**

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