

Queenstown Lakes District Proposed District Plan
Section 32 Evaluation
Stage 3 Components

For:

Chapter 18A – General Industrial Zone

And consequential Variations to Proposed District Plan Chapters:

Chapter 25 – Earthworks

Chapter 27 – Subdivision and Development

Chapter 29 – Transport

Chapter – 36 Noise

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Appendix 1: Economic Assessment of Queenstown Lakes District’s Industrial Zones, Stage 3 of the District Plan Review, 22 May 2019, Market Economics

Appendix 2: Business Development Capacity Assessment 2017, Queenstown Lakes District, 15 March 2018, Market Economics

Appendix 3: Landscape Memo, Glenda Drive Rural General Zoning, 21 February 2019, Helen Mellsop Landscape Architect

1. EXECUTIVE SUMMARY

1.1. This proposal involves a review of the following three Operative District Plan (ODP) zones:

- Industrial Zone
- Industrial B Zone
- Ballantyne Road Mixed Use Zone

1.2. Table 1 below describes the location of the ODP Industrial Zones throughout the District. No other land will be considered as part of this review.

| Zone | Location |
|--------------------------------|---|
| Industrial Zone | Arrowtown – Bush Creek Road Queenstown – Glenda Drive Wanaka - Ballantyne Road (western side of road) |
| Industrial B Zone | Wanaka - Ballantyne Road (western side of road) |
| Ballantyne Road Mixed Use Zone | Wanaka - Ballantyne Road (eastern side of road) |

1.3. Collectively, these ODP zones (referred to hereon as '**the Industrial Zones**') manage a large proportion of the land capacity allocated principally for the establishment, operation and growth of industrial type activities. However, the way in which these Industrial Zones manage activities and development is somewhat disparate. This has increased complexity for plan users and administrators, and produced uneven land use outcomes between the different Industrial Zones. Collectively, the Industrial Zones provisions have not sufficiently recognised or provided for those land use characteristics which enable the long term viability of industrial type activities, and have inadvertently provided for non-industrial type land uses to establish and operate within the Industrial Zones, such as Office, Retail and Commercial activities, which have contributed to industrial development capacity restraints within the District.

1.4. The Industrial Zones have been used as a baseline for this review, and the key changes that are recommended are as follows:

- a) Replace the existing Industrial Zones with a single zone framework referred to as the 'General Industrial Zone' (the **GIZ**);
- b) Exclude and restrict non-industrial type activities from the GIZ, including for the principle use of Office, Retail, Commercial and other related non-industrial type activities;
- c) Enable ancillary non-industrial type activities, including Office, Retail and Commercial activities, and food and beverage related commercial activities to the extent that they directly relate to and support Industrial or Service Activities;

- d) Identify minor additions to the extent of the existing Industrial Zones in the Wakatipu Ward to avoid unnecessary split zonings or to correctly zone existing industrial related activities;
- e) Remove the existing Ballantyne Road Mixed Use Zone from the existing set of Industrial Zones and rezone this land Open Space – Active Sport and Recreation.
- f) Identify additional land to be included within the GIZ in the Wanaka Ward to the North of Ballantyne Road adjacent to the existing Ballantyne Road Mixed Use Zone; and
- g) Vary relevant parts of the Proposed District Plan (**PDP**) Chapter 25 (Earthworks), Chapter 27 (Subdivision and Development), Chapter 29 (Transport) and Chapter 36 (Noise) to introduce the Zone to these chapters and to give effect to the direction of the GIZ.

1.5. The GIZ (Chapter 18A) will assist the Council to fulfil its statutory functions and responsibilities as required by the Resource Management Act 1991 (**'the Act'** or **'the RMA'**).

2. INTRODUCTION

2.1. Section 32 of the Act requires objectives in proposals to be examined for their appropriateness in achieving the purpose of the Act, and that the policies and methods of those proposals be examined for their costs, benefits, efficiency, effectiveness and risk in achieving the objectives.

2.2. The purpose of this proposal is to introduce the GIZ into the PDP framework. The GIZ comprises a suite of objectives, policies and rules that provide for the establishment, operation and long term viability of Industrial and Service activities. This proposal also recommends the following associated variations to the PDP to introduce land which had not previously been notified as part of Stages 1 and 2 to the PDP, and to identify the following GIZ specific controls:

- a) Chapter 25 (Earthworks) to identify a specific control on the volume of earthworks permitted within the GIZ;
- b) Chapter 27 (Subdivision and Development) to identify an objective, associated policies and minimum lot size controls specific to the GIZ;
- c) Chapter 29 (Transport) to identify activities within the GIZ as being required to provide off-street loading space, and include associated policy support for this provision; and
- d) Chapter 36 (Noise) to identify a rule controlling the effects of noise from activities operating within the GIZ and to include the GIZ as a zone in which critical listening environments are controlled.

2.3. The Industrial Zones were used as the basis of the proposal. Monitoring of the Business and Industrial Zones was undertaken in July 2010¹ and November 2011². Additional ground truth

¹ Queenstown Lakes District Council, Industrial and Business Zone Review, July 2010

² Monitoring Report for the Business and Industrial Zones, Policy and Planning, Queenstown Lakes District Council, November 2011

based monitoring was undertaken in January 2019 to identify land use activities being undertaken on sites located within the Industrial Zones.

2.4. The evaluation of the appropriateness of the proposed GIZ objectives, policies and rules is based upon addressing the following broad resource management issues:

- Issue 1 - Understanding the District's industrial economy
- Issue 2 - Non-industrial activities within the Industrial Zones
- Issue 3 - Industrial Development Capacity
- Issue 4 - Structure and complexity of the Industrial Zone framework
- Issue 5 - Minimum lot size within the Industrial Zones
- Issue 6 - Parking, manoeuvring and loading
- Issue 7 - Amenity within and outside of the Industrial Zones
- Issue 8 - Split zonings, inappropriate zoning layout and re-zonings

2.5. Addressing the issues set out above will result in a more appropriate regime of managing the effects of activities on land currently located within the Industrial Zones and is consistent with achieving the purpose of the Act.

2.6. The General Industrial Zone applies to land notified in Stage 3 of the Proposed District Plan review and is shown on the Planning Maps attached to the Stage 3 bundle.

3. DISTRICT PLAN REVIEW

3.1. The review of the ODP is being undertaken in stages. Stage 1 commenced in April 2014 and was publicly notified on 26 August 2015. Hearings on Stage 1 components comprising ten individual hearing streams for 33 chapters, 1 variation³ and three separate hearing streams for rezoning requests and mapping annotations⁴ were held from March 2016 to September 2017.

3.2. On 29 September 2016 the Council approved the commencement of Stage 2. As part of these resolutions, the Council addressed what the plan outcome would be at the end of the partial review, and approved the separation of the District Plan into two volumes, Volume A and Volume B.

3.3. Volume A (at the point in time of notification of Stage 3) consists of the PDP chapters notified in Stages 1 and 2 of the PDP. The below table seeks to illustrate the components of the PDP which were reviewed during each of the subsequent stages.

³ Variation 1 – Arrowtown Design Guidelines 2016

⁴ Ski Area Sub Zones, Upper Clutha Area and the Queenstown Area (excluding the Wakatipu Basin).

3.4. Stage 3 of the District Plan Review comprises the following topics:

- Mapping sites of significance to Iwi/Wāhi Tūpuna
- Township Zones
- Design Guidelines to assist with the implementation of the Residential and Business Mixed Use Zones (PDP Chapters 7, 8, 9 and 15)
- Industrial & Industrial B Zones
- Rural Visitor Zones
- Ballantyne Road Mixed Use Zone
- Three Parks Special Zone

3.5. The Stage 3 maps show the land that is subject to Stage 3 of the District Plan Review.

3.6. All land that is not subject to Stages 1 – 3 of the District Plan Review currently forms Volume B of the District Plan. This includes zones that have not yet been reviewed and notified, land that has been withdrawn from the District Plan review (i.e. the land subject to Plan Changes 46 - Ballantyne Road Industrial and Residential extensions, 50 - Queenstown Town Centre extension and 51 – Peninsula Bay North) and the Frankton Flats B Special Zone and the Remarkables Park Special Zone. All Volume B land is subject to the ODP.

3.7. At the time of notification of Stage 3, decisions have been made on Stages 1 & 2, and the subsequent appeal process is in train.

4. PURPOSE OF THE REPORT

4.1. Section 32 of the Act requires objectives in proposals to be examined for their appropriateness in achieving the purpose of the Act, and the policies and methods of those proposals to be examined for their efficiency, effectiveness and risk in achieving the objectives (MFE, 2014). This report fulfils the obligations of the Council under section 32 of the Act. The analysis set out below (within sections 6 to 12) should be read together with the text of Chapter 18A GIZ.

4.2. This report provides an analysis of the key issues, objectives and the policy response for Chapter 18A GIZ of the PDP under the following headings;

- a) The **Consultation** undertaken, including engagement with iwi authorities on the draft plan.
- b) An overview of the applicable **Statutory Policy Context** (Section 6)
- c) Description of the **Non-Statutory Context** (strategies, studies and community plans), which have informed the proposed provisions (Section 6.35);

- d) A description of the **Resource Management Issues**, which provide the driver for the proposed provisions (Section 7);
- e) A **level of detail** that corresponds to the scale and significance of the environmental, economic, social and cultural effects that are anticipated from the implementation of the proposal (Section 32(1)(c)) (Section 8);
- f) An **Evaluation** against Section 32(1)(a) and Section 32(1)(b) of the Act (Sections 9, 10 and 11), that is:
 - a. Whether the objectives are the most appropriate way to achieve the RMA's purpose (Section 32(1)(a)).
 - b. (b) Whether the provisions (policies and methods) are the most appropriate way to achieve the objectives (Section 32(1)(b)), including:
 - (i) identifying other reasonably practicable options for achieving the objectives
 - (ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives, and
 - (iii) summarising the reasons for deciding on the provisions; and
- g) Consideration of **Risk** (Section 12).

5. CONSULTATION

- 5.1. Consultation with Iwi authorities, required pursuant to Schedule 1, clause 4A of the RMA, was also undertaken between 9 July and 28 July 2019, whereby a set of draft provisions were provided to Iwi representatives for consideration and comment. The Iwi authorities did not request any changes to the draft provisions and did not provide any comment.

6. STATUTORY POLICY CONTEXT

Resource Management Act 1991

- 6.1. Section 5 sets out the purpose of the RMA, which requires an integrated planning approach and direction to promote the sustainable management of natural and physical resources. Guidance as to how the overall sustainable management purpose is to be achieved is provided in the other sections, including sections 6, 7 and 8 of Part 2 of the Act:

5 Purpose

- (1) *The purpose of this Act is to promote the sustainable management of natural and physical resources.*
- (2) *In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people*

and communities to provide for their social, economic, and cultural well-being and for their health and safety while—

- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- (b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
- (c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

6.2. Section 6 of the RMA sets out a number of matters of national importance that are to be recognised and provided for. The following section 6 matters are applicable:

- (b) the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:*
- (e) the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga:*
- (h) the management of significant risks from natural hazards.*

6.3. Section 7 lists “other matters” that Council shall have particular regard to and those most relevant to the GIZ include the following:

- (b) the efficient use and development of natural and physical resources:*
- (c) the maintenance and enhancement of amenity values:*
- (f) maintenance and enhancement of the quality of the environment:*
- (g) any finite characteristics of natural and physical resources:*
- (i) the effects of climate change:*

6.4. Section 8 requires that Council take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi). The principles as they relate to resource management derive from Te Tiriti o Waitangi itself and from resource management case law and practice. They can be summarised as follows:

- a) That there must be active protection of the partnership between the two parties;
- b) That there is an obligation to act with reasonableness and good faith, with both parties being prepared to compromise; and
- c) That dialogue and consultation will be the main way in which to give effect to the three principles outlined above.

Other National Legislation or Policy Statements

NPS on Urban Development Capacity 2016 (NPS-UDC)

- 6.5. Queenstown Lakes District (**the District**) is identified as a 'high growth urban area'⁵ under the National Policy Statement on Urban Development Capacity (**NPS-UDC**) and is therefore subject to the full suite of NPS-UDC provisions and requirements. Local authorities identified as containing high growth urban areas are required to comprehensively assess demand and capacity for both housing and business activities at least every three years commencing 31 December 2017.
- 6.6. The Council produced its first set of housing and business development capacity assessments in March 2018. For the purpose of this review, the Business Development Capacity Assessment⁶ (**BDCA**) is relevant and has been appended to this report as Appendix 2.
- 6.7. Matters relating to industrial development have been addressed in the proceeding sections of this report.

National Planning Standards 2019

- 6.8. In April 2019 the Government released a set of National Planning Standards⁷ (**planning standards**) that require all regional policy statements, regional plans and district plans to have a consistent structure and format. The planning standards also prescribe certain definitions, noise and vibration metrics and requirements for electronic functionality and accessibility. The planning standards have been introduced to improve the efficiency and effectiveness of the planning system, rather than seeking to alter the outcomes of policy statements or plans⁸. Queenstown Lakes District has seven years to adopt the planning standards and ePlan requirements and nine years to implement the standard definitions.
- 6.9. The planning standards have been considered when reviewing the ODP Industrial Zone provisions and, where possible within the scope of this review, the proposal recommends a zoning framework and provisions that assist with implementing the planning standards. The most notable of these recommendations, is to re-cast the ODP Industrial Zones as the GIZ, and to avoid the use of definitions from the ODP which do not fit in with those of the planning standards.
- 6.10. Whilst Stage 3 presents an opportunity to commence implementation of the planning standards, it would be inefficient to implement planning standards in the mid-point of the plan review for a single chapter, or for provisions that apply to the entire District Plan (such as the standard definitions and mapping conventions) alongside provisions that were not designed to interact with

⁵ Interpretation section, National Policy Statement on Urban Development Capacity, 2016

⁶ Business Development Capacity Assessment 2017, Queenstown Lakes District, 15 March 2018 – draft final
<https://www.qldc.govt.nz/assets/Uploads/Council-Documents/Committees/Planning-and-Strategy-Committee/10-May-2018/Item-1-Attachment-A-Business-Capacity-Assessment-2017-Final-1.5.2018.pdf>

⁷ <https://www.mfe.govt.nz/sites/default/files/media/RMA/national-planning-standards.pdf>

⁸ National Planning Standards 2019; part 1: Foundation Standard.

the planning standards. Implementing planning standards in an iterative way would be inefficient and unnecessary complex, particularly in the context of the staged review of the Plan, which in turn is subject to a large number of appeals which are also at various different stages towards being concluded. A pragmatic approach has therefore been taken to implementing the planning standards where possible, noting that there is no requirement to do this at the present time.

Iwi Management Plans

6.11. When preparing or changing a district plan, Section 74(2A)(a) of the RMA states that Councils must take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district.

6.12. The following iwi management plans are relevant:

The Cry of the People, Te Tangi a Taurira: Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 (MNRMP 2008); and

Kāi Tahu ki Otago Natural Resource Management Plan 2005 (KTKO NRMP 2005)

The Cry of the People, Te Tangi a Taurira: Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008

6.13. The Queenstown Lakes District is identified as being located within the 'Takitimu Me Ona Uri: High Country and Foothills' area of interest.⁹ Section 3.4 of the MNRMP 2008 sets out the policies for this area of interest. The following policies of section 3.4 are relevant:

| Reference | Detail |
|-----------|--|
| 3.4.13 | <p>Hazardous Substances and New Organisms</p> <ol style="list-style-type: none"> 1. Require appropriate consultation with regards to Hazardous Substances or New Organisms applications. Pre application, site visits, and presentation of findings are encouraged. Continued liaison with Te Rūnanga o Ngāi Tahu is essential. 2. Consultation and communication of highly technical information should in addition be presented in plain language, to enable rūnanga (and other community groups) to make informed decisions. 3. Consider any application for Hazardous Substances or New Organisms in terms of the potential effects, both positive and adverse, on indigenous biodiversity. 5. Oppose the use of any hazardous substances where it is likely that such use will have an affect on water quality and land, influencing the life supporting and productive capacity of both. |

⁹ Page 64, Part 3, Wāhi Tuatoru – Ngā Kaupapa Policy, The Cry of the People, Te Tangi a Taurira: Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 (MNRMP 2008);

Section 3.1 sets out policies relating to climate change which apply to the entirety of the area covered by the MNRMP 2008. The following policies of Section 3.1 are relevant:

| Reference | Detail |
|-----------|--|
| 3.1.1 | <p>Localised Influences on the Global Environment</p> <ol style="list-style-type: none"> 11. Actively support the promotion of appropriate disposal of toxic emissions and discharge methods through improved technology. 12. Support further development and improvement of contingency measures to recognise for increased natural hazard risk as a result of sea level rise and unpredictable weather patterns. Ngāi Tahu ki Murihiku will take an active role in the development of contingency measures and education of local communities. |
| 3.1.2 | <p>Economy and Industry</p> <ol style="list-style-type: none"> 8. Participate in planning for climate change and its potential risks to ensure industries and communities are well placed (build resilience) to deal with climate change conditions in the future. Such involvement could include building of partnerships with scientists, sharing of information, enhanced community engagement and education, joint management and co management of resources, and enhanced economic development through changing environments and technologies. |

Section 3.2 sets out policies relating to air which apply to the entirety of the area covered by the MNRMP 2008. The following policies of Section 3.2 are relevant:

| Reference | Detail |
|-----------|--|
| 3.2.1 | <p>Discharges to Air</p> <ol style="list-style-type: none"> 1. Discourage discharges from industrial and trade premises that will have an impact on mahinga kai, taonga species, biodiversity, wāhi tapu and wāhi taonga. 2. Ensure that the processes used during activities that discharge to air are supervised and monitored to ensure that contaminant emissions are minimised. 5. Support and advocate for controlled use and appropriate storage of highly toxic and hazardous substances within the region. 9. Discourage and prevent discharges to air that will have impacts on cultural well-being and community health. 10. Ensure that discharges of contaminants into the air such as dust, smoke and odour do not affect the amenity values of areas which are of cultural and historical significance to iwi. 12. Engage Ngāi Tahu ki Murihiku early in the consenting and permitting process for activities whereby there is discharge to air, particularly agricultural and aerial spraying/topdressing and activities causing offensive odours. Discharges must not cause objectionable or offensive odour to the extent that it causes adverse effects beyond the boundaries of the consent holder's property. 15. Encourage techniques to eliminate the effects of light pollution. Techniques should be introduced during planning phases for new suburban and coastal subdivisions and when assessing harbour and port procedures. |
| 3.2.2 | <p>Amenity Values</p> <ol style="list-style-type: none"> 1. Limit through promotion of improved production and techniques, visual and physical effects from activities associated with exhaust emissions, dust, unacceptable and intense odour, smoke and lighting. 2. Ensure where avoidable that impacts from activities that create effects such as glare, shading, or electrical disturbance do not interfere with the amenity values associated with a place, environment or neighbouring property. |

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| | <p>3. Ngāi Tahu ki Murihiku shall actively participate in interagency and cross boundary decision making in respect to development, design and placement of structures and where appropriate may provide qualified recommendations for the protection of amenity values.</p> <p>4. Ngāi Tahu ki Murihiku shall provide qualified recommendations with respect to concerns raised related to odour and offensive discharge, from rural, urban and industrial activities.</p> <p>6. Where there may be visual impacts on the natural and cultural landscapes as a result of development, encourage the integration of landscaping techniques which utilise reserve planting or vegetation screens to soften intrusion.</p> |
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Kāi Tahu ki Otago Natural Resource Management Plan 2005

6.14. Issues, objectives and policies for all catchments across the Otago Region are recorded in Chapter 5 of the KTKO NRMP 2005. The following overall objectives and policies are relevant:

| Reference | Detail |
|-----------|---|
| 5.2 | <p>Overall Objectives</p> <ol style="list-style-type: none"> i. The rakātirataka and kaitiakitaka of Kāi Tahu ki Otago is recognised and supported. ii. Ki Uta Ki Tai management of natural resources is adopted within the Otago region. iii. The mana of Kāi Tahu ki Otago is upheld through the management of natural, physical and historic resources in the Otago Region. iv. Kāi Tahu ki Otago have effective participation in all resource management activities within the Otago Region. v. The respective roles and responsibilities of Manawhenua within the Otago Region are recognised and provided for through the other objectives and policies of the Plan. |
| 5.4.3 | <p>Wāhi Tapu Objectives:</p> <ol style="list-style-type: none"> i. All wāhi tapu are protected from inappropriate activities. ii. Kāi Tahu ki Otago have access to wāhi tapu. iii. Wāhi tapu throughout the Otago region are protected in a culturally appropriate manner. |
| 5.4.4 | <p>Wāhi Tapu General Policies</p> <ol style="list-style-type: none"> 1. To require consultation with Kāi Tahu ki Otago for activities that have the potential to affect wāhi tapu 2. To promote the establishment of processes with appropriate agencies that: <ol style="list-style-type: none"> i. enable the accurate identification and protection of wāhi tapu. ii. provide for the protection of sensitive information about the specific location and nature of wāhi tapu. iii. ensure that agencies contact Kāi Tahu ki Otago before granting consents or confirming an activity is permitted, to ensure that wāhi tapu are not adversely affected <p>Earth Disturbance:</p> <ol style="list-style-type: none"> 4. To require that a Kāi Tahu ki Otago mandated archaeologist survey an area before any earth disturbance work commences. 5. To promote the use of Accidental Discovery Protocols for any earth disturbance work. 6. To require all Māori archaeological finds to remain the cultural property of Kāi Tahu ki Otago. |
| 5.6.3 | Cultural Landscapes Objectives |

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|-------|---|
| | <ul style="list-style-type: none"> i. The relationship that Kāi Tahu ki Otago have with land is recognised in all resource management activities and decisions. |
| 5.6.4 | <p>Cultural Landscapes General Policies</p> <ol style="list-style-type: none"> 1. To identify and protect the full range of landscape features of significance to Kāi Tahu ki Otago. <p>Earth Disturbance:</p> <ol style="list-style-type: none"> 19. To require all earthworks, excavation, filling or the disposal of excavated material to: <ul style="list-style-type: none"> i. Avoid adverse impacts on significant natural landforms and areas of indigenous vegetation; ii. Avoid, remedy, or mitigate soil instability; and accelerated erosion; iii. Mitigate all adverse effects. <p>Structures:</p> <ol style="list-style-type: none"> 24. To discourage the erection of structures, both temporary and permanent, in culturally significant landscapes, lakes, rivers or the coastal environment. <p>Subdivisions:</p> <ol style="list-style-type: none"> 26. To encourage a holistic planning approach to subdivisions between the Local Government Agencies that takes into account the following: <ul style="list-style-type: none"> i. All consents related to the subdivision to be sought at the same time. ii. Protection of Kāi Tahu ki Otago cultural values. iii. Visual amenity. iv. Water requirements. v. Wastewater and storm water treatment and disposal. vi. Landscaping. vii. Location of building platforms 27. To require that where any earthworks are proposed as part of a subdivision activity, an accidental discovery protocol is to be signed between the affected papatipu Rūnaka and the Company. 28. To require applicants, prior to applying for subdivision consents, to contact Kāi Tahu ki Otago to determine the proximity of the proposed subdivision to sites of significance identified in the resource inventory. |
| 5.7.2 | <p>Air and Atmosphere Objectives</p> <ul style="list-style-type: none"> i. Kāi Tahu ki Otago sites of significance are free from odour, visual and other pollutants. iii. The life supporting capacity and mauri of air is maintained for future generations. iii. The life supporting capacity and mauri of air is maintained for future generations. |
| 5.7.3 | <p>Policies</p> <ol style="list-style-type: none"> 1. To require earthworks and discharges to air consider the impact of dust and other air-borne contaminants on health, mahika kai, cultural landscapes, indigenous flora and fauna, wāhi tapu and taoka. 12. To require light suppression techniques are used for any new subdivisions and replacement lighting |

6.15. Part 10: Clutha/Mata-au Catchments Te Riu o Mata-au outlines the issues, objectives and policies for the Clutha/Mata-au Catchments. Included in this chapter is a description of some of the Kāi Tahu ki Otago values associated with the Clutha/Mata-au Catchments. The following Clutha/Mata-au specific objectives and policies are relevant:

| Reference | Detail |
|-----------|---|
| 10.2.3 | <p>Wai Māori Policies in the Clutha/Mata-au Catchment</p> <p>Land use:</p> <ol style="list-style-type: none"> 9. To encourage the adoption of sound environmental practices, adopted where land use intensification occurs. 10. To promote sustainable land use in the Clutha/Mata-au Catchment. 11. To encourage all consents related to subdivision and lifestyle blocks are applied for at the same time including, land use consents, water consents, and discharge consents. 12. To require reticulated community sewerage schemes that have the capacity to accommodate future population growth. |

6.16. In accordance with the above, the relevant provisions of the Iwi Management Plans have been taken into account in this s32 analysis.

Regional Policy Statements

6.17. Section 74 of the Act requires that a district plan prepared by a territorial authority must “give effect to” any operative Regional Policy Statement. The Partially Operative Otago Regional Policy Statement 2019 (**PORPS 19**) and the Partially Operative Otago Regional Policy Statement 1998 (**PORPS 98**) are the relevant regional policy statements to be given effect to within the PDP.

Partially Operative Regional Policy Statement 2019

| Reference | Detail |
|---------------|--|
| Objective 1.1 | Otago’s resources are used sustainably to promote economic, social, and cultural wellbeing for its people and communities |
| Policy 1.1.1 | <p>Economic wellbeing</p> <p>Provide for the economic wellbeing of Otago’s people and communities by enabling the resilient and sustainable use and development of natural and physical resources.</p> |
| Policy 1.1.2 | <p>Social and cultural wellbeing and health and safety</p> <p>Provide for the social and cultural wellbeing and health and safety of Otago’s people and communities when undertaking the subdivision, use, development and protection of natural and physical resources by all of the following:</p> <ol style="list-style-type: none"> a) Recognising and providing for Kāi Tahu values; c) Taking into account the diverse needs of Otago’s people and communities; d) Avoiding significant adverse effects of activities on human health; e) Promoting community resilience and the need to secure resources for the reasonable needs for human wellbeing; |
| Policy 1.2.1 | <p>Integrated resource management</p> <p>Achieve integrated management of Otago’s natural and physical resources, by all of the following:</p> <ol style="list-style-type: none"> c) Recognising that the value and function of a natural or physical resource may extend beyond the immediate, or directly adjacent, area of interest; f) Managing adverse effects of activities to give effect to the objectives and policies of the Regional Policy Statement. |

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| Objective 2.1 | The principles of Te Tiriti o Waitangi are taken into account in resource management processes and decisions |
| Policy 2.1.2 | Treaty principles Ensure that local authorities exercise their functions and powers, by: a) Recognising Kāi Tahu's status as a Treaty partner; and b) Involving Kāi Tahu in resource management processes implementation; c) Taking into account Kāi Tahu values in resource management decision-making processes and implementation; h) Taking into account iwi management plans. |
| Policy 2.2.1 | Kāi Tahu wellbeing Manage the natural environment to support Kāi Tahu wellbeing by all of the following: b) Safe-guarding the life-supporting capacity of natural resources. |
| Objective 4.1 | Risks that natural hazards pose to Otago's communities are minimised |
| Policy 4.1.3 | Assessing activities for natural hazard risk Assess activities for natural hazard risk to people, property and communities, by considering all of the following: a) The natural hazard risk identified, including residual risk; b) Any measures to avoid, remedy or mitigate those risks, including relocation and recovery methods; c) The long-term viability and affordability of those measures; d) Flow-on effects of the risk to other activities, individuals and communities; e) The availability of, and ability to provide, lifeline utilities, and essential and emergency services, during and after a natural hazard event. |
| Objective 4.5 | Urban growth and development is well designed, occurs in a strategic and coordinated way, and integrates effectively with adjoining urban and rural environments |
| Policy 4.5.1 | Providing for urban growth and development Provide for urban growth and development in a strategic and co-ordinated way, including by: b) Monitoring supply and demand of residential, commercial and industrial zoned land; c) Ensuring that there is sufficient housing and business land development capacity available in Otago; f) Having particular regard to: ii. Minimising competing demands for natural resources; g) Ensuring efficient use of land; h) Restricting urban growth and development to areas that avoid reverse sensitivity effects unless those effects can be adequately managed; |
| Policy 4.5.3 | Urban design Design new urban development with regard to: a) A resilient, safe and healthy community; b) A built form that relates well to its surrounding environment; c) Reducing risk from natural hazards; h) A diverse range of housing, commercial, industrial and service activities; |
| Objective 4.6 | Hazardous substances, contaminated land and waste materials do not harm human health or the quality of the environment in Otago |
| Policy 4.6.1 | Hazardous Substances Promote an integrated approach to the management of hazardous substances in Otago |

| | |
|---------------|---|
| Policy 4.6.2 | <p>Use, storage and disposal of hazardous substances Manage the use, storage and disposal of hazardous substances, by all of the following:</p> <ul style="list-style-type: none"> a) Providing secure containment for the storage of hazardous substances; b) Minimising risk associated with natural hazard events; c) Ensuring the health and safety of people; d) Avoiding, remedying or mitigating adverse effects on the environment; e) Providing for the development of facilities to safely store, transfer, process, handle and dispose of hazardous substances; f) Ensuring hazardous substances are treated or disposed of in accordance with the relevant regulatory requirements; g) Restricting the location and intensification of activities that may result in reverse sensitivity effects near authorised facilities for hazardous substance bulk storage, treatment or disposal; h) Encouraging the use of best management practices. |
| Policy 4.6.9 | <p>New contaminated land Avoid the creation of new contaminated land or, where this is not practicable, minimise adverse effects on the environment.</p> |
| Objective 5.3 | <p>Sufficient land is managed and protected for economic production</p> |
| Policy 5.3.2 | <p>Distribution of commercial activities Manage the distribution of commercial activities by:</p> <ul style="list-style-type: none"> c) Restricting commercial activities outside of a) and b) when such activities are likely to undermine the vibrancy and viability of those centres; <p>(for clarity purposes:</p> <ul style="list-style-type: none"> a) Enabling a wide variety of commercial, social and cultural activities in central business districts, and town and commercial centres; b) Enabling smaller commercial centres to service local community needs;) |
| Policy 5.3.3 | <p>Industrial land Manage the finite nature of land suitable and available for industrial activities, by all of the following:</p> <ul style="list-style-type: none"> a) Providing specific areas to accommodate the effects of industrial activities; b) Providing a range of land suitable for different industrial activities, including land-extensive activities; c) Restricting the establishment of activities in industrial areas that are likely to result in: <ul style="list-style-type: none"> i. Reverse sensitivity effects; or ii. Inefficient use of industrial land or infrastructure. |
| Objective 5.4 | <p>Adverse effects of using and enjoying Otago's natural and physical resources are minimised</p> |
| Policy 5.4.1 | <p>Offensive or objectionable discharges Manage offensive or objectionable discharges to land, water and air by:</p> <ul style="list-style-type: none"> a) Avoiding significant adverse effects of those discharges; c) Avoiding, remedying or mitigating other adverse effects of those discharges. |
| Policy 5.4.3 | <p>Precautionary approach to adverse effects Apply a precautionary approach to activities where adverse effects may be uncertain, not able to be determined, or poorly understood but are potentially significant or irreversible.</p> |

Partially Operative Regional Policy Statement 1998¹⁰

| Reference | Detail |
|-----------------|---|
| Objective 5.4.1 | To promote the sustainable management of Otago's land resources in order: (a) To maintain and enhance the primary productive capacity and life-supporting capacity of land resources; and (b) To meet the present and reasonably foreseeable needs of Otago's people and communities. |
| Objective 5.4.2 | To avoid, remedy or mitigate degradation of Otago's natural and physical resources resulting from activities utilising the land resource. |
| Objective 5.4.3 | To protect Otago's outstanding natural features and landscapes from inappropriate subdivision, use and development. |
| Policy 5.5.2 | To promote the retention of the primary productive capacity of Otago's existing high class soils to meet the reasonably foreseeable needs of future generations and the avoidance of uses that have the effect of removing those soils or their life-supporting capacity and to remedy or mitigate the adverse effects on the high class soils resource where avoidance is not practicable. |
| Policy 5.5.3 | To maintain and enhance Otago's land resource through avoiding, remedying or mitigating the adverse effects of activities which have the potential to, among other adverse effects: (a) Reduce the soil's life-supporting capacity (b) Reduce healthy vegetative cover (c) Cause soil loss (d) Contaminate soils (e) Reduce soil productivity (f) Compact soils (g) Reduce soil moisture holding capacity. |
| Policy 5.5.4 | To promote the diversification and use of Otago's land resource to achieve sustainable landuse and management systems for future generations. |
| Policy 5.5.5 | To minimise the adverse effects of landuse activities on the quality and quantity of Otago's water resource through promoting and encouraging the: (a) Creation, retention and where practicable enhancement of riparian margins; and (b) Maintaining and where practicable enhancing, vegetation cover, upland bogs and wetlands to safeguard land and water values; and (c) Avoiding, remedying or mitigating the degradation of groundwater and surface water resources caused by the introduction of contaminants in the form of chemicals, nutrients and sediments resulting from landuse activities. |
| Objective 6.4.2 | To maintain and enhance the quality of Otago's water resources in order to meet the present and reasonably foreseeable needs of Otago's communities. |
| Objective 9.4.3 | To avoid, remedy or mitigate the adverse effects of Otago's built environment on Otago's natural and physical resources. |
| Policy 9.5.4 | To minimise the adverse effects of urban development and settlement, including structures, on Otago's environment through avoiding, remedying or mitigating: (a) Discharges of contaminants to Otago's air, water or land; and (c) Visual intrusion and a reduction in landscape qualities; and (d) Significant irreversible effects on: (vi) Amenity values; or |

¹⁰ <https://www.orc.govt.nz/media/6355/orc-1998-rps-revoked-provisions.pdf>

Proposed District Plan

6.18. The following objectives and policies (or parts thereof) of the PDP (Part 2 Strategic) are relevant to this proposal should take into account and give effect to these provisions:

Strategic Direction Chapter 3

| Reference | Detail |
|------------------------|--|
| Objective 3.2.1 | The development of a prosperous, resilient and equitable economy in the District. |
| Policy 3.2.1.2 | The Queenstown and Wanaka town centres ¹¹ are the hubs of New Zealand's premier alpine visitor resorts and the District's economy. |
| Policy 3.2.1.3 | The Frankton urban area functions as a commercial and industrial service centre, and provides community facilities, for the people of the Wakatipu Basin. |
| Policy 3.2.1.4 | The key function of the commercial core of Three Parks is focused on large format retail development. |
| Policy 3.2.1.5 | Local service and employment functions served by commercial centres and industrial areas outside of the Queenstown and Wanaka town centres ¹² , Frankton and Three Parks, are sustained. |
| Policy 3.2.1.6 | Diversification of the District's economic base and creation of employment opportunities through the development of innovative and sustainable enterprises. |
| Objective 3.2.2 | Urban growth is managed in a strategic and integrated manner. |
| Policy 3.2.2.1 | Urban development occurs in a logical manner so as to: c. achieve a built environment that provides desirable, healthy and safe places to live, work and play; h. be integrated with existing, and planned future, infrastructure. |
| Objective 3.2.4 | The distinctive natural environments and ecosystems of the District are protected. |
| Policy 3.2.4.1 | Development and land uses that sustain or enhance the life-supporting capacity of air, water, soil and ecosystems, and maintain indigenous biodiversity. |
| Objective 3.2.6 | The District's residents and communities are able to provide for their social, cultural and economic wellbeing and their health and safety. |
| Strategic Policy 3.3.3 | Avoid commercial zoning that could undermine the role of the Queenstown and Wanaka town centres as the primary focus for the District's economic activity. |

¹¹ Defined by the extent of the Town Centre Zone in each case

¹² Defined by the extent of the Town Centre Zone in each case

| | |
|-------------------------|---|
| Strategic Policy 3.3.4 | Provide a planning framework for the Frankton urban area that facilitates the integration of the various development nodes. |
| Strategic Policy 3.3.5 | Recognise that Queenstown Airport makes an important contribution to the prosperity and resilience of the District. |
| Strategic Policy 3.3.6 | Avoid additional commercial zoning that will undermine the function and viability of the Frankton commercial areas as the key service centre for the Wakatipu Basin, or which will undermine increasing integration between those areas and the industrial and residential areas of Frankton. |
| Strategic Policy 3.3.8 | Avoid non-industrial activities not ancillary to industrial activities occurring within areas zoned for industrial activities. |
| Strategic Policy 3.3.10 | Avoid commercial rezoning that would undermine the key local service and employment function role that the centres outside of the Queenstown and Wanaka town centres, Frankton and Three Parks fulfil. |
| Strategic Policy 3.3.11 | Provide for a wide variety of activities and sufficient capacity within commercially zoned land to accommodate business growth and diversification. |
| Strategic Policy 3.3.13 | Apply Urban growth Boundaries (UGBs) around the urban areas in the Wakatipu Basin (including Jack's Point), Wanaka and Lake Hawea Township. |

6.19. The Strategic Directions seek to enable development while protecting the valued natural and physical resources of the District. The proposal is required to give effect to these obligations.

Urban Development Chapter 4:

| Reference | Detail |
|-----------------|---|
| Objective 4.2.1 | Urban Growth Boundaries used as a tool to manage the growth of larger urban areas within distinct and defensible urban edges. |
| Policy 4.2.1.1 | Define Urban Growth Boundaries to identify the areas that are available for the growth of the main urban settlements |
| Policy 4.2.1.2 | Focus urban development on land within and at selected locations adjacent to the existing larger urban settlements and to a lesser extent, accommodate urban development within smaller rural settlements. |
| Policy 4.2.1.4 | Ensure Urban Growth Boundaries encompass a sufficient area consistent with: <ul style="list-style-type: none"> a. the anticipated demand for urban development within the Wakatipu and Upper Clutha Basins over the planning period assuming a mix of housing densities and form; b. ensuring the ongoing availability of a competitive land supply for urban purposes; |

| | |
|------------------|--|
| | <ul style="list-style-type: none"> c. the constraints on development of the land such as its topography, its ecological, heritage, cultural or landscape significance; or the risk of natural hazards limiting the ability of the land to accommodate growth; d. the need to make provision for the location and efficient operation of infrastructure, commercial and industrial uses, and a range of community activities and facilities; e. a compact and efficient urban form; f. avoiding sporadic urban development in rural areas; g. minimising the loss of the productive potential and soil resource of rural land |
| Policy 4.2.1.6 | Review and amend Urban Growth Boundaries over time, as required to address changing community needs. |
| Objective 4.2.2B | Urban development within Urban Growth Boundaries that maintains and enhances the environment and rural amenity and protects Outstanding Natural Landscapes and Outstanding Natural Features, and areas supporting significant indigenous flora and fauna. |
| Policy 4.2.2.1 | Integrate urban development with the capacity of existing or planned infrastructure so that the capacity of that infrastructure is not exceeded and reverse sensitivity effects on regionally significant infrastructure are minimised. |
| Policy 4.2.2.2 | <p>Allocate land within Urban Growth Boundaries into zones which are reflective of the appropriate land use having regard to:</p> <ul style="list-style-type: none"> a. its topography; b. its ecological, heritage, cultural or landscape significance if any; c. any risk of natural hazards, taking into account the effects of climate change; d. connectivity and integration with existing urban development; e. convenient linkages with public transport; f. the need to provide a mix of housing densities and forms within a compact and integrated urban environment; g. the need to make provision for the location and efficient operation of regionally significant infrastructure; h. the need to provide open spaces and community facilities that are located and designed to be safe, desirable and accessible; i. the function and role of the town centres and other commercial and industrial areas as provided for in Chapter 3 Strategic Objectives 3.2.1.2 - 3.2.1.5 and associated policies; and j. the need to locate emergency services at strategic locations. |
| Policy 4.2.2.9 | Ensure Council-led and private design and development of public spaces and built development maximises public safety by adopting "Crime Prevention Through Environmental Design". |

| | |
|-----------------|---|
| Policy 4.2.2.10 | Ensure lighting standards for urban development avoid unnecessary adverse effects on views of the night sky. |
| Policy 4.2.2.12 | Ensure that any transition to rural areas is contained within the relevant Urban Growth Boundary |
| Policy 4.2.2.17 | Protect the airport from reverse sensitivity effects of any Activity Sensitive to Aircraft Noise via a range of zoning methods. |
| Policy 4.2.2.18 | Ensure that Critical Listening Environments of all new buildings and alterations and additions to existing buildings containing an Activity Sensitive to Aircraft Noise within the Queenstown Airport Air Noise boundary or Outer Control boundary are designed and built to achieve appropriate Indoor Design Sound Levels. |
| Policy 4.2.2.22 | Define the Urban Growth Boundaries for Wanaka and Lake Hawea Township, as shown on the District Plan Maps that: <ul style="list-style-type: none"> a. are based on existing urbanised areas; k. have community support as expressed through strategic community planning processes; l. avoid sprawling and sporadic urban development across the rural areas of the Upper Clutha Basin |
| Policy 4.2.2.23 | Rural land outside of the Urban Growth Boundaries is not used for urban development until further investigations indicate that more land is needed to meet demand for urban development in the Upper Clutha Basin and a change to the Plan amends the Urban Growth Boundary and zones additional land for urban development purposes |

6.20. The Urban Development objectives and policies are part of the strategic intentions of the PDP, specifically seeking to manage the spatial layout of urban development in the District. The objectives and policies seek to provide a managed approach to urban development that utilises land resources in an efficient manner, and preserves and enhances natural amenity values.¹³

Tangata Whenua Chapter 5:

| Reference | Detail |
|-----------------|--|
| Objective 5.4.1 | Consultation with tangata whenua occurs through the implementation of the Queenstown Lakes District Plan. |
| Policy 5.4.1.1 | Ensure that Ngāi Tahu Papatipu Rūnanga are engaged in resource management decision-making and implementation on matters that affect Ngāi Tahu values, rights and interests, in accordance with the principles of the Treaty of Waitangi. |
| Policy 5.4.1.2 | Actively foster effective partnerships and relationships between the Queenstown Lakes District Council and Ngāi Tahu Papatipu Rūnanga. |

¹³ Provision 4.1 (Purpose), paragraph 2.

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|----------------|--|
| Policy 5.4.1.3 | When making resource management decisions, ensure that functions and powers are exercised in a manner that takes into account iwi management plans. |
| Policy 5.4.2 | Recognise that only tangata whenua can identify their relationship and that of their culture and traditions with their ancestral lands, water sites, wāhi tapu, tōpuni and other taonga. |

6.21. The proposal gives effect to the Tangata Whenua Chapter 5 objectives and policies as it takes into account the relevant iwi management plans, and statutory consultation with iwi has occurred and no changes were requested.

Other Council Documents Considered

6.22. The following Council documents and projects have informed this Section 32 evaluation.

- (a) Industrial and Business Zone Monitoring reports (2010, 2011)
- (b) My Place consultation report
- (c) Long Term Plan – Volume A
- (d) Long Term Plan – Volume B
- (e) Population Projections (December 2018)¹⁴
- (f) Queenstown Lakes Economic Development Strategy (February 2015)
- (g) DRAFT Frankton Master Plan¹⁵
- (h) Business Development Capacity Assessment (March 2018)¹⁶

6.23. Other documents:

- (a) Crime prevention through environmental design (CPTED)¹⁷

7. INTRODUCTION TO EVALUATION

7.1. The following key issues have been identified as the central themes associated with the proposal.

- Issue 1 - Understanding the District's industrial economy
- Issue 2 - Non-industrial activities within the Industrial Zones
- Issue 3 - Industrial Development Capacity

¹⁴ <https://www.qldc.govt.nz/our-community/population-projections/>

¹⁵ <http://www.qldc.govt.nz/assets/Uploads/Your-Council/Projects/Frankton-Masterplan/QLDC-Scuttlebutt-June19-Issue132-WEB-FRANKTON-MASTERPLAN-laid.pdf>

¹⁶ Note supplementary comments made as part of the Topic 2 Rural Landscape appeal ENV-2018-331-000091 – Evidence In Chief Of Natalie Dianne Hampson For Queenstown Lakes District Council, Topic 2 – Rural Landscape, 12 October 2018

¹⁷ Details of the 7 principles and their implementation can be found within the guidelines provided by the Ministry for Justice: National Guidelines for [Crime Prevention through Environmental Design in New Zealand: Part 1 Seven Qualities for Safer Places](#) National Guidelines for [Crime Prevention through Environmental Design in New Zealand: Part 2 Implementation Guide](#)

- Issue 4 – What are the industrial land needs specific to Wanaka
- Issue 5 - Structure and complexity of the Industrial Zone framework
- Issue 6 - Minimum lot size within the Industrial Zones
- Issue 7 - Parking, manoeuvring and loading
- Issue 8 - Amenity within and outside of the Industrial Zones
- Issue 9 - Split zonings, inappropriate zoning layout and re-zonings

Issue 1 – Understanding the District’s industrial economy

- 7.2. In order to create and administer an industrial zone framework it is important that the nature of the underlying industrial economy is well understood. The most recent monitoring work Council completed for industrially zoned land was in 2010 and 2011. Since this time, the nature and scale of the Zones has changed markedly. Once the characteristics of the industrial economy is understood, objectives, policies and methods can be developed that provide for the long term viability of those activities which comprise and support the industrial economy, and appropriately manage, restrict or exclude particular land uses which create conditions or restrictions that undermine the industrial economy.
- 7.3. Market Economics (**ME**) were engaged by the Council to provide an analysis of the nature of the District’s industrial economy. This analysis titled “Economic Assessment of Queenstown Lakes District’s Industrial Zones, Stage 3 of the District Plan Review, 22 May 2019 by ME (**the ME Assessment Report**) identifies and describes the District’s industrial economy and examines its structure, economic role, distribution, recent changes and projected future growth. This report has been attached to this evaluation as Appendix 1.
- 7.4. The ME Assessment Report found that the industrial economy of the Queenstown Lakes District is somewhat unique, comprising a mix of activities which differs from the national average and other districts of a similar population. The report outlines that the industrial economy is not especially influenced by trends happening at a national level and suggests the District requires a particular land use planning framework to manage activities and development within the GIZ and that this management framework will be different to that of adjoining authorities or within authorities of a similar size and economy.
- 7.5. The two wards described as making up the industrial economy are the Wakatipu Ward (comprising Queenstown and Arrowtown) and the Wanaka Ward. Overall, the ME Assessment Report outlines that the District’s industrial economy is *‘growing rapidly and has demonstrated growth rates faster than the rest of the district’s economy’*.¹⁸ This rate of growth is expected to continue, but the structure and characteristics of the economy are not expected to change from what is

¹⁸ Page 1 of the ME report

observed today. The report describes a ‘*business as usual*’¹⁹ outlook as being an appropriate way to guide land use planning for any review of the ODP Industrial Zones.

- 7.6. Section 2.1 of the ME Assessment Report describes the methodology used in defining the industrial economy. It applies the ANZSIC²⁰ industries classification, being the base standard for spatial economic analysis. It also looked beyond the Industrial Zones in defining the economy as the industrial economy does not simply exist within the Industrial Zones. Businesses operate outside of the Industrial Zones as other zones provide for the industrial type activities, a number have always operated “out of zone” and many choose not to, or are not able to find sites within the Industrial Zones.
- 7.7. Figure 1 below presents a summary of the District’s industrial economy. It identifies 1,928 businesses and approximately 6,250 workers, representing 25% of all business in the District’s economy in 2017 (7,710) and 22.5% of all workers (27,800).²¹ The methodology outlines that the District’s industrial economy is comprised of businesses involved in *Manufacturing; Construction; Waste Collection, Treatment and Disposal; Wholesaling; Road Transport; Delivery Services; Storage; Vehicle, Machinery and Equipment (construction related) Hire; Automotive, Appliance, Machinery and Equipment Repair and Maintenance Services; and industrial Dry Cleaning (non-retail component)*.²² Appendix 1 of the ME Assessment Report provides a breakdown of the classifications and the types of activities that fall within these classification divisions.
- 7.8. Business that fall within the Construction ‘division’ (being the broadest aggregation in the ANZSIC framework) make up 61% of all businesses and 56% of all employment within the industrial economy, while manufacturing accounts for 12% of businesses and 14% of employment. Appendix 1 of the ME Assessment Report shows that the types of activities that fall within these two classifications would fall within the definitions of Industrial²³ or Service²⁴ activities. Manufacturing or fabricating or the provision of services and the wholesale trade division makes up 8% of businesses and 9% of employment.

¹⁹ Page 1 of the Me report

²⁰ Statistics New Zealand Business Directory data - Australia New Zealand Standard Industrial Classification 2006

²¹ Page 9, Section 2.2 of the ME report

²² Page 101, Section 7.1 of the ME report

²³ ODP definition - Means the use of land and buildings for the primary purpose of manufacturing, fabricating, processing, packing, or associated storage of goods

²⁴ ODP definition - Means the use of land and buildings for the primary purpose of the transport, storage, maintenance or repair of goods.

| ANZSIC Division | Industrial Economy Selection | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) * | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|---|--------------------|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|------------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 50 | 2.6% | 0.7% | 130 | 2.1% | 0.5% | 3 |
| C | Manufacturing | 225 | 11.7% | 2.9% | 862 | 13.8% | 3.1% | 4 |
| D | Waste Services Group Only | 15 | 0.8% | 0.2% | 103 | 1.6% | 0.4% | 7 |
| E | Construction | 1,168 | 60.6% | 15.2% | 3,465 | 55.5% | 12.5% | 3 |
| F | Wholesale Trade | 154 | 8.0% | 2.0% | 573 | 9.2% | 2.1% | 4 |
| I | Selected Transport, Postal and Warehousing | 85 | 4.4% | 1.1% | 312 | 5.0% | 1.1% | 4 |
| L | Selected Rental and Hiring Services | 128 | 6.6% | 1.7% | 371 | 5.9% | 1.3% | 3 |
| S | Selected Other Services | 102 | 5.3% | 1.3% | 434 | 6.9% | 1.6% | 4 |
| QLD Industrial Economy | | 1,928 | 100.0% | 25.0% | 6,249 | 100.0% | 22.5% | 3 |
| Rest of QLD Economy (all other ANZSICs) | | 5,782 | | 75.0% | 21,551 | 344.9% | 77.5% | 4 |
| Total QLD Economy | | 7,710 | | 100.0% | 27,800 | | 100.0% | 4 |

Source: M.E. Statistics NZ Business Frame 2017

Figure 1 – Summary of the District's industrial economy (ME Assessment Report)

7.9. Figures 2 and 3 below compare business counts and employment share of the District's industrial economy with selected other District's. They show that construction accounts for a relatively higher share of total selected businesses and that Wholesale Trade plays a lower relative role. The ME Assessment Report finds that this is consistent with the long distance of the District from sea or air freight ports (in terms of wholesaling imported products) or to a primary production hub.²⁵ This shows that the District is not well located to be a logistics (distribution) hub and that unsurprisingly it plays a relatively stronger role in selected businesses of Rental and Hiring Services (in an industrial or industrial service role) with the majority of these businesses sustained by Queenstown's tourism role.²⁵

²⁵ Page 11, Section 2.3 of the ME report

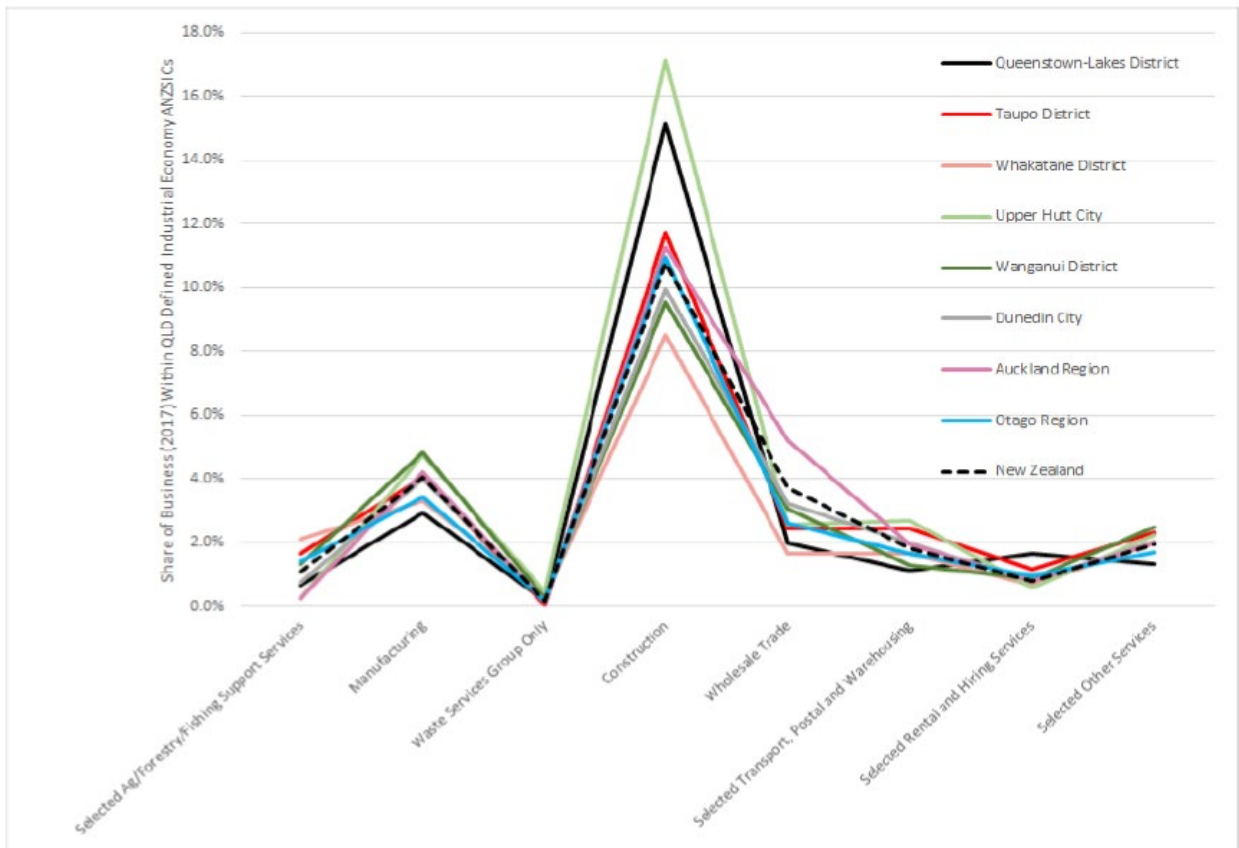


Figure 2 – Comparison of share of Businesses within the District's industrial economy (ME Assessment Report)

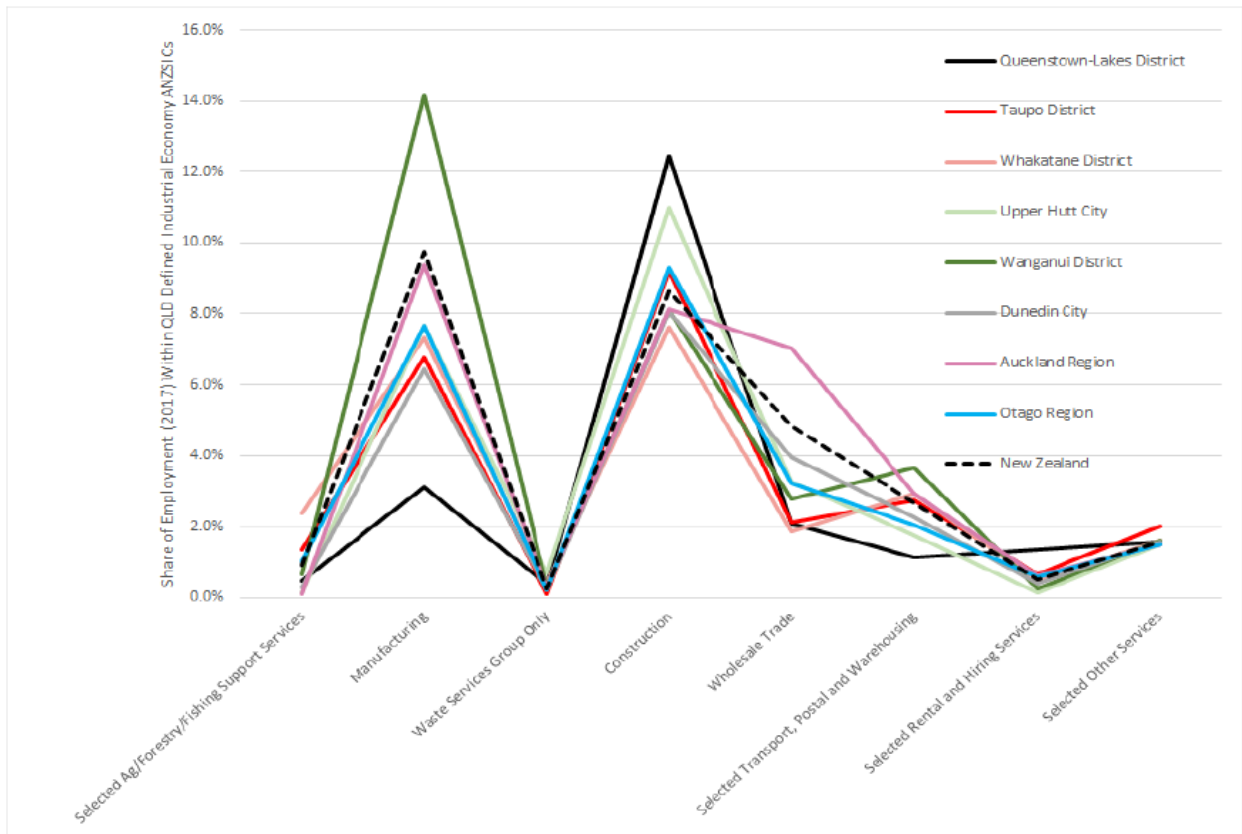


Figure 3 – Comparison of share of employment within the District’s industrial economy (ME Assessment Report)

7.10. The comparison of employment share further illustrates the small scale of District’s Manufacturing base in employment terms and the significant role of Construction compared to elsewhere. In regard to manufacturing activities, the ME Assessment Report suggests that the District’s manufacturing base is not what is typically found elsewhere, with a higher share of Beverage Product Manufacturing businesses, Non-Metallic Mineral Product Manufacturing, Transport Equipment Manufacturing and Furniture and Other Manufacturing businesses, and a relatively small role for Wood Product Manufacturing, Printing, Polymer/Rubber Product Manufacturing, Fabricated Metal Product Manufacturing, and Machinery and Equipment Manufacturing – all heavy or factory-based Manufacturing activities.²⁶

7.11. The report describes the distinct roles played by the two Wards (Wakatipu and Wanaka) and compares this with Cromwell, which has historically been poorly understood.²⁷ The report found that the same two divisions tend to dominate across the Wards, being construction followed by manufacturing. However, business that employ larger numbers of people are present in Cromwell, as is indicated by the dominance of manufacturing and selected agricultural support services. Arrowtown is also indicated as having a relatively larger share of businesses that

²⁶ Page 13, Section 2.3, of the ME report

²⁷ Section 2.4 of the ME report

employ a greater number of people. In contrast, Queenstown and Wanaka have a larger share of businesses that employ a smaller number of people, indicating smaller businesses in these locations.²⁸

- 7.12. The report's shows that Cromwell is much more focused on Agricultural support services, manufacturing, wholesale trade and selected transport, postal and warehousing compared to the District's two Wards, demonstrating that Cromwell is a more attractive location for businesses in Divisions which have a focus on freight movements. This is largely due to the transport benefits associated with this location as a central hub to a range of locations (including Queenstown, Wanaka, Dunedin and the route to Christchurch).²⁹ The report concludes that locational attributes mean Queenstown and Wanaka are not likely to compete with Cromwell for larger businesses in these sectors. Instead, smaller operators within these divisions with a local focus are more likely to occur within the District.²⁹
- 7.13. The Assessment Report explores how dependent or independent each ward is of the other in order to inform how much Queenstown's industrial economy "serves" Wanaka, and vice versa, and how much Cromwell "serves" the District's industrial economy. It found that those businesses which comprise the District's industrial economy are mostly duplicated between the Queenstown and Wanaka Wards, supporting a degree of independence and self-sufficiency between the Wards.³⁰ It also found that most industrial economy businesses operating within Cromwell are replicated within the Queenstown Lakes District's industrial economy.³¹ This also supports the notion that there is no clear need to have different land use rules apply across the different Zones as occurs at present and that it would be efficient and effective to apply a single zoning framework. The report describes the upstream and downstream linkages between Queenstown-Wanaka-Cromwell as an 'economic triangle'³² which shows that there is more supply chain related demand linkage between the two separate Ward business economies with the wider Otago area than there is between the Wanaka and Queenstown Wards.
- 7.14. Adding to this context, the report describes how '*a significant 65% of QLD industrial economy output is consumed (purchased) within the district. In other words, a significant share of output is produced to meet local demand*'³³ demonstrating that the industrial economy is largely sustained by local demand. Of this local demand, just 6% is supplied directly to households (which includes

²⁸ Page 19, Section 2.3 of the ME report

²⁹ Page 20, Section 2.3 of the ME report

³⁰ Page 24, Section 2.5 of the ME report

³¹ Page 21, Section 2.5 of the ME report

³² Page 29, Section 3.3 of the ME report

³³ Page 27, Section 3.2 of the ME report

domestic visitors)³³ indicating that only a small proportion of business within the industrial economy sell their products and services directly to the public.

7.15. Two key questions are raised and answered in assessing linkages between the wards³⁴:

'Does the Wanaka industrial economy help service the needs of the Queenstown/Arrowtown market at present? The answer to that question is: to a very limited extent.'

'Would the Wanaka industrial economy be able to play a greater role in meeting the needs of the Queenstown/Arrowtown market in the future? The answer to that question is: highly unlikely, based on current industrial economy supply and demand relationships. For the large part, both catchments are focussed on supplying local demand.'

7.16. Section 4 of the Assessment Report assess the land use and locational requirements of businesses which make up the industrial economy. It shows that 82% of businesses in the industrial economy and that 85% of all industrial economy employment is located within the urban environment.³⁵ Within the urban environment, the largest proportion of industrial businesses are located within zones other than the ODP Industrial Zones, with 57% being located within residential zones.³⁶ This is however dominated by sole trade construction businesses who choose to run their businesses from home. It is not likely that actual industrial activities are being undertaken from these sites within residential zones. The Industrial Zones³⁷ are said to account for between 5% and 13% of all industrial economy businesses, however industrial economy businesses account for 42% of all businesses in these areas (mesblocks) demonstrating that there is a significant proportion of businesses operating within these zones which do not fall within the industrial economy.³⁸ Figure 4 below shows the mix of industrial economy businesses within each of the meshblock zone groups.

³⁴ Page 26, Section 3.3 of the ME report

³⁵ the adopted urban-rural environment matches that used for the Council's Business Development Capacity Assessment 2017 under the NPS – UDC

³⁶ Page 40, Section 4.3 of the ME report

³⁷ Comprising the Industrial and Industrial B zones with the exception of Glenda Drive (which can't be separated) and includes the small Industrial zone in Luggate. Note the discussion within the ME report in regard to the limitations of the Meshblock data.

³⁸ Page 41, Section 4.3 of the ME report

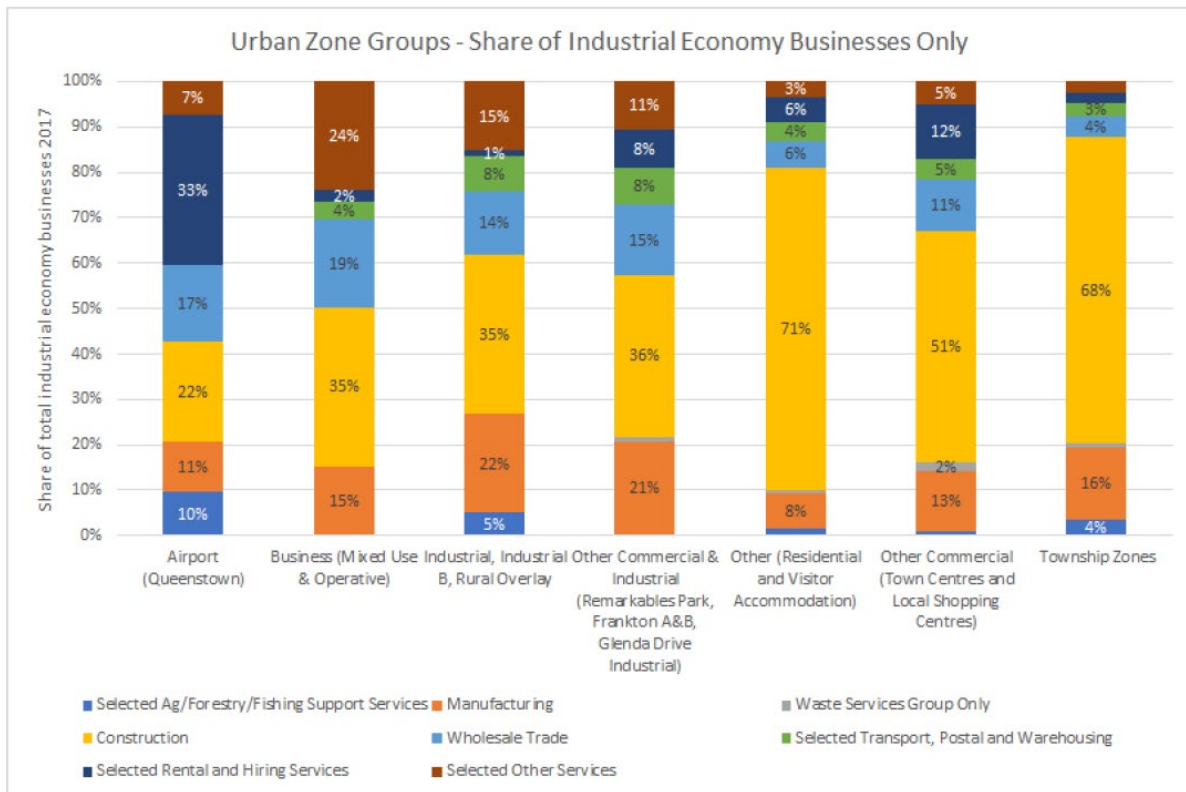


Figure 4 – Share of Urban Industrial Economy Businesses by Broad Zone Group (ME Assessment Report)

7.17. Figure 4 above shows a similar mix of industrial economy businesses between the industrial group of zones and the other commercial group of zones. The dominance of the construction figure within the other residential zone group is due to sole trade construction workers registering their business to their home.

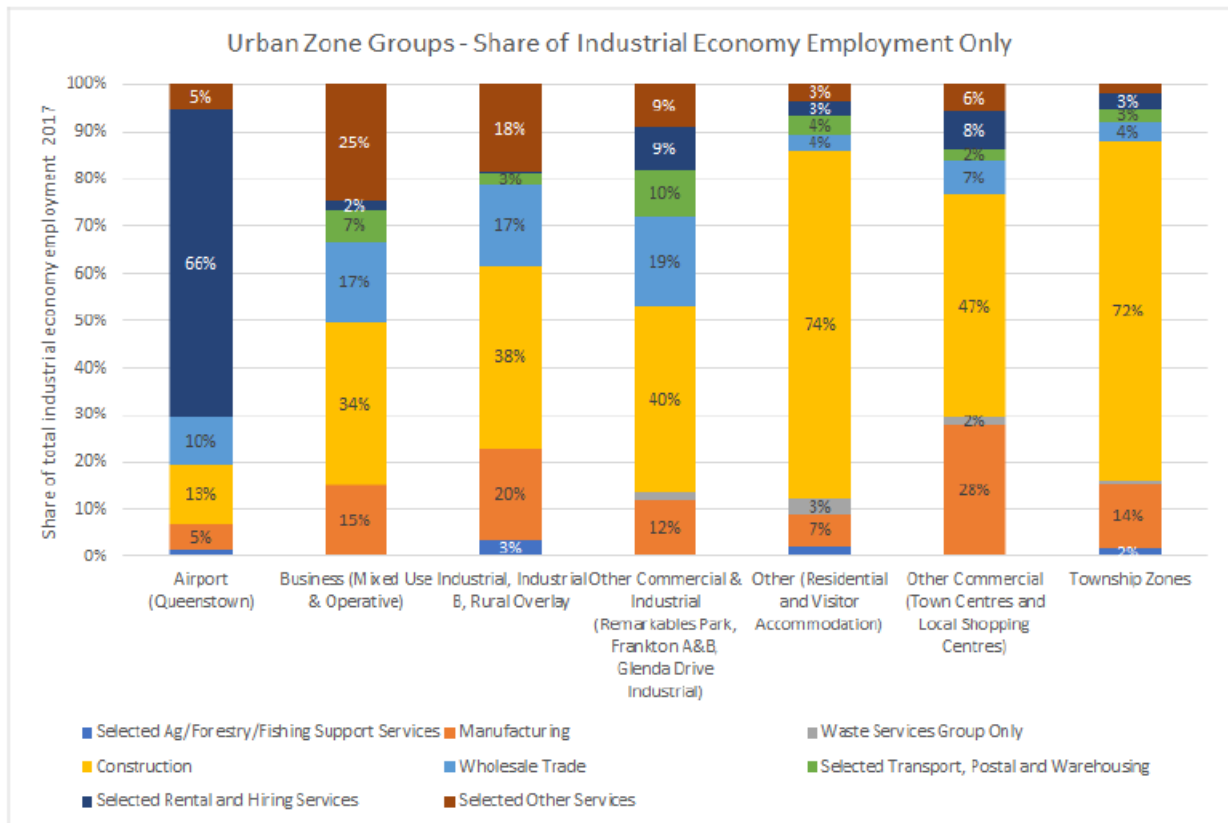


Figure 5 – Share of Urban Industrial Economy Employment by Broad Zone Group (ME Assessment Report)

7.18. Figure 5 above shows that the profile of employment is broadly similar to the profile of businesses in each zone group. However, it shows that Rental and Hiring Services within the Airport Zone in Queenstown are larger relative to the others in the industrial economy, and that the Transport, Postal and Warehousing Division in the Industrial zone group illustrates the presence of storage companies that have low numbers of staff.³⁹

7.19. Figure 6 below compares the Industrial Zones in terms of the count of businesses that are included within the industrial economy. This shows that the mix of businesses between the zones is very similar, again supporting a single zone framework approach across the District. The Arrowtown Industrial Zone is more unique as it is a smaller zone that will struggle to support a diverse range of businesses.⁴⁰

³⁹ Page 44, Section 4.3 of the ME report

⁴⁰ Page 57, Section 4.5 of the ME report

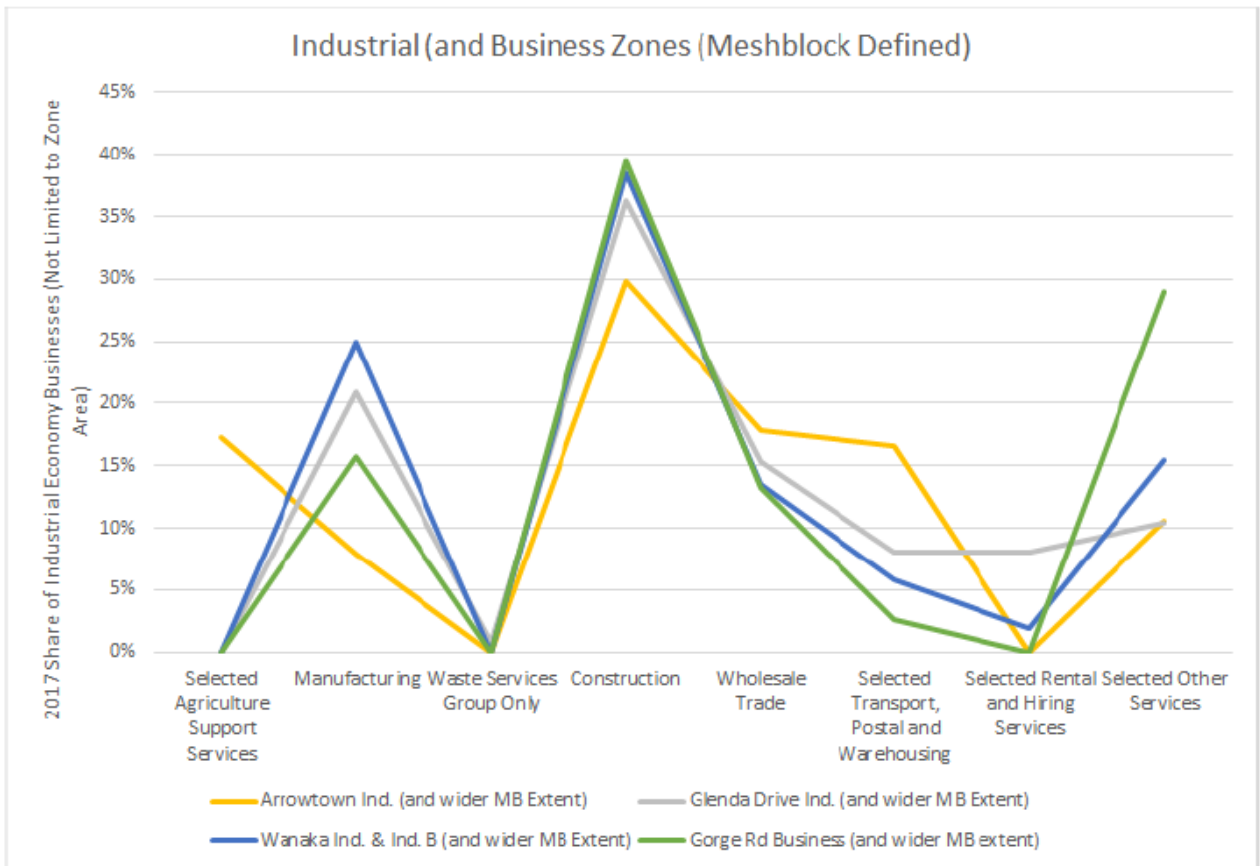


Figure 6 – Share of industrial economy businesses within the Industrial Zones (ME Assessment Report)

7.20. Section 5 of the Assessment Report provides insights on changes to the industrial economy in terms of size and structure. It shows that between 2001 and 2006 the industrial economy grew by 102%, being a faster rate of growth than the rest of the District’s economy.⁴¹ The global financial crisis in 2008 significantly slowed growth between 2006 and 2013, during which time the industrial economy grew by just 9%. Between 2013 and 2017 however the industrial economy grew by 19%. The construction sector has grown the most since 2001. Growth within the construction sector means that the District’s industrial economy is becoming slightly less diverse as observed in the period between 2001 – 2017.⁴² Overall, the report suggests that the District’s industrial economy is not changing in the same way as New Zealand’s total industrial economy. Heavy Machinery and Scaffolding Rental and Hiring businesses have been identified as those activities within the District’s economy which have experienced continued decline.⁴³ The analysis shows that Wanaka’s industrial economy has grown much faster than the District’s average, with Wholesale Trade and Transport, Postal and Warehousing Divisions showing the fastest growth rate although the Construction division has still experienced the largest increase in business

⁴¹ Page 60, Section 5.1 of the ME report

⁴² Page 64, Section 5.2 of the ME report

⁴³ Page 68, Section 5.6 of the ME report

counts.⁴⁴ The rate of growth within the Queenstown Ward is below the District average, but faster than the rest of the District's economy, with the fastest growing sectors being Transport, Postal and Warehousing.⁴⁵ Figures 7 – 9 below illustrate changes in industrial economy business counts within each of the Industrial Zones⁴⁶ between 2001 and 2017.

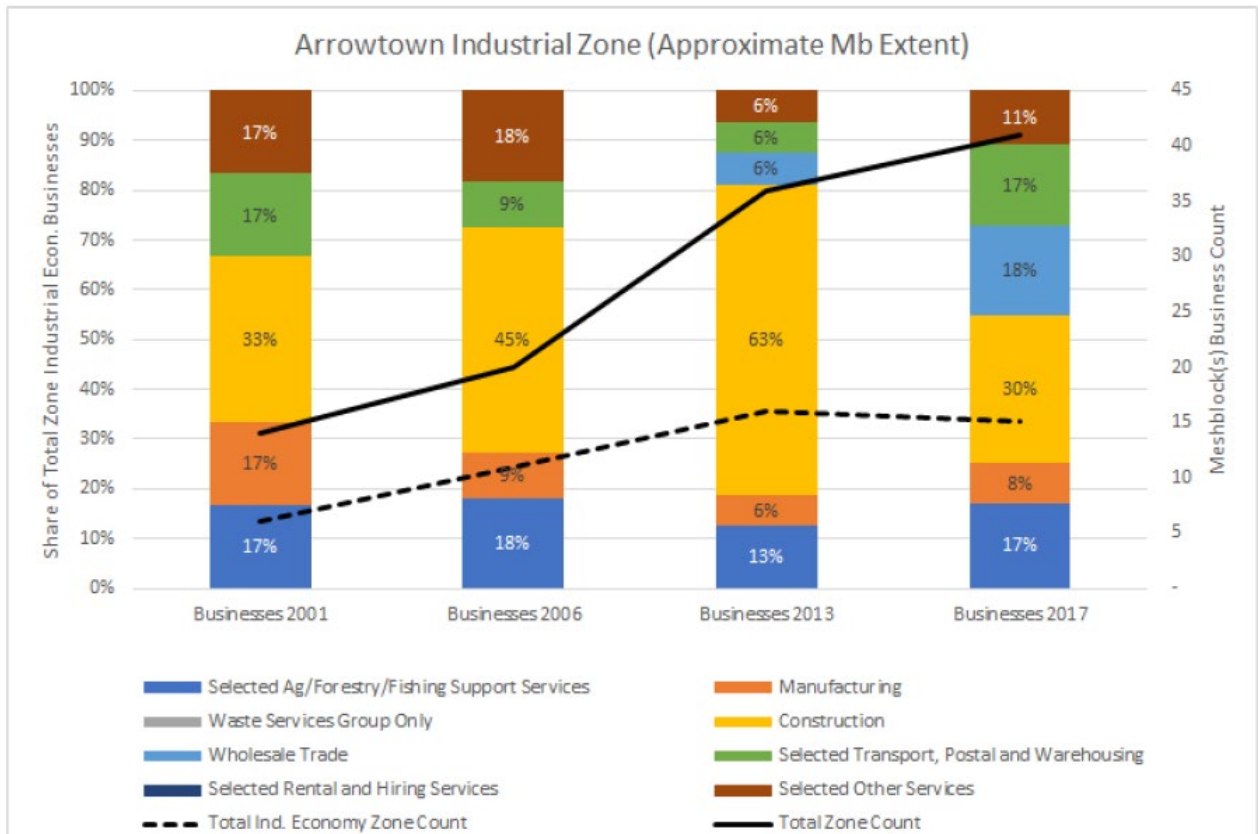


Figure 7 – Arrowtown Industrial Zone changes in industrial economy business counts (ME Assessment Report)

⁴⁴ Page 69, Section 5.8 of the ME report

⁴⁵ Page 71, Section 5.8 of the ME report

⁴⁶ Subject to meshblock extent

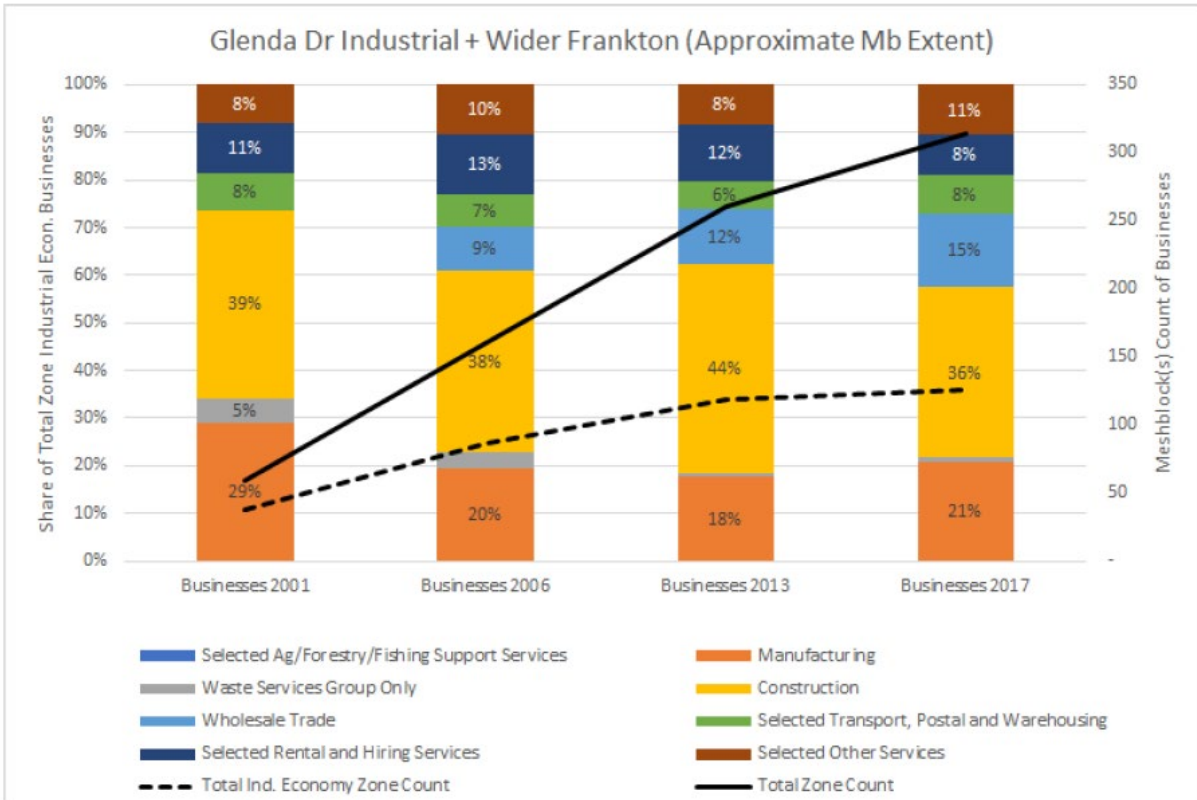


Figure 8 – Glenda Drive Industrial Zone changes in industrial economy business counts (ME Assessment Report)

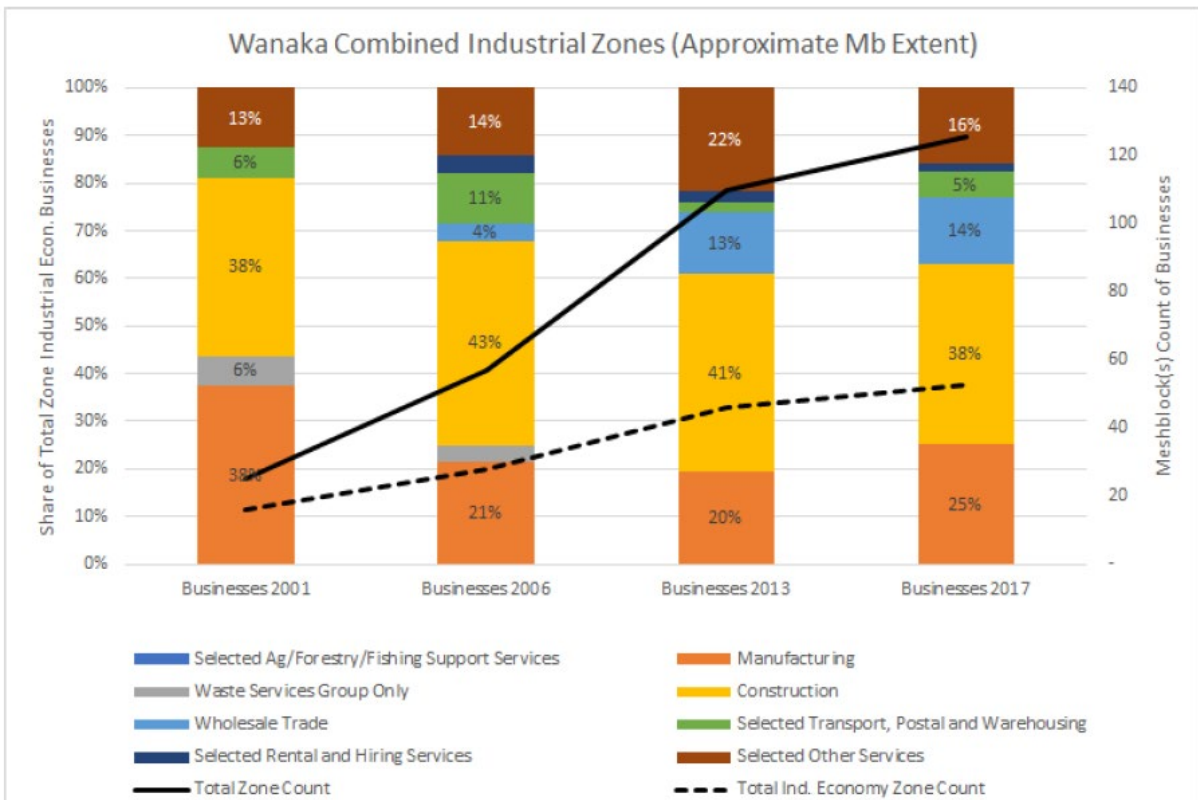


Figure 9 – Wanaka Industrial Zones changes in industrial economy business counts (ME Assessment Report)

7.21. The Assessment Report suggests a business as usual growth outlook is likely moving into the future. The fact that the economy largely relies on a small scale domestic market which has a limited access to the industrial labour pool along with constrained freight and logistics characteristics which are reliant on road transport means that the District's industrial economy is not expected to move towards large scale industrial activities.⁴⁷ Instead, manufacturing will continue to be limited to businesses supplying local consumers and service oriented industrial activities, particularly for the construction sector. In addition, food and beverage sector growth associated with wine and craft beer production/bottling could place demand on the Industrial Zones.⁴⁸

Issue 2 - Non-industrial activities within the Industrial Zones

7.22. A series of ground truthing site visits were completed in January 2019 to assist in understanding the type of activities occurring 'on the ground' within the ODP Industrial Zones. This exercise sought to identify the actual mix of activities being undertaken on individual sites within the Industrial Zones according to ODP definitions. This adds to the understanding of the industrial economy as the ANZSIC classification used in the ME Assessment report refers to a business type, but not the operational/functional form of that business. The ANZSIC classification does not indicate if a House Construction business, for example, operates out of an office, a yard or is a self-employed tradesman that has no physical premises.⁴⁹

7.23. During the ground truthing site visits, observations of the uses on specific sites and/or units as well as signage were recorded. Desktop analysis of websites associated with specific businesses was also undertaken in order to refine the accuracy of observed activities. Site visits also sought to identify if any form of residential activities were present on the sites. Activities were recorded according to their observed predominance on a site or unit. As such, activities were recorded as being either 'predominant', or 'ancillary'. In many cases, it was necessary to record two layers of ancillary activities such that 'ancillary 1' and 'ancillary 2' activities are identified. The two layers of ancillary activities do not have any importance over each other.

Arrowtown Industrial Zone

7.24. Figures 10 - 11 and Table 2 below illustrate the findings of the ground truthing for the Arrowtown Industrial Zone.

⁴⁷ Page 87, Section 6.2 of the ME report

⁴⁸ Page 86, Section 6.2 of the ME report

⁴⁹ Page 4, Section 1.2 of the ME report

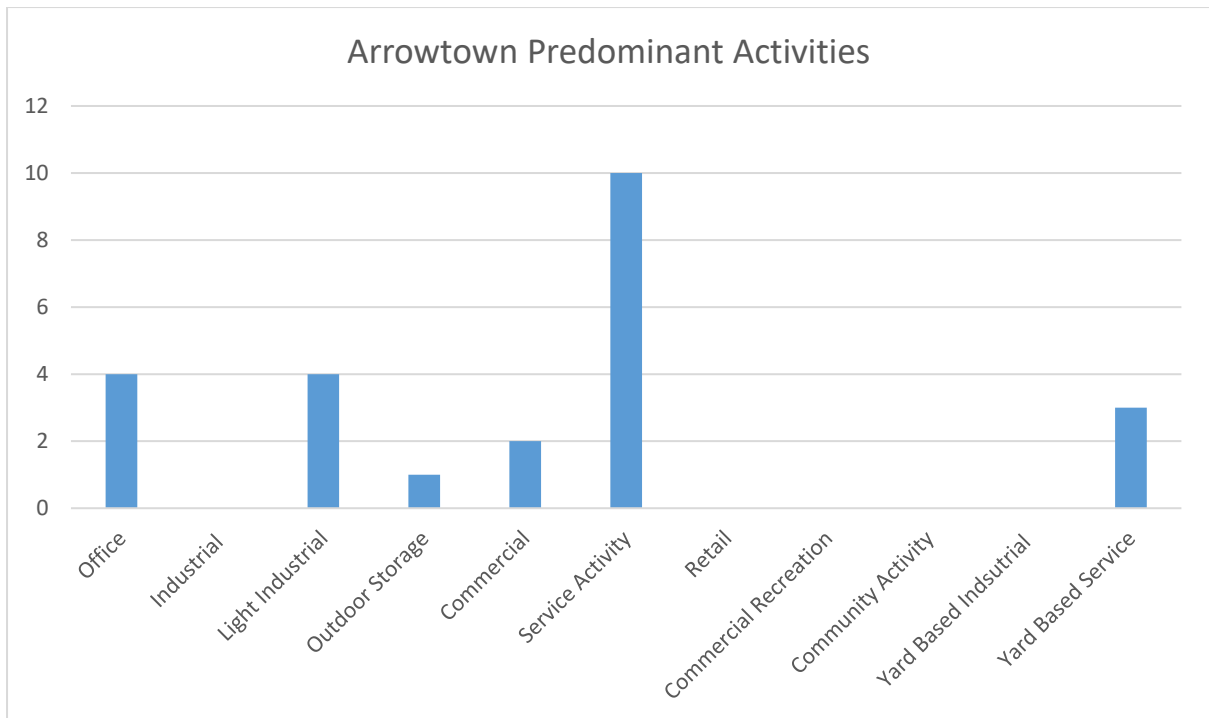


Figure 10 – Predominant activities within the Arrowtown Industrial Zone

| Activity | Total | % |
|-----------------------|-------|-------|
| Office | 4 | 16.7 |
| Industrial | | |
| Light Industrial | 4 | 16.7 |
| Outdoor Storage | 1 | 4.2 |
| Commercial | 2 | 8.3 |
| Service Activity | 10 | 41.7 |
| Retail | | |
| Commercial Recreation | | |
| Community Activity | | |
| Yard Based Industrial | | |
| Yard Based Service | 3 | 12.5 |
| Total | 24 | 100.0 |

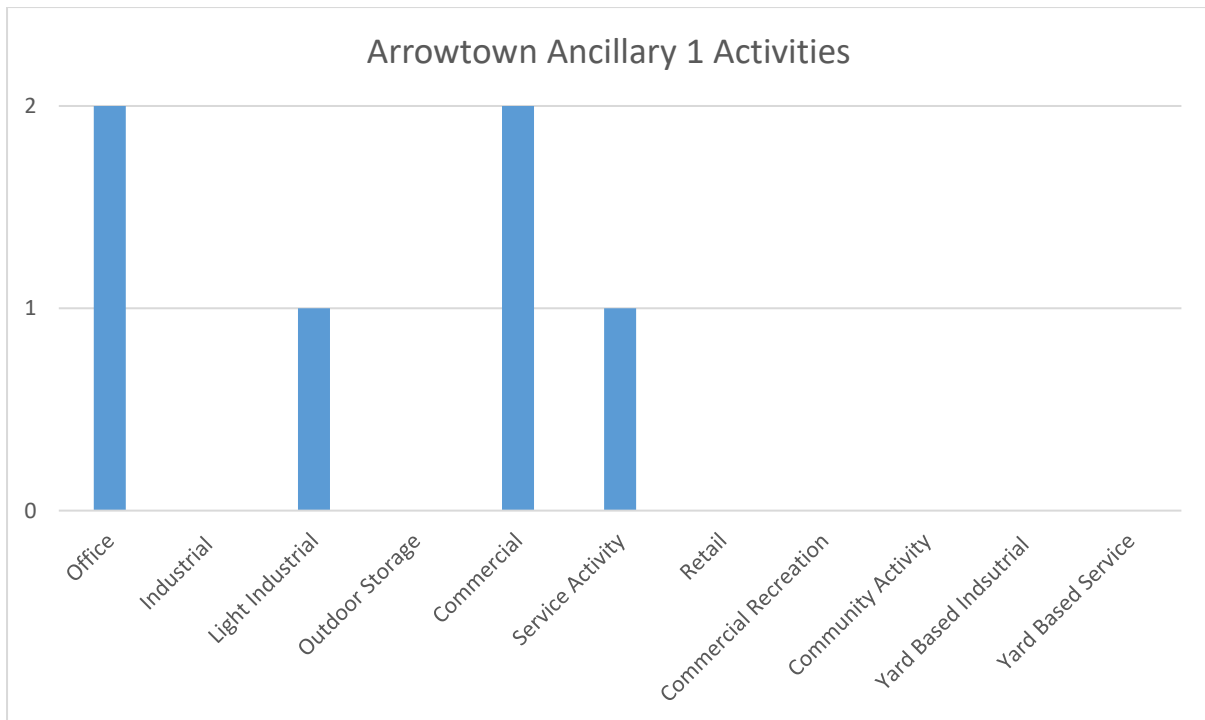


Figure 11 – Ancillary activities within the Arrowtown Industrial Zone

- 7.25. Service Activities were the most common type of predominant activity within the Zone, comprising 41.7% of all predominant activities. These Service Activities did not appear to rely heavily on ancillary activities with only two of the observed Service Activities having an ancillary activity, one being an Office and the other being a Commercial activity.
- 7.26. Light Industrial and Office activities were the second most common type of predominant activity, each representing 16.7% of all businesses. Only two of the four Light Industrial activities had observed ancillary activities, one being a Service Activity the other being an Office. There were no second level ancillary activities observed within the Zone.
- 7.27. A significant area of the zone is occupied by three Yard Based Service Activities. These activities occupy approximately 1.82 ha of the total 3.67 ha of land that comprises the zone, or 49.6% of the total land area.
- 7.28. The Zone appears to have a relatively high presence of residential activities, with 44.4% of all predominant activities either having a residential element or being the predominant activity on the site. This comprised a mix of older standalone dwellings on the eastern side of Bush Creek Road, as well as flat type units located above other uses in a comprehensive type two level development located on the western side of Bush Creek Road. It also is important to note that the Zone adjoins an area of Lower Density Suburban Residential Zone to the east and a number of residential dwellings to the west that are located within the Meadow Park Special Zone.

7.29. Overall, the zone appears to have a strong industrial character, with 75.1% of all observed predominant activities being those more traditional industrial uses (Light Industrial, Outdoor Storage, Service Activities and Yard Based Service activities). Further, these industrial type activities do not appear to rely heavily on other non-industrial related activities.

Glenda Drive Industrial Zone

7.30. Figures 12 – 14 and Table 3 below illustrate the ground truth findings for the Glenda Drive Industrial Zone.

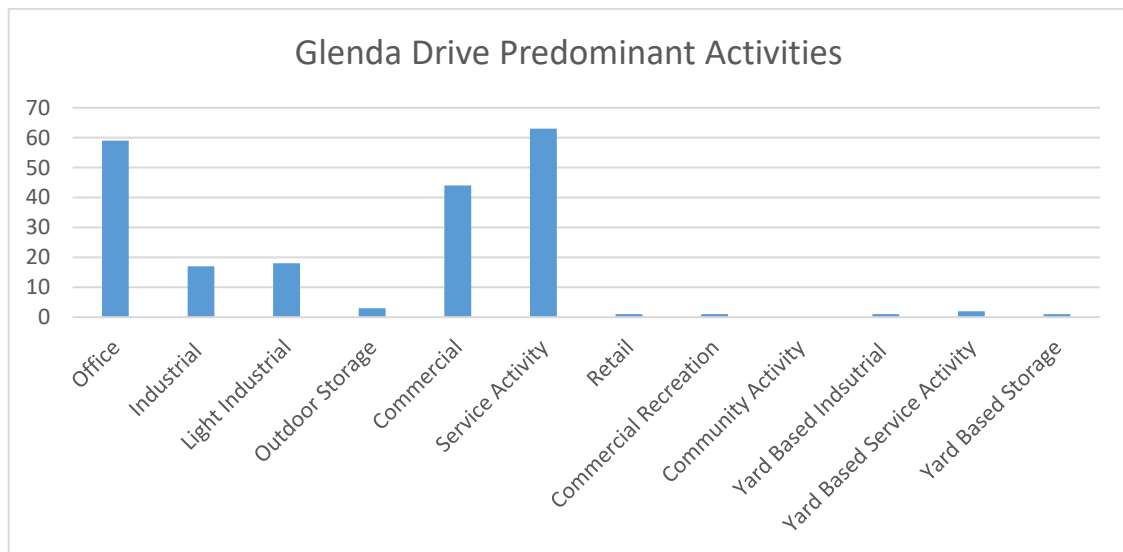


Figure 12 – Predominant activities within the Arrowtown Industrial Zone

| Activity | Total | % |
|-----------------------------|-------|-------|
| Office | 59 | 28.1 |
| Industrial | 17 | 8.1 |
| Light Industrial | 18 | 8.6 |
| Outdoor Storage | 3 | 1.4 |
| Commercial | 44 | 21.0 |
| Service Activity | 63 | 30.0 |
| Retail | 1 | 0.5 |
| Commercial Recreation | 1 | 0.5 |
| Community Activity | | 0.0 |
| Yard Based Industrial | 1 | 0.5 |
| Yard Based Service Activity | 2 | 1.0 |
| Yard Based Storage | 1 | 0.5 |
| Total | 210 | 100.0 |

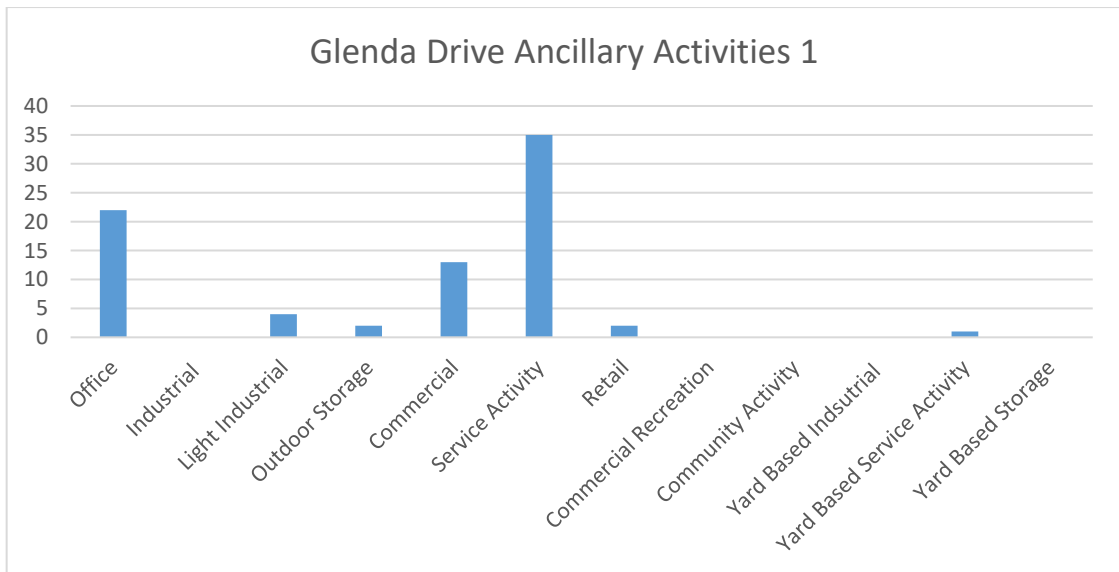


Figure 13 – First level ancillary activities within the Glenda Drive Industrial Zone

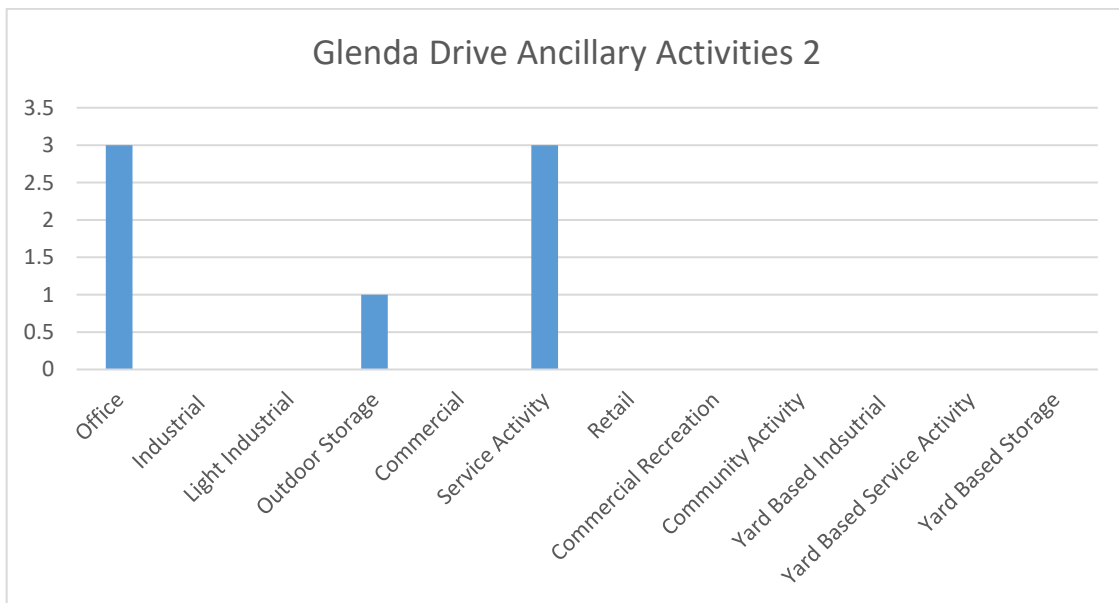


Figure 14 – Second level ancillary activities within the Glenda Drive Industrial Zone

7.31. Service activities are the most common type of predominant activity within the Glenda Drive Industrial Zone comprising 30% of all observed predominant activities. Office activities were the second most common predominant activity comprising 28.1% of activities and Commercial activities were identified as the third most common predominant activity comprising 21% of all activities. Together, Service activities, Offices and Commercial activities make up 79.1% of observed predominant activities. Interestingly, the predominant Office and Commercial activities together make up 49.1% of all predominant activities. Predominant industrial type activities⁵⁰

⁵⁰ Made up of industrial, light industrial, outdoor storage, service activities, yard based industrial, yard based service activity and yard based storage in this instance.

accounted for 50.1% of all predominant activities. This suggests that the Glenda Drive Industrial Zone is not predominately industrial in character, but rather has a wide mix of activities operating side by side.

7.32. There were 79 business (representing 37.6% of all observed businesses) that were observed as having a first level ancillary activity and of these, 7 businesses were identified as having an additional/second level ancillary activity. The makeup of ancillary activities mirrors that of predominant activities. In particular, the most common type of first level ancillary activity was Service activities, comprising 30%, followed by Offices, comprising 28.1%, and then Commercial activities, comprising 21%. In terms of the second level ancillary activities, three Offices, three Service activities, and one Outdoor Storage activity was observed. This indicates that more than a third of business operating within the Glenda Drive Industrial Zone operate more than one activity.

7.33. The Zone appears to have a modest presence of residential activities, with 26% of all observed business having an associated residential element. This equates to 12.4% of all businesses recorded. A large proportion of these residential elements were associated with comprehensive developments whereby a large number of two storey units were developed at the same time.

Wanaka Industrial Zone

7.34. Figures 15 - 17 and Table 4 below illustrate the ground truth findings for the Wanaka Industrial Zone.

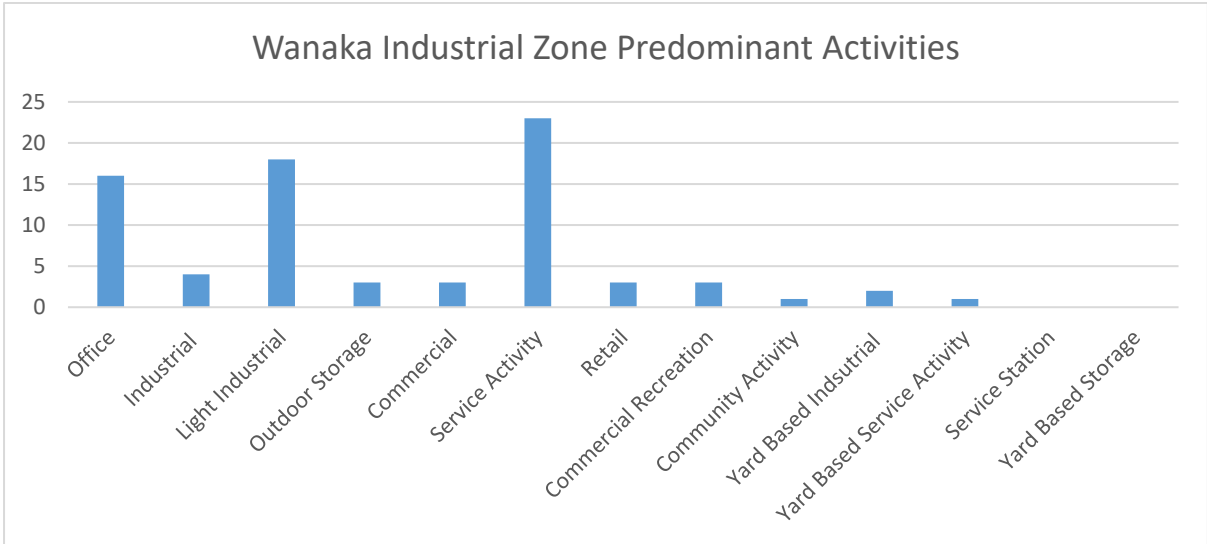


Figure 15 – Predominant activates within the Wanaka Industrial Zone

| Table 4 - Predominant activates within the Glenda Drive Industrial Zone | | |
|--|--------------|--------------|
| Activity | Total | % |
| Office | 16 | 20.8 |
| Industrial | 4 | 5.2 |
| Light Industrial | 18 | 23.4 |
| Outdoor Storage | 3 | 3.9 |
| Commercial | 3 | 3.9 |
| Service Activity | 23 | 29.9 |
| Retail | 3 | 3.9 |
| Commercial Recreation | 3 | 3.9 |
| Community Activity | 1 | 1.3 |
| Yard Based Industrial | 2 | 2.6 |
| Yard Based Service Activity | 1 | 1.3 |
| Service Station | | 0.0 |
| Yard Based Storage | | 0.0 |
| Totals | 77 | 100.0 |

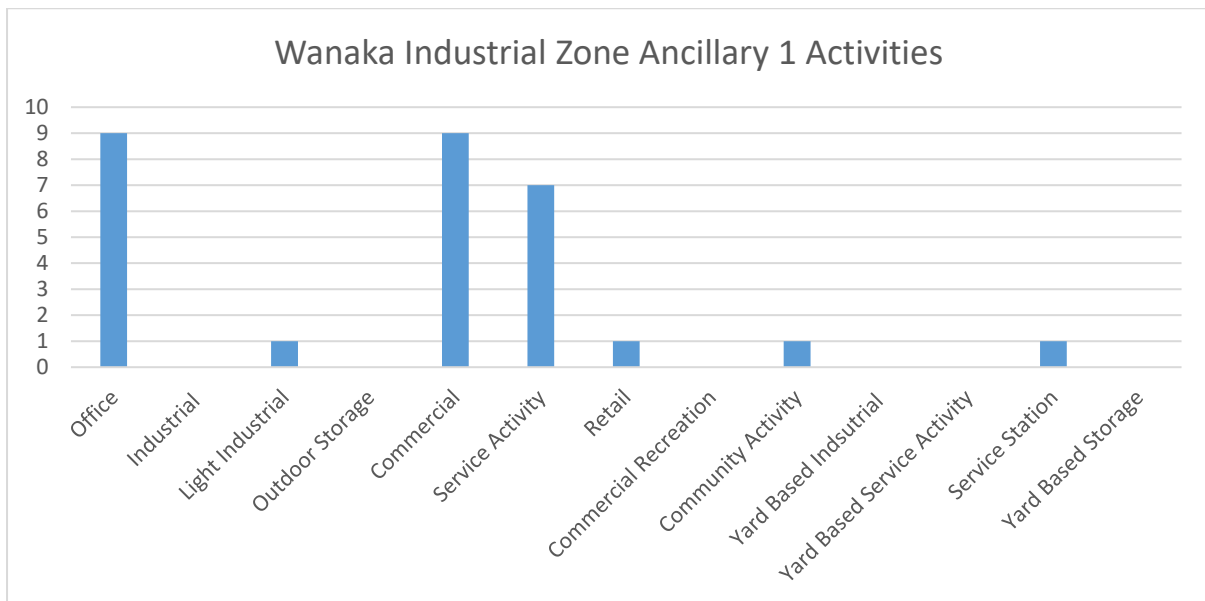


Figure 16 – First level ancillary activities within the Wanaka Industrial Zone

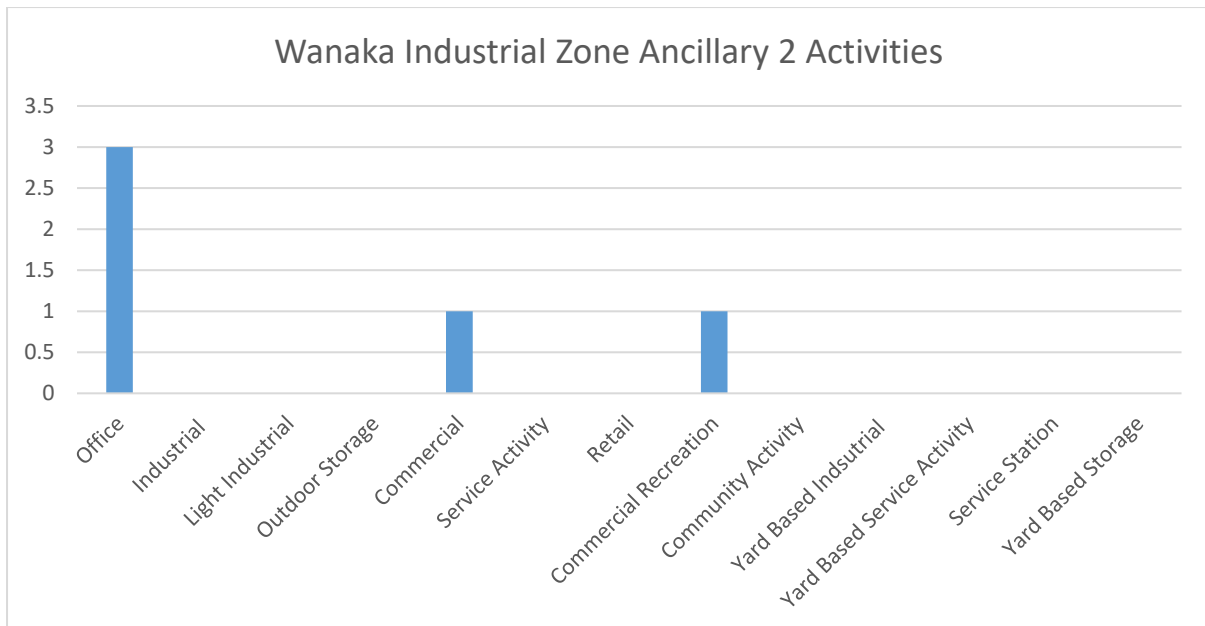


Figure 17 – Second level ancillary activities within the Wanaka Industrial Zone

7.35. Service activities are the most common type of predominant activity comprising 29.9% of all predominant activities observed within the Zone. Light Industrial activities were the second most common predominant activity comprising 23.4% of activities. Together, these activities represent 53.3% of all recorded predominant activities within the Zone. However, a large proportion of Office activities were also observed, representing 20.8% of all recorded predominant activities. Other non-industrial activities⁵¹ within this Zone made up 13% of all recorded predominant activities. These observations suggest that, while the Wanaka Industrial Zone is largely industrial in character, other non-industrial activities are also well represented.

7.36. There were 29 businesses observed as having first level ancillary activities and 9 businesses having second level ancillary activities. Again, this represents more than a third of all predominant activities. The most common type of first level ancillary activities were Office (31%) and Commercial (31%) activities, together comprising 62% of all observed first level ancillary activities. Office activities was also observed as being the most common second level ancillary activity.

7.37. There were 12 businesses recorded as having a residential element, being 15.6% of all recorded businesses.

⁵¹ Commercial, Commercial Recreation, Retail, and Community Activity

Wanaka Industrial B Zone

7.38. Figures 18 - 19 and Table 5 below illustrate the ground truthing findings for the Wanaka Industrial B Zone.

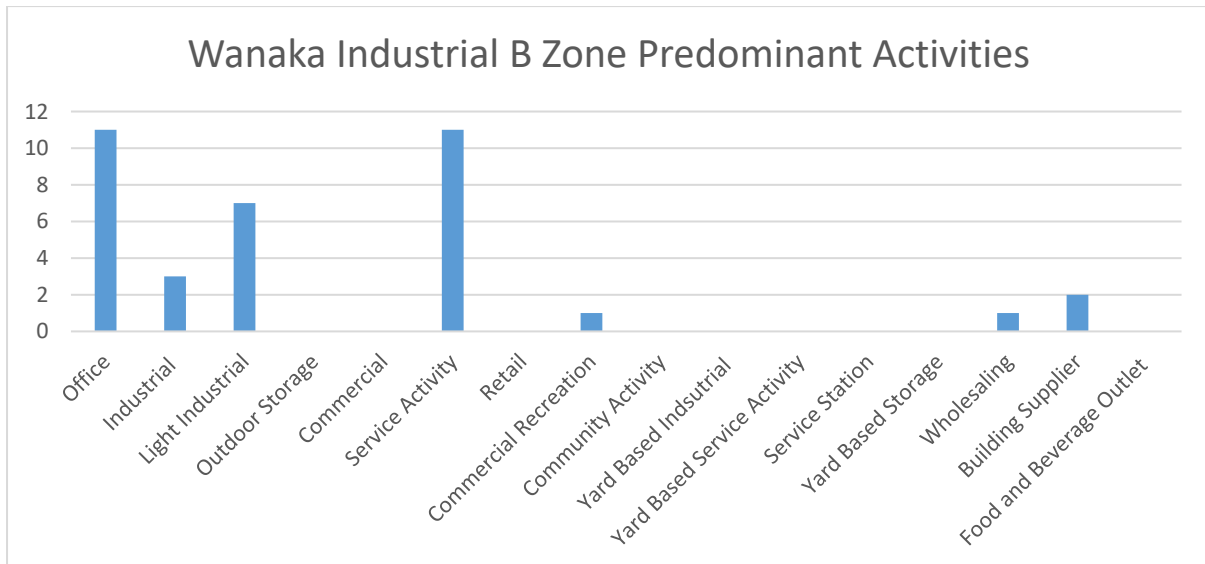


Figure 18 – Predominant activities within the Wanaka Industrial B Zone

| Activity | Predominant | % |
|-----------------------------|-------------|--------------|
| Office | 11 | 30.6 |
| Industrial | 3 | 8.3 |
| Light Industrial | 7 | 19.4 |
| Outdoor Storage | | 0.0 |
| Commercial | | 0.0 |
| Service Activity | 11 | 30.6 |
| Retail | | 0.0 |
| Commercial Recreation | 1 | 2.8 |
| Community Activity | | 0.0 |
| Yard Based Industrial | | 0.0 |
| Yard Based Service Activity | | 0.0 |
| Service Station | | 0.0 |
| Yard Based Storage | | 0.0 |
| Wholesaling | 1 | 2.8 |
| Building Supplier | 2 | 5.6 |
| Food and Beverage Outlet | | 0.0 |
| Totals | 36 | 100.0 |

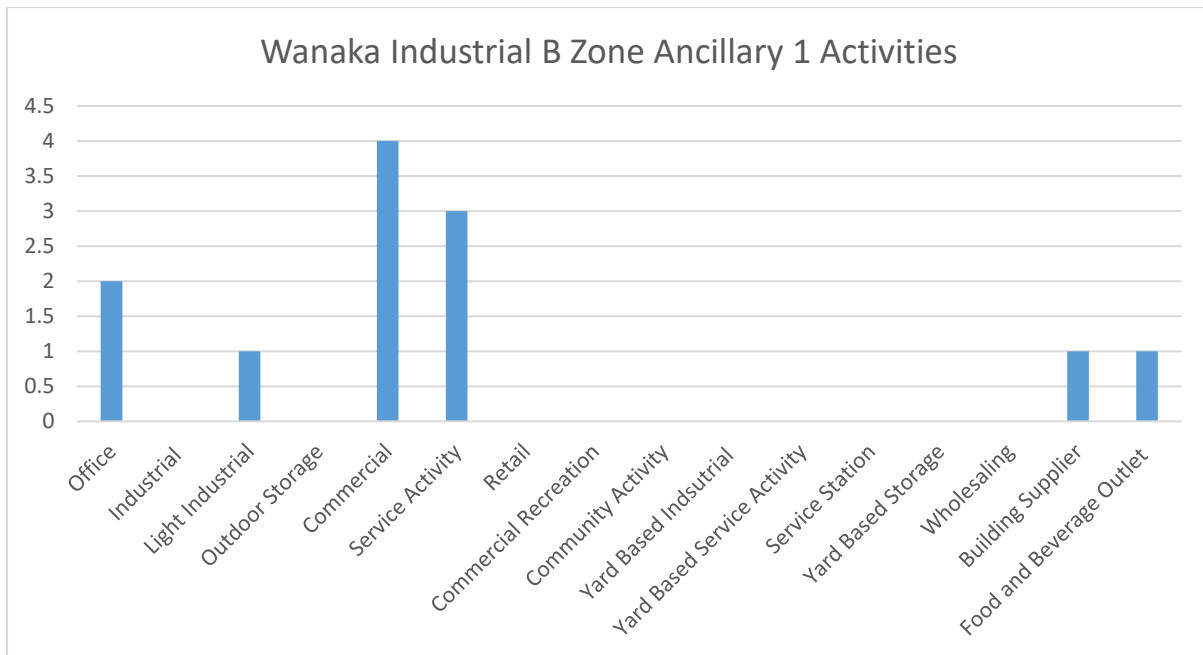


Figure 19 – First level ancillary activities within the Wanaka Industrial B Zone

- 7.39. Service and Office activities were recorded as being the most common type of predominant activities within the Wanaka Industrial B Zone, each representing 30.6% of all predominant activities recorded. Light Industrial activities were observed as being the second most predominant activity, representing 19.4% of all activities. Together, the recorded Service and Light Industrial activities, being the 'industrial type' activities, along with recorded Industrial activities (representing 8.3% of activities) comprise 58.3% of all recorded activities. As is the case with the Wanaka Industrial Zone, while the Industrial B Zone is largely industrial in character, other non-industrial activities also occupy a large proportion of sites.
- 7.40. Twelve businesses within the Industrial B Zone were recorded as having first level ancillary activities and just a single business was recorded as having a second level ancillary activity. Of the first level ancillary activities, Commercial was the most common (representing 33.3% of all activities) followed closely by Service activities and Office activities (representing 25% and 16.6% respectively). The single first level ancillary activity was observed as being an Office activity.
- 7.41. Only three businesses within the Industrial B Zone were observed as having a residential element.
- 7.42. The ground truthing analysis supports the findings of the Assessment Report in regard the type of activities which comprise our industrial economy. In particular, it highlights that much of the observed industrial type activities operating within the Zone are those that would fall within the definition of Industrial activity or Service activity.

- 7.43. The ground truthing also demonstrate that the ODP provisions have not been effective or efficient in ensuring that the Industrial Zones provide a secure location for the establishment, operation and growth of Industrial and Service Activities. Rather, they have provided for the infiltration of non-industrial activities throughout the Zones, in particular, Office, Retail and Commercial activities. Further, the analysis outlines that ancillary activities are common among businesses operating within the Industrial Zones, in particular, ancillary Office, Retail and Commercial type activities.
- 7.44. While residential elements are present within the Industrial Zones, they are not strikingly common. Most of the residential elements observed formed part of comprehensively developed two story sites, with the residential element being located at first floor level. The ground truthing observations do not suggest that these residential elements comprised custodial type flats or that they are associated with any Industrial or Service activity. No Industrial or Service activities were observed within the Industrial Zones that would require a custodial type residential element to be located on the same site as is provided for currently by the ODP Business and Industrial Zone provisions. The Assessment Report supports this, indicating that the District does not contain the types of larger businesses that might seek a need to accommodate staff on the same site as the activity is being undertaken. In many cases, the first floor levels of those comprehensive two storey developments were being occupied by Office, Retail or Commercial type activities as opposed to residential uses.
- 7.45. The large proportion of non-industrial type land uses located within the Industrial Zones presents issues for the long term viability of those activities which make up the industrial economy, primarily comprising Industrial and Service activities. In particular, these non-industrial type land uses are likely to create reverse sensitivity effects on Industrial and Service activities operating within the Industrial Zones. Methods to manage the effects of reverse sensitivity and the cumulative effects that the establishment of these activities can have on the ability of the Industrial Zones to achieve their functional purpose are currently very limited.
- 7.46. The ME Assessment Report points to the risks of not applying more restrictive provisions on the establishment of non-industrial type land uses within industrially zoned land. It notes that District Plan provisions which provide for the establishment of non-industrial type activities place competitive market disadvantages on industrial type activities within the very areas zoned for their establishment, operation and growth. Non-industrial type activities (such as Office, Retail and Commercial activities) can use sites more intensively and are capable of sustaining multiple businesses and offering greater returns to landowners than a single Industrial or Service type activity which will often require larger areas of land that might need to be occupied by raw materials, or need to provide a depot for machinery and equipment, or to internalise large volumes of truck/vehicle movements and parking.⁵² The report finds that '*more stringent planning*

⁵² Page 96, Section 6.4.5 of the ME report

*frameworks are needed that avoid too much flexibility in industrial zones so that industrial activities that have a functional need to locate in those zones are protected.*⁵³ Further, the Assessment Report considers that purely Office based activities should be discouraged from industrially zoned land.

7.47. The growth of non-industrial activities within the Zone also has the propensity to increase the value of industrially zoned land by limiting the amount of sites available for Industrial and Service activities and setting precedent effects for developers that higher return land uses can be established. The Assessment Report shows that land values within the Industrial Zones have increased substantially in recent times.⁵⁴

7.48. It is also considered reasonably likely that a higher proportion of predominant Office, Retail, Commercial and other similar non-industrial type activities operating within industrially zoned land will increase traffic and pedestrian movements where they had not been anticipated by the ODP by sheer fact of their higher occupancy numbers. These higher traffic and pedestrian movements are likely to be associated with additional staff and customers who visit these types of activities. This has potential to create conflicts between customers and staff of Office, Retail and Commercial activities both within the road corridor and within sites that also contain Industrial type activities involving high numbers of vehicle movements and large vehicle movements. Observations made during the ground truthing site visits suggest this is the case. In particular, there is a limited and disjointed active transport network, particularly for pedestrians, within the Industrial Zones.

7.49. However, the high proportion of ancillary Office, Retail and Commercial activities occurring within the Industrial Zones suggests that this type of multi-activity operating structure is important to the function of Industrial and Service activities within the District. This is emphasised by the ME Assessment Report⁵⁵ which suggests that providing for ancillary Office and Retail is essential to support the viability of industrial businesses. Ms Hampson also outlines that it is more efficient to have ancillary Retail and Office activities required by predominant Industrial and Service activities located in the same zone as one another rather than forcing the two components into separate areas where they would otherwise be permitted.

Issue 3 – Industrial Development Capacity

7.50. The District is identified as a '*high growth urban area*'⁵⁶ under the National Policy Statement on Urban Development Capacity (NPS-UDC) 2016 and is therefore subject to the full suite of

⁵³ Page 104, Section 7.3 of the ME report

⁵⁴ Page 98, Section 6.4.6 of the ME report

⁵⁵ Page 104, Section 7.3 of the ME report

⁵⁶ Interpretation section, National Policy Statement on Urban Development Capacity, 2016

objectives, policies and requirements of the NPS-UDC. Local authorities identified as containing high growth urban areas are required to comprehensively assess demand and capacity for both housing and business activities at least every three years commencing 31 December 2017.

- 7.51. The Council produced its first set of housing and business development capacity assessments in March 2018. For the purpose of this review, the Business Development Capacity Assessment 2017⁵⁷ (**BDCA**) is relevant and has been appended to this report as Appendix 2. Ms Hampson and Market Economics also authored this BDCA. It uses the two 'wards' approach in the same way that was applied in the ME Assessment Report on the industrial economy. The Wanaka Ward encompasses the area within the Wanaka urban growth boundary (**UGB**), as well as the Hawea and Luggate townships, and the Rural Industrial sub-zone in Luggate. The Wakatipu Ward includes land located within the Queenstown and Arrowtown UGBs as well as the small area of Lower Density Suburban Residential Zone (**LDSRZ**) adjacent to Lake Hayes and the Coneburn Industrial Zone. All other land is considered to form part of the rural environment and was not subject to assessment under the BDCA.
- 7.52. The BDCA contextualises business development within the Wanaka and Wakatipu Wards by measuring employment projections across 48 economic sectors. The BDCA cites this employment growth as the driver of demand for business land and floor space. The assessment outlines that industrial sectors have the fastest rate of growth across all sectors (72% compared to an average of 55% for all sectors), with employment across the industrial sector expected to increase by 4,220 workers by 2046.⁵⁸
- 7.53. Since the BDCA was finalised in March 2018 a number of appeal proceedings, including mediations, have commenced on Stage 1 topics of the PDP review. As part of the Council's evidence filed for Topic 2 (Rural Landscape) proceedings, Ms Hampson has commented on the impact of the PDP Decisions Version and other recent changes on the outcomes of the BDCA.⁵⁹ While Ms Hampson's evidence doesn't necessarily update the existing BDCA, it does offer a more recent snapshot of business capacity within the District. In regard to this matter, it is noted that much of the Decisions Version of the PDP has been appealed and the outcome of these appeals cannot be foreseen. As has been discussed in this report, there are a number of other factors at play which influence the extent and reliability of land zoned for business related uses under the decisions version of the PDP.

⁵⁷ Business Development Capacity Assessment 2017, Queenstown Lakes District, 15 March 2018 – draft final
<https://www.qldc.govt.nz/assets/Uploads/Council-Documents/Committees/Planning-and-Strategy-Committee/10-May-2018/Item-1-Attachment-A-Business-Capacity-Assessment-2017-Final-1.5.2018.pdf>

⁵⁸ page 4 of the BDCA

⁵⁹ Evidence in Chief of Natalie Dianne Hampson for Queenstown Lakes District Council, Topic 2 – Rural Landscape, 12 October 2018

7.54. Table 6 below summarises the key changes and impacts of the PDP Stage 1 decisions version to business enabled zones where they are relevant to industrial development capacity.⁶⁰

| Table 6: Vacant industrial capacity implications of the PDP Stage 1 decisions version | | |
|--|--|--|
| Ward | Zone | Effect comment |
| Wanaka | NA | Nil ⁶¹ |
| Wakatipu Ward | Frankton Business Mixed Use Zone (9.1 ha gross area) | Nil <i>'commercial and retail activities are likely to preclude industrial development due to higher returns'</i> ⁶² |
| Wakatipu Ward | Coneburn Industrial Zone (71 ha gross area) | + 69% Industrial vacant land capacity + 44% Industrial vacant GFA ⁶³ |

7.55. Ms Hampson's evidence outlines that the Stage 1 decisions version of the PDP does not alter the industrial development sufficiency conclusions as they relate to the Wanaka Ward, which is considered to have significant surplus capacity enabled over the long term.⁶⁴

7.56. Within the Wakatipu Ward, Ms Hampson's evidence suggests that the additional capacity enabled by way of the PDP decisions version represents 'a significant improvement on the situation'⁶⁵ illustrating a small surplus of capacity to cater for long term demand.

7.57. Acknowledging these revisions to the capacity assessments, Ms Hampson's evidence suggests that a number of additional matters should be considered to assist in contextualising realistic development capacity. The first matter relates to land ownership, in particular, vacant business land within the Frankton Flats B Zone that is owned by the Queenstown Airport Cooperation Limited (**QAC**). QAC's land holdings were not taken into account within the initial BDCA. This is consequential as the initial BDCA identified the only vacant industrial land in the Wakatipu Basin

⁶⁰ Ms Hampson's EIC (note: calculations are based on the 'alternative scenario' which aims to remove potential overlap of development capacity)

⁶¹ Paragraph 6.2(a) and 6.4 of Ms Hampson's EIC

⁶² Paragraph 6.2(c), Ms Hampson's EIC

⁶³ Paragraph 6.2(d), Ms Hampson's EIC, 'alternative scenario'

⁶⁴ Paragraph 6.3, Ms Hampson's EIC

⁶⁵ Paragraph 6.7, Ms Hampson's EIC, 'alternative scenario'

as being located within the Frankton Flats B Zone (precincts D and E1) and amounting to 17.5 ha.⁶⁶ QAC own 13.1 ha of this vacant capacity, comprising 67% or 9.1 ha within Precinct E1 and 37% or 4 ha within Precinct D.⁶⁷ Ms Hampson’s evidence refers to this QAC owned land representing a ‘*significant share*’⁶⁷ of vacant industrial capacity. Figure 20 below illustrates this situation.



Figure 20 - Vacant land (January 2018) Frankton Flats B Zone and Queenstown Airport Corporation Ownership (Ms Hampson’s EIC Topic 2 – Rural Landscape).

7.58. QAC’s master planning exercise designed to inform the nature, scale and location of future airport growth has presented three growth options⁶⁸, each of which would utilise some of their landholdings within the Frankton Flats B Zone.⁶⁹ The initial BDCA did not anticipate the loss of

⁶⁶ Paragraphs 6.13 – 6.15 of Ms Hampson’s EIC, ‘alternative scenario’

⁶⁷ Paragraph 6.16, Ms Hampson’s EIC

⁶⁸ Queenstown Airport Corporation, Master Plan Options, Lets Start Talking About Tomorrow <https://www.queenstownairport.com/assets/masterplan/Queenstown-Airport-Master-Plan-Options.pdf>

⁶⁹ Paragraph 7.56, Statement of Evidence of Derek Richard Foy, 31 August 2018, ENV-2018-CHC-15

potential industrial capacity in this way. Following the initial stage of consultation on its master plan options, QAC is considering other key long term planning initiatives for expansion within the District before progressing its preferred growth option.⁷⁰ Notwithstanding this position, QAC have not ruled out future growth of airport facilities within the Frankton Flats B Zone. It is therefore prudent to ensure the effect of QAC land ownership is considered in the context of industrial development capacity. Ms Hampson's evidence says that 'excluding this QAC vacant land has a material impact on industrial growth capacity in the Wakatipu Ward'⁷¹ and that QAC growth within the Frankton Flats B Zone could decrease vacant industrial capacity from 17.5 ha to 9 ha.⁷² This scenario could result in a shortfall of vacant industrial capacity before reaching the mid-term (being the year 2026). Figure 21 below illustrates the outputs of the BDCA vacant industrial capacity model including under a QAC growth scenario.

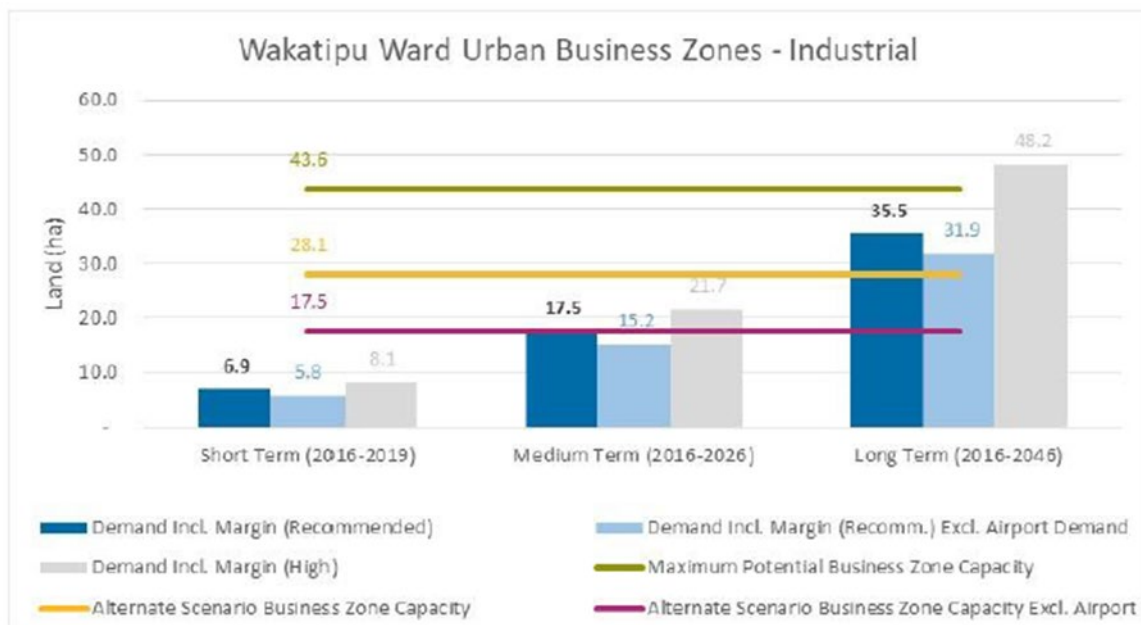


Figure 21 - Wakatipu Ward industrial vacant capacity model with QAC Frankton Flats B Zone land removed (Ms Hampson's EIC Topic 2 – Rural Landscape).

7.59. The additional capacity afforded by the Frankton Business Mixed Use Zone and Coneburn Industrial Zone detailed in Table 6 above, more than accounts for the losses associated with QAC ownership, affording a net increase of 28.5 ha.⁷³ Figure 22 below illustrates the effect of this additional capacity, being a sufficient supply of vacant industrial capacity in the Wakatipu

⁷⁰ Queenstown Airport Corporation, proposed noise boundary changes realigned with other planning work 02 Oct 2018 <https://www.queenstownairport.com/corporate/news-and-events/news/proposed-noise-boundary-changes-realigned-with-other-planning-work>

⁷¹ Paragraph 6.19, Ms Hampson's EIC

⁷² Paragraph 6.20, Ms Hampson's EIC 'alternative scenario'

⁷³ Paragraph 6.22, Ms Hampson's EIC

Ward up to the medium term (being the year 2026). However, it is shown that additional supply is necessary under the recommended alternative scenario prior to 2046. Ms Hampson suggests this represents a 'greater urgency to zone and service land dedicated for industrial land use now in the Wakatipu Ward'.⁷⁴

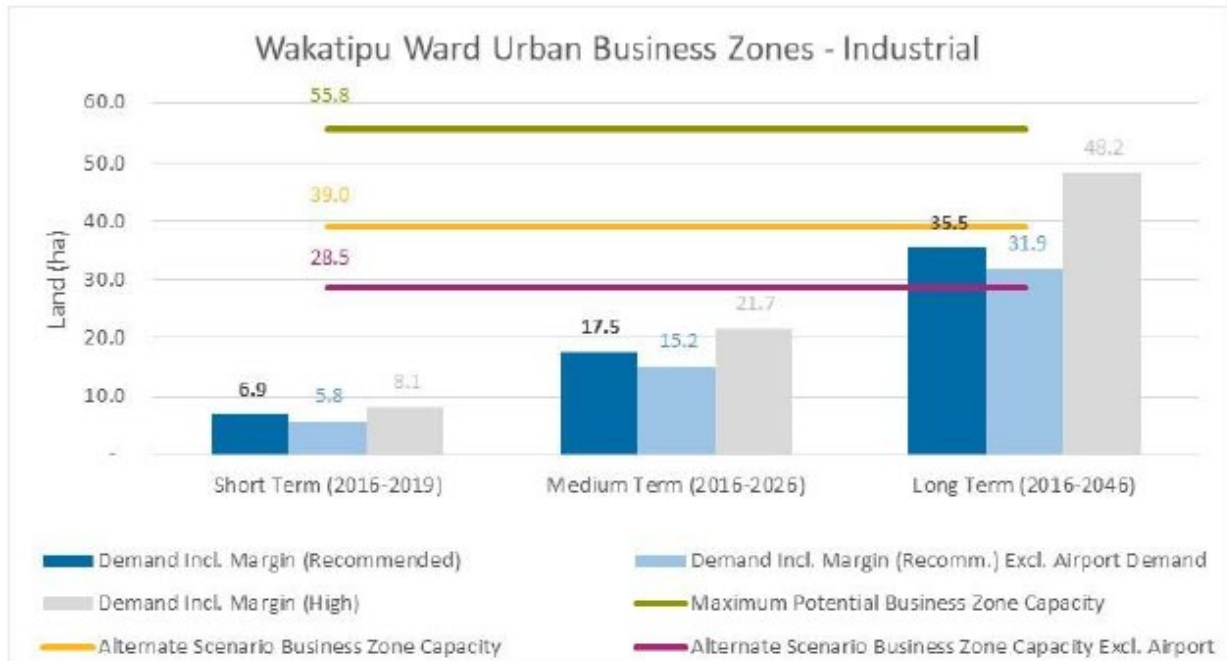


Figure 22 - Wakatipu Ward industrial vacant capacity model with QAC Frankton Flats B Zone land removed and PDP decisions version additional capacity included (Ms Hampson's EIC Topic 2 – Rural Landscape).

7.60. In regard to the Coneburn Industrial Zone, it should be acknowledged that the timing of this land being development ready, and therefore representing viable industrial development capacity, is uncertain. While the Stage 1 appeals made on this zone have been resolved and this Zone is therefore considered operative, land within the Zone is currently being used for the purpose of quarrying, and it is understood that a significant amount of material is yet to be extracted, for the purpose of both generating economic gain for the current landowner, but also for the purpose of meeting the requirements relating to landscape protection and height limit contours as required by the Coneburn Structure Plan and the provisions of Chapter 44 (Coneburn Industrial Zone) which are necessary to avoid adverse visual effects on landscape amenity.

7.61. The initial BDCA was based on a set of population projections produced in May 2017 by Rationale Limited. Evidence produced by Mr Walter Clarke (formerly of Rationale) as part of the hearings on Stage 1 of the PDP review (Hearing Stream 13 – Queenstown mapping annotations and rezoning requests⁷⁵) provides a summary of these growth projections. The Council has since

⁷⁴ Paragraph 6.25, Ms Hampson's EIC

⁷⁵ Statement Of Evidence Of Walter Antony Clarke On Behalf Of Queenstown Lakes District Council, Growth Projections, 19 June 2019

received updated national data from Statistics NZ, and on migration and tourism numbers, building and resource consent data, analysis on existing zoned capacity and a review of development trends. This updated data has resulted in revised population projections that were completed in December 2018.⁷⁶ These revised projections demonstrate that the District's population is growing at a faster rate than that considered in the May 2017 projections. More specifically, these updated projections show that the population is growing at a rate faster than the previous 'high growth' scenario. The demand for industrial development capacity within the Wakatipu and Wanaka Ward is therefore higher than both what was previously modelled under the BDCA and under the revised scenarios considered by Ms Hampson in her rural landscapes Topic 2 evidence.

7.62. Figure 23⁷⁷ below compares the recommended population projections produced by Rationale in 2017 used for the BDCA assessments with that of the high growth BDCA scenario and the most recent 2018 growth projections.

7.63. While the BDCA has not been updated as yet in respect to the December 2018 growth projections, it can no longer be assumed that surplus capacity exists in the Wanaka Ward over the long term (to year 2026) nor within the Wakatipu Ward over the short to medium term (years 2019 – 2026). In addition to the update required under the December 2018 growth projections, previously vacant capacity within the ODP Industrial Zones is likely to have diminished, either being taken up by industrial related activities, or possibly non-industrial related activities.

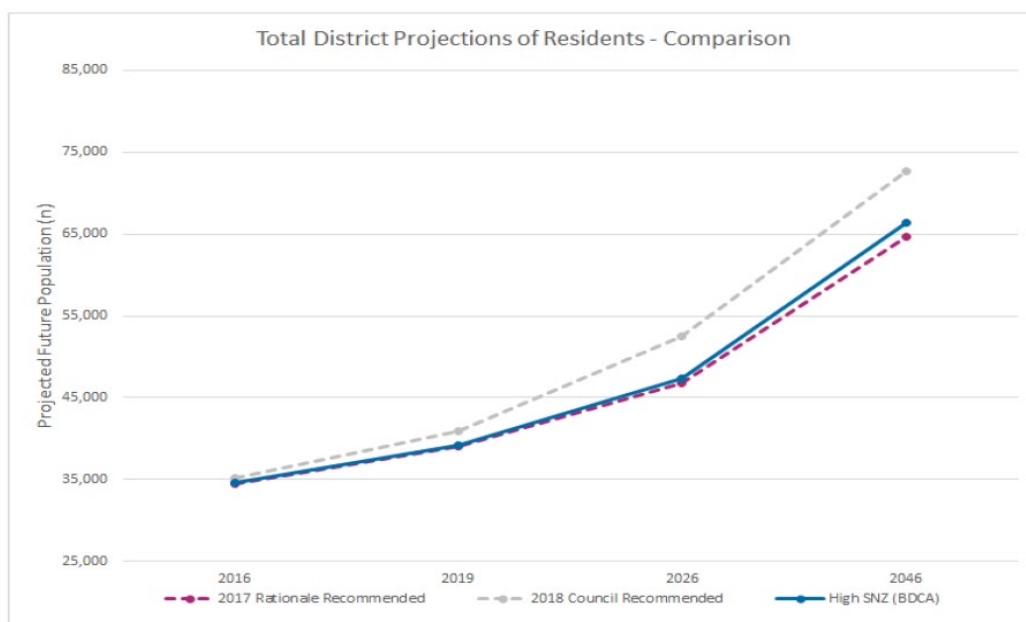


Figure 23 – Comparison of population growth projections (ME Assessment report)

⁷⁶ Queenstown Lakes District Population Projections (December 2018)
<https://www.qldc.govt.nz/assets/Uploads/Our-Community/Population-Projections/QLDC-Growth-Projections-2018-to-2048-summary-table.pdf>

⁷⁷ Page 80, Section 6.1 of the ME report

- 7.64. The ME Assessment Report also highlights the effects that neighbouring land uses can have on realistic development capacity and the ability for businesses to service demand within land zoned for industrial purposes. Ms Hampson considers such effects may arise in Wanaka where land use and zoning surrounding the existing Industrial and Industrial B Zones has changed considerably. In particular, large areas of land adjoining the Industrial and Industrial B Zones has been zoned for residential purposes and the effectiveness of the provisions in protecting industrial type activities within the Zones from reverse sensitivity effects has yet to be tested.⁷⁸ Similar effects may be experienced in Frankton. Further, Ms Hampson outlines that these surrounding zonings can have a significant impact on industrially zoned areas, particularly where roads have been established to residentially or commercial zoned land that connect through an industrial zone resulting in delays in receiving and delivering goods and providing services.
- 7.65. Overall, the issue faced by the District in regard to industrial development capacity recommends a prudent approach in terms of the development and application of land use planning provisions relating to the management of industrially zoned land given the likely difficulties of zoning what is often very high priced rural land for industrial purposes. There is an evident need to develop a less flexible planning framework which focuses on prioritising the needs of those activities which comprise the local industrial economy, being Industrial and Service activities.
- 7.66. This review presents an opportunity to identify additional areas of land to be included within the GIZ in order to assist in meeting industrial development capacity constraints although there are a number of inherent challenges with assessing rezoning requests that are first contemplated in assessing a submission and potential for unfairness as people interested in such proposals will only be able to further submit in opposition or in support.
- 7.67. Currently, the Council is preparing a Future Development Strategy (**FDS**) document as required under the NPS-UDC as part of preparing a Strategic Spatial Plan for the wider Queenstown Lakes Area which encompasses Cromwell and the Wakatipu and Wanaka wards. This FDS will be directly informed by the BDCA and identify future urban environments, intensification opportunities, and associated development infrastructure required to provide sufficient development capacity.⁷⁹ This process is considered the best and most appropriate tool to inform the location, form and function of future industrially zoned land. However, it is noted that parties interested in industrial land have not had a clear opportunity to pursue this through the plan review process to date given the lack of a notified industrial chapter and the Council intends to assess submissions seeking industrial land on their merits.

⁷⁸ Page 94, Section 6.4.4 of the ME report

⁷⁹ Page 8, Section 2.2, National Policy Statement on Urban Development Capacity, Responsive planning - Guide on producing a Future Development Strategy, Ministry for the Environment

7.68. The Council has received a proposal relating to a large area of land adjoining the Victoria Flats Landfill legally described as Lot 2 DP 420346 and Lot 8 DP 402448 (as contained within Computer Freehold Register 477524). This land is currently zoned Gibbston Character and Rural under the PDP, and is in-part subject to Designation 76 relating to the 'buffer area' associated with the Victoria Flat landfill. Some parts of the land are located within an Outstanding Natural Landscape. The proposal considers the land could absorb a range of land uses including residential and accommodation activities, but that the most appropriate use of the land is for predominantly industrial type activities. The information received for this proposal is not comprehensive and has not addressed the range of rezoning principles set out by the IHP.⁸⁰

Issue 4 – Structure and complexity of the ODP Industrial Zones framework

7.69. The Business Zone, Industrial Zone and the Industrial B Zone are set out in Section 11 of the ODP (Business and Industrial Areas). Section 11 sets out objectives, policies and methods relating to the Industrial Zone and the Industrial B Zone as well as the Business Zone. The Business Zone is no longer included within the PDP structure and the majority of land previously included within this Zone has since been rezoned through the Stage 1 review process to Business Mixed Use Zone. One area of Business Zone remains, being land in the area of Industrial Place in Queenstown. This area is still under review in respect to natural hazards and is not notified as part of these proposals.

7.70. Section 11 of the ODP sets out a shared suite of objectives and policies applicable to both the Industrial Zone and the Business Zone. A separate suite of objectives and policies is included within Section 11 which relates to the Industrial B Zone only. Following these objective and policies, Section 11 contains rules for each of the Business Zone, the Industrial Zone and the Industrial B Zone. In addition, Section 11 contains sections on '*Resources, Activities and Values*', '*Issues*', a description of '*Implementation Methods*' as well as paragraphs relating to '*Explanation and Principle Reasons for Adoption*' and '*Environmental Results Anticipated*'. A set of '*Assessment Matters*' are also included which relate to both the Business and Industrial Zones, while the Industrial B Zone gets its own set of '*Assessment Matters*', as well as a specific flow chart illustrating an '*Anticipated resource consent process for developing the zone*'.⁸¹ Adding to this complexity, Section 11 introduces a second term for the Industrial Zone, being the '*Industrial (A) Zone*' at various points throughout the section. This structure is lengthy, complex and can be difficult to follow. The various separate components do not provide any particular assistance to plan users nor do they facilitate consistent or effective plan administration.

⁸⁰ Para 2.14, Strategic Overview And Common Themes, Section 42A Report, Craig Barr, 17 March 2017

⁸¹ 11.5.4 of Section 11

7.71. Section 11 does not clearly distinguish between the Industrial and Business Zones. It is not best practice to have a single set of objectives and policies, as well as assessment matters which relate to two separate zones (being the Industrial Zone and the Business Zone) which intend to achieve different land use outcomes. Objective 1 in particular relates to both '*Business and Industrial Activity*' and reads more as a purpose statement:

'A range of industrial locations which accommodate a variety of appropriate activities, including the maintenance and consolidation of existing business areas.'

Policy 1.1 does not offer any particular direction or explanation for Objective 1 and simply states:

'To enable a wide range of activities to establish throughout the business and industrial areas.'

7.72. This lack of clear policy direction is reflected in the methods which do not effectively manage the establishment of non-industrial type activities. This is likely to have contributed to the large number of non-industrial type of activities which have established and grown in scale within the Industrial Zones, as described in the preceding sections of this report.

7.73. The Industrial B Zone was introduced to the ODP at a later date (June 2013) through Plan Change 36.⁸² It offers a clearer direction in its purpose statement, providing for Industrial and Service activities, with Office, Residential, Visitor Accommodation and almost all Retail activities being avoided. Policy 1.3 sets out the position of the Industrial B Zone in regard to retail activities. It outlines that almost all retail activities are to be avoided to preserve the Zone for those uses which are specifically enabled. The layout and structure of the Zone is entirely different to that which is used for the Industrial and Business Zones, and it uses diagrams and structure plans within the framework.

7.74. The Ballantyne Road Mixed Use Zone was introduced to the ODP in April 2009 through Plan Change 32.⁸³ The purpose statement is clear that the Zone is designed primarily to accommodate yard based service and yard based industrial activities as well as appropriate mixed business uses at the periphery of the Zone. The chapter framework and structure of the Ballantyne Road Mixed Use Zone appears to be a mix of the Industrial/Business Zones and Industrial B Zone, incorporating both a site/zone standard paragraph layout (i.e. similar to the Industrial/Business Zones) and a table format (i.e. similar to the Industrial B Zone). Assessment matters are also included.

⁸² Plan Change 36 documents

<https://www.qldc.govt.nz/planning/district-plan/district-plan-changes/plan-change-36-wanaka-industrial-zoning-extension/>

⁸³ Plan Change 32 documents

<https://www.qldc.govt.nz/planning/district-plan/district-plan-changes/plan-change-32-ballantyne-road-mixed-use-zone-wanaka/>

- 7.75. The ODP includes a number of definitions that may be unnecessary. The definitions of Light Industrial activity, Yard Based Industrial activity, and Yard Based Service activity are largely subsets of the definition of Industrial activity or Service activity. The Industrial Zones framework does not apply different activity status to these activities or set out different standards or other controls for these activities.
- 7.76. Overall, the length and complexity of these ODP sections does not seem to be warranted. A single zone framework that consolidates the existing set of provisions is considered appropriate. This single Zone framework would assist the Council in implementing the National Planning Standards which outline that Council's should apply one or more of three types of industrial zone within their District's, being the Light, General or Heavy Industrial Zone.⁸⁴ Given the nature of the District's industrial economy being comprised not especially of heavy or light industrial activities, but more of a mix of Industrial and Service activities that are supported by a range of ancillary activities, a General Industrial Zone is considered generally appropriate. Avoiding the complexity of providing separately for Light Industrial activity, Yard Based Industrial activity, and Yard Based Service activity would also assist in giving effect to the National Planning Standards. While there may be other opportunities to give effect to the National Planning Standards through this plan review process, it is considered more effective and efficient to undertake these changes in a more strategic and systematic manner at a later date. Further, there is no requirement to do so at this stage.

Issue 6 – Minimum lot size within the Industrial Zones

- 7.77. Lot sizes play an important role in determining whether or not sites are capable of meeting the functional needs of activities and development that are anticipated within a zone. They establish fundamental site limitations, which in many cases cannot be amended retrospectively. Very rarely do opportunities arise to amalgamate sites which are too small in order to accommodate activities that might require a larger site. They also have a profound effect on land value, vehicle movements and variously preclude or provide flexibility for activities with variable land requirements.
- 7.78. Table 7 below provides a summary of the minimum lot sizes set out within Section 15 (Subdivision, Development and Financial Contributions) of the ODP for the three Industrial Zones subject to this review.

⁸⁴ Table 4, District Plan Structure, Part 3 – Zones

| Zone | ODP Minimum lot size⁸⁵ |
|--------------------------------|---|
| Industrial | 200 m ² |
| Industrial B | 1000 m ² Except that the minimum lot size shall be 200m ² where the subdivision is part of a complying combined land use/ subdivision consent application or where each lot to be created, and the original lot, all contain at least one business unit. |
| Ballantyne Road Mixed Use Zone | Activity Area C – 3000m ² Activity Area D – 1000m ² All other Activity Areas - No minimum lot size. |

7.79. The variability illustrated between minimum lot sizes outlined in Table 7 possibly reflects the fact that the three zones have been developed through separate plan changes processes. This variability adds an additional layer of complexity to the ODP Industrial Zones framework and creates a level of uncertainty for the Council in terms of the type of land use planning outcomes that industrially zoned land is likely to provide when considered as a whole.

7.80. It is considered that the 200 m² minimum lot size provided for within both the Industrial and Industrial B Zones is too small to enable land to meet the needs of those activities which principally make up the District’s industrial economy, being Industrial and Service activities. In particular, bulky items and equipment and large buildings to store them in are often required as key inputs for the operation of these activities. Similarly, larger areas are required on sites in order to accommodate the movement of vehicles, whether they be a larger number of smaller vehicles or heavy vehicles associated with the loading and unloading of goods for the activity. The ME Assessment Report supports this, outlining that busier streets and greater competition for on-street space creates a greater need to internalise the needs of vehicles associated with industrial type activities and that a key method to achieve this is providing larger site sizes.⁸⁶

7.81. The intent of the requirement that small lot subdivisions be associated with a ‘business unit’ in the Industrial B zone seems to be aimed at ensuring that small lot subdivisions do not result in complying business activities being entirely displaced from the zone.⁸⁷ However, it is not clear what is meant by a ‘business unit’ as this term is not defined within the definitions section of the ODP and no further context is provided within the Industrial B part of Section 11 (Business and Industrial Areas).

⁸⁵ 15.2.6.3 of Section 15 (Subdivision, Development and Financial Contributions)

⁸⁶ Page 94, Section 6.4.4 of the ME report

⁸⁷ Policy 1.5, ODP Industrial B Zone, Section 11, Issues, Objectives and Policies

7.82. An analysis of lot sizes within the existing Industrial Zones was undertaken as part of this review. Figures 24 – 27 and Table 8 below illustrate the distribution of lot sizes within each of the ODP Industrial Zones. This analysis demonstrates that no sites have been created within these Zones which are less than 200 m², but that a reasonable proportion of all sites (33.9%) are smaller than 1,000 m². The remaining sites (66.1%) were greater than 1,000 m².

7.83. The Glenda Drive Industrial Zone contains a wide range of site sizes in comparison with other areas located within the Industrial Zones which tend to show a larger proportion of smaller site sizes. Overall, there is no clear evidence that the variable lot size controls have produced significantly different economic or environmental results.



Figure 24 – Lot size analysis within the Arrowtown Industrial Zone

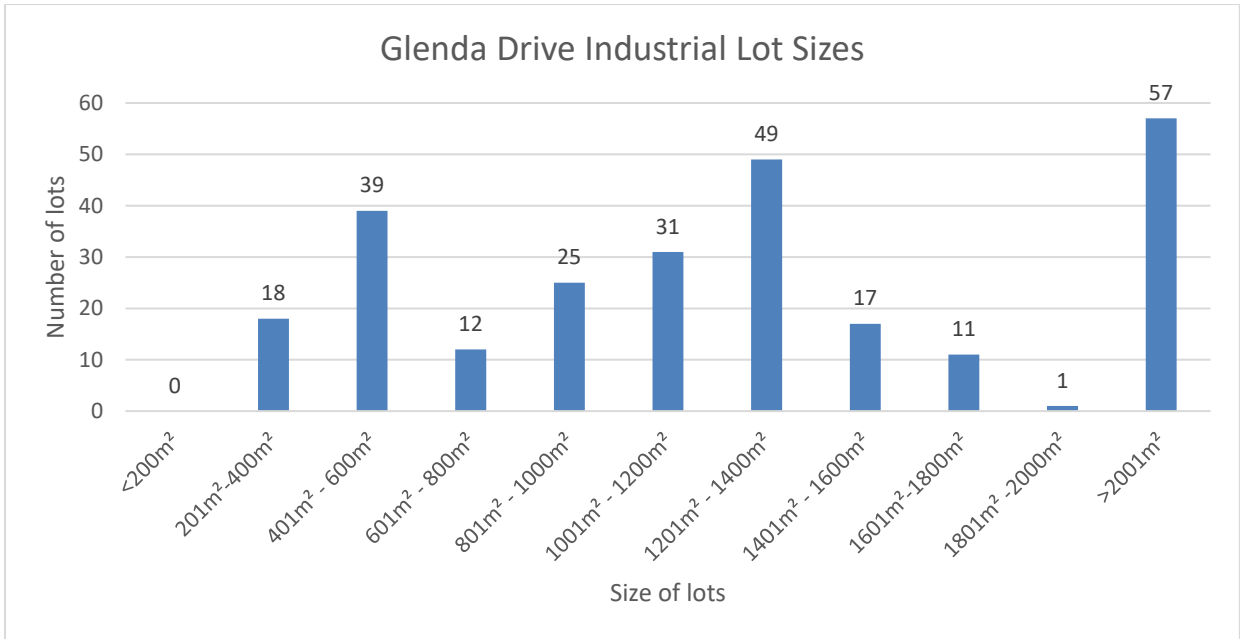


Figure 25 – Lot size analysis within the Glenda Drive Industrial Zone

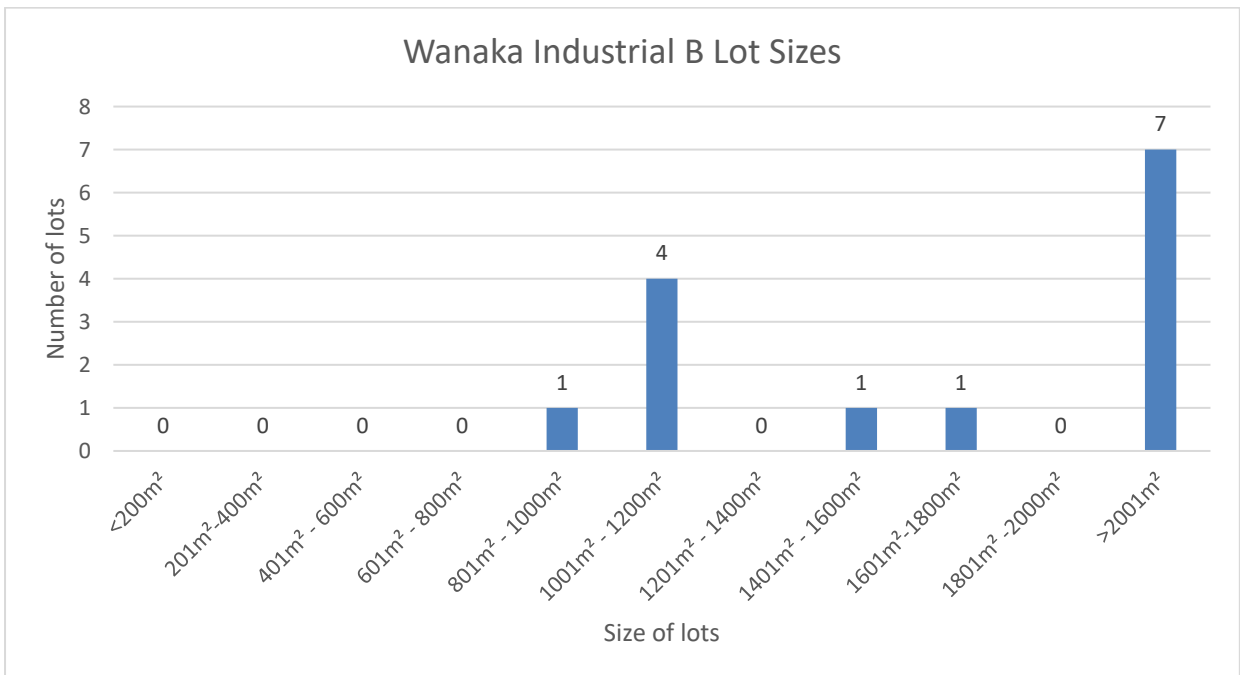


Figure 26 – Lot size analysis within the Wanaka Industrial B Zone

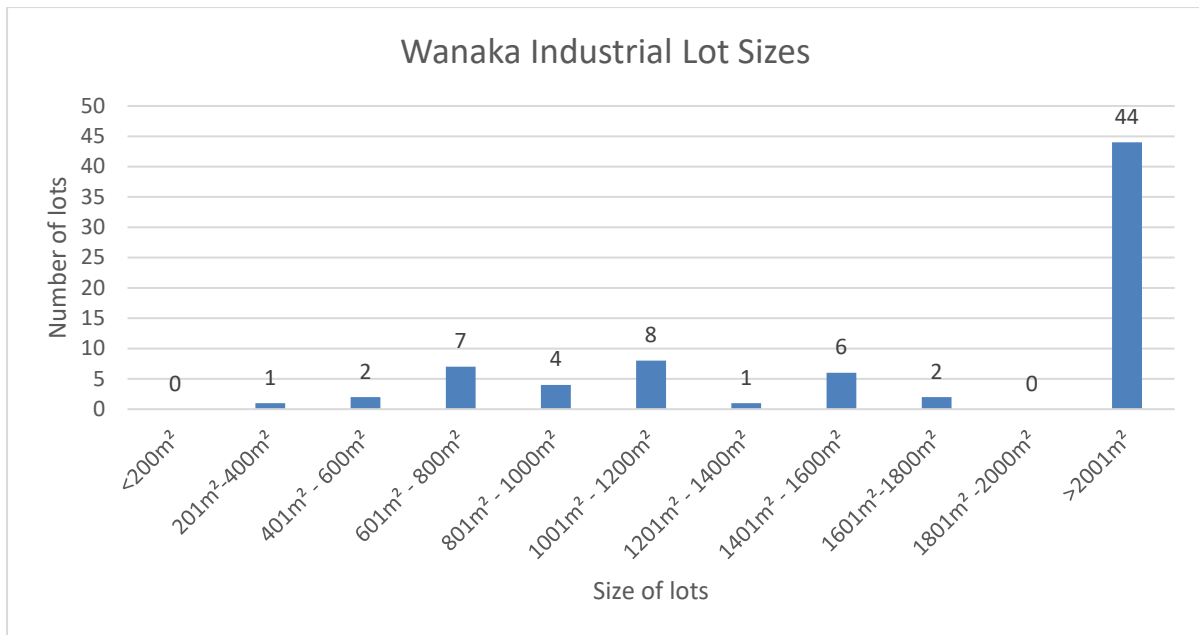


Figure 27 – Lot size analysis within the Wanaka Industrial Zone

| Lot Sizes | Arrowtown (Industrial) | Glenda Drive (Industrial) | Wanaka (Industrial) | Wanaka (Industrial B) | # Totals | % Totals |
|---|------------------------|---------------------------|---------------------|-----------------------|------------|------------|
| <200m ² | 0 | 0 | 0 | 0 | 0 | 0 |
| 201m ² -400m ² | 1 | 18 | 1 | 0 | 20 | 5.3 |
| 401m ² - 600m ² | 0 | 39 | 2 | 0 | 41 | 10.9 |
| 601m ² - 800m ² | 2 | 12 | 7 | 0 | 21 | 5.6 |
| 801m ² - 1000m ² | 15 | 25 | 4 | 1 | 45 | 12.0 |
| 1001m ² - 1200m ² | 2 | 31 | 8 | 4 | 45 | 12.0 |
| 1201m ² - 1400m ² | 1 | 49 | 1 | 0 | 51 | 13.6 |
| 1401m ² - 1600m ² | 0 | 17 | 6 | 1 | 24 | 6.4 |
| 1601m ² -1800m ² | 0 | 11 | 2 | 1 | 14 | 3.7 |
| 1801m ² -2000m ² | 0 | 1 | 0 | 0 | 1 | 0.3 |
| >2001m ² | 5 | 57 | 44 | 7 | 113 | 30.1 |
| Totals | 26 | 260 | 75 | 14 | 375 | 100 |

7.84. This analysis indicates that site sizes within the Industrial Zones are somewhat evenly distributed. Approximately 34% of sites are between 200 m² and 1000 m², 32% of sites are between 1001 m² and 1600 m², and 34% of sites are between 1601 m² and >2000 m². This suggests that a degree of flexibility in terms of site sizes is sought by the market within the Industrial Zones and that there is strong demand for large and medium sized sites. Lesser demand appears to be present for smaller sites with approximately 16% of sites being less than 600 m². Overall, the spread of site sizes reflects the functional needs of Industrial and Service activities as described above. This is supported by the ME Assessment Report analysis which outlines that the majority of industrial economy businesses seeking industrial zone locations are small-medium sized and

that individual zones should ideally provide for a small share of larger sites as part of the mix of subdivided lots.⁸⁸

Issue 6 – Parking, manoeuvring and loading

7.85. Sufficient provision for parking, manoeuvring and loading within land zoned for industrial purposes is important, both to ensure sites are capable of serving the needs of the types of activities anticipated within the Zone, and to ensure that activities which create demand for parking, manoeuvring and loading do not adversely affect the safe and efficient operation of the roading network.

7.86. A survey of business operators located within the Industrial Zone conducted as part of the 2010/2011 monitoring report undertaken by Council demonstrated that 74% of respondents were concerned about an insufficient amount of parking and loading space within the Zone.⁸⁹ Specific responses collected from the survey point to small site size and poor site design as being factors preventing large vehicles associated with business and industrial activities being able to effectively provide parking or loading onsite. A selection of these comments is included below:

“Planning of Industrial and Business zones has been short sighted by not ensuring roading is wider and more parking available.”

“Increase the number of carparks / lot; we do not need another Glenda Drive.”

“This development has been allowed to proceed with totally inadequate onsite parking for the business uses intended by the buildings permitted - eg freight businesses that can't be accessed by trucks, offices that readily have 6 people but only parking for 2-3 and visitors, should never be allowed by the planning rules – it seems too easy to build these commercial premises with totally inadequate parking allowed by QLDC.”

“Not sure what can be done about existing parking issues, but suggest future businesses and council require more parking for staff and customers.”

“Small lot size can't provide parking.”

“My customers often have nowhere to park because staff from other local businesses use all the parks for all day parking. Very frustrating for me and my customers. I lose business because of it.”

⁸⁸ Page 103, Section 7.3 of the ME report

⁸⁹ Page 7, Queenstown Lakes District Council, Industrial and Business Zone Review, July 2010

“Our own premises are fine as we have a yard but street parking is extremely bad. We constantly have to move vehicles parked over our access.”

- 7.87. During the site visits conducted as part of the current review, informal and uncontrolled vehicle parking was observed on the street and/or within the road corridor, including on grass verges and footpaths.
- 7.88. The ODP Transport Chapter (Section 14) was reviewed as part of Stage 2 of the PDP review and the decisions relating to the proposed Transport Chapter (Chapter 29) were released on 7 March 2019.⁹⁰
- 7.89. Consideration of minimum parking requirements through the review of the ODP Transport provisions was supported by expert technical advice produced by MRCagney⁹¹. In assessing the ODP minimum parking requirements, MRCagney identified a number of minimum parking requirements that they considered inconsistent with common practice, including those for Industrial activities. In particular, MRCagney had the following advice in regard to minimum parking requirements for Industrial activities:

‘The existing parking requirement for staff of industrial activities at 1 per 25 m² of floor area plus 1 per 100 m² of storage space also appears quite high based on our experience with the setting of requirements for similar activities in other council areas. At this rate, this is comparable to the existing minimum parking requirements for retail activities in the District, even though industrial activities are likely to require less on-site parking, and have less parking turnover than retail. As such, existing minimum parking requirements for industrial activities may also impose high land, development and opportunity costs for the developer, irrespective of their actual need for on-site parking. In this regard, basing parking requirements for industrial activities on actual staff numbers or lowering the rate of parking provision, may facilitate the establishment of industrial activities in the District.’

- 7.90. Based on this expert advice, Council recommended that minimum onsite parking requirements be reduced for Industrial activities. Table 9 below compares the minimum parking requirements under the ODP and PDP Transport Chapters for Industrial and Service activities.

⁹⁰ Stream 15 Report, Report and Recommendations of Independent Commissioners Regarding Chapters 25, 29, 31, 38 and Visitor Accommodation, Report 19.4 - Chapter 29 Transport
<https://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan/Proposed-District-Plan/PDP-Stage-2-Decisions/Independent-Hearing-Panel-Recommendation-Reports/Report-19.4-Chapter-29-Transport-Final-11-1-19.pdf>

⁹¹ MRCagney, Technical Note, Parking Advice, 18 October 2017

| Table 9 – Comparison of minimum parking requirements under the ODP and PDP Transport Chapters | |
|---|---|
| ODP Transport Chapter (Section 14) ⁹² | PDP Transport Chapter (Chapter 29) |
| <p>Industrial activity</p> <p>Residents/Visitor</p> <ul style="list-style-type: none"> - 0 <p>Staff/Guests</p> <ul style="list-style-type: none"> - 1 per 25m² area used for manufacturing, fabricating, processing, or packing goods plus 1 per 100m² storage space <p>Service activity</p> <p>Residents/Visitor</p> <ul style="list-style-type: none"> - 1 per 100m² <p>Staff/Guests</p> <ul style="list-style-type: none"> - 1 per 100m² | <p>Industrial activity or Service activity⁹³</p> <p>Resident/Visitor</p> <ul style="list-style-type: none"> - 0 <p>Staff/Guest</p> <ul style="list-style-type: none"> - 1 per 50 m² of indoor and outdoor area/GFA <p>Except:</p> <ul style="list-style-type: none"> - 1 per 100m² of GFA used for warehousing and indoor or outdoor storage (including self-storage units); and - 1 per 100m² of GFA for distribution centres |
| <p>Motor vehicle repair and servicing</p> <p>Residents/Visitor</p> <ul style="list-style-type: none"> - 1 per 25m² of servicing area plus 2 per establishment for heavy commercial vehicle parking <p>Staff/guest</p> <ul style="list-style-type: none"> - 1 per 25m² workshop area. | <p>Motor vehicle repair and servicing⁹⁴</p> <p>Resident/Visitor</p> <ul style="list-style-type: none"> - 1 per 25m² of servicing/ workshop area or 2.5 per work bay (up to a maximum of 50m² for each work bay), whichever is greater. - In addition, 2 heavy vehicle parking spaces per establishment <p>Staff/guest</p> <ul style="list-style-type: none"> - 1 per 25m² servicing/ workshop area or 1 per work bay, whichever is greater - Note: parking spaces will also be required for any on-site office and retail space pursuant to those rules. |

⁹² Table 1 of Section 14 (Transport)

⁹³ 29.8.19 of Chapter 29 (Transport)

⁹⁴ 29.8.20 of Chapter 29

- 7.91. While the PDP Transport Chapter increased minimum parking requirements for Service activities, there appears to be an apparent contradiction between the 2010/2011 monitoring exercise survey responses and the more recent site visit observations with those Stage 2 recommendations to reduce the minimum parking requirements for Industrial activities. Reflecting on the MRCagney technical advice, it is considered that, for the most part, on-street parking issues within the Zones are unlikely to be associated with Industrial and Service activities themselves, but rather, the proliferation of non-industrial type activities (i.e. Office, Retail and Commercial activities) which have established within the Zone, as discussed in the preceding sections of this report. These non-industrial activities have greater parking requirements, particularly associated with the attraction of customers. This supports the application of a more restrictive planning framework in regard to the establishment of non-industrial type activities within the Industrial Zones
- 7.92. Overall, when viewed in the context of the wider set of changes proposed through this review, it is considered that the PDP Transport Chapter sets out an effective and efficient framework for managing parking and manoeuvring related issues within the Industrial Zones. Discrete variations are proposed to ensure the GIZ is properly incorporated into the PDP Transport Chapter. This includes the identification of sites within the GIZ as being required to provide off-street loading space. A variation is also proposed to Policy 29.2.4.9 to ensure Industrial activities and Service activities are specifically considered in terms of the location, design, and layout of access, manoeuvring, car parking spaces and loading spaces.

Issue 7 – Amenity within and outside of the Industrial Zones

- 7.93. Industrial zoned land is intended to accommodate specific types of activities that are known to have potential to create noise, odour, heavy traffic movements and other effects, and to accommodate larger buildings. However, it is also important to recognise that industrially zoned land forms part of the urban environment in which businesses locate and which attract people for the purpose of employment and trade. Therefore, it is realistic to expect a Zone of this kind to provide an environment which achieves a reasonable balance between quality and functional usability. This can be achieved by ensuring that built form within the Zone is of an appropriate scale, appearance and location, and that activities and development within the Zone do not appear unsightly and have positive relationships with other sites and public spaces. It is also important to ensure that people who work within and visit the Zone enjoy healthy and safe experiences.
- 7.94. There are numerous examples of unsightly outdoor storage located where they are highly visible from roads, adjoining sites and other public places. High quality amenity outcomes are not anticipated within the Zone, however, an appropriate balance needs to be struck if businesses within the Zones are to provide environmental and social outcomes that are conducive to attracting employees and trade.

7.95. A number of areas within industrially zoned land are located adjacent to or in close proximity to main gateway routes into Queenstown, Wanaka and Arrowtown. These main gateway routes are important when viewed in the context of the District's economy in which tourism and high quality landscape and urban environments play an integral role. These routes offer a large number of tourists with their first and/or last impression of the District's main urban environments. It is therefore important that activities and development within the Industrial Zones do not adversely affect these main gateway routes.

7.96. Industrially zoned land tends to be located in close proximity to land zoned for the purpose of accommodating more sensitive land uses. This includes the Lower Density Suburban Residential Zone, the Meadow Park Special Zone and the Rural Residential Zone. Each of these zones have a residential focus in which higher amenity values are anticipated. It is important to ensure that activities operating at the periphery of industrially zoned land, which often produce effects associated with noise, glare, dust, odour, shading and visual effects, do not adversely affect the level of amenity within other adjoining zones.

Issue 8 – Split zonings, inappropriate zoning layout and rezonings

7.97. There are a number of instances where sites are partially located within the existing Industrial Zone along Glenda Drive. This situation is illustrated in figure 28 below.

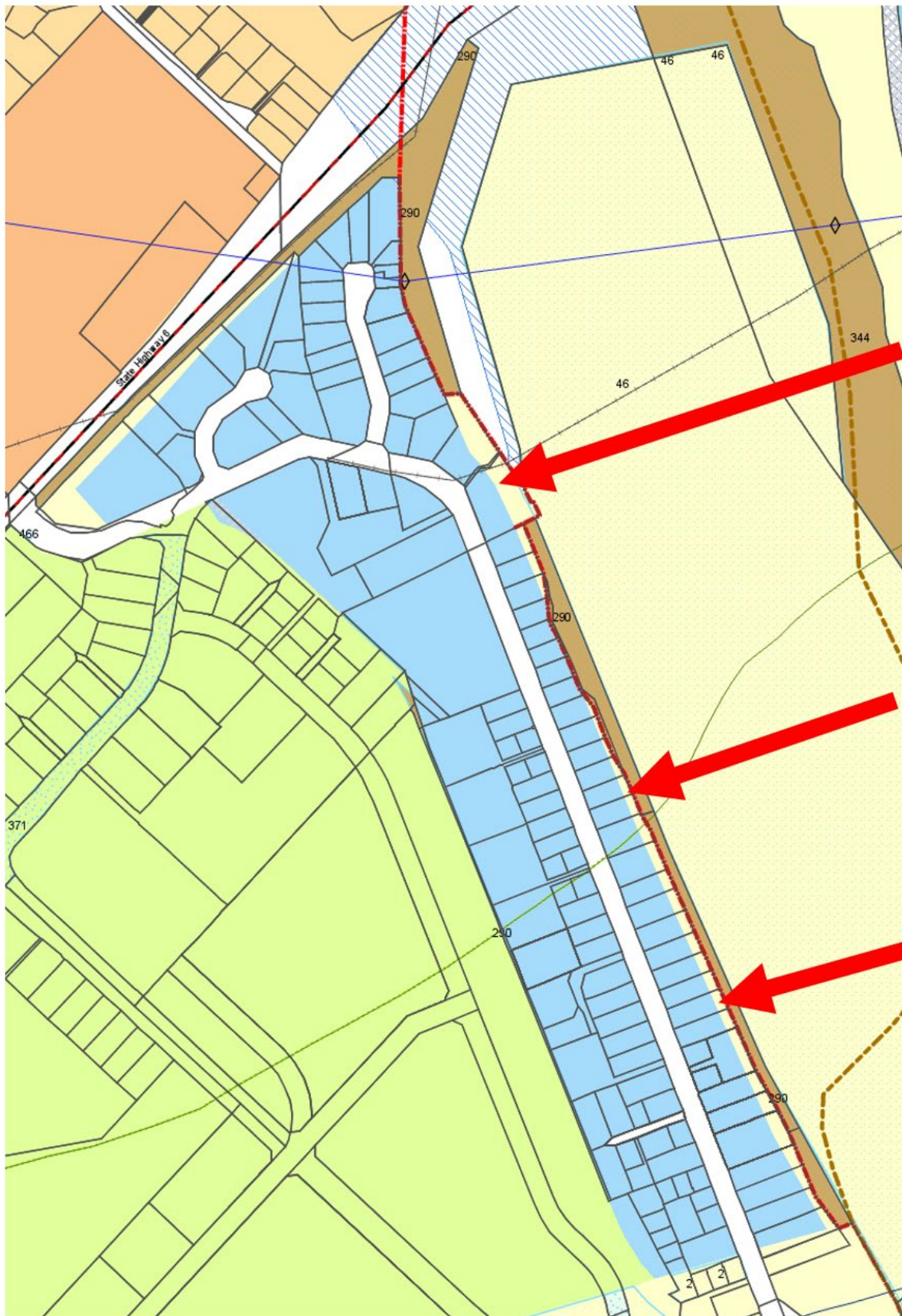


Figure 28 – Split zoning to the rear of sites situated to the east of Glenda Drive (indicated by red arrows). Blue shading illustrates the extent of the ODP Industrial Zone and yellow shading shows the extent of Rural Zone (Multiple legal descriptions).

- a. It is understood that much of this split zoning was established to act as a landscape protection strip⁹⁵. However, a number of resource consents have been granted for buildings to be established in this area. This rural strip zoning has therefore produced a number of non-complying activity resource consents which have increased the cost and complexity of development in this area without achieving the intended protection. This is therefore inappropriate zoning that should be rectified. This position was endorsed by the IHP during Stage 1 of the PDP review process.⁹⁶
- b. Ms Helen Mellsop (Landscape Architect) has produced a memo for the Council in regard to this matter attached to this report as Appendix 3.⁹⁷ Ms Mellsop notes that about half of the sites traversed by the Rural Zone strip have buildings that extend into the Zone and there does not appear to be any vegetation within the strip that would screen development when viewed from the east. Further, Ms Mellsop notes that vegetation which does mitigate the visual impact of the buildings is located within the walking/cycling trail lot immediately to the east (zoned Informal Recreation in Stage 2 of the PDP) or else further down the escarpment within Council-owned Rural land. Given this, Ms Mellsop considers that rezoning this strip of Rural land would not result in any more than a low level of adverse effect on the landscape character or on visual amenity values, as long as the height of any new buildings did not exceed that of current development.
- c. The proposed provisions relating to building height will enable buildings of a greater height in this location. It is proposed to increase the maximum permitted building height from 6 m to 10 m. It is considered that increasing this height limit by 4 m would not result in any adverse visual effects when viewed from the surrounding area. In particular, there are a number of buildings already located within the Rural Zone strip and are visible from the surrounding area. Additionally, it is considered likely that 10 m high buildings set back from the escarpment edge (i.e. outside of the existing Rural Zone strip) would be visible from beyond the existing Industrial Zone. Further, it is considered that the potential economic benefit of enabling greater flexibility in terms of building height in this location outweighs any potential landscape effects. Therefore, it is considered appropriate that these sites be entirely located within the GIZ.

7.98. The land outlined in red in Figure 29 below were zoned Rural through Stage 1 of the PDP. This land is located at the southern end of Glenda Drive near its intersection with Hawthorne Drive.

⁹⁵ Page 17, Section 5, Monitoring Report for the Business and Industrial Zones, Policy and Planning, Queenstown Lakes District Council. November 2011.

⁹⁶ Report 17-6, Report and Recommendations of Independent Commissioners Regarding Mapping of Frankton, Lake Johnson, Tucker Beach Road

⁹⁷ Memo, Glenda Drive Rural General Zoning, 21 February 2019

The Stage 1 IHP heard a submission⁹⁸ on this land requesting that it be included within the Industrial Zone. However, as the Industrial Zone did not form part of the PDP at this time the IHP were not able to apply this zoning and instead applied the Rural Zone as an interim measure. For clarity, the land is also not included in Designation #2 relating to the Queenstown Airport. The IHP in their decision state the following in regard to this land:

*'While an industrial zoning would probably be the most appropriate zoning for this land given its location between the airport and industrial land, we had no evidence on whether the Industrial A Zone sought was compatible with the structure of the PDP, nor evidence of the actual text and provisions to be included.'*⁹⁹

- a. In addition, it is noted that resource consents¹⁰⁰ have been granted for subdivision and land use on the land which enables future buildings and activities to occur in accordance with the provisions for the Industrial Zone. Therefore, it is appropriate that this land be included within the GIZ.

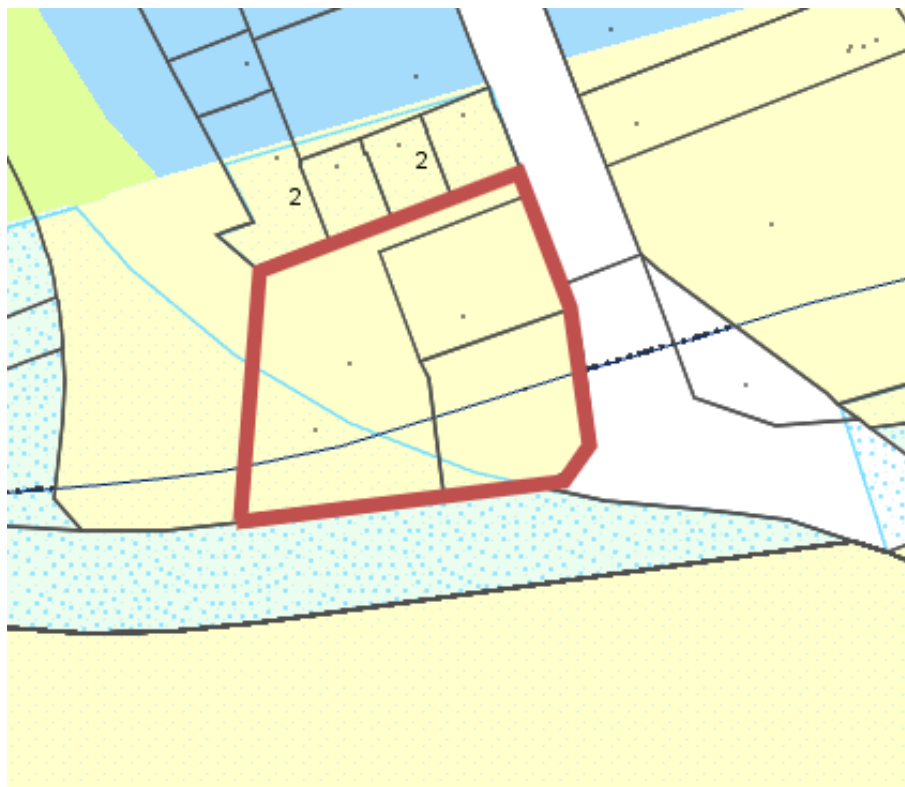


Figure 29 – Rural Zoning at the southern extent of Glenda Drive (outlined in red). Blue shading illustrates the extent of the ODP Industrial Zone and yellow shading shows the extent of Rural Zone (Legal descriptions - Lot 1 DP 501603, Lot 2 DP 501603, Lot 1 DP 501603).

⁹⁸ Avimore Corporation Ltd (Submission 418)

⁹⁹ Para 161, Report 17-6, Report and Recommendations of Independent Commissioners Regarding Mapping of Frankton, Lake Johnson, Tucker Beach Road

¹⁰⁰ RM150784 and RM170342

7.99. The land outlined in red in Figure 30 below were zoned Rural through Stage 1 of the PDP. This land is located at the southern end of Glenda Drive near its intersection with Hawthorne Drive. A resource consent¹⁰¹ was granted on this land and surrounding sites which created 12 allotments and to enable future buildings and activities to occur on the sites in accordance with the provisions for the ODP Industrial Zone. The Airport designation (ref # 2) was considered as part of this resource consent process and conditions imposed. Therefore, it is considered appropriate that this land be included within the GIZ.

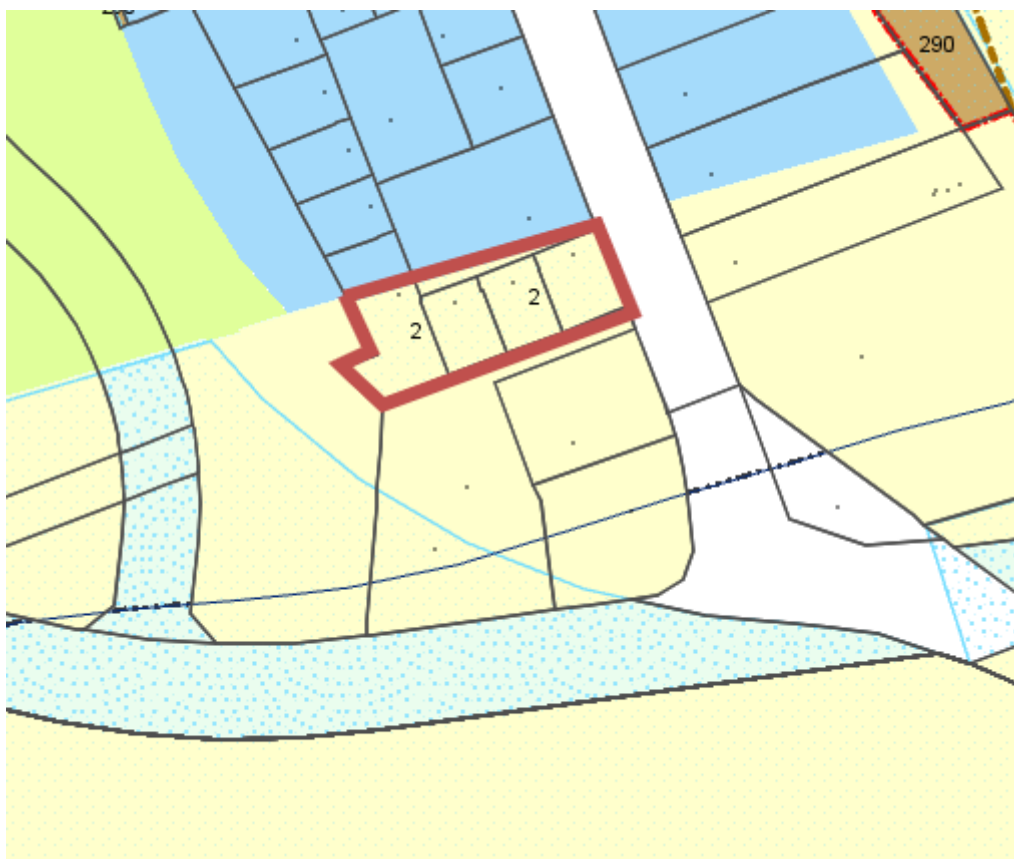


Figure 30 – Rural Zoning at the southern extent of Glenda Drive (outlined in red). Blue shading illustrates the extent of the ODP Industrial Zone and yellow shading shows the extent of Rural Zone (Legal descriptions - Lot 9 DP 521947, Lot 10 DP 521947, Lot 11 DP 52194, Lot 12 DP 521947, Lot 13 DP 526426).

7.100. The land outlined in red in Figure 31 below were zoned Rural through Stage 1 of the PDP. This land is located at the southern end of Glenda Drive near its intersection with Hawthorne Drive. This area also includes a piece of un-zoned stopped road which is no longer owned by the Council and is no longer used or required for roading purposes. The IHP heard submissions¹⁰² on this land requesting that it be rezoned from Industrial Zone to Business Mixed Use Zone

¹⁰¹ RM170559

¹⁰² Schist Holdings Limited and BNZL Properties Limited (Submissions 488.1 and 488.3)

(**BMUZ**). The IHP did not consider the BMUZ appropriate in this location but that the Rural zoning is inappropriate because it does not recognise the existing use or development on the site.¹⁰³ The IHP went on to consider an industrial zoning as the appropriate zone for this land and stated that the Council should consider applying an industrial zoning to the land.¹⁰⁴ Therefore, it is considered appropriate that this land be included within the GIZ.

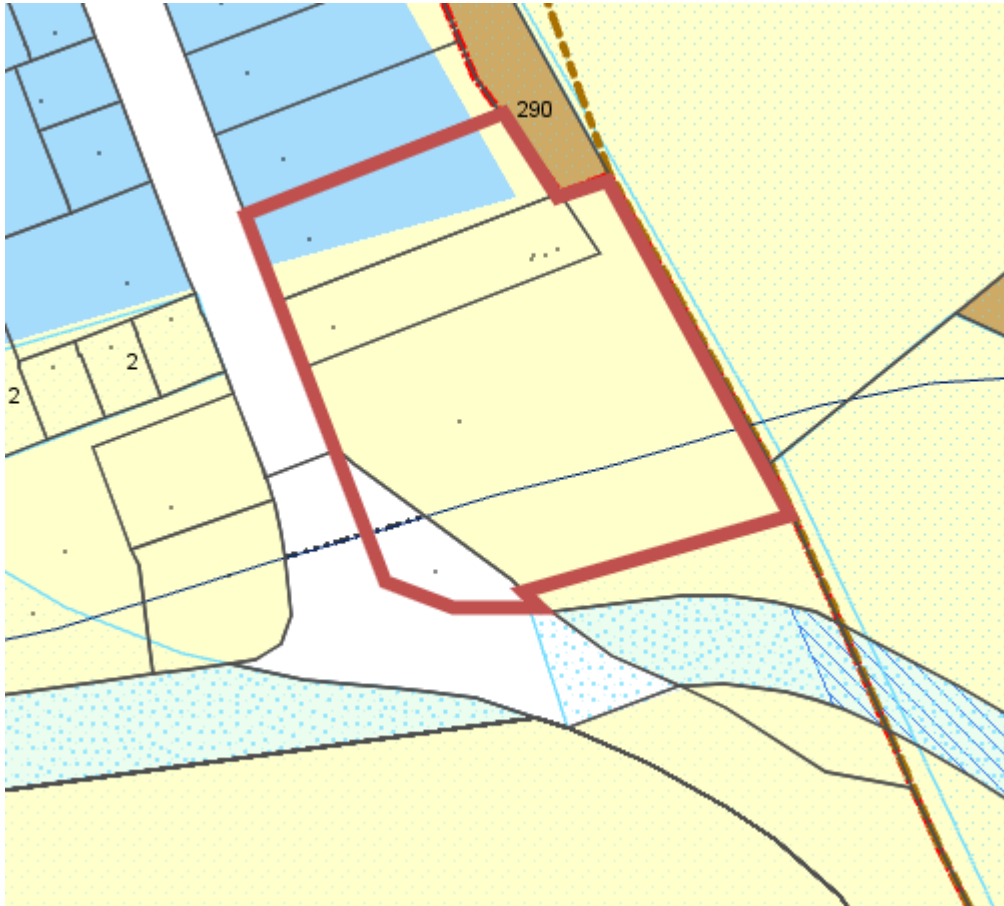


Figure 31 – Rural Zoning at the southern extent of Glenda Drive including an area of stopped road (outlined in red). Blue shading illustrates the extent of the ODP Industrial Zone and yellow shading shows the extent of Rural Zone (Legal descriptions Lot 1 DP 391483, Lot 2 DP 391483, Section 47 SO 459748).

7.101. The land outlined in red in Figure 32 below was zoned Rural through Stage 1 of the PDP. This land is located at the northern end of Glenda Drive near its intersection with State Highway 6. This land also includes a piece of un-zoned stopped road which is no longer owned by the Council and is no longer used or required for roading purposes. The IHP heard submissions¹⁰⁵ on this

¹⁰³ Para 132, Report 17-6, Report and Recommendations of Independent Commissioners Regarding Mapping of Frankton, Lake Johnson, Tucker Beach Road

¹⁰⁴ Para 134, Report 17-6, Report and Recommendations of Independent Commissioners Regarding Mapping of Frankton, Lake Johnson, Tucker Beach Road

¹⁰⁵ Fletcher Distribution Ltd and Mico New Zealand Limited (Submission 344), Reavers NZ Limited (Submission 720)

land requesting that it be rezoned industrial. The IHP considered it appropriate to change the zoning of the submission sites to an industrial zone because the Rural Zone does not reflect the existing uses of the land nor set an appropriate planning framework for the future.¹⁰⁶ However, the IHP were not able to apply an industrial zone on the basis that it was not part of the PDP at that stage. Therefore, it is considered appropriate that this land be included within the GIZ.

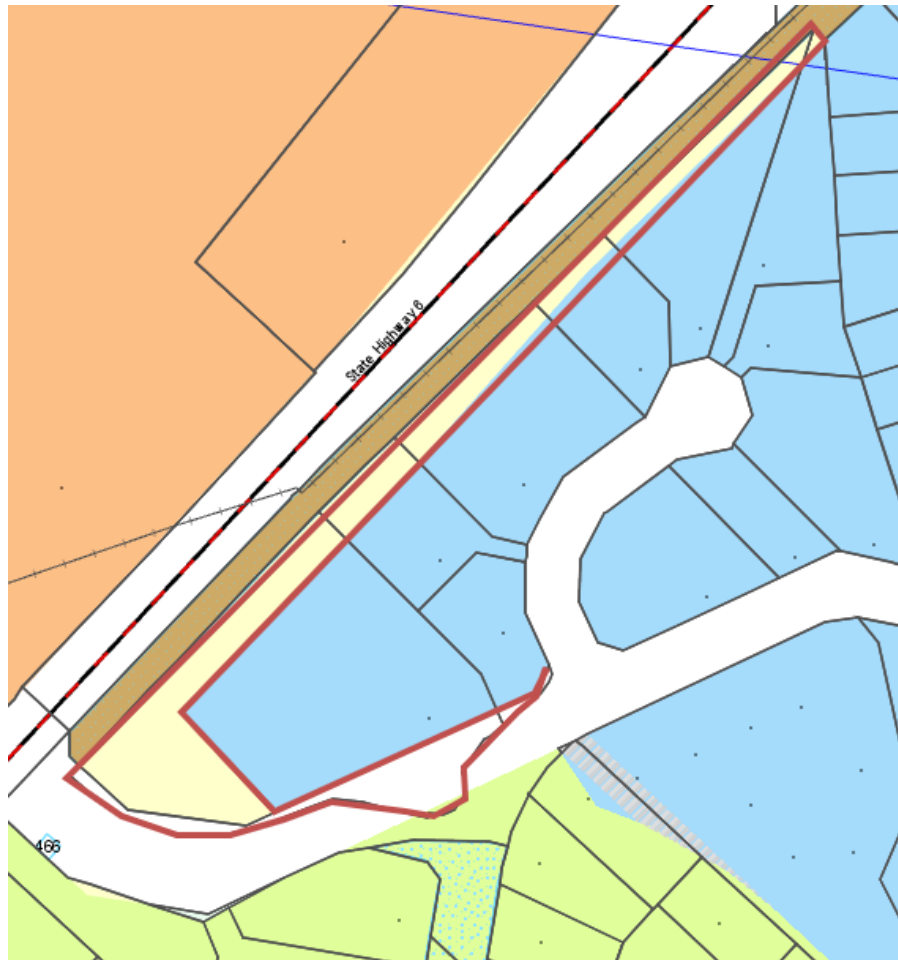


Figure 32 – Rural Zoning at the northern extent of Glenda Drive (outlined in red). Blue shading illustrates the extent of the ODP Industrial Zone and yellow shading shows the extent of Rural Zone (multiple legal descriptions).

7.102. The land outlined in red Figure 33 below was zoned Rural Industrial Sub-Zone through Stage 2 of the PDP. This land is located at the northern end of Bush Creek Road. The IHP heard a submission¹⁰⁷ on this land requesting that it be rezoned from Rural Lifestyle Zone to Industrial B Zone. The IHP considered that the Rural Lifestyle Zone did not reflect the use of the site as the long-established depot for the Arrow Irrigation Company Ltd, nor did they think the Zone sat comfortably in the context of adjoining zoning to the south and west, being Industrial Zone and

¹⁰⁶ Para 147, Report 17-6, Report and Recommendations of Independent Commissioners Regarding Mapping of Frankton, Lake Johnson, Tucker Beach Road

¹⁰⁷ Arrow Irrigation (Submission 852)

Meadow Park Special Zone under the ODP. The IHP were not however able to apply an industrial zone at the time as it did not form part of the PDP. They recommended that the Council includes this land in Stage 3 of the PDP review and consider applying a more appropriate zone to reflect the urbanised use of the site.¹⁰⁸ Therefore, it is considered appropriate that this land be included within the GIZ.

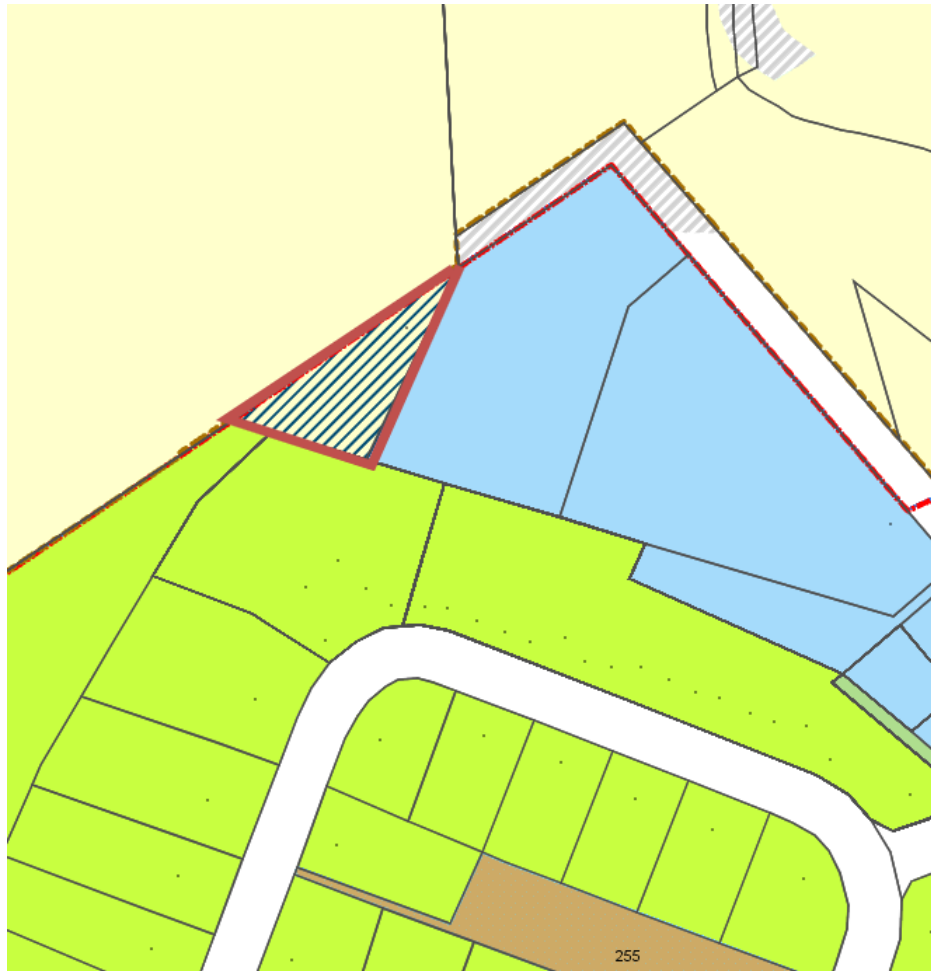


Figure 33 – Rural Industrial Sub-Zone at the northern extent of Bush Creek Road (outlined in red). Blue shading illustrates the extent of the ODP Industrial Zone and hatching represents the Rural Industrial Sub-Zone (Legal description Lot 1 DP 22733).

7.103. Land at 135 Ballantyne Road (Figure 34 below) is currently zoned Rural under the PDP. It is located on the eastern side of Ballantyne Road. The Ballantyne Road Mixed Use Zone (old sewage ponds) adjoins the site to the north.

¹⁰⁸ Para 12, Report 18.10 Area H Arrowtown, Report and recommendations of Independent Commissioners regarding mapping of Wakatipu Basin and Arrowtown (includes Stage 1 submissions not previously heard)

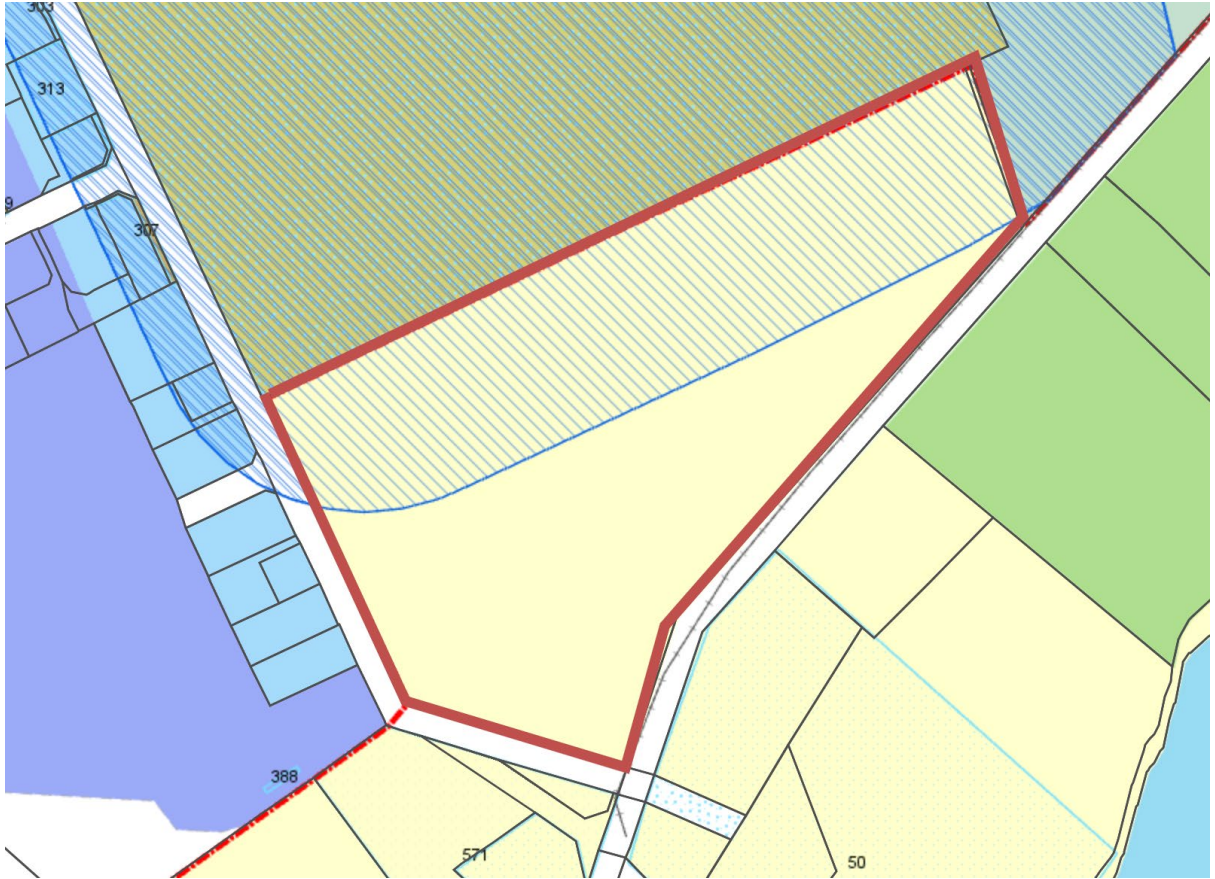


Figure 34 – Rural Zone at 135 Ballantyne Road (outlined in red) (Legal description Lot 3 DP 17123).

- a. This site has an area of 12.29 ha. There is a mix of land uses surrounding the site including an Otago Regional Council depot, recycling centre and waste transfer station. The Council operates an animal pound to the south and the Arora substation is located to the south.
- b. The site is currently located outside of the Wānaka UGB which runs along the western boundary fronting Ballantyne Road and along the north western internal boundary where the site adjoins the existing Ballantyne Road Mixed Use Zone. Arora Distribution Lines (Electricity) run generally parallel to the south eastern road boundary of the site where it fronts Riverbank Road. Under the PDP the site is considered to have a landscape classification of 'Rural Character Landscape' (**RCL**).
- c. Resource consent RM160218 (amended by resource consents RM161144, RM171470) authorised the establishment and operation of an Industrial activity on an area located in the north-western extent of the site, being a contractor's yard and buildings. Resource consent RM180746 was approved to extend the contractors yard and add an additional building.

- d. A submission was received on Stage 1 of the PDP review which sought to include the land within the Industrial B Zone.¹⁰⁹ In assessing this submission, the IHP considered that *'it would be possible to accommodate some form of intensive industrial activity on the site'*¹¹⁰ but were not satisfied that the Industrial B Zone provisions would be appropriate as they were not being considered as part of Stage 1 of the PDP. Further, the IHP disagreed that *'a resource consent for a contractors' yard is of itself sufficiently determinative that potentially higher intensity general industrial activity would also be appropriate'*¹¹¹. The IHP rejected the submission on this basis and recommended that the zoning of this site and whether the UGB should be expanded to include it should be revisited as part of the broader Structure Plan in this area.¹¹² At the time of writing, there is a live appeal relating to siting of the UGB in relation to IHPs recommendation on this submission.¹¹³
- e. It is considered appropriate at this time to apply the GIZ to the land at 135 Ballantyne Road and to extend the UGB to include this land. In particular, it is noted that all of the surrounding land on the eastern side of Ballantyne Road, including the Three Parks Special Zone and Ballantyne Road Mixed Use Zone forms part of Stage 3 of the PDP review. As part of this review the zoning of this wider area has been considered strategically as a whole. In addition, the provision framework for the GIZ has been considered and been subject to a section 32 evaluation. The proposed GIZ provisions include measures to address the effects of activities and development within the GIZ where they interact with other zones and gateway routes, and set out variations to Chapter 27 (Subdivision and Development) to ensure appropriate subdivision occurs within sites
- f. The IHP adopted rezoning principles through Stage 1 and 2 of the PDP¹¹⁴. This is consistent with Policy 4.2.2.2 which sets out relevant matters that should be considered when allocating land within UGBs.
- g. The development is adjacent to areas serviced by Council's reticulated services. The inclusion of this area within the UGB does not constitute sprawl given the limited extension and is not considered to be sprawling or sporadic¹¹⁵. Objective 3.2.2 seeks urban growth that is managed in a strategic and integrated manner. In considering Policy 3.2.2.1 this site would provide for an integrated urban form and will be part of a consolidated industrial zone.

¹⁰⁹ Submission 249

¹¹⁰ Para 236, IHP Report 16.2 Stream 12 Upper Clutha Mapping Urban Wanaka and Lake Hawea

¹¹¹ Para 236c, IHP Report 16.2 Stream 12 Upper Clutha Mapping Urban Wanaka and Lake Hawea

¹¹² Para 237, IHP Report 16.2 Stream 12 Upper Clutha Mapping Urban Wanaka and Lake Hawea

¹¹³ Notice of Appeal ENV-2018-CHC-115 Willowridge Development v QLDC

¹¹⁴ Para 2.14, Strategic Overview And Common Themes, Section 42A Report, Craig Barr, 17 March 2017

¹¹⁵ Policy 4.2.1.4f 'avoiding sporadic urban development in rural areas and Policy 4.2.2.22e.

- h. The site would have minimal effects in terms of potential for adverse effects on adjoining zones. The inclusion of this site follows an existing urban style use of the land and would provide for retention of land for industrial purposes given the reduction proposed through the inclusion of an Open Space and Recreation Zone on the adjoining site currently zoned BRMUZ. For clarity, the Stage 3 proposals for this site and the adjoining site to the north (Ballantyne Road Mixed Use Zone) result in a net loss of industrial development capacity for Wānaka.
- i. The proposal provides for the existing land use (noting that this is not exclusively determinative¹¹⁶), ensures zoning meets the strategic approach set out in the PDP and is consistent with the proposed zoning of the surrounding area.
- j. Relevant to this rezoning is industrial land supply in Wanaka. This proposal allows for additional industrial land acknowledging that some industrial land is being reduced through the proposal to rezone the Ballantyne Road Mixed Use Zone to Open Space - Active Sport and Recreation. Further, it should be acknowledged that within the existing Industrial B zoned land is a site owned by Tussock Rise Limited (TRL). The legal description of this site is Lot 2 Deposited Plan 477622 as contained in Computer Freehold Register 664871. The site has an area of 9.3 ha. Through Stage 1 of the PDP review TRL sought for this land to have a (low-density) residential zoning.¹¹⁷ Council determined that the submission was not “on” the plan. TRL appealed this decision. The Court’s decision [2019] NZEnvC 111 considered that this submission was on the plan change, and the appeal is therefore live again. The current proposal seeks to retain this land for industrial purposes, however, the outcome of this live appeal produces a degree of uncertainty in regard to future viable industrial development capacity in Wanaka. In addition, and as discussed in the preceding sections of this report, those capacity calculations provided by the BDCA should be treated as conservative on account of the Council’s revised population projections.

8. SCALE AND SIGNIFICANCE EVALUATION

- 8.1. The level of detailed analysis undertaken for the evaluation of the proposed objectives reflects the scale and significance of the issues considered and whether the proposed objectives and provisions:
- Result in a significant variance from the existing baseline in ODP Industrial Zones.
 - Have effects on matters of national importance.
 - Adversely affect those with specific interests.
 - Involve effects that have been considered implicitly or explicitly by higher order documents.
 - Impose increased costs or restrictions on individuals, communities or businesses.

¹¹⁶ Para 2.14, Strategic Overview And Common Themes, Section 42A Report, Craig Barr, 17 March 2017

¹¹⁷ Submission 395

- Are more appropriate than the existing provisions.

- 8.2. The ODP Industrial Zones have been used as a basis for the revised provisions, with the most notable changes within the proposed rules being those which restrict the establishment of non-industrial type activities from the GIZ, including Office, Retail and Commercial activities (which are not ancillary to Industrial or Service activities), Residential type activities, Visitor Accommodation type activities, Commercial Recreation, Recreation, Community Facilities and Community activities, Trade Suppliers and Large Format Retail activities. The objectives and policies have been revised to provide greater clarity regarding the desired environmental outcomes.
- 8.3. The format and structure of the ODP Industrial Zone chapters has not been continued; rather the chapter structure developed for the PDP has been used and the tables for activities have been re-ordered.
- 8.4. An analysis of alternatives has been undertaken, including consideration of the option of retaining the current set of ODP Industrial Zone provisions.

9. EVALUATION OF PROPOSED OBJECTIVES SECTION 32(1)(A)

- 9.1. The identification and analysis of issues has helped define how Section 5 and the rest of the purpose of the RMA applies. This has informed determination of the most appropriate objectives in light of the issues.
- 9.2. Section 32(1)(a) requires an examination of the extent to which the proposed objectives are the most appropriate way to achieve the purpose of the Act as set out in section 5. The following objectives serve to address the key strategic issues in the District:

| Proposed Objective | Appropriateness |
|--|---|
| <p>Objective 18A.2.1</p> <p>Industrial and Service activities are enabled within the Zone and their long-term operation and viability is supported.</p> | <p>This Objective establishes the framework for enabling Industrial and Service activities within the General Industrial Zone. By specifically enabling Industrial and Service activities the objective is promoting the sustainable management of land within the zone to ensure it is meeting the purpose statement set out at 18A.1 of the chapter. In particular, this objective sets out the goal that land within the Zone will be used and developed for the purpose of establishing, operating and providing for the growth of Industrial and Service activities.</p> <p>Evidence prepared as part of the Council's BDCA relating to industrial development capacity and additional evidence prepared for the purpose of this plan review has shown that the District's industrial economy is growing faster than the rest of the District's economy and that this rate of growth is likely to continue into the future. Businesses which form part of the District's industrial economy, which largely comprise Industrial and Service activities, are expected to contribute substantially to skilled employment opportunities and a diverse economy now and in the future. Given this, it is considered that the Zone will be able to contribute positively to people's social and economic wellbeing and to that of the District more generally. This objective therefore works towards meeting the expectation set out in section 5(2) of Part 2 which requires '<i>managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being</i>'.</p> <p>Section 5(2)(a) of Part 2 states that Council must manage resources in a way which sustains '<i>the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations</i>'. The Council's BDCA and subsequently produced supporting information relating to industrial development capacity, shows that the Council will face challenges in providing the necessary vacant land supply to meet the projected demand for business land over the medium and long term. The objective sets up a clear goal for future land which might be located within the Zone, that it is a location in which Industrial and Service activities are enabled and their operational viability is provided for over the long term. This objective therefore sets up a framework that land within the Zone will be managed, used and developed to support the ongoing industrial land development needs of future generations. The outcome set out in this objective is more direct than that which was provided for within the ODP set of industrial zones.</p> |

| | |
|--|--|
| | <p>The objective recognises and provides the basis for a policy framework to implement the Council's function required under s31 of the RMA, in particular the management of effects of development. The objective gives effect to the Strategic Direction, Urban Development and objectives and policies identified in part 6 of this evaluation.¹¹⁸</p> <p>For the above reasons the objective is the most appropriate way to achieve the purpose of the RMA.</p> |
| <p>Objective 18A.2.2</p> <p>The establishment, operation and growth of Industrial and Service activities within the Zone is not undermined by incompatible land uses.</p> | <p>In contrast to the enabling based goal set out in Objective 18A.2.1, Objective 18A.2.2 establishes that the Zone will also limit, restrict or avoid land uses which are incompatible with the intended outcomes of the Zone. This objective is intended to support Objective 18A.2.1 by establishing the expectation that the ability for Industrial and Service activities to establish, operate and grow within the General Industrial Zone is not undermined by other activities.</p> <p>Evidence referenced through this review process shows that a large proportion of sites within the ODP Industrial zones are occupied by non-industrial type activities, including a large number of Office, Retail and Commercial activities among others. These activities have located within Industrially zoned land for a variety of reasons, but the principle reason is likely to be that there is generally a lack of ready to develop business land in the District and because land in the Industrial Zones is cheaper than other business enabled land such as that located within the Town Centre or Business Mixed Use Zone and equally as accessible to major transport routes and a customer base. The establishment and growth of non-industrial type activities limits the amount of land available for industrial development capacity and can adversely affect the long term viability of Industrial type activities through reverse sensitivity effects. Non-industrial type activities which would be considered incompatible land uses by Objective 18A.2.2 include Office, Retail and Commercial activities that are not ancillary to Industrial or Service activities, Trade Suppliers, Large Format Retail, Residential Activity, Residential Units and Residential Flats, and Visitor accommodation, Residential Visitor accommodation and Homestay activities.</p> <p>By limiting, restricting or avoiding these incompatible land uses, Objective 18A.2.2 is appropriate to achieve the purpose of the Act. In particular, the objective would achieve sustainable management by ensuring that Industrial and Service activities are not undermined by incompatible activities that locate within the Zone which could equally, locate elsewhere to meet their needs. This objective therefore aims to ensure that the General Industrial Zone is managing land in a way which enables the industrial economy to operate and grow in manner which provides for the ongoing social and economic wellbeing of people and communities within the District.</p> <p>The objective recognises and provides the basis for a policy framework to implement the Council's function required under s31 of the RMA, in particular the management of effects of development. The objective gives effect to the Strategic Direction and Urban Development objectives and policies identified in part 6 of this evaluation.¹¹⁸</p> <p>For the above reasons the objective is the most appropriate way to achieve the purpose of the RMA.</p> |

¹¹⁸ Sections 6.18 and 6.19

| | |
|---|--|
| <p>Objective 18A.2.3</p> <p>Activities and development within the Zone provide a level of amenity which make it a pleasant, healthy and safe place to work in and visit.</p> | <p>This Objective is the most appropriate way to achieve section 5(2) of the Act as it will ensure that the land resource located within the General Industrial Zone is being used and developed in a way ‘...which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety...’. In addition, the Objective is considered the most appropriate way to achieve Section 7(c) of Part 2 which sets out that particular regard shall be given to ‘the maintenance and enhancement of amenity values’ in managing the use, development and protection of natural and physical resources.</p> <p>This Objective seeks to ensure that land within the General Industrial Zone is a place in which people feel comfortable to work within and visit. While the Zone is recognised as a location in which activities have more flexibility to create noise, odour, heavy traffic movements and other effects, it also aims to ensure the Zone is recognised as a place of human activity, employment and trade. It does this by setting out the expectation that sites are used in ways which provide for pleasant, healthy and safe human experiences. This type of experience is important to people’s mental health, particularly people who work within the zone, which is increasingly recognised as an important part of social well-being.</p> <p>The objective recognises and provides the basis for a policy framework to implement the Council’s function required under s31 of the RMA, in particular the management of effects of development. The objective gives effect to the Strategic Direction and Urban Development objectives and policies identified in part 6 of this evaluation.¹¹⁸</p> <p>For the above reasons the objective is the most appropriate way to achieve the purpose of the RMA.</p> |
| <p>Objective 18A.2.4</p> <p>Activities and development within the Zone are undertaken in a way that does not adversely affect the amenity of other zones</p> | <p>While Objective 18A.2.3 seeks to focus achieving a desired amenity outcome within the Zone itself, Objective 18A.2.4 sets out a desired amenity outcome in regard to the way the General Industrial Zone interacts with other zones. In particular, the Objective anticipates that activities and development within the Zone will be established and operate in a manner capable of not adversely affecting the existing level of amenity present in other zones.</p> <p>This objective is considered the most appropriate way to achieve the purpose of the Act (section (2)) as well as section 7 Other Matters (section 7(c)) as it has particular regard to amenity values and how the experience of these values can affect the social, economic and cultural well-being, as well as the health and safety, of people and communities who might own land, live or operate businesses in other zones which might adjoin or be located in close proximity to the General Industrial Zone. In particular, it acknowledges that people and communities within these ‘other zones’ anticipate a level of amenity consistent with the purpose of that zone and the type of activities and development it provides for as of right. More often than not, the type of activities and development provided for within these ‘other zones’ will be sensitive to the type of effects that might commonly be accepted within land zoned for industrial purposes. Therefore, the Objective conceives that activities and development on land within the General Industrial Zone will be managed in a way that avoids, remedies or mitigates adverse effects on the environment (section 5(2)(c)) such that the level of amenity experienced on other zones will be not be adversely affected.</p> |

| | |
|--|--|
| | <p>The objective recognises and provides the basis for a policy framework to implement the Council's function required under s31 of the RMA, in particular the management of effects of development. The objective gives effect to the Strategic Direction and Urban Development objectives and policies identified in part 6 of this evaluation.¹¹⁸</p> <p>For the above reasons the objective is the most appropriate way to achieve the purpose of the RMA.</p> |
| <p>Objective 27.3.13</p> <p>Subdivision within the General Industrial Zone enables the establishment, operation and long term viability of Industrial and Service activities which cannot locate elsewhere in this District, including those Industrial and Service activities which require larger buildings and more space for the purpose of manoeuvring, loading and vehicle parking.</p> | <p>This Objective is the most appropriate way to achieve section 5(2) of the Act as it aims to ensure that subdivision activities within the General Industrial Zone are being undertaken in a manner and at a rate which enables people and communities to provide for their social and economic. In particular, it seeks to ensure that subdivision within the Zone enables the establishment, operation and long term viability of Industrial and Service activities. Evidence prepared as part of the Council's BDCA relating to industrial development capacity and additional evidence prepared for the purpose of this plan review has shown that the District's industrial economy is growing faster than the rest of the District's economy and that this rate of growth is likely to continue into the future. Businesses which form part of the District's industrial economy, which largely comprise Industrial and Service activities, are expected to contribute substantially to skilled employment opportunities and a diverse economy now and in the future. Given this, it is considered that subdivision activities consistent with this objective will contribute positively to people's social and economic wellbeing and to that of the District more generally and assist in ensuring that land within the Zone will meet the reasonably foreseeable needs of future generations.</p> <p>The objective recognises and provides the basis for a policy framework to implement the Council's function required under s31 of the RMA, in particular the management of effects of development. The objective gives effect to the Strategic Direction and Urban Development objectives and policies identified in part 6 of this evaluation.¹¹⁸</p> <p>For the above reasons the objective is the most appropriate way to achieve the purpose of the RMA.</p> |

10. EVALUATION OF THE PROPOSED PROVISIONS SECTION 32(1)(B)

10.1. The following tables consider whether the proposed provisions are the most appropriate way to achieve the relevant objectives. In doing so, it considers the costs and benefits of the proposed provisions and whether they are effective and efficient. The evaluation below proposed also sets out the resource management issues being addressed by the provisions, *which* have been described in more detail in the preceding sections of this evaluation.

Part 1:

Issue 1 - Understanding the District's industrial economy

Issue 2 - Non-industrial activities within the Industrial Zones

Issue 3 - Industrial Development Capacity

Objective 18A.2.1 - Industrial and Service activities are enabled within the Zone and their long-term operation and viability is supported.

A summary of proposed provisions and components of the General Industrial Zone that address these issues and give effect to the objective:

Policies:

- 18A.1.1.1 Enable a diverse range of Industrial and Service activities that provide benefit in the form of economic growth and skilled employment opportunities.
- 18A.1.1.2 Enable Office, Retail and Commercial activities that are ancillary to Industrial or Service activities.
- 18A.1.1.3 Enable the operation of food and beverage retail activities which serve the daily needs and convenience of workers and visitors to the Zone.
- 18A.1.1.4 Recognise that Industrial and Service activities have the potential to create noise, glare, dust, odour, shading, traffic effects and other effects that can be incompatible with activities that are enabled in adjacent or nearby non-industrial zones.
- 18A.1.1.5 Manage subdivision and development within the Zone to ensure that sites are well suited to serving the needs of a diverse range of Industrial and Service activities now and into the future.

Matters addressed in the Activities Table:

- 18A.4.1 – provides for Industrial and Service activities as permitted activities
- 18A.4.2 – provides for ancillary Office, Retail and Commercial activities as permitted activities
- 18A.4.3 – provides for the Commercial sale of food and beverages as permitted activities
- 18A.4.4 – provides for Outdoor Storage as a permitted activity
- 18A.4.5 – provides for Buildings as restricted discretionary activities

Matters addressed in the Standards Table:

- 18A.5.1 – standards for ancillary Office, Retail and Commercial activities
- 18A.5.2 – standards for the Commercial sale of food and beverages
- 18A.5.3 – minimum boundary setbacks
- 18A.5.4 – maximum building coverage
- 18A.5.5 – maximum building height

Matters addressed in the non-notification clause

- 18A.6.1.1 – restricted discretionary activity buildings not requiring written approval and shall not be notified or limited notified
- 18A.6.1.2 – restricted discretionary ancillary Office, Retail and Commercial activities not requiring written approval and shall not be notified or limited notified

A summary of proposed provisions and components of the Noise chapter (Chapter 36) that have been varied address these issues and give effect to the objective:

Matters addressed in 36.5 Rules – Standards, Table 3 – Specific Standards

- 36.5.15 – identifies noise standards relating to activities operating within the General Industrial Zone – noise limits only apply when sound is received in another zone

A summary of proposed provisions and components of the Earthworks chapter (Chapter 25) that have been varied address these issues and give effect to the objective:

Matters addressed in Table 25.5 – Rules – Standards

- 25.5.5 – identifies maximum permitted disturbance volume of earthworks for the General Industrial Zone

| Costs | Benefits | Effectiveness & Efficiency |
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| <p>Environmental and Social</p> <ul style="list-style-type: none"> • Industrial and Service activities may create effects such as noise, odour, heavy traffic movements and other effects that can be | <p>Economic and Social</p> <ul style="list-style-type: none"> • The provision of Industrial and Service activities within the General Industrial Zone as permitted activities together | <p>Effectiveness and efficiency</p> <p>Providing for Industrial and Service activities within the Zone as permitted activities establishes the expectation</p> |

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| <p>incompatible with more sensitive activities. It is noted that previous consenting processes under the ODP provisions have enabled the establishment of a number of land use activities, including Residential, Visitor Accommodation, Office, Commercial and Retail activities, which are considered sensitive to the type of effects that might be produced by activities anticipated within the Zone. By providing a generally enabling framework for Industrial and Service activities (in regard to setbacks, building coverage and building height, outdoor storage, along with those variations to Chapter 36 – Noise (standards for noise within the Zone), and to Chapter 25 – Earthworks (permitted earthworks volume) among others, there is the potential for these already established more sensitive activities within the Zone to experience adverse environmental and social effects that could negatively impact their wellbeing.</p> <ul style="list-style-type: none"> • It is proposed to increase the activity status for Buildings from controlled to restricted discretionary. This change will increase the degree of uncertainty for owners of land within the Zone in terms of the possible outcome of a consent application. It will also increase the time and cost associated with the processing of resource consents. | <p>with a generally enabling set of associated standards is consistent with the current approach within the existing Industrial Zones and provides landowners and business owners certainty that land within the Zone can continue to be used for these activities as of right.</p> <ul style="list-style-type: none"> • By enabling Industrial and Service activities through a permitted activity standard, the use and development of land within the Zone will be promoted for these activities. This provision will therefore contribute to the economic wellbeing of the District by enabling land within the Zone to be used for a diverse range of business activities that play an important and growing role within the District’s economy, in particular, through the creation of skilled employment opportunities and by contributing to the supply chain by offering other businesses in the District with products and services that are necessary for their operation and growth. • By making Industrial and Service activities permitted, the Zone framework presents the simplest, most certain, and cheapest opportunity for these activities to establish within the Zone by not | <p>that land will be used for activities and development associated with these activities. This provision is therefore effective and efficient in achieving Objective 18A.2.1 which sets out a desired end state for the Zone in which Industrial and Service activities are ‘enabled’.</p> <p>The proposed standards, particularly those related to setbacks, building coverage and building height, outdoor storage, along with those variations to Chapter 36 – Noise (standards for noise within the Zone), and to Chapter 25 – Earthworks (permitted earthworks volume) provide an appropriate degree of flexibility such that Industrial and Service activities can utilise sites within the Zone without unnecessary restrictions and in a way or at a rate which reasonably effectively and efficiently suits their functional needs.</p> <p>Provisions enabling ancillary Office, Retail and Commercial activities are considered to be the most appropriate, effective and efficient way to achieve Objective 18A.2.1 as they signal that ancillary Office, Retail and Commercial activities are anticipated within the Zone. The provision recognises and provides for the capacity for ancillary Office, Retail and Commercial activities to support the long term operation and viability of Industrial and Service activities.</p> <p>The provision enabling the operation of commercial sale of food and beverages will effectively and efficiently support the long term operation and viability of Industrial and Service activities within the Zone by ensuring there is provision for employees and other</p> |
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| <ul style="list-style-type: none"> • By enabling the establishment and operation of ancillary Office, Retail and Commercial activities along with activities involving the commercial sale of food and beverages, the Zone may attract a greater number of visitors involved in the purchase of goods and services from these activities. This has the potential to increase demand on the roading network along with additional possible pedestrian movements in locations and sites where provision for pedestrian movement is not effectively provided. • Non-notification clauses have been included in the proposed provisions in respect to restricted discretionary activities relating to Buildings and ancillary Office, Retail and Commercial activities. Non-notification clauses have the capacity to exclude possibly effected persons from being considered in resource consenting processes. | <p>triggering the need for a resource consent process.</p> <ul style="list-style-type: none"> • The provisions permitting ancillary Office, Retail and Commercial activities will enable the establishment and operation of non-industrial related activities which directly support Industrial or Service activities operating within the Zone albeit on a limited scale through the requirement of them being 'ancillary'. This provision will provide economic benefit to businesses as it recognises that Office, Retail and Commercial activities can provide supplementary income and an important supporting function for Industrial and Service activities without necessarily displacing the Industrial and Service activities that are at the core of the zones purpose. • By enabling ancillary Office, Retail and Commercial activities the provisions will positively contribute to the economic and social vibrancy of the Zone by introducing a controlled degree of diversity in terms of activity types occurring within sites. A non-notification clause is also specified for these ancillary activities where they require a restricted discretionary resource consent, therefore consent applications will not | <p>people visiting the Zone with places to purchase food and beverages.</p> <p>Policy 18A.2.1.5 sets out that Industrial and Service activities have the potential to create a range of effects that can be incompatible with activities that might be enabled in other zones. This policy is effective and efficient in achieving Objective 18A.2.1 in that it seeks to ensure the type of effects which may be associated with Industrial and Service activities should be accommodated within the Zone as this may be one of a very limited number of locations in which an activity with these effects can be located. By recognising that these effects can be tolerated within the Zone, Policy 18A.2.1.5 supports the long term operation and viability of Industrial and Service activities.</p> <p>The variations to Chapter 25 (Earthworks) and Chapter 36 (Noise) are effective as they ensure that the General Industrial Zone is appropriately identified within the new District Plan in order to assist QLDC in carrying out its functions and in achieving the purpose of the Act.</p> |
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| | <p>need to proceed through potentially time consuming and costly notified or limited notified consent proceedings.</p> <ul style="list-style-type: none">• The provision enabling the commercial sale of food and beverage activities has the capacity to contribute positivity to social and economic wellbeing by adding to the vibrancy of the Zone, thereby promoting the Zone as a desirable place to work and visit.• Buildings within the Zone are provided for as Restricted Discretionary activities with a clear set of matters of discretion. In addition, a clause within the Chapter ensures that the written approval of other persons shall not be required and that applications shall not be notified or limited notified in relation to Buildings within the Zone. These provisions are the most appropriate way to achieve Objective 18.2.1 in that they effectively and efficiently signal to land owners that industrial buildings are anticipated within the Zone and, assuming compliance with other relevant standards, consent applications will not need to proceed through potentially time consuming and costly notified or limited notified consent proceeding. | |
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Alternative options considered less appropriate to achieve the objectives and policies (s32(1) (b)(i)):

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| <p>Option 1: Retain the operative provisions</p> | <ul style="list-style-type: none"> • Would not address the identified issues with the operative provisions. • Would lead to inconsistency in drafting style in the PDP, and rather would result in a continuation of the complex drafting style of the ODP. • Would not provide the opportunity to introduce a policy framework and standards which have a greater capacity to enable the long term operation and viability of Industrial and Service activities within the District and secure the range of economic benefits that the industrial economy is known to provide. |
| <p>Option 2: Identify large areas of additional land to be included within the Zone in order to enable additional Industrial and Service activities to establish within the District without amending operative provisions</p> | <ul style="list-style-type: none"> • While this option would facilitate the provision of additional industrial development capacity within the District, it would not necessarily provide for the long term operation and viability of Industrial and Service activities principally because it would not address the identified issues with the operative provisions. • In identifying large areas of additional land to be included within the Zone, the review process would be preceding those opportunities afforded by the Future Development Strategy work being undertaken by the Council in collaboration with other agencies. This work provides the opportunity to assess long term land allocation for industrial development capacity in a more holistic manner. • There are few locations within the District which are well suited to being zoned for industrial purposes. |
| <p>Option 3: Relax and remove controls on activities and development within the existing Industrial Zones in order to enable Industrial and Service activities to occur in a more flexible and permissive manner</p> | <ul style="list-style-type: none"> • This option may enable the establishment, operation and growth of Industrial and Service activities that have the potential to adversely affect environmental, social and cultural wellbeing. • This option may result in other activities establishing within the Zone which remove vacant land for industrial development capacity or the transition of existing Industrial and Service activities to other activities which do not form part of the District's industrial economy. |

Part 2:

- Issue 1 - Understanding the District's industrial economy
- Issue 2 - Non-industrial activities within the Industrial Zones
- Issue 3 - Industrial Development Capacity

Objective 18A.2.2 - The establishment, operation and growth of Industrial and Service activities within the Zone is not undermined by incompatible land uses.

A summary of proposed provisions and components of the General Industrial Zone that address this issue and give effect to the objectives:

Policies

- 18A.2.2.1 Avoid the following activities that are not compatible with the primary function of the Zone and have the ability to displace or constrain the establishment, operation and long term viability of Industrial and Service activities:
 - a. Office, Retail and Commercial activities that are not ancillary to Industrial or Service activities
 - b. Trade Suppliers
 - c. Large Format Retail
 - d. Residential Activity, Residential Units and Residential Flats, and
 - e. Visitor accommodation, Residential Visitor accommodation and Homestay activities.
- 18A.2.2.2 Avoid the cumulative establishment of activities and development within the Zone that would undermine the role played by town centre and other key business zones as the District's strategic hubs of economic activity.
- 18A.2.2.3 Limit the scale, location and function of Office, Retail and Commercial activities to ensure they are ancillary to Industrial or Service activities.
- 18A.2.2.4 Ensure all Office, Retail and Commercial activities are constructed and operated to mitigate adverse reverse sensitivity effects to Industrial or Service activities.
- 18A.2.2.5 Limit the scale, location and function of food and beverage related commercial activities within the Zone to ensure they serve the direct needs of workers and visitors to the Zone or directly relate to and support the operation of an Industrial activity.

Matters addressed in the Activities Table:

- 18A.4.2 – provides for ancillary Office, Retail and Commercial activities as permitted activities (subject to limits in standards table)
- 18A.4.3 – provides for the Commercial sale of food and beverages as permitted activities (subject to limits in standards table)
- 18A.4.5 – provides for Buildings as restricted discretionary activities (note matter of discretion relating to ancillary Office, Retail and Commercial activities)
- 18A.4.8 – identifies Commercial Recreation and Recreation activities as non-complying activities
- 18A.4.9 – identifies Community Activities and Community Facilities as non-complying activities

- 18A.4.11 – identifies activities not listed as non-complying activities
- 18A.4.12 – identifies Trade Suppliers and Large Format Retail activities as prohibited activities
- 18A.4.14 – identifies Office, Retail and Commercial activities not otherwise identified as prohibited activities
- 18A.4.15 – identifies Residential activities, Residential Units and Residential Flats as prohibited activities
- 18A.4.16 – identifies Visitor Accommodation, Residential Visitor Accommodation and Homestay activities as prohibited activities
- 18A.4.17 – identifies Airports as prohibited activities
- 18A.4.18 – identifies Mining as a prohibited activity

Matters addressed in the Standards Table:

- 18A.5.1 – standards for ancillary Office, Retail and Commercial activities
- 18A.5.2 – standards for the Commercial sale of food and beverages

A summary of proposed provisions and components of the Noise chapter (Chapter 36) that have been varied address this issue and give effect to the objective:

Matters addressed in Table 36.7 – Ventilation requirements for other Zones (Table 5)

- Table 5 – identifies critical listening environments located within the General Industrial Zone as needing to meet the standards of Table 5.

| Costs | Benefits | Effectiveness and efficiency |
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| <p>Economic</p> <ul style="list-style-type: none"> • The proposed provisions impose more limits and restrictions on the establishment and operation of non-industrial type activities, including Office, Retail, and Commercial, activities. The provisions restrict or prohibit other non-industrial related activities including Commercial Recreation, Recreation, Community activities, Community Facilities, Trade Suppliers, Large Format Retail, Residential activities, Visitor Accommodation, Residential Visitor | <p>Economic</p> <ul style="list-style-type: none"> • By not anticipating or excluding non-industrial and service type activities from establishing and/or operating within the Zone, the proposed provisions improve the likelihood that land within the Zone is available for the establishment and operation of Industrial and Service activities. Further, these provisions assist in limiting the effects that non-industrial type activities can play in displacing or constraining Industrial and Service | <p>The proposed provisions are considered to be the most appropriate and effective and efficient way to achieve Objective 18A.2.2. In particular, the policies and associated rules set out the expectation that non-industrial type activities are not anticipated or are excluded from establishing and/or operating within the Zone. These non-industrial type activities play a central role in displacing and/or constraining Industrial and Service activities and limit the availability of land with the Zone for industrial development capacity. The proposed provision framework will be capable of managing the use and development of land within the</p> |

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| <p>Accommodation, and Homestay Activities. The default status for other activities which are not listed within the activity table (Table 18A.4) is non-complying. In applying these provisions, these activities are signalled as not being anticipated or excluded from establishing and/or operating within the Zone. These provisions therefore represent an economic cost to people who own land within the Zone as these non-industrial type activities may have the potential to generate greater returns to landowners than Industrial and Service activities.</p> <ul style="list-style-type: none"> The proposed variation to Chapter 36 (Noise) will impose costs for any landowner or business operator who seeks to establish activities within the Zone which include Critical Listening Environments. These additional costs would be incurred in meeting the ventilation requirements set out within Table 5 of Chapter 36 for any Critical Listening Environments. <p>Social</p> <ul style="list-style-type: none"> In signalling a large number of non-industrial or service activities as not being anticipated or as being excluded from establishing and/or operating within the Zone, there is a risk that land located within the Zone is developed such that somewhat limited diversity occurs in terms of business functions. A possible cost of this limited | <p>activities through reverse sensitivity effects and by increasing the value of the limited land resource currently located within the Zone. In addressing these outcomes, the provisions will contribute to the economic wellbeing of the District by enabling land within the Zone to be used for business activities that play an important and growing role within the District's economy, in particular, through the creation of a range of skilled employment opportunities and by contributing to the supply chain of other businesses within the District.</p> <ul style="list-style-type: none"> By not anticipating or excluding non-industrial and service type activities from establishing and/or operating within the Zone, the proposed provisions seek to avoid the General Industrial Zone becoming a focus for customer related Retail and Commercial activities. This approach will support and enable the role of other key business zones within the District as strategically defined and located hubs of economic activity. The suite of provisions associated with this objective assists the Council in meeting its obligations under the NPS UDC in respect to the provision of land for industrial development capacity. The proposals provide a framework for the | <p>Zone such that the establishment, operation and growth of Industrial and Service activities is not undermined by incompatible land uses.</p> <p>In addition, it is considered that the proposed framework strikes an effective balance in defining the scale, nature and function of non-industrial activities that may be able to occur within the Zone without undermining the establishment, operation and growth of Industrial and Service activities. Achieving this balance is important in measuring the effectiveness and efficiency of provisions as they need to weigh up the implications of the environmental, social, cultural and economic costs. In particular, the provisions are considered effective as they recognise and provide for a threshold against which non-industrial activities (ancillary Office, Retail, Commercial, and the Commercial sale of food and beverages) can be measured and beyond which activities are considered inappropriate within the Zone.</p> <p>The variation to Table 5 of Chapter 36 (Noise) also ensures that the General Industrial Zone is appropriately identified within the new District Plan in order to assist QLDC in carrying out its functions and in achieving the purpose of the Act.</p> |
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| <p>diversity is that the attractiveness of the Zone to landowners, business operators and employees may be reduced as they may prefer to be sited in locations that offer more diverse experiences.</p> | <p>use of land that might be identified for inclusion within the Zone as part of future private or Council initiated plan changes or related policy processes (i.e. the Future Development Strategy) in a way or at a rate that will positively benefit the District's economic wellbeing by providing for land within the Zone to be used in a manner that is not undermined by incompatible land uses.</p> | |
| <p>Alternative options considered less appropriate to achieve the objectives and policies (s32(1) (b)(i)):</p> | | |
| <p>Option 1: Retain the operative provisions</p> | <ul style="list-style-type: none"> • Would not address the identified issues with the operative provisions. • Would lead to inconsistency on drafting style in the PDP, and rather would result in a continuation of the complex drafting style of the ODP. • Would not provide the opportunity to introduce a policy framework and standards which have a greater capacity to manage the establishment activities within the Zone which undermine the establishment, operation and growth of Industrial and Service activities. | |
| <p>Option 2: Prohibit all activities within the Zone apart from Industrial and Service activities</p> | <ul style="list-style-type: none"> • Prohibiting all other activities from the Zone would not recognise the nuanced relationships that Industrial and Service activities have with other non-industrial type activities. These relationships are important to the viability of Industrial and Service activities, and prohibiting them from the Zone all together may adversely affect the District's industrial economy. • This option would not properly recognise the nature and characteristics of the District's industrial economy. In particular, the District's industrial economy would not be considered 'heavy'. It may be appropriate to prohibit all incompatible non-industrial type land uses from a zone that serves heavy industry, but it could not be justified within a zone that comprises a greater mix and diversity of industrial type activities which may often rely on the support of ancillary Office, Retail or Commercial activities. • This option would exclude the provision of activities from the Zone which serve the daily needs of people who work within or visit the Zone such as activities involving the commercial sale of food and beverages. It is important that these activities are provided for within business zones to ensure that people are not | |

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| | <p>required to travel significant distances to purchase food and beverages for their breakfast, lunch or dinner needs. These activities also offer opportunities for social and cultural interaction and wellbeing.</p> |
| <p>Option 3: Identify large areas of additional land to be included within the Zone in order to counter the effect of non-industrial type activities from establishing within the Zone without amending operative provisions</p> | <ul style="list-style-type: none"> • While this option would facilitate the provision of additional industrial development capacity within the District, it would not necessarily avoid the effect non-industrial activities have on the availability of this land for the establishment, operation and growth of Industrial and Service activities. This is because industrial land is commonly cheaper than other business enabled land such as town centre zones or the Business Mixed Use Zone and as such will always present attractive opportunities for non-industrial activities that may also be capable of greater profit margins. • In identifying large areas of additional land to be included within the Zone, the review process would be preceding those opportunities afforded by the Future Development Strategy work being undertaken by the Council in collaboration with other agencies. This work provides the opportunity to assess long term land allocation for industrial development capacity in a more holistic manner. • There are few locations within the District which are well suited to being zoned for industrial purposes. |

Issue 5 - Minimum lot size within the Industrial Zones

Note – The following objective and policies are variations to Chapter 27 (Subdivision and Development) (additions are underlined):

Objective 27.3.13 - Subdivision within the General Industrial Zone enables the establishment, operation and long term viability of Industrial and Service activities which cannot locate elsewhere in this District, including those Industrial and Service activities which require larger buildings and more space for the purpose of manoeuvring, loading and vehicle parking.

A summary of proposed provisions and components of the Subdivision and Development Chapter that address this issue and give effect to the objectives (additions are underlined):

Policies

27.3.13.1 Enable subdivision and development within the General Industrial Zone that provides for the establishment, operation and long term viability of Industrial and Service activities by ensuring any new lots created are capable of accommodating activities and development that is anticipated by the Zone standards.

27.3.13.2 Recognise and provide for subdivision activities which create smaller lot sizes than anticipated within the General Industrial Zone where there is a demonstrated need for Industrial and Service activities on lots of that size and where it can be shown that the lots could viably provide for their long term functional needs.

27.3.13.3 Ensure any new subdivision provides adequate road access, onsite parking, loading and manoeuvring suitable for the activities anticipated to establish within the lots.

27.3.13.4 Ensure any new subdivision integrates well with current and future transport networks, including roads and public and active transport systems by managing the functional layout and arrangement of lots and their access.

27.3.13.5 Ensure subdivision only occurs where the necessary infrastructure exists to service the lots.

27.3.13.6 Avoid subdivision that creates lots of a size and layout that limit the intended function of the General Industrial Zone to provide for the long term establishment, operation and long term viability of Industrial and Service Activities.

Connell Terrace Structure Plan

27.3.13.7 Ensure subdivision is consistent with the Connell Terrace Structure Plan by requiring;

a. landscaping and on-going maintenance of the Building Line Restriction Area shown on the Connell Terrace Structure Plan;
and

b. a roading layout that is consistent with the Connell Terrace Structure Plan.

Ballantyne Road Structure Plan

27.3.13.8 Ensure subdivision is consistent with the Ballantyne Road Structure Plan by requiring;

a. landscaping and on-going maintenance of the Building Line Restriction Area shown in the Ballantyne Road Structure Plan;
and

b. a roading layout that is consistent with the Ballantyne Road Structure Plan.

Matters addressed in 27.5 Rules – Subdivision (Chapter 27 Subdivision and Development):

- 27.5.7 – Identifies all subdivision within the General Industrial Zone as a restricted discretionary activity

Matters addressed in 27.6 Rules – Standards for minimum lot areas (Chapter 27 Subdivision and Development):

- 27.6.1 – specifies the minimum lot area in the General Industrial Zone as 1000m². Provides for sites between 1000m² – 500m² as a Discretionary activity. Specifies subdivision that produces sites less than 500m² in area as non-complying activities.

Matters addressed in 27.7 Zone and location specific Rules – (Chapter 27 Subdivision and Development):

- 27.7.10 – specifies standards for subdivision in the area contained within the Connell Terrace Structure Plan
- 27.7.11 – specifies standards for subdivision in the area contained within the Ballantyne Road Structure Plan

| Costs | Benefits | Effectiveness and efficiency |
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| <p>Economic</p> <ul style="list-style-type: none"> • By increasing the minimum lot size within parts of the existing Industrial Zones the proposed provisions will limit the capacity to create smaller lots. This may have an economic cost for landowners as they may be able to sell a greater number of smaller lots for more profit than a smaller number of larger lots. • It is known that the District’s industrial economy contains a large proportion of smaller businesses¹¹⁹ that employ only a small number of people. These smaller businesses may seek smaller lots as they | <p>Economic</p> <ul style="list-style-type: none"> • The proposed framework of provisions seeks to ensure that new lots created within the Zone are capable of accommodating the functional needs of a wide range of Industrial and Service activities and conversely, to avoid the creation of lots that are not practical for this purpose. Lots created under this framework will assist in enabling the establishment, operation and growth of Industrial and Service activities within the Zone and contribute to the economic wellbeing of the District. This will occur by promoting the creation of lots to be | <p>The proposed provision framework is considered to be the most appropriate and effective and efficient way to achieve Objective 27.3.13. In particular, the provisions set out a clear expectation that new sites within the Zone are to be created to enable the establishment, operation and long term viability of Industrial and Service activities. This outcome is achieved principally by setting a minimum lot area that is capable of providing for a diverse range of Industrial and Service activities to operate without undue restrictions relating in particular to the scale of buildings which may be required to accommodate activities and additional area required for the movement of heavy vehicles.</p> |

¹¹⁹ Section 7.12 of this report

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| <p>may present more affordable opportunities to purchase land within the Zone. Therefore, increasing the minimum lot size within parts of the Zone may make purchasing land within the Zone less affordable for smaller Industrial or Service activities.</p> | <p>used for business activities that are known to play an important and growing role within the District's economy, in particular, through the creation of a diverse range of skilled employment opportunities and by contributing to the supply chain by offering other businesses in the District with products and services that are necessary for their operation and growth.</p> <ul style="list-style-type: none"> The proposed framework provides for smaller lots to be created through subdivision activities where there is a demonstrated need for Industrial and Service activities on sites of that size and where it can be shown that the lots could viably provide for their long term functional needs. This framework may therefore provide a pathway for smaller Industrial and Service activities to purchase land located within the Zone. <p>Environmental</p> <ul style="list-style-type: none"> The proposed framework of provisions set out an expectation that subdivision activities will provide for adequate access and onsite provision for parking, loading and manoeuvring. Further, the provisions ensure that subdivided lots will integrate well with the function, arrangement and layout of transport networks. These provisions will assist in achieving positive | <p>The provisions are efficient as they enable a degree of flexibility in regard to minimum lot areas which may be created within the Zone. The provisions enable smaller lots to be created (down to 500 m²). Policy 27.3.13.2 sets the direction for when these smaller lots can be provided for (where there is a demonstrated need for Industrial and Service activities on sites of that size and where it can be shown that the lots could viably provide for their long term functional needs). This provision recognises that smaller lots than anticipated may be required to meet demand from smaller Industrial and Service activities.</p> <p>The provisions seek to be effective in ensuring that no lots will be created in the Zone that are not capable of providing for the long term viability of Industrial and Service activities by making sites less than 500 m² non-complying activities, thereby specifying such lot sizes as not being anticipated within the Zone.</p> <p>The variation to Chapter 27 (Subdivision and Development) is considered effective in terms of facilitating the production of a District Plan that assists QLDC in carrying out its functions and in achieving the purpose of the Act as it ensures that the General Industrial Zone is appropriately identified within the new District Plan and that appropriate controls are set out in regard to subdivision activities within the Zone.</p> |
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| | <p>relationships between subdivided lots within the Zone and any transport networks which serve them, and contribute to the functional capacity of the Zone to meet the needs and expectations of landowners, business operators and employees, as well as visitors to the Zone.</p> <ul style="list-style-type: none">• The framework sets out an expectation that subdivision within the Zone will only take place where the necessary infrastructure exists to service the anticipated land uses or development that could occur on the subdivided sites. This provision will contribute to positive environmental outcomes as it will ensure sites are integrated with existing services such that they meet the needs of future lot owners and do not compromise Council's existing asset services with the immediate area.• The framework sets out expectations for subdivision within the areas contained within the Ballantyne Road Structure Plan and the Connell Terrace Structure Plan. This will assist in facilitating positive environmental outcomes relate to roading layout provision and location of walkways and the green network and building restriction areas. | |
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Alternative options considered less appropriate to achieve the objectives and policies (s32(1) (b)(i)):

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| <p>Option 1: Retain the operative provisions</p> | <ul style="list-style-type: none"> • Would not address the identified issues with the operative provisions. • This option would continue to enable the subdivision of lots in parts of Zone down to 200m². Lots of this size are unlikely to meet the needs of Industrial and Service activities which often required space for larger buildings, outdoor storage and for the movement of heavy vehicles. |
| <p>Option 2: Require larger minimum lot sizes within the Zone, such as 3000 – 5000 m².</p> | <ul style="list-style-type: none"> • This option does not properly recognise the nature and characteristics of the District’s industrial economy. In particular, it is less likely that Industrial and Service activities which requires sites for this size will seek locations within the District due to the competitive disadvantages they are presented with, such as the distance of the Zones from other urban areas and major ports, as well as the price of land. • This option may restrict the ability for many of the smaller activities that comprise the majority of the District’s industrial economy from finding appropriate and affordable sites within the Zone, thereby causing them to locate elsewhere within the District or within other Districts. |
| <p>Option 3: Have a single minimum lot size within the Zone of 1000m².</p> | <ul style="list-style-type: none"> • While this option may present a more simple rule framework and provide more certainty around the size of lots that might be created within the Zone, it does not enable the degree of flexibility necessary to meet the needs of the District’s industrial economy which is characterised neither by heavy nor light industrial activities. • This option would not provide landowners/developers with the capacity to create smaller lots where they can demonstrate the need for Industrial and Service activities on sites of that size. • The option would limit the ability for many of the smaller activities that largely comprise the District’s industrial economy from finding appropriate and affordable sites within the Zone, thereby causing them to locate elsewhere within the District or within other Districts. |

Issue 6 - Parking, manoeuvring and loading

Note – The following policies are variations to Chapter 29 (Transport)

- Objective 29.2.4** – An integrated approach to managing subdivision, land use and the transport network in a manner that:
- a. supports improvements to active and public transport networks;
 - b. promotes an increase in the use of active and public transport networks and shared transport;
 - c. reduces traffic generation; and
 - d. manages the effects of the transport network on adjoining land uses and the effects of adjoining land-uses on the transport network.

Note – This review does not propose any variations to Objective 29.2.4.

A summary of proposed provisions and components of the Transport Chapter (Chapter 29) that address this issue and give effect to the objective (additions are underlined):

Policies

- 29.2.4.9 Ensure the location, design, and layout of access, manoeuvring, car parking spaces and loading spaces of Industrial activities, Service activities and vehicle-orientated commercial activities, such as service stations and rural selling places, avoids or mitigates adverse effects on the safety and efficiency of the adjoining road(s) and provides for the safe movement of pedestrians within and beyond the site, taking into account:
- a. The relative proximity of other accesses or road intersections and the potential for cumulative adverse effects; and
 - b. The ability to mitigate any potential adverse effect of the access on the safe and efficient functioning of the transport network.

Matters addressed in Table 29.3 – Standards for activities outside of roads (Chapter 29 Transport):

- 29.5.10 – Identifies off street loading space as needing to be provided on every site within the General Industrial Zone

Matters addresses in Table 29.4 – Minimum parking requirements

- 29.8.19 – note relating to parking spaces for ancillary Office, Retail and Commercial activities within the General Industrial Zone

| Costs | Benefits | Effectiveness and efficiency |
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| <p>Economic</p> <ul style="list-style-type: none"> Landowners and/or businesses may incur costs associated with the provision of off street loading space as they will not be able to use this space for the purpose of operating and/or expanding their business operations. They may also incur costs in demonstrating that this space meets the requirements set out within Chapter 29 (Transport). | <p>Environmental</p> <ul style="list-style-type: none"> The proposed variation would produce positive environmental outcomes for the transport network in the Zone as it would ensure that space within the road corridor is not being used for the purpose of loading or unloading goods or materials used in association with or produced by Industrial and Service activities. Excluding loading and unloading from the road corridor will assist in providing for the safe and efficient operation of the roading network. The proposed variation will also assist in providing for the safe and efficient use of sites within the Zone for the purpose of Industrial and Service activities thereby providing for healthy and safe work spaces for business owners and employees. The note relating to parking spaces for ancillary activities will assist plan users and administrators in applying the correct parking provisions for the entirety of activities that are enabled on sites, assisting in providing positive environmental outcomes in terms of parking provision and safe and efficient use of the road network. <p>Economic</p> | <p>The proposed variation is considered to be the most appropriate and effective and efficient way to achieve Objective 29.2.4. In particular, the variation identifies Industrial and Service activities as types of land uses that can affect the transport network. It then specifies that transport related effects associated with the location, design, and layout of access, manoeuvring, car parking spaces and loading spaces of Industrial and Service activities need to be considered in terms of safety and efficiency of roads and movement of pedestrians both within and beyond sites.</p> <p>The existing provisions of Chapter 29 (Transport) are effective and efficient in fulfilling the direction provided by the variation to Policy 29.2.4.9. In particular, requirements are set out within Table 29.3 (Standards for activities outside roads) in relation to minimum parking requirements, location and availability of parking spaces (Table 29.4), size of parking spaces and layout, gradient of parking spaces and parking areas, mobility parking, reverse manoeuvring of heavy vehicles and queuing. Other standards in Table 29.3 set out expectations in terms of the design and formation of vehicle crossings, site distances etc.</p> <p>The variation to standard 29.5.10 compliments the existing set of transport related standards described above that would relate to Industrial and Service activities within the Zone and would effectively and efficiently contribute to achieving the objective by providing a mechanism to manage the effects that</p> |
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| | <ul style="list-style-type: none"> The proposed variation will enable the efficient use of sites for the purpose of Industrial and Service activities by ensuring that loading and unloading processes occur without necessary delay or difficulty. Efficiency improvements of this kind may lead to the operation of more economically viable and profitable activities within the Zone. | <p>loading and unloading requirements of Industrial and Service activities of on the roading network.</p> <p>The variation also ensures that the General Industrial Zone is appropriately identified within the new District Plan in order to assist QLDC in carrying out its functions and in achieving the purpose of the Act.</p> |
| <p>Alternative options considered less appropriate to achieve the objectives and policies (s32(1) (b)(i)):</p> | | |
| <p>Option 1: Do not vary provisions within Chapter 29 (Transport)</p> | <ul style="list-style-type: none"> This option would not enable the Council to manage the possible effects that Industrial and Service activities have on the transport network. In particular, it would mean that off street loading space would not be provided for sites within the Zone. This may increase the number of activities needing to use the road corridor in order to undertake their loading and unloading operations. This would produce adverse effects on the roading network in locations where on-street space for the purpose of temporary loading and unloading is limited. | |
| <p>Option 2: Provide for on-street loading within the Zone by managing the potential effects of the activity through a controlled or restricted discretionary resource consent process</p> | <ul style="list-style-type: none"> This option would involve requiring a resource consent for every activity within the Zone for on-street loading and unloading. This is not appropriate as it would externalise effects of loading and unloading to the road corridor. It would require many Industrial and Service activities to apply for resource consents and incur the processing fee and time costs associated with these resource consents. There may be many instances in which it is not appropriate to grant a resource consent for loading and unloading activities to occur within the road corridor. This may severely restrict the capacity of sites to be viably used for the operation of Industrial and Service activities. | |

Part 1:

Issue 7 - Amenity within and outside of the Industrial Zones

Issue 8 - Split zonings, inappropriate zoning layout and re-zonings

Objective 18A.2.3 – Activities and development within the Zone provide a level of amenity which make it a pleasant, healthy and safe place to work in and visit.

A summary of proposed provisions and components of the General Industrial Zone that address this issue and give effect to the objective:

Policies

- 18A.2.3.1 Manage activities and development, both within sites and at their interface with public spaces, to ensure that people working in and visiting the Zone enjoy a pleasant level of amenity while recognising that the type of amenity experienced within the Zone may be lower than that anticipated within zones intended to accommodate more sensitive land uses.
- 18A.2.3.2 Control the location of ancillary Office, Retail and Commercial activities and encourage them to actively engage with the street frontage and public places.
- 18A.2.3.3 Control the bulk, location, design, landscaping, screening and overall appearance of sites and buildings, incorporating where relevant, the seven principles of Crime Prevention through Environmental Design (CPTED) to ensure they contribute to a quality, healthy and safe built environment while meeting the functional needs of Industrial and Service activities.
- 18A.2.3.4 Control activities and development by applying sound insulation ventilation standards or other appropriate mitigation to ensure they are not significantly adversely affected by Industrial and Service activities or by airport noise.

Matters addressed in in the Activities Table:

- 18A.4.3 – provides for the commercial sale of food and beverages as a permitted activity
- 18A.4.5 – identifies buildings as restricted discretionary activities – includes matters of discretion in regard to appearance, landscaping, signage, lighting, location/provision of waste and recycling storage and CPTED principles
- 18A.4.6 – specifies that alterations and additions within the Queenstown Airport Outer Control Boundary or the Queenstown Airport Air Noise Boundary shall meet the necessary standards of Chapter 36 (Noise)
- 18A.4.7 – identifies Outdoor Storage and Outdoor Waste Storage within building restriction areas as non-complying activities
- 18A.4.10 – identifies any activity requiring an offensive trade licence (excluding the collection/storage of used bottles and refuse collection/disposal) as a non-complying activity
- 18A.4.11 – identifies any activity which is not identified as a non-complying activity

- 18A.4.13 – identifies Activities Sensitive to Aircraft Noise within the Queenstown Airport Outer Control Boundary or the Queenstown Airport Air Noise Boundary as prohibited activities.
- 18A.4.17 – identifies Airports as prohibited activities
- 18A.4.18 – identifies Mining as a prohibited activity

Matters addressed in the Standards Table:

- 18A.5.2 – standards for the Commercial sale of food and beverages
- 18A.5.3 – minimum boundary setbacks
- 18A.5.4 – maximum building coverage
- 18A.5.5 – maximum building height
- 18A.5.7 – lighting and glare standards
- 18A.5.8 – outdoor storage standards
- 18A.5.9 – fencing standards

A summary of proposed provisions and components of the Noise chapter (Chapter 36) that address this issue and give effect to the objective:

Matters addressed in Table 36.7 – Ventilation requirements for other Zones (Table 5)

- Table 5 – identifies critical listening environments located within the General Industrial Zone as needing to meet the standards of Table 5.

| Costs | Benefits | Effectiveness and efficiency |
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| <p>Economic</p> <ul style="list-style-type: none"> • The proposed framework sets out that activities and development within the Zone are expected to provide an appropriate level of amenity for people who work within and visit the Zone. Landowners and/or business owners may incur costs in achieving this level of amenity on sites which might otherwise have been invested in developing their business. In particular, additional costs could be incurred in instances where critical | <p>Environmental</p> <ul style="list-style-type: none"> • While acknowledging that the Zone is intended to accommodate specific types of activities that are known to have the potential to create noise, odour, heavy traffic movements and other effects, and accommodate larger sites and buildings, the proposed provision framework sets out that the Zone is also an urban environment in which businesses locate and which attract people for the purpose | <p>The proposed framework is considered to be the most appropriate and effective and efficient way to achieve Objective 18.2.3. In particular, the proposed provisions seek to manage the characteristics of activities and development which have the capacity to contribute to the type of amenity that is experienced by people who work within and visit the Zone. These characteristics include the purpose, nature, scale and overall appearance of built form and sites.</p> |

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| <p>listening environments are proposed on sites within the Zone and the requirements of Table 5 of Chapter 36 (Noise) will need to be meet. In addition, costs will be incurred where alterations or additions are proposed to Activities Sensitive to Aircraft Noise within the Queenstown Airport Outer Control Boundary or the Queenstown Airport Air Noise Boundary.</p> <ul style="list-style-type: none"> • In some cases, resource consents will be required where Landowners and/or business owners propose land uses or developments that are not able to achieve the type of amenity anticipated within the Zone by the proposed provision framework. These resource consent processes will impose costs and additional time pressures on developments. • Some landowners and/or business owners may choose not to locate within the Zone on account of the proposed provision framework. This may result in the loss of Industrial or Service activities from the District or cause the activity to seek a location within the District which is not suitable for the activity or is more sensitive to this type of activity. <p>Social and environmental</p> <ul style="list-style-type: none"> • The proposed provision framework does not prioritise amenity experiences for people | <p>of employment and trade. Therefore, it is reasonable to expect a Zone of this kind to provide an environment which achieves a reasonable balance between quality and functional usability. In achieving this balance, the Zone will drive land use and development that creates positive environmental outcomes in the form of buildings that are of an appropriate scale, appearance and location, and sites which when viewed from other locations within the Zone do not appear unsightly, and have positive relationships with other sites and public spaces.</p> <ul style="list-style-type: none"> • The proposed variation to Chapter 36 (Noise) requiring that Critical listening environments within the Zone meet the standards set out in Table 5 of Chapter 36 will provide positive environmental outcomes for people who work within and visit the Zone as their activities will not be compromised by noise that could be emitted from Industrial and Service activities which adjoin the site or are located within the surrounding area. • The requirement to meet the standards of Chapter 36 (Noise) when alterations of additions are proposed in buildings that Activities sensitive to aircraft noise within the Queenstown Airport Outer Control | <p>The provisions are effective as they recognise that amenity within the Zone requires an assessment of the way sites are used and developed (i.e. internal site considerations) as well as a consideration of the way sites interact with other sites and the street (i.e. external site considerations). By considering both internal and external site considerations, the provisions will promote more holistic assessments of amenity within the Zone.</p> <p>The provisions are considered efficient as they seek to strike a balance between achieving pleasant, healthy and safe amenity settings and ensuring the Zone provides for the functional needs of activities and development within the Zone. It would not be appropriate for the provisions to prioritise amenity characteristics over and above the capacity of the Zone to provide for the long term operation and viability of Industrial and Service activities.</p> <p>The variation to Chapter 36 (noise) is considered effective in terms of facilitating the production of a District Plan that assists QLDC in carrying out its functions and in achieving the purpose of the Act as it ensures that the General Industrial Zone is appropriately identified within the new District Plan and that appropriate controls are set out in regard to noise produced by activities and development within the Zone.</p> |
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| <p>working within and visiting the Zone. Instead it seeks to balance amenity with the functional needs of Industrial and Service activities. In balancing these needs, it is not likely that high quality amenity outcomes will be achieved in regard to social and environmental wellbeing.</p> | <p>Boundary or the Queenstown Airport Air Noise Boundary will ensure owners or occupiers of these buildings are not adversely effected by aircraft noise.</p> <p>Social</p> <ul style="list-style-type: none"> • The provision framework sets out that the Zone is a key location of human activity and interaction. These interactions are driven by people working in and visiting the Zone. These people should have pleasant, healthy and safe experiences within the Zone. By managing the nature, scale and function of activities and development it is considered that the provision framework will achieve positive social outcomes for those who work within and visit the Zone. • The proposed provisions seek to provide a managed degree of diversity of activities within the Zone which are not only capable of supporting the long term viability of Industrial and Service activities but also serve the needs of people who work within and visit the Zone. This is provided for by the provision of ancillary Office, Retail and Commercial activities and the commercial sale of food and beverages. These activities will positively benefit the daily needs of people, particularly those who work within the Zone. | |
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| | <p>Economic</p> <ul style="list-style-type: none">• The proposed framework may result in positive economic outcomes for landowners and businesses within the Zone. These benefits could materialise as a result of the Zone affording people with enjoyable and positive experiences. These experiences will promote the Zone as a good location to work and visit.• While the proposed framework identifies amenity within the Zone as an important consideration, it does not suggest that it is the single most important consideration. In particular, it seeks to balance amenity with the functional needs of Industrial and Service activities. In this way, the provisions seek to ensure that positive economic outcomes are afforded to land owners and business operators within the Zone.• The proposed variation to Chapter 36 (Noise) requiring that Critical listening environments within the Zone meet the standards set out in Table 5 of Chapter 36 will provide positive economic outcomes in terms of the intended function of the Zone to provide for the establishment, operation and long term viability of Industrial and Service activities as it will ensure they are not undermined or | |
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| | constrained by reverse sensitivity effects which might arise from the presence of critical listening environments. | |
| Alternative options considered less appropriate to achieve the objectives and policies (s32(1) (b)(i)): | | |
| Option 1: Retain the operative provisions | <ul style="list-style-type: none"> • Would not address the identified issues with the operative provisions. • Would lead to inconsistency on drafting style in the PDP, and rather would result in a continuation of the complex drafting style of the ODP. • Would not provide the opportunity to introduce a policy framework and standards which have a greater capacity to provide for positive amenity related outcomes within the Zone. | |
| Option 2: Do not attempt to control amenity within the Zone | <ul style="list-style-type: none"> • While this option may provide for Industrial and Service activities to establish, operate and grow in a more flexible and intensive manner, it fails to recognise that the Zone is a key location of human activity and interaction. By not imposing standards to control amenity outcomes, the Zone would not attract people to work or visit the Zone, thereby compromising its function as a business zone designed to promote economic activity. • Low quality built form would develop within the Zone in terms of the visual appearance of buildings and spaces. • The location, accessibility and appearance of ancillary Office, Retail and Commercial activities enabled within the Zone would not integrate well with the underling purpose of the Zone in providing for Industrial and Service activities. In particular, customers would be expected to interact with the movement of vehicles on sites and possibly hazardous tools or equipment being used. • Sites within the Zone may attract anti-social behaviour. | |
| Option 3: Impose more stringent amenity controls within the Zone. | <ul style="list-style-type: none"> • This option would involve prioritising the amenity related matters. While it may result in high quality amenity outcomes, it would compromise the ability for sites to fulfil their functional purpose to deliver long term viable opportunities for Industrial and Service activities. | |

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| | <ul style="list-style-type: none"> • A zone with this level of amenity expectations would better serve the needs of non-industrial type activities such as Office, Retail and Commercial activities. • The cost of sites within the Zone will increase, making them less viable for Industrial and Service activities which often require cheaper sites. |
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Part 2:

Issue 7 - Amenity within and outside of the Industrial Zones

Issue 8 - Split zonings, inappropriate zoning layout and re-zonings

Objective 18A.2.4 – Activities and development within the Zone are undertaken in a way that does not adversely affect the amenity of other zones.

A summary of proposed provisions and components of the General Industrial Zone that address this issue and give effect to the objective:

Policies

18A.2.4.1 Manage noise, glare, dust, odour, shading, visual and traffic effects of activities and development within the Zone to ensure the amenity of other zones is not adversely affected, including through the use of Building Restriction Areas.

18A.2.4.2 Manage adverse effects of activities on the visual amenity of main gateway routes into Queenstown, Wanaka and Arrowtown through the use of landscaping and by controlling the bulk and location of buildings and development.

Matters addressed in in the Activities Table:

- 18A.4.5 – identifies buildings as restricted discretionary activities – includes matters of discretion in regard to appearance, landscaping, signage and lighting
- 18A.4.7 – identifies Outdoor Storage and Outdoor Waste Storage within building restriction areas as non-complying activities
- 18A.4.10 – identifies any activity requiring an offensive trade licence (excluding the collection/storage of used bottles and refuse collection/disposal) as a non-complying activity
- 18A.4.xx – identifies buildings within building restriction areas as a non-compliant activity
- 18A.4.11 – identifies any activity which is not identified as a non-complying activity
- 18A.4.17 – identifies Airports as prohibited activities
- 18A.4.18 – identifies Mining as a prohibited activity

Matters addressed in the Standards Table:

- 18A.5.3 – minimum boundary setbacks
- 18A.5.4 – maximum building coverage
- 18A.5.6 – maximum building height/recession plane for sites which adjoin a residential zone (including the Meadow Park Special Zone) and the Large Lot Residential Zone
- 18A.5.7 – lighting and glare standards
- 18A.5.8 – outdoor storage standards
- 18A.5.9 – fencing standards

A summary of proposed provisions and components of the Noise chapter (Chapter 36) that address these issues and give effect to the objective:

Matters addressed in 36.5 Rules – Standards, Table 3 – Specific Standards

- 36.5.15 – identifies noise standards relating to activities operating within the General Industrial Zone – noise received in adjoining zones from activities within the General Industrial Zone are required to meet the noise standards of the zone in which it is received

| Costs | Benefits | Effectiveness and efficiency |
|--|---|---|
| <p>Economic</p> <ul style="list-style-type: none"> • The proposed framework sets out that activities and development within the Zone are expected to occur in a way that does not adversely affect the amenity present in other zones. Landowners and/or business owners who own and/or operate on sites that adjoin or are located in close proximity to other zones may incur costs in fulfilling this obligation. In particular, it may mean that part of a site cannot be used in a way which best suits the functional needs of the way the activity operates and/or it may require them to invest in particular methods which manage the nature and scale of | <p>Environmental</p> <ul style="list-style-type: none"> • The proposed provision framework will ensure that activities and development within the Zone do not adversely affect the amenity of other zones. This will provide positive environmental outcomes for persons who might own land, live or operate a business within any other zone which adjoins or is located in close proximity to the GIZ. In particular, the provisions aim to provide these persons with an ongoing expectation that the level of amenity they currently enjoy will not be adversely effected by activities and development that may establish, operate or grow within the GIZ. | <p>The proposed framework is considered to be the most appropriate and effective and efficient way to achieve Objective 18.2.4. In particular, the provisions seek to identify those specific types of effects that might be associated with activities anticipated within the Zone (being noise, glare, dust, odour, shading and visual effects) and states that they need to be managed in a way that does not does not adversely affect the amenity of other Zones. The standards table sets out thresholds relating to each of these effects such that they provide expectations in regard to effects that activities within the Zone should not exceed.</p> <p>The provisions identify gateway routes that have a type or level of visual amenity that should be taken into account in decision making if those thresholds set out</p> |

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| <p>effects that might be associated with the activity.</p> <ul style="list-style-type: none"> • In some cases, resource consents will be required where landowners and/or business owners propose activities or development which is unable to meet the test of not adversely affecting the amenity of other zones. These resource consent processes will impose costs and additional time pressures on developments. • Some landowners and/or business owners may choose not to locate within the Zone on account of the proposed framework. This may result in the loss of Industrial or Service activities from the District or cause the activity to seek a location within the District which is not suitable for the activity or is more sensitive to this type of activity. • A number of areas included within the General Industrial Zone are located in close proximity to other zones where a higher level of amenity is anticipated (i.e. zones with a residential purpose or function). Sites located within these particular zones may find it more difficult to meet the expectation set out by this provision framework. • The proposed framework may exclude some types of Industrial and Service activities from being able to establish, operate or grow | <ul style="list-style-type: none"> • Areas within the GIZ are located adjacent to or in close proximity to main gateway routes into Queenstown, Wanaka and Arrowtown. These main gateway routes are important when viewed in the context of the District's economy in which tourism and high quality landscape and urban environments play an integral role. These routes offer a large number of tourists with their first and/or last impression of the District's main urban environments. It is therefore important that activities and development within the GIZ do not adversely affect these main gateway routes. The proposed provisions will provide positive outcomes in regard to the environmental quality of the District's main urban gateway routes. | <p>in the standards are breached. In identifying these areas, the provisions ensure that assessments are efficient and effective in regard to effects that activities and development within the Zone might have on visual amenity present outside of the Zone.</p> <p>The proposed variation to Chapter 36 (Noise) is effective and efficient in that it only controls noise from activities and development operating within the Zone which is received in other Zones.</p> <p>This variation is also effective in terms of facilitating the production of a District Plan that assists QLDC in carrying out its functions and in achieving the purpose of the Act as it ensures that the General Industrial Zone is identified within the new District Plan and that appropriate controls are set out in regard to noise produced by activities and development within the Zone.</p> |
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| <p>within the Zone as they may produce adverse effects on the amenity of other zones. In this instance these activities may experience difficulty finding a suitable site within the District, thereby excluding the benefits this activity may offer the District's economy.</p> | | |
| <p>Alternative options considered less appropriate to achieve the objectives and policies (s32(1) (b)(i)):</p> | | |
| <p>Option 1: Retain the operative provisions</p> | <ul style="list-style-type: none"> • Would not address the identified issues with the operative provisions. • Would lead to inconsistency on drafting style in the PDP, and rather would result in a continuation of the complex drafting style of the ODP. • Would not provide the opportunity to introduce a policy framework and standards which have a greater capacity to provide for positive amenity related outcomes within the Zone. | |
| <p>Option 2: Do not attempt to control effects of activities operating within the Zone on the amenity of sites outside the Zone</p> | <ul style="list-style-type: none"> • While this option may provide for Industrial and Service activities to establish, operate and grow in a more flexible and intensive manner, it does not recognise that their effects are not always confined to the boundaries of the Zone. By not imposing standards to manage amenity effects beyond the Zone, persons who own property, live or work in other zones may experience adverse environmental, social, cultural or economic effects. • This option does not take into account that much of the land already located with an industrial zone is positioned adjacent or in close proximity to land zoned for the purpose of accommodating more sensitive land uses. • This option does not set up an appropriate framework for dealing with future plan changes that might seek additional land to be included within the General Industrial Zone. In particular, it is noted that much of the remaining developable flat land within the District is likely to be located in close proximity or be adjacent to land zoned for the purpose of accommodating more sensitive land uses. | |

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| <p>Option 3: Impose more stringent controls to ensure the amenity of other zones is maintained.</p> | <ul style="list-style-type: none">• This option would impose unrealistic expectations on activities operating within the Zone. To maintain the amenity of other zones would require all effects, including minor effects, to be confined to the boundary of the Zone. Achieving this would be likely to severely limit the ability of the Zone to achieve its functional purpose.• It is likely that significant investment would be required by land owners and business operators within the Zone to maintain the level of amenity within other Zones. This level of investment may result in land owners and business operators not choosing to locate within the Zone or the District, resulting in a loss of economic activity from the District. |
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11. EFFICIENCY AND EFFECTIVENESS OF THE PROVISIONS

11.1. The proposed provisions strike an appropriate balance to achieve the integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district. In doing so, the proposed provisions are more appropriate than the alternatives considered.

12. THE RISK OF NOT ACTING

12.1. Section 32(c) of the RMA requires an assessment of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions. It is not considered that there is uncertain or insufficient information about the subject matter of the provisions.

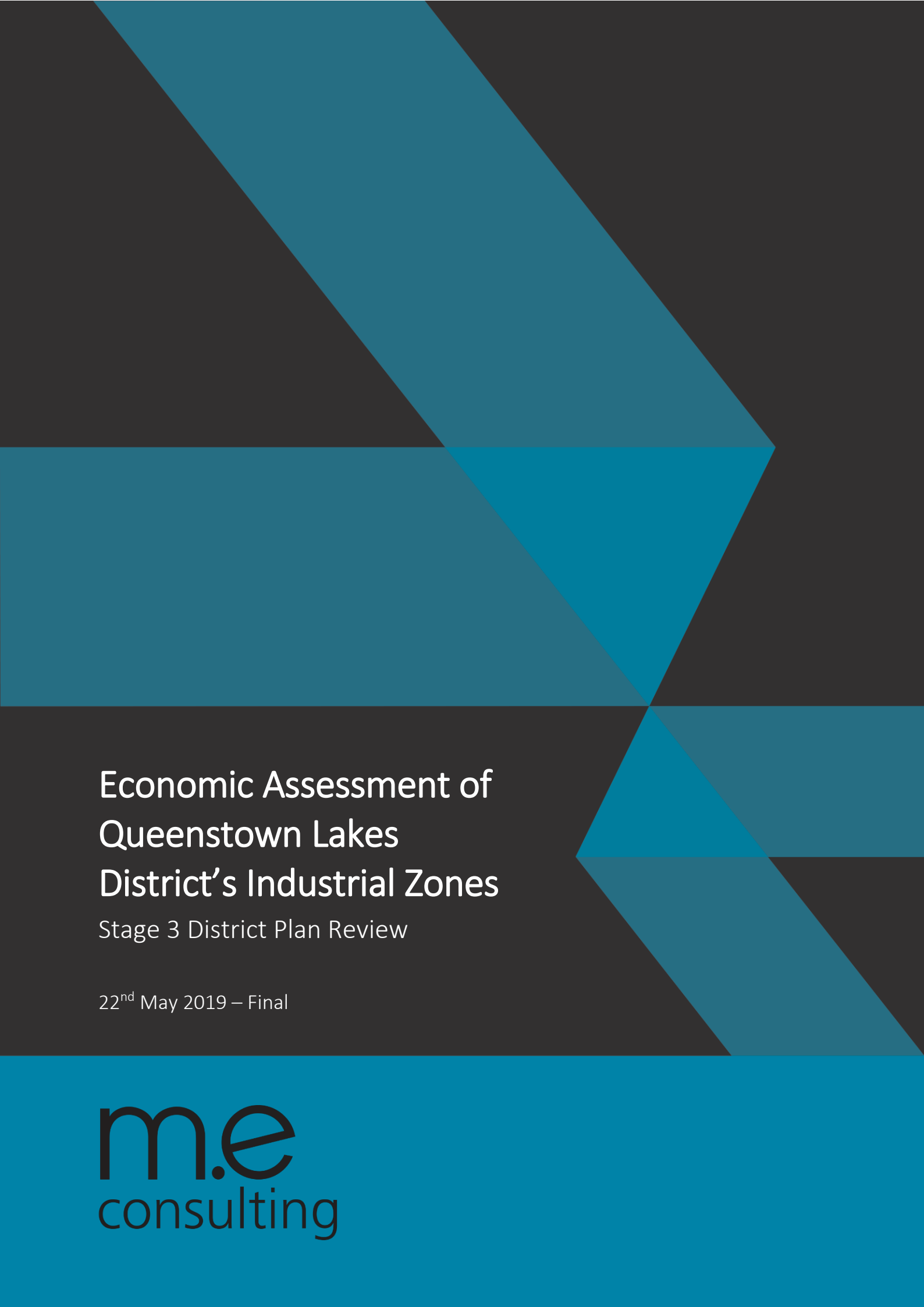
12.2. The issues identified and options taken forward are the most appropriate way to achieve the purpose of the RMA. If these changes were not made there is a risk the District Plan would fall short of fulfilling its functions.

Appendices

Appendix 1 – Market Economics report on the Industrial Economy

**Appendix 2: Business Development Capacity Assessment 2017,
Queenstown Lakes District, 15 March 2018, Market Economics**

**Appendix 3: Landscape Memo, Glenda Drive Rural General Zoning,
21 February 2019, Helen Mellsop Landscape Architect**



Economic Assessment of Queenstown Lakes District's Industrial Zones

Stage 3 District Plan Review

22nd May 2019 – Final

m.e
consulting



Economic Assessment of Queenstown Lakes District's Industrial Zones

Stage 3 District Plan Review

Prepared for

Queenstown Lakes District Council

Document reference: Industrial Zones Economic Assessment – Final.docx

Date of this version: 22nd May 2019

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Executive Summary

This report, which informs the Stage 3 District Plan Review, provides an economic assessment of the Queenstown Lakes District (QLD) 'industrial economy' and the role of the Industrial, Industrial B, Ballantyne Road Mixed Use Special Zone and the Gorge Road (Operative) Business zones in meeting the current and future needs of that economy.

M.E has analysed a range of spatial economic datasets including the StatisticsNZ Business Directory, the QLD Economic Futures Model and Council's own survey of current business activities in each of the above mentioned zones to identify and describe QLD's industrial economy and examine its structure, economic role, distribution, recent changes and projected future growth. The industrial economy relationships between each part of the district are examined, including the relationships between QLD and Cromwell. The business mix within each of the zones is also examined, to identify similarities and differences.

QLD's current (2017) industrial economy comprises of businesses involved in Manufacturing; Construction; Waste Collection, Treatment and Disposal; Wholesaling; Road Transport; Delivery Services; Storage; Vehicle, Machinery and Equipment (construction related) Hire; Automotive, Appliance, Machinery and Equipment Repair and Maintenance Services; and industrial Dry Cleaning (non-retail component). QLD's industrial economy is unique to the district and not especially influenced by industrial economy trends happening at the national level. The mix of activities differs from the national average and other districts of a similar population size.

QLD does not have a significant manufacturing base. The main manufacturing businesses are those supplying the construction industry which dominates the industrial economy and accounts for the greatest share of recent growth. Wholesaling also makes up a small share of businesses, although is growing quickly, so can expect a slightly greater role in the future.

Overall, QLD's industrial economy is characterised by small scale businesses that serve local level demand. While there is some dependence on inputs supplied from the rest of New Zealand, the industrial economies in Wanaka and Queenstown-Arrowtown are largely self-sufficient with only limited trade between the wards. Cromwell's industrial economy, while characterised by slightly larger businesses, is smaller in size than both Queenstown and Wanaka. It serves a portion of QLD's demand but is more dependent on output from Queenstown and Wanaka, than the other way around.

Industrial economy businesses operate in a range of physical forms including factories, warehouses, workshops, yards and offices (or a combination of these as ancillary activities). Only a small portion (between 5-13%) of industrial economy businesses have a functional or operational need to locate in an industrial zone (2017). Those that do, tend to be relatively larger (in employment terms) and relatively more 'heavy industrial' in nature. These include businesses that operate in large spaces (i.e. warehouse style buildings or workshops), require onsite storage of machinery, vehicles or materials (i.e. yard based activities), generate large truck movements, and/or have externality effects such as dust and noise.

A large share of the industrial economy generates no demand for zoned capacity (industrial or otherwise) and does not need to be provided for in a district plan sense. These businesses (found in the residential



zones) are dominated by tradesman in the Construction sector, or very small-scale home-based manufacturing businesses.

QLD's industrial economy is growing rapidly and has demonstrated growth rates faster than the rest of the district's economy. This is expected to continue, with the future structure of the industrial economy likely to be similar to what's here today. As such a 'business as usual' outlook is appropriate to guide future planning. However, there are a number of factors which are impacting on the viability of those industrial economy businesses that have a functional need to locate in industrial zones. These are matters which can be addressed as part of the district plan review process.

Notably, while the industrial economy overall has been growing, the industrial economy share of businesses in the district's industrial zones has been declining over time. This has occurred because of flexible zone provisions that have allowed, particularly in the Industrial Zone, a range of activities that do not have a functional need to be in an industrial zone (and can locate in other zones such as Town Centre, Business Mixed Use and some Special zones).

Office and commercial activities (that are not ancillary to other activities on site) are the biggest concern, and Glenda Drive contains several examples of intensive forms of office development. Enabling a mix of activities in the industrial zones, combined with rising land values, drives landowners to maximise returns by supplying premises that will attract the highest value land use possible. Land extensive industrial activities are then priced out of the market. With diminishing feasible capacity remaining in the zones (with Coneburn and Ballantyne Mixed Use zones still in a holding pattern) it is important that this trend is halted else existing industrial activities will become increasingly vulnerable and the growth of a critical portion of the local industrial economy will be constrained.

This report provides a number of high-level recommendations for managing activities and effects in and on industrial zones. Some flexibility may be appropriate, particularly when it does not compromise ground floor industrial activities but providing greater protection for industrial activities that have a functional need to be in industrial zones is key. The QLD economy has grown considerably since the Industrial zone was created. The market is now large enough to sustain a less mixed-use industrial zone and this will lead to greater efficiencies for the economy as a whole.



1 Introduction

Queenstown Lakes District Council (QLDC) are undertaking a rolling review of their operative district plan. As part of stage three of the review, Council are examining the provisions that manage the Industrial, Industrial B, Ballantyne Road Mixed Use Special Zone and the Operative Business Zone in Gorge Road. To inform the evidence base of that review workstream, Market Economics (M.E) has been commissioned to provide an economic assessment of the Queenstown Lakes District (QLD) industrial economy and the role of the above industrial zones in meeting the current and future needs of that economy.


1.1 Research Objective

Council seeks a greater understanding of the QLD industrial economy – its geography; its structure/composition (including any evidence of functional clusters); its changing role/profile in the context of the wider district, regional and national economy; its future direction; demand growth; its land use and built form requirements; and the way in which it interfaces with other sectors, zones and customers (whether other businesses or final consumers (households)). These aspects inform the potential changes anticipated in the QLD industrial economy that will need to be enabled and managed through industrial zone provisions over the life of the proposed district plan (PDP). It also informs the diversity of land use activity that industrial zones need to cater for (now and in the future). At the highest level, this requirement helps ensure that industrial zones (and associated provisions) will be ‘fit for purpose’ in the medium-term future.

Council also seeks greater understanding of the factors that affect the viability and vulnerability/resilience of industrial land use activities in QLD – both detrimental and helpful factors. This is a combination of:

- a) macro-economic factors that are influencing industrial economy trends nationally (imports, exports, prices/competition, strategies, incentives, regulations, trade agreements etc);
- b) district wide economic factors that are influencing the QLD industrial economy (growth, land supply/capacity, land/lease prices, housing affordability, skilled and unskilled workforce, living costs, access/traffic congestion, support services, logistics etc); and
- c) micro-economic factors that are influencing industrial zoned land (competition from other (higher value) land uses, land ownership, infrastructure, planning rules and standards that influence built form (development) and activity on site, decision making and precedent effects).

This component is wider than just an assessment of the effectiveness of operative industrial zone provisions, it considers – from the perspective of the industrial business owner – the full range of factors that both facilitate and support the establishment and operation of that business in QLD and/or constrain its current operation and its ability to grow/adapt in the years to come. While district plan provisions may only be able to influence some of these factors, this *wider* perspective will help Council with its broader strategy of supporting the industrial economy.



The objective of the report is to address these two broad requirements. Where appropriate (and within M.E's expertise), recommendations are included on potential objective/policy directions that will better enable the sustainable management of the identified industrial zones. This includes providing feedback to Council team members on options and draft provisions as they develop. The economic assessment will help Council understand the scale and significance of different options, as well as their potential effectiveness and efficiency for the purpose of s32 report drafting.

1.2 Data, Scope and Report Outline

The assessment is limited to a desktop study of available data sources. This includes data from QLDC, Statistics New Zealand and M.E's proprietary datasets and models. At the time of drafting, the relevant district plan is the Stage 1 decisions version. Where mapping is required to support analysis in this report, the GIS zoning layer is based on the notified Stage 1 (and Stage 2 visitor accommodation sub-zones and open space) proposed district plan zones – being the copy already held by M.E. This has saved time in preparing this report and any differences to the Stage 1 decisions versions maps are inconsequential to the analysis and conclusions.

This report relies predominantly on Statistics New Zealand Business Directory data. This data (which is available as a time series) records business counts and employment in each meshblock according to the Australia New Zealand Standard Industrial Classification 2006 (ANZSIC). This data is the base standard for spatial economic analysis as it provides a consistent dataset for total New Zealand at a relatively fine spatial resolution. The ANZSIC structure is a concordance that allows 506 individual business types (also called 6-digit ANZSICs) to be aggregated up to broader groups and ultimately 19 economic sectors or 'divisions'. Similarly, meshblocks can be grouped easily to match ward, district and region boundaries.

The 6-digit ANZSIC classification defines businesses by their 'primary activities'. The ANZSIC framework identifies a list of mutually exclusive primary activities for each 6-digit ANZSIC, so there can be a variety of businesses that match the range of primary activities in any one 6-digit ANZSIC. Businesses are assigned to a 6-digit ANZSIC based on their primary activity only. As such, if a business sells clothes and footwear, but clothing is their primary activity, they are classed a Clothing Retailer.

A limitation of the Business Directory data for this study is that the 6-digit ANZSIC description of any business refers to its business type, but not the operational/functional form of that business. As such, it does not indicate if a House Construction business, for example, operates out of an office, a yard or is a self-employed tradesman that has no physical premises (although the data can give an indication of the average size of that business within a meshblock).

This is relevant as, the QLDC Stage 1 decisions version district plan refers to 'activities' that can or cannot occur in different land use zones. These activities relate to the operational/functional form of businesses which is necessary in order to manage effects in each zone. Those activities are not limited to specific ANZSICs. As such, enabling a 'yard based service activity' could in fact relate to a range of potential 6-digit ANZSICs.

It is important to keep this distinction in mind throughout this report, where analysis is strongly focussed on ANZSICs. The scope of the report (and associated discussion) seeks to bridge this gap so that the findings of the analysis translate into relevant resource management considerations for industrial zone planning.



Section 2 of the report describes QLD's industrial economy for the purpose of this report. It explores its current structure and role in the wider economy. It assesses its distribution and role by ward.

Section 3 examines linkages and trade relationships between the industrial economy in each ward of QLD and with areas outside the district. It identifies upstream and downstream activities supporting and sustained by the industrial economy in each location.

Section 4 takes the analysis down to the zone level and explores the role of the stage three review industrial zones relative to each other and other zones in the district.

Section 5 looks at recent changes in the QLD industrial economy; trends and changes that have led to today's industrial economy in terms of its structure and geography.

Section 6 looks forward at projected growth of the industrial economy and explores macro and micro level drivers that influence and impact on current and future industrial land use activities.

Section 7 provides an overall summary and recommendations for the review of the specified industrial zones. A number of appendices contain further detail which supports sections 2-6.



2 QLD's Industrial Economy

This section provides an overview of QLD's industrial economy. It describes how the industrial economy has been identified, what activities it comprises of, what role it plays in the wider QLD economy and how it compares to the industrial economy of other areas in New Zealand. We then examine how that industrial economy is spread across the district's wards and explore similarities and differences between those wards and relative to neighbouring Cromwell Ward in Central Otago District (COD).

2.1 Definition Approach


The scope of the industrial economy in QLD will differ depending on whether you take a traditional 'economic sectors' approach, a 'zone enabled activity' approach or a 'land use/building typology' approach. It is relevant to consider all three (and highlight the differences).

It is often stated¹ that the industrial sector (aka Secondary Sector) comprises those activities that fall within ANZSIC 1-digit categories of C (Manufacturing), D (Electricity, Gas, Water and Waste Services) and E (Construction). The benefit of this Secondary Sector approach is that it allows for consistent comparison across districts/regions and transcends what might or might not have been enabled in local planning provisions. The limitation of this approach is that it does not fully capture the various land use activities (i.e. functional forms) of businesses within these sectors. A business coded within Utilities might operate a site that is purely office based or a specialist plant (i.e. water treatment facility) or a yard-based operation – all of which might seek very different locations (zones) within a district. This traditional definition of industrial sectors also misses out a range of businesses that tend to seek an industrial zone (transport/freight companies, wholesalers and bus depots for example) – that is, there is sometimes a disjoint between defined industrial sectors and actual industrial land use.

By comparison, if the activities currently enabled in the District's industrial zones are used to guide the potential scope of the industrial economy you get a much wider set of activities as follows:

- The Industrial Zone enables (permitted or controlled) a wide range of activities as long as they meet site and zone standards, with only commercial recreation discretionary; non-ancillary retail, airport operation, visitor accommodation and factory farming non-complying; and new activities sensitive to aircraft noise in the Queenstown Airport Outer Control Boundary prohibited.
- The Industrial B Zone enables (permitted or controlled) a more focussed range of activities as long as they meet site and zone standards, with commercial, community, factory farming, airport operation, and specified non-ancillary retail activity non-complying. Only visitor accommodation, unspecified non-ancillary retail and non-ancillary offices are prohibited. Non-complying retail includes all wholesaling sectors, equipment hire, food and beverage outlets, automotive and marine supplies, garden and patio supplies and more.

¹ <http://www.economywatch.com/world-industries/industrial-sector> for example.

- 
- The Ballantyne Road Mixed Use Zone variously enables (permitted or controlled) a more focussed range of activities as long as they meet site and zone standards, with hire equipment and motor vehicle sales discretionary; commercial activities (other than showrooms, offices and yard based services), community activities, education, industrial activities, service activities, health and day care facilities, licensed premises, factory farming, motor vehicle repair and servicing, entertainment and waste management facilities all non-complying. No employment-based sector is prohibited across all precincts of the zone.

The disadvantage of adopting this ‘on the ground’ approach for this study is that permissive provisions (or approved discretionary or non-complying consents) mean the resulting industrial economy would be described too broadly and unduly overlaps the retail and commercial office economy for example. The advantage is that its more closely tied to the local characteristics of industrial land use activities in QLD – recognising the importance of service activity for example. Overall it is considered that (on its own) this is not an appropriate approach to identify the QLD industrial economy. It has a degree of circularity that will not allow the users of this report to consider true industrial land use activities independently of operative zone provisions.


The third potential approach to describing the scope of the industrial economy is based more on a land use and building typology perspective – identifying the activities that occupy the sorts of buildings or sites typically provided for or anticipated in industrial zones from an effects, urban form and amenity outcome². This includes, for example, warehouse type buildings/structures, factories, yards and other special purpose plants/buildings. When approached in this way (and there is a degree of overlap between this approach and the ‘on the ground’ approach), you generally capture a more diverse range of activities than the industrial sector approach but a smaller range (sub-set) of activities than the ‘on the ground’ approach (more focussed on the true industrial land use activities rather than all potentially enabled activities). An advantage of this approach is that it is expected to align reasonably closely with the site and zone standards of industrial zones. The disadvantage is that you end up with too many sectors/industries (defined by ANZSIC) for a concise description and analysis.

The implication is that any one approach is not appropriate for this study. Starting with core and commonly identified industrial sectors is the recommended starting point. Activities that are actually on the ground in QLD industrial zones, combined with knowledge of typical industrial land use typologies, can then be used as a filter/cross check. It is important to identify what falls outside and what falls within the identified industrial economy so that the scope of subsequent analysis in this report is clearly understood.

With the above issues in mind, M.E has identified the QLD industrial economy as follows:


1. We coded 2013 meshblocks to (Stage 1 decisions version) district plan zones by location in the study area – being all of QLD and Cromwell Ward in neighbouring COD. Meshblock boundaries are often coarser than zone boundaries. This means that the representation of zones using meshblocks is approximate only and at times captures multiple zones in one meshblock, so some detail is lost. Given the focus on industrial zones, capturing their full

² This was the approach taken in the BDCA demand modelling which looked at the relationship between building typologies/land use types and industries (at the 6-digit ANZSIC level) based on national averages and summarised to the 48-sector level. Refer Appendix 8 of the final BDCA. This also includes a step which weighted the 48 sector findings to align with the structure of the QLD economy (relative to the national average).



extent has been given priority but an implication of this approach is that it can include activity that sits within the meshblock but outside the industrial zone. This spatial coding of meshblocks is however common practice and allows for systematic desktop analysis of meshblock level data. The accuracy of the meshblock coding is discussed later in the report with regard to analysis of the four industrial zones of interest. The Council's own ground truthing data of each industrial zones offers greater accuracy of what activities are in the zone areas, so is a useful cross check (albeit that it is based on district plan 'activities' rather than 'ANZSIC industries' used in M.E's analysis, so is not directly comparable).

2. We appended 2017 business (and employment) counts by 6-digit ANZSIC to those meshblocks. This allowed us to summarise 2017 business (and employment) counts by 6-digit ANZSIC to approximate Stage 1 decisions version district plan zones and wards.
3. M.E then selected 6-digit ANZSICs where there was one or more business in either the combined Wanaka Industrial Zone areas, Arrowtown Industrial Zone area, Queenstown Industrial Zone area (Glenda Drive) or Gorge Road Business (Operative) Zone area that fell within the following industry sectors:
 - A - Agriculture, Forestry and Fishing Support Services (but excluding primary production)
 - C - Manufacturing
 - D - Waste Services (but excluding Electricity Supply, Gas Supply, and Water/Sewerage Supply Services)
 - E - Construction
 - F - Wholesale Trade
 - I - Transport, Postal and Warehousing
 - L - Rental and Hiring Services (but excluding Real Estate Services)
 - S - Other Services (but limited to automotive servicing, equipment/appliance repair services and laundry and dry-cleaning services)
4. The above step identified only the more industrial land use businesses present in QLD's industrial (or Business (operative)) zones. It does not pick up all businesses in these zones. The next step was to select 6-digit ANZSICs where there was one or more business (2017) in any other zone of QLD, on the basis that not all 'industrial' businesses locate in the industrial zones. This step was limited to ANZSICs not already selected in the following more typical industrial sectors:
 - C - Manufacturing
 - D - Waste Services (but excluding Electricity Supply, Gas Supply, and Water/Sewerage Supply Services)
 - E - Construction
 - F - Wholesale

- 
- I - Transport, Postal and Warehousing
5. The above two steps cumulatively captured all 6-digit ANZSICs in the Construction sector, but only selected 6-digit ANZSICs in other divisions.

The above approach identifies industrial businesses that are (given sufficient scale³) considered likely to seek an industrial zone location, or, alternatively occupy a building or site that one might typically associate with the urban form and amenity of industrial zones (i.e. Yards, warehouses, service depots, factories). These may include ancillary office and retail space.

As the selection of 6-digit ANZSICs is limited to what is actually present in QLD, the result is an industrial economy unique to QLD – as at 2017. This selection may not be representative of QLD’s past industrial economy or future industrial economy – both of which are analysed later in this report.

The final selection of 6-digit ANZSICs in QLD’s industrial economy has been cross checked with primary data collected by QLDC of business activities present in the 3 developed (fully or partially) zones of interest⁴. That data is more accurate in terms of what’s in and not in the actual zone boundaries but does not have an ANZSIC basis for categorising activities, so does not enable a direct comparison. However, M.E has directly compared the nature of businesses⁵ categorised as Industrial, Light Industrial, Outdoor Storage, Yard Based Industrial and Yard Based Service Activity with the industries included in the QLD industrial economy definition and they overlap. This data is discussed further in Section 4.4

As a final cross check, M.E has compared the selected industries in the identified industrial economy with M.E’s national dataset on the average mix of building / land use typologies by 6-digit ANZSIC⁶. This further confirmed that the identified QLD industrial economy does not miss any industries that have a high estimated share of activity in either Warehouses, Factories, Commercial Yards, Industrial Yards, Other Built Industrial or Outdoor Industrial typologies.

Having confirmed that the adopted approach has identified an appropriate set of businesses to describe QLD’s industrial economy, Appendix 1 provides a full list by 6-digit ANZSIC and related summary concordance.

2.2 Key Parameters of the QLD Industrial Economy

Figure 2.1 provides a high-level summary of the composition of the QLD industrial economy – as identified for this report. In total, it comprises just under 1,930 businesses and approximately 6,250 workers⁷ (2017). It therefore accounts for 25% of all business in the QLD economy in 2017 (7,710) and 22.5% of all workers (27,800).

³ The Business Directory data from Statistics NZ is limited to those businesses registered with IRD/ GST. It therefore excludes very small-scale businesses.

⁴ The Ballantyne Road Mixed Use Zone is a zone of interest to the review but is currently undeveloped/greenfield.

⁵ Based on the business name recorded in the QLDC ground truthing survey and estimating the ANZSIC this might fall within.

⁶ This data was used as a key input to the QLDC BDCA 2017.

⁷ Employment is measured as the ‘Modified Employment Count’. This includes the Employee Count reported by Statistics NZ and M.E estimates of Statistics NZ working proprietors excluded from the Employee Count by each ANZSIC.

Appendix 2 provides a detailed breakdown by 6-Digit ANZSIC. This highlights the diversity of businesses and the count within each 6-digit ANZSIC. Not all of the industrial economy contains much depth/choice between businesses. There are 27 businesses that are the only business in that ANZSIC. A further 38 businesses are one of just two in the same ANZSIC. This does not mean that these businesses are necessarily small, although some are. The two Photographic, Optical and Ophthalmic Equipment Manufacturing businesses, have an average employment count of 13-14 each. The two Metal and Mineral Wholesaling businesses have an average of 9 workers each. Some businesses are unique within the district because they serve a district (or larger) catchment (i.e. the market cannot sustain more than one). Others are unique because they are less common generally (rare).

At the other end of the scale, there are 392 businesses in the House Construction ANZSIC, 78 in the Electrical Services ANZSIC and 76 in the Painting and Decorating Services ANZSIC. We note that individual builders not employed (via wages or salary) by a building company are often registered as sole traders who contract themselves to other builders/building companies. This means that a builder and a building business can be one in the same. The average size of businesses in the House Construction ANZSIC is 3, so half of all businesses have one or two workers. There is approximately one electrician for every 4 house builders and one painter for every 5 house builders.

Overall, business that fall within the Construction 'division' (being the broadest aggregation in the ANZSIC framework) make up 61% of all businesses and 56% of all employment in the QLD industrial economy in 2017. Manufacturing accounts for 12% of businesses and 14% of employment (with an average business size of 4 workers each). The Wholesale Trade division makes up 8% and 9% respectively. Appendix 2 provides the structure at the detailed ANZSIC level.

Figure 2.1 – Summary Structure of QLD Industrial Economy 2017 – Total District

| ANZSIC Division | Industrial Economy Selection | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) * | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|---|--------------------|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|------------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 50 | 2.6% | 0.7% | 130 | 2.1% | 0.5% | 3 |
| C | Manufacturing | 225 | 11.7% | 2.9% | 862 | 13.8% | 3.1% | 4 |
| D | Waste Services Group Only | 15 | 0.8% | 0.2% | 103 | 1.6% | 0.4% | 7 |
| E | Construction | 1,168 | 60.6% | 15.2% | 3,465 | 55.5% | 12.5% | 3 |
| F | Wholesale Trade | 154 | 8.0% | 2.0% | 573 | 9.2% | 2.1% | 4 |
| I | Selected Transport, Postal and Warehousing | 85 | 4.4% | 1.1% | 312 | 5.0% | 1.1% | 4 |
| L | Selected Rental and Hiring Services | 128 | 6.6% | 1.7% | 371 | 5.9% | 1.3% | 3 |
| S | Selected Other Services | 102 | 5.3% | 1.3% | 434 | 6.9% | 1.6% | 4 |
| QLD Industrial Economy | | 1,928 | 100.0% | 25.0% | 6,249 | 100.0% | 22.5% | 3 |
| Rest of QLD Economy (all other ANZSICs) | | 5,782 | | 75.0% | 21,551 | 344.9% | 77.5% | 4 |
| Total QLD Economy | | 7,710 | | 100.0% | 27,800 | | 100.0% | 4 |

Source: M.E, Statistics NZ Business Frame 2017

2.3 QLD Industrial Economy Comparison

The identified QLD industrial economy is unique to QLD and so comparisons with the other districts/cities in New Zealand would ideally require the industrial economy of those areas to be identified in a consistent way. That was not practical for the purpose of this study. However, we have compared the identified QLD industrial economy with the equivalent industries in other locations to see how this selection of businesses compares as a share of total economic activity, and also the relative mix of activities within those selected industries.

To compare QLD’s industrial economy we have selected the two districts with a usually resident population (2017) slightly smaller than QLD (when ranked in order). These are Whakatane District and Taupo District. And the two districts with a slightly larger population (Upper Hutt City and Whanganui District). We have also considered Dunedin – being a large city near to Queenstown; Auckland City (as our largest metropolitan city); total Otago Region; and total New Zealand.

Figure 2.2 shows that the selected businesses that make up QLD’s industrial economy account for 25% of total businesses. This is not dissimilar to New Zealand overall, Taupo District, and Auckland. In Upper Hutt, those selected businesses play a greater role in the local economy (31% of all businesses) and in Whakatane District, they play a lower role relative to the rest of the economy. Employment-wise, QLD’s share of workers in the selected businesses is much smaller than all of the comparators. Nationally, those businesses account for 29% of total employment. This is due to the small average size of industrial businesses in QLD compared with elsewhere (3 per business compared to 5 per business for total New Zealand).

Figure 2.2 – Comparison of QLD Industrial Economy Industries Share of Total Economy 2017

| Activity as Share of Total Economy | Queenstown-Lakes District | Taupo District | Upper Hutt City | Whanganui District | Whakatane District | Dunedin City | Auckland Region | Otago Region | New Zealand |
|--|---------------------------|----------------|-----------------|--------------------|--------------------|--------------|-----------------|--------------|-------------|
| Businesses within QLD Industrial Economy | 25.0% | 25.8% | 30.6% | 23.7% | 20.3% | 22.9% | 25.8% | 22.8% | 24.4% |
| Employment within QLD Industrial Economy | 22.4% | 24.9% | 26.1% | 31.5% | 24.6% | 23.2% | 29.9% | 25.5% | 29.0% |
| Businesses in Manufacturing Sector | 2.9% | 4.1% | 4.7% | 4.9% | 3.3% | 4.0% | 4.2% | 3.4% | 4.0% |
| Employment in Manufacturing Sector | 3.1% | 6.8% | 7.7% | 14.2% | 7.3% | 6.4% | 9.4% | 7.6% | 9.7% |

Source: M.E, Statistics NZ Business Frame 2017.

Figure 2.3 provides the same comparison of business counts falling within QLD’s identified industrial economy but summarised by ANZSIC division. Appendix 3 provides the associated summary table. It shows that relative to the comparator areas, Construction accounts for a relatively higher share of total selected businesses, second only to Upper Hutt. Waste Services accounts for a similar share of businesses in all locations. Wholesale Trade in QLD also plays a lower relative role. This is consistent with the long distance of QLD from sea or air freight ports (in terms of wholesaling imported products) or proximity to a primary production hub. Combined with the lower relative role for Transport and Warehousing, it shows that QLD is not well located to be a logistics (distribution) hub.

The divisions where QLD plays a relatively stronger role in the selected businesses is Rental and Hiring Services (in an industrial or industrial service role). This activity includes 64 Other Goods and Equipment Rental and Hiring Not Elsewhere Classified businesses⁸, 39 Passenger Car Rental and Hiring businesses and 21 Other Motor Vehicle and Transport Equipment Rental and Hiring businesses. The majority of these businesses are sustained by Queenstown’s significant tourism role.

⁸ Examples of primary activities includes art work rental, bike rental, camping equipment rental, costume hire, appliance rental, furniture rental, pot plant rental, suit hire and office machinery rental.



Figure 2.3 – Comparison of Share of Businesses (2017) within Identified QLD Industrial Economy

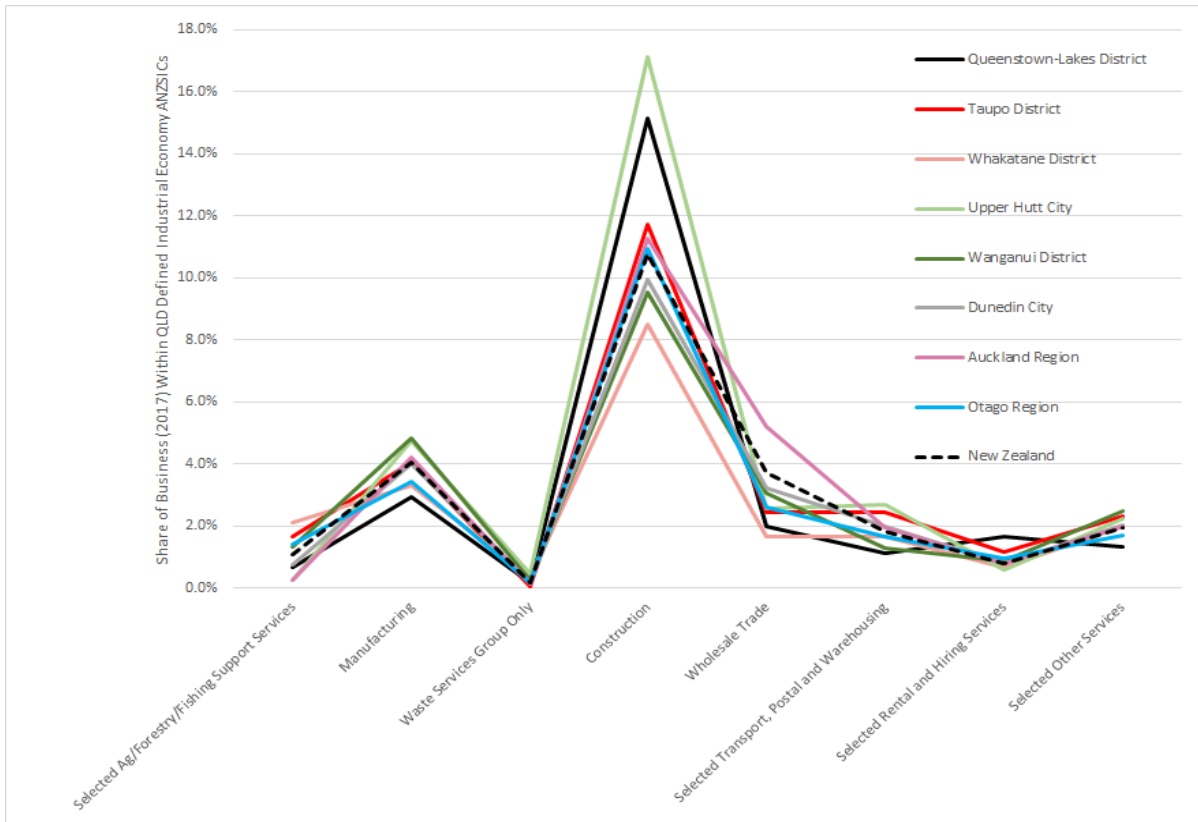


Figure 2.4 – Comparison of Share of Employment (2017) within Identified QLD Industrial Economy

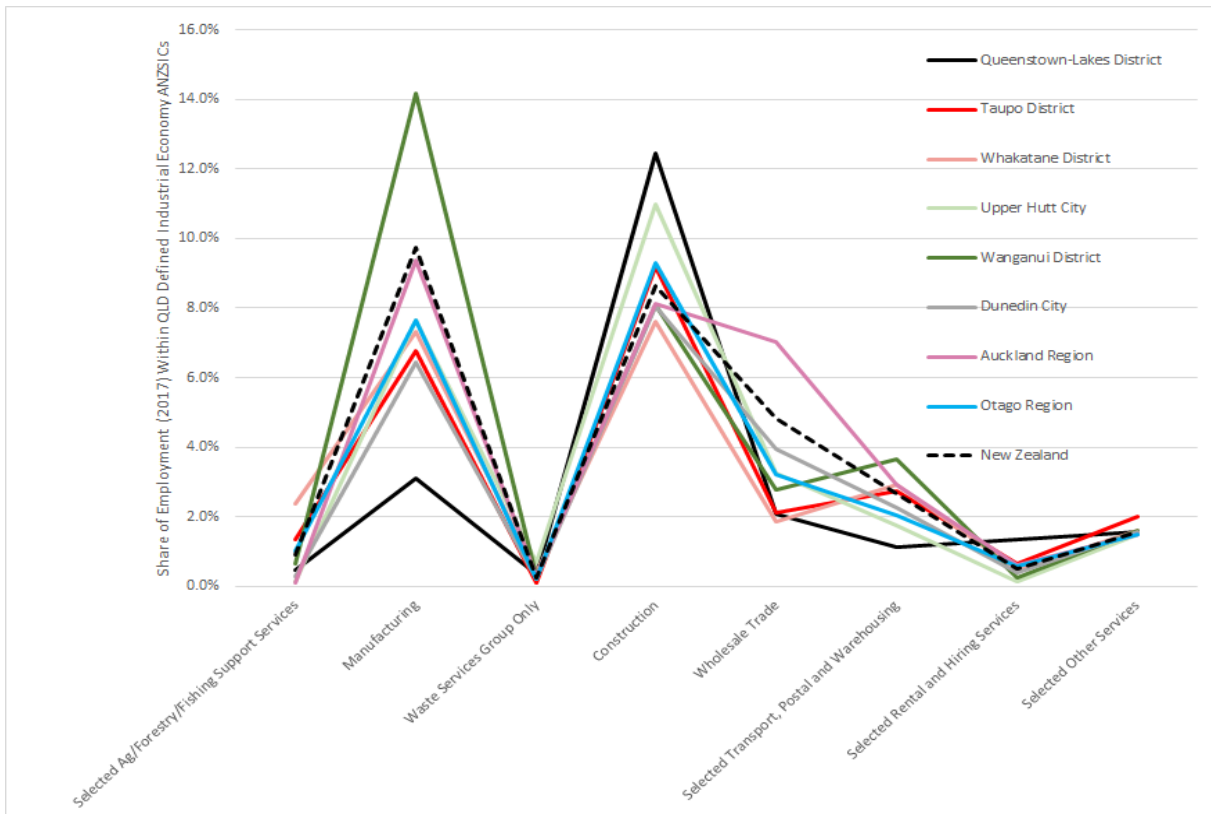




Figure 2.4 compares employment in the selected businesses by location. This further highlights the small scale of QLD's Manufacturing base in employment terms (as well as business terms) and the significant role of Construction within the QLD industrial economy compared to elsewhere (see also Appendix 3).

To provide another useful perspective to the comparison, we have looked at the total count of businesses in the Manufacturing division. This approach does not limit the business and employment count just to Manufacturing businesses that are found in QLD but captures each area's Manufacturing sector. Further detail is provided in Appendix 4.

Figure 2.2 (above) shows Manufacturing accounts for 2.9% of total businesses in QLD. This is low compared to the comparators, which range from a 3.3% share in Whakatane District and a 4.9% share in Whanganui. The share of employment in QLD's Manufacturing sector is 3.1% of total employment (2017). This is even lower relative to the comparators which range from 6.4% in Dunedin City to 14.2% in Whanganui District. This highlights that QLD does not have a strong manufacturing base and what businesses it does have in that division, tends to be smaller in scale than those found elsewhere.

Figure 2.5 – Comparison of Share of Businesses (2017) within Manufacturing Sector

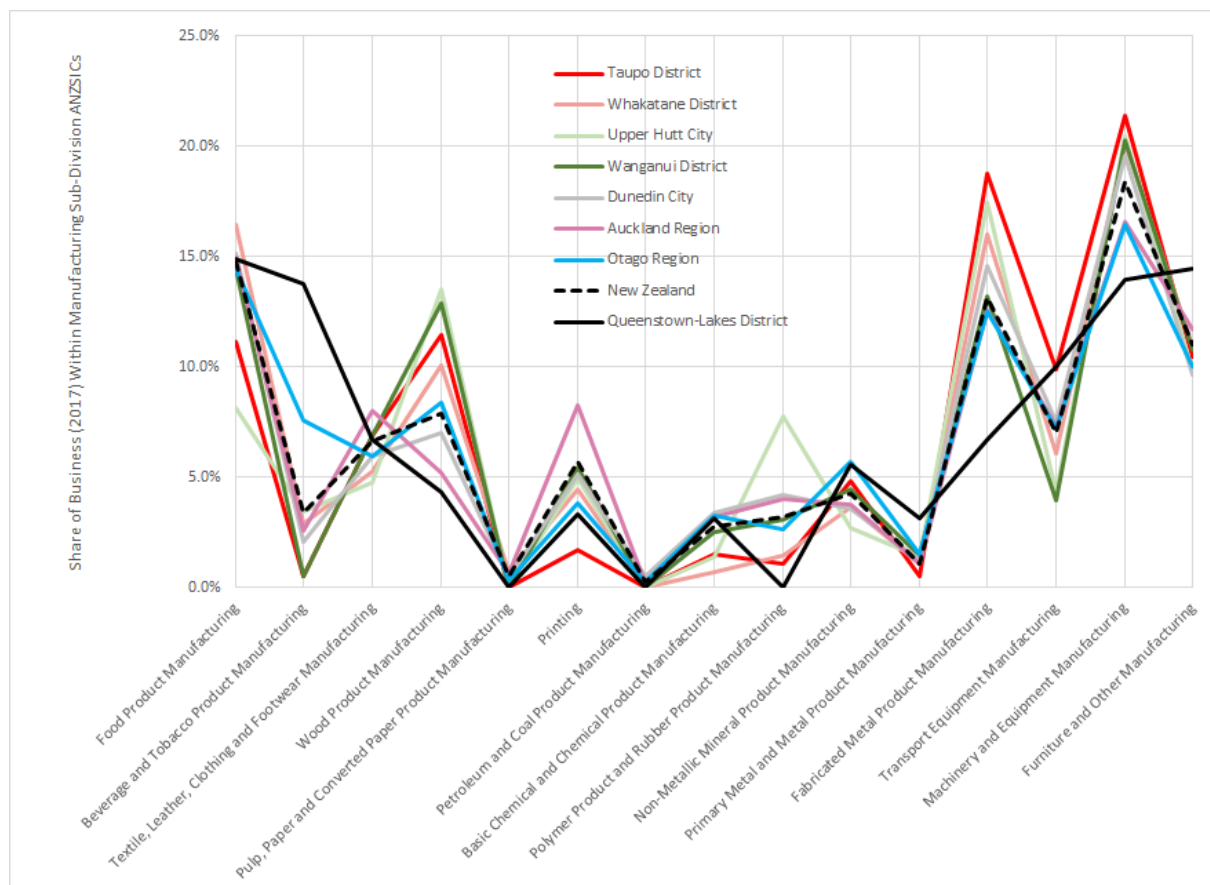
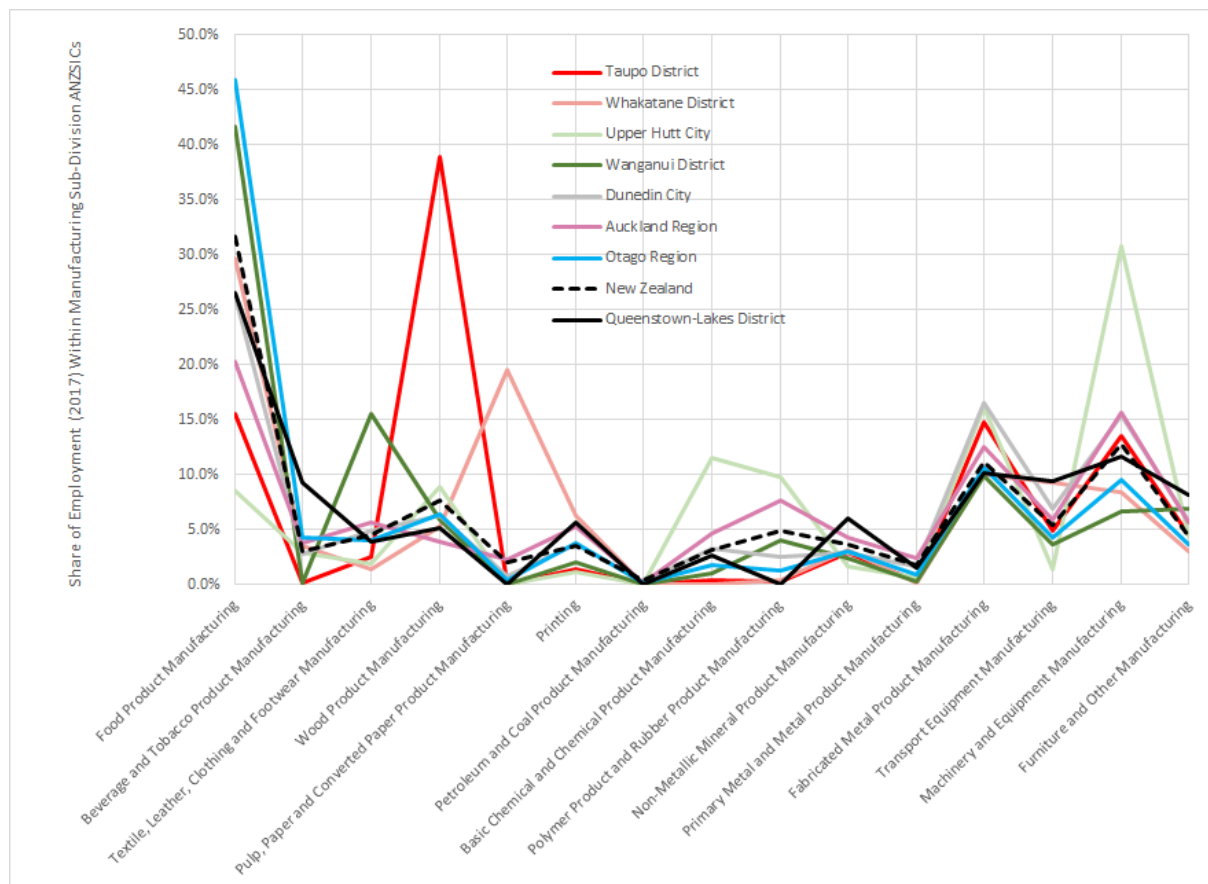


Figure 2.5 and Appendix 4 provide a breakdown of Manufacturing by ANZSIC Sub-Division. QLD's Manufacturing sector is not what is typically found in New Zealand. Relative to the comparators, QLD has a higher share of Beverage Product Manufacturing businesses, Non-Metallic Mineral Product

Manufacturing⁹, Transport Equipment Manufacturing and Furniture and Other Manufacturing businesses. In several Sub-Divisions, the mix of manufacturing businesses is similar to the national average. But QLD has a particularly small relative role in Wood Product Manufacturing, Printing, Polymer/Rubber Product Manufacturing, Fabricated Metal Product Manufacturing, and Machinery and Equipment Manufacturing – all heavy or factory-based Manufacturing activities. Figure 2.6 (and Appendix 4) further highlight the specialisation of other comparator areas and the more unique employment profile of QLD’s Manufacturing sector.

Figure 2.6 – Comparison of Share of Employment (2017) within Manufacturing Sector



The same analysis of comparable Manufacturing employment is analysed using location quotients in Figure 2.7. The coloration is relative within each area to highlight those Manufacturing Sub-Divisions where employment is concentrated (or not¹⁰) relative to the national average. QLD has a higher concentration of Beverage Manufacturing employment, Furniture and Other Manufacturing, Transport Equipment

⁹ Examples of businesses include other ceramic product manufacturing, ready mixed concrete manufacturing, concrete product manufacturing, and other non-metallic mineral product manufacturing (for which primary activities include abrasives manufacturing, brick/silica lime manufacturing, imitation brick or stone manufacturing, chalk product manufacturing, insulation/glass fibre/mineral wool manufacturing, ground mineral earths manufacturing, processed lightweight aggregate manufacturing, slag crushing, stone product manufacturing).

¹⁰ Values greater than 1 show a relative concentration relative to the average (in this case total New Zealand). Values less than 1 show an under-representation and values close to one show a similar relative share as the average.

Manufacturing, Printing and Non-Metallic Mineral Product Manufacturing. These are the Manufacturing Sub-Divisions that QLD specialises in.

Figure 2.7 - Share of Employment (2017) within Manufacturing Sector – Location Quotient

| Manufacturing Sub-Division | Queenstown-Lakes District | Taupo District | Upper Hutt City | Wanganui District | Whakatane District | Dunedin City | Auckland Region | Otago Region | New Zealand |
|---|---------------------------|----------------|-----------------|-------------------|--------------------|--------------|-----------------|--------------|-------------|
| Food Product Manufacturing | 0.8 | 0.5 | 0.3 | 1.3 | 0.9 | 0.8 | 0.6 | 1.5 | 1.0 |
| Beverage and Tobacco Product Manufacturing | 3.1 | 0.0 | 1.0 | 0.0 | 1.1 | 0.9 | 1.2 | 1.4 | 1.0 |
| Textile, Leather, Clothing and Footwear Manufacturing | 0.9 | 0.6 | 0.4 | 3.5 | 0.3 | 1.1 | 1.3 | 0.9 | 1.0 |
| Wood Product Manufacturing | 0.7 | 5.1 | 1.2 | 0.8 | 0.7 | 0.8 | 0.5 | 0.8 | 1.0 |
| Pulp, Paper and Converted Paper Product Manufacturing | - | - | - | - | 9.7 | 0.4 | 1.1 | 0.2 | 1.0 |
| Printing | 1.6 | 0.4 | 0.3 | 0.6 | 1.8 | 1.0 | 1.5 | 1.1 | 1.0 |
| Petroleum and Coal Product Manufacturing | - | - | - | - | - | 0.7 | 0.3 | 0.3 | 1.0 |
| Basic Chemical and Chemical Product Manufacturing | 0.8 | 0.1 | 3.7 | 0.3 | 0.0 | 1.0 | 1.5 | 0.6 | 1.0 |
| Polymer Product and Rubber Product Manufacturing | - | 0.0 | 2.0 | 0.8 | 0.1 | 0.5 | 1.6 | 0.3 | 1.0 |
| Non-Metallic Mineral Product Manufacturing | 1.6 | 0.8 | 0.5 | 0.7 | 0.8 | 0.8 | 1.2 | 0.8 | 1.0 |
| Primary Metal and Metal Product Manufacturing | 0.8 | 0.1 | 0.4 | 0.2 | 0.1 | 0.9 | 1.3 | 0.5 | 1.0 |
| Fabricated Metal Product Manufacturing | 0.9 | 1.3 | 1.5 | 0.9 | 0.9 | 1.5 | 1.1 | 1.0 | 1.0 |
| Transport Equipment Manufacturing | 1.7 | 0.9 | 0.3 | 0.7 | 1.7 | 1.3 | 1.1 | 0.8 | 1.0 |
| Machinery and Equipment Manufacturing | 0.9 | 1.1 | 2.4 | 0.5 | 0.7 | 1.2 | 1.2 | 0.7 | 1.0 |
| Furniture and Other Manufacturing | 1.9 | 1.0 | 1.0 | 1.6 | 0.7 | 1.3 | 1.3 | 0.8 | 1.0 |
| Total Manufacturing Sector | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |

Source: M.E, Statistics NZ Business Frame 2017. Colour scale applied within each area and not across all areas.

2.4 QLD Industrial Economy by Ward

This section looks at the distribution of QLD’s industrial economy across the wards of the District – being Wanaka, Queenstown-Wakatipu (Queenstown) and Arrowtown. A key point of interest for this research was the role or relationship QLD has with the industrial economy in Cromwell in neighbouring COD – given that it is closer to either Queenstown or Wanaka, than Queenstown and Wanaka are to each other¹¹. We have therefore included the Cromwell Ward in our wider study area. Figure 2.8 also shows other geographic areas commonly referred to in this report.

Figure 2.9 summarises the count of businesses in the QLD industrial economy that are located in each ward. Further detail of business counts by 6-Digit ANZSIC is also included later in this section. In total, the small Arrowtown Ward contains 133 businesses (2017) that fall within QLD’s industrial economy. This is nearly 7% of the total industrial economy businesses in QLD (6% of the study area total). Within that ward, the industrial economy accounts for an above average share of all businesses (nearly 29%). This is due to the limited other business enabled zones in the ward, with the Town Centre zone being the main commercial centre. The Construction Division dominates the industrial economy in Arrowtown Ward (94 businesses or approximately 20% of total ward businesses). Manufacturing includes 13 businesses (nearly 3% of total ward businesses).

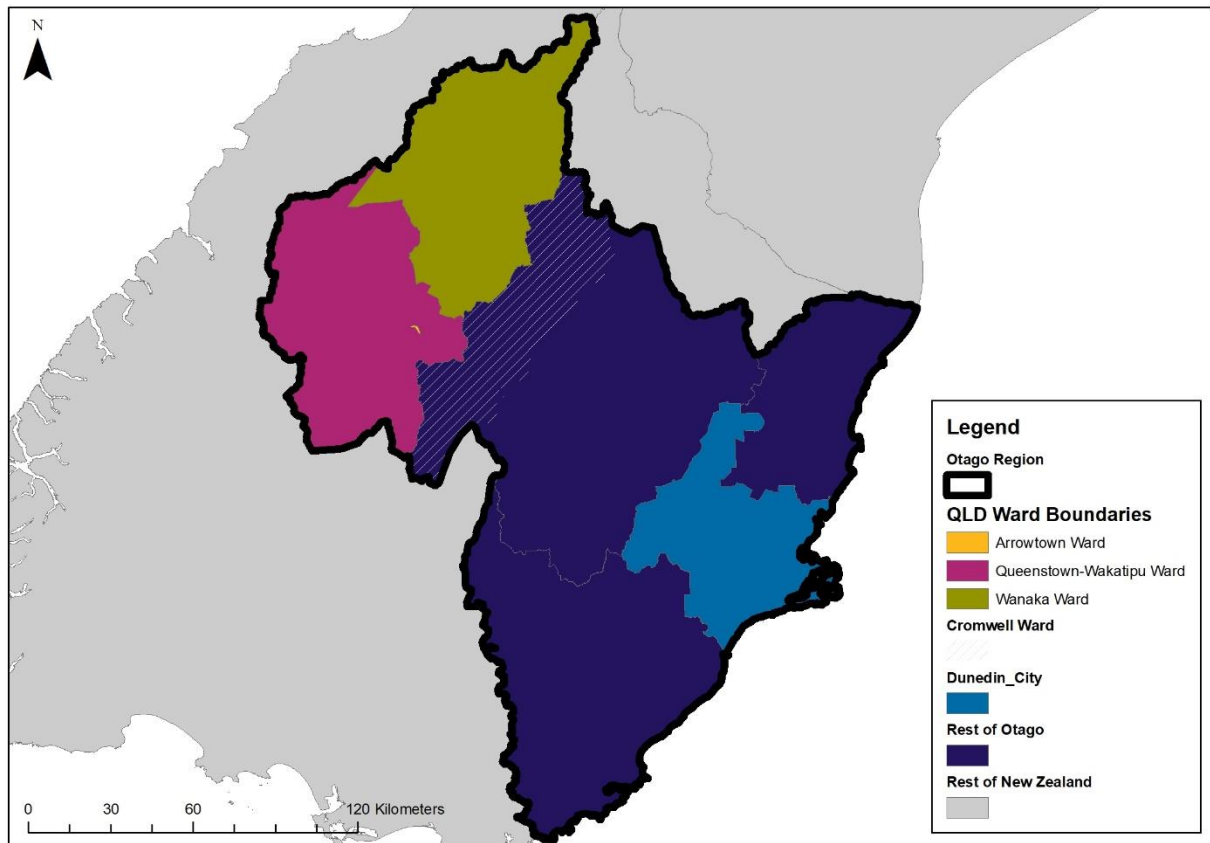
The Queenstown Ward contains nearly 1,060 businesses (2017) that fall within QLD’s industrial economy. This is a significant 55% share of the total QLD industrial economy businesses (45% of the study area total). Within the Queenstown ward, the industrial economy accounts for a below average share of all businesses (just over 22%). The Construction Division dominates the industrial economy in Queenstown Ward (619 businesses or approximately 13% of total ward businesses). 53% of all Construction businesses in QLD are

¹¹ Approximately 54km between Wanaka and Cromwell, 60km between Queenstown and Cromwell and 67km between Wanaka and Queenstown.



located in Queenstown ward. Manufacturing includes 124 businesses (Just under 3% of total ward businesses).

Figure 2.8 – Map of Ward Boundaries in Study Area and Other Relevant Catchments



The Wanaka Ward contains nearly 740 businesses (2017) that fall within QLD’s industrial economy. This is a 34% share of the total QLD industrial economy businesses (31% of the study area total). Within the Wanaka ward, the industrial economy accounts for an above average share of all businesses (nearly 30%), so has a more significant local role than in Queenstown. The Construction Division dominates the industrial economy in Wanaka Ward (455 businesses or approximately 18% of total ward businesses). 39% of all Construction businesses in QLD are located in the Wanaka ward. Manufacturing includes 88 businesses (just under 4% of total ward businesses).

The Cromwell Ward contains just over 430 businesses (2017) that fall within QLD’s industrial economy description¹². This is an 18% share of the total industrial economy businesses in the wider QLD-Cromwell study area. This shows that while anecdotally Cromwell is known for its industrial hub, from a business count perspective (across the industries included in QLD’s industrial economy description) it is about 58% of the size of Wanaka’s industrial economy and 40% of the size of Queenstown ward’s industrial economy.

Within the Cromwell ward, the industrial economy accounts for an above average share of all businesses (nearly 34% compared to an average of 25% for total QLD). The Construction Division dominates the

¹² Refer earlier comment about comparability of QLD’s industrial economy with areas outside the district. This analysis does not necessarily represent Cromwell’s or COD’s industrial economy if approached in the same way.

industrial economy in Cromwell Ward (204 businesses or approximately 16% of total ward businesses). 15% of all Construction businesses in the study area are located in the Cromwell ward. Manufacturing includes 77 businesses (just under 6% of total ward businesses).

Figure 2.9 – Summary of Industrial Economy and Other Business by Ward 2017

| ANZSIC Division | Industrial Economy Selection | Arrowtown | Queenstown | Wanaka | Total QLD | Cromwell | Total Study Area |
|--|---|---------------|---------------|---------------|---------------|---------------|------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 5 | 21 | 24 | 50 | 25 | 76 |
| C | Manufacturing | 13 | 124 | 88 | 225 | 77 | 302 |
| D | Waste Services Group Only | - | 9 | 6 | 15 | 1 | 16 |
| E | Construction | 94 | 619 | 455 | 1,168 | 204 | 1,372 |
| F | Wholesale Trade | 3 | 83 | 68 | 154 | 56 | 211 |
| I | Selected Transport, Postal and Warehousing | 4 | 56 | 25 | 85 | 33 | 117 |
| L | Selected Rental and Hiring Services | 6 | 86 | 36 | 128 | 12 | 140 |
| S | Selected Other Services | 9 | 60 | 34 | 102 | 23 | 125 |
| QLD Industrial Economy | | 133 | 1,059 | 736 | 1,928 | 431 | 2,359 |
| Rest of QLD Economy (all other ANZSICs) | | 328 | 3,716 | 1,738 | 5,782 | 842 | 6,624 |
| Total QLD Economy | | 462 | 4,775 | 2,474 | 7,710 | 1,272 | 8,982 |
| Division Share of Each Ward | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 1.1% | 0.4% | 1.0% | 0.7% | 2.0% | 0.8% |
| C | Manufacturing | 2.9% | 2.6% | 3.6% | 2.9% | 6.0% | 3.4% |
| D | Waste Services Group Only | 0.0% | 0.2% | 0.2% | 0.2% | 0.1% | 0.2% |
| E | Construction | 20.4% | 13.0% | 18.4% | 15.2% | 16.0% | 15.3% |
| F | Wholesale Trade | 0.6% | 1.7% | 2.8% | 2.0% | 4.4% | 2.3% |
| I | Selected Transport, Postal and Warehousing | 0.8% | 1.2% | 1.0% | 1.1% | 2.6% | 1.3% |
| L | Selected Rental and Hiring Services | 1.3% | 1.8% | 1.4% | 1.7% | 0.9% | 1.6% |
| S | Selected Other Services | 1.9% | 1.3% | 1.4% | 1.3% | 1.8% | 1.4% |
| QLD Industrial Economy | | 28.9% | 22.2% | 29.8% | 25.0% | 33.8% | 26.3% |
| Rest of QLD Economy (all other ANZSICs) | | 71.1% | 77.8% | 70.2% | 75.0% | 66.2% | 73.7% |
| Total QLD Economy | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Ward Share of Each Division | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 9.8% | 42.6% | 47.6% | 100.0% | | |
| C | Manufacturing | 5.9% | 54.9% | 39.2% | 100.0% | | |
| D | Waste Services Group Only | 0.0% | 58.5% | 41.5% | 100.0% | | |
| E | Construction | 8.0% | 53.0% | 39.0% | 100.0% | | |
| F | Wholesale Trade | 1.7% | 54.1% | 44.2% | 100.0% | | |
| I | Selected Transport, Postal and Warehousing | 4.1% | 66.3% | 29.6% | 100.0% | | |
| L | Selected Rental and Hiring Services | 4.7% | 67.4% | 27.9% | 100.0% | | |
| S | Selected Other Services | 8.6% | 58.5% | 32.9% | 100.0% | | |
| QLD Industrial Economy | | 6.9% | 54.9% | 38.2% | 100.0% | | |
| Rest of QLD Economy (all other ANZSICs) | | 5.7% | 64.3% | 30.0% | 100.0% | | |
| Total QLD Economy | | 6.0% | 61.9% | 32.1% | 100.0% | | |

Source: M.E, Statistics NZ Business Frame 2017

Figure 2.10 compares industrial economy employment by ward across the study area. It includes average business size by Division. Compared to the business count summary, the key features are:

- The same two Divisions dominate – Construction followed by Manufacturing. However, in the Cromwell ward, employment in Selected Agricultural Support Services is a close second to Manufacturing, indicating these are large employers.
- The share of total ward employment that falls within the industrial economy is greater relative the business count share in both Arrowtown and Cromwell, again indicating a mix of larger businesses relative to the rest of the economy. In Arrowtown, industrial economy employment

makes up 31.5% of total ward employment (2017) and in Cromwell it is a significant 39.7%. This is an average business size of 3.1 and 5.4 respectively.

Figure 2.10 – Summary of Industrial Economy and Other Employment by Ward

| ANZSIC Division | Industrial Economy Selection | Arrowtown | Queenstown | Wanaka | Total QLD | Cromwell | Total Study Area |
|--|---|-----------|------------|--------|-----------|----------|------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 16 | 63 | 51 | 130 | 454 | 584 |
| C | Manufacturing | 41 | 549 | 272 | 862 | 469 | 1,331 |
| D | Waste Services Group Only | - | 35 | 68 | 103 | 6 | 109 |
| E | Construction | 284 | 2,121 | 1,060 | 3,465 | 726 | 4,191 |
| F | Wholesale Trade | 18 | 375 | 181 | 573 | 390 | 963 |
| I | Selected Transport, Postal and Warehousing | 4 | 244 | 64 | 312 | 202 | 514 |
| L | Selected Rental and Hiring Services | 25 | 294 | 51 | 371 | 22 | 393 |
| S | Selected Other Services | 29 | 280 | 126 | 434 | 64 | 498 |
| QLD Industrial Economy | | 416 | 3,959 | 1,873 | 6,249 | 2,334 | 8,582 |
| Rest of QLD Economy (all other ANZSICs) | | 906 | 15,409 | 5,237 | 21,551 | 3,548 | 25,099 |
| Total QLD Economy | | 1,322 | 19,368 | 7,110 | 27,800 | 5,882 | 33,682 |
| Division Share of Each Ward | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 1.2% | 0.3% | 0.7% | 0.5% | 7.7% | 1.7% |
| C | Manufacturing | 3.1% | 2.8% | 3.8% | 3.1% | 8.0% | 4.0% |
| D | Waste Services Group Only | 0.0% | 0.2% | 1.0% | 0.4% | 0.1% | 0.3% |
| E | Construction | 21.5% | 11.0% | 14.9% | 12.5% | 12.3% | 12.4% |
| F | Wholesale Trade | 1.3% | 1.9% | 2.5% | 2.1% | 6.6% | 2.9% |
| I | Selected Transport, Postal and Warehousing | 0.3% | 1.3% | 0.9% | 1.1% | 3.4% | 1.5% |
| L | Selected Rental and Hiring Services | 1.9% | 1.5% | 0.7% | 1.3% | 0.4% | 1.2% |
| S | Selected Other Services | 2.2% | 1.4% | 1.8% | 1.6% | 1.1% | 1.5% |
| QLD Industrial Economy | | 31.5% | 20.4% | 26.3% | 22.5% | 39.7% | 25.5% |
| Rest of QLD Economy (all other ANZSICs) | | 68.5% | 79.6% | 73.7% | 77.5% | 60.3% | 74.5% |
| Total QLD Economy | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Ward Share of Each Division | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 12.4% | 48.5% | 39.0% | 100.0% | | |
| C | Manufacturing | 4.8% | 63.7% | 31.6% | 100.0% | | |
| D | Waste Services Group Only | 0.0% | 33.9% | 66.1% | 100.0% | | |
| E | Construction | 8.2% | 61.2% | 30.6% | 100.0% | | |
| F | Wholesale Trade | 3.1% | 65.3% | 31.6% | 100.0% | | |
| I | Selected Transport, Postal and Warehousing | 1.2% | 78.2% | 20.5% | 100.0% | | |
| L | Selected Rental and Hiring Services | 6.8% | 79.4% | 13.9% | 100.0% | | |
| S | Selected Other Services | 6.6% | 64.4% | 29.0% | 100.0% | | |
| QLD Industrial Economy | | 6.7% | 63.4% | 30.0% | 100.0% | | |
| Rest of QLD Economy (all other ANZSICs) | | 4.2% | 71.5% | 24.3% | 100.0% | | |
| Total QLD Economy | | 4.8% | 69.7% | 25.6% | 100.0% | | |
| Ward Average Business Size (MECs) | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 3.3 | 2.9 | 2.1 | 2.6 | 17.9 | 7.7 |
| C | Manufacturing | 3.1 | 4.4 | 3.1 | 3.8 | 6.1 | 4.4 |
| D | Waste Services Group Only | - | 4.0 | 11.1 | 7.0 | 4.9 | 6.8 |
| E | Construction | 3.0 | 3.4 | 2.3 | 3.0 | 3.6 | 3.1 |
| F | Wholesale Trade | 6.6 | 4.5 | 2.7 | 3.7 | 6.9 | 4.6 |
| I | Selected Transport, Postal and Warehousing | 1.1 | 4.3 | 2.5 | 3.7 | 6.2 | 4.4 |
| L | Selected Rental and Hiring Services | 4.2 | 3.4 | 1.4 | 2.9 | 1.9 | 2.8 |
| S | Selected Other Services | 3.3 | 4.7 | 3.7 | 4.2 | 2.8 | 4.0 |
| QLD Industrial Economy | | 3.1 | 3.7 | 2.5 | 3.2 | 5.4 | 3.6 |
| Rest of QLD Economy (all other ANZSICs) | | 2.8 | 4.1 | 3.0 | 3.7 | 4.2 | 3.8 |
| Total QLD Economy | | 2.9 | 4.1 | 2.9 | 3.6 | 4.6 | 3.7 |

Source: M.E, Statistics NZ Business Frame 2017

- In contrast, in Wanaka and Queenstown wards, the employment share in the industrial economy is less than the business share due to a large number of small businesses relative to other sectors.

For example, in Queenstown, the average size of industrial economy businesses is 3.7 compared to an average of 4.1 in the rest of the economy.

- A significant 61% of Construction employment in QLD is located in Queenstown ward (compared to 53% of Construction businesses). The average size is 3.4 workers compared to 2.3 in Wanaka.
- Nearly 64% of Manufacturing employment in QLD is located in the Queenstown ward (compared to nearly 55% of Manufacturing businesses. The average size is 4.4 workers compared to 3.1 in Wanaka.
- However, the average size of Manufacturing businesses in Cromwell ward is bigger again at 6.1. Similarly, the average size of construction firms is also larger than in Queenstown – 3.6 compared to 3.4.

2.5 Ward Specialisation vs Duplication

We have calculated location quotients based on employment in the industrial economy to help identify specialisation within each of the wards of QLD. Figure 2.11 shows that relative to the district overall, Selected Agricultural Support Services plays a greater role in Arrowtown and a moderate role in Wanaka, but is underrepresented in Queenstown Ward. In Arrowtown, the industrial economy is also more focussed on Construction, Rental and Hiring Services and Selected Other Services that elsewhere in the district. Wholesale Trade and Transport and Warehousing is not a focus for Arrowtown but is a focus for Queenstown. In the Wanaka ward, the industrial economy employment is more focussed on Waste Services (with Waste Busters likely to be the key player her), Construction and Manufacturing. Rental and Hiring Services is not a focus (relative to Queenstown), but this would be expected to change if commercial flights were to start at Wanaka Airport – so a change in structure of the industrial economy would be expected under that outcome.

Figure 2.11 QLD Location Quotients (Employment Based 2017) – Specialisation by Ward

| ANZSIC Division | Industrial Economy Selection | Arrowtown | Queenstown | Wanaka | Total QLD |
|---|---|-----------|------------|--------|-----------|
| A | Selected Ag/Forestry/Fishing Support Services | 2.6 | 0.7 | 1.5 | 1.0 |
| C | Manufacturing | 1.0 | 0.9 | 1.2 | 1.0 |
| D | Waste Services Group Only | - | 0.5 | 2.6 | 1.0 |
| E | Construction | 1.7 | 0.9 | 1.2 | 1.0 |
| F | Wholesale Trade | 0.6 | 0.9 | 1.2 | 1.0 |
| I | Selected Transport, Postal and Warehousing | 0.3 | 1.1 | 0.8 | 1.0 |
| L | Selected Rental and Hiring Services | 1.4 | 1.1 | 0.5 | 1.0 |
| S | Selected Other Services | 1.4 | 0.9 | 1.1 | 1.0 |
| QLD Industrial Economy | | 1.4 | 0.9 | 1.2 | 1.0 |
| Rest of QLD Economy (all other ANZSICs) | | 0.9 | 1.0 | 1.0 | 1.0 |
| Total QLD Economy | | 1.0 | 1.0 | 1.0 | 1.0 |

Source: M.E, Statistics NZ Business Frame 2017.

Figure 2.12 includes Cromwell in the employment location quotient to examine relative specialisation across the study area. When viewed this way, we see that Cromwell is much more focussed on Agricultural

Support Services, Manufacturing, Wholesale Trade and Selected Transport, Postal and Warehousing compared to any of the areas within QLD (or QLD overall).

This indicates that Cromwell is a more attractive location for businesses in these Divisions. This is logical given the strategic location of Cromwell to both Wanaka and Queenstown (i.e. it is a central hub) and the benefit of this for Transport, Postal/Courier, Manufacturing, Warehousing and Wholesaling (which have a big focus on freight movements and distribution). Cromwell is also closer to Dunedin and the route to Christchurch. The specialisation in Agricultural Services is logically linked to the horticultural activities in Cromwell. These locational attributes mean that Queenstown and Wanaka are not likely to compete with Cromwell for larger businesses in these key sectors but may still support some smaller scale operations that have a more local operating focus.

Figure 2.12 – Study Area Location Quotients (Employment Based 2017) – Specialisation by Ward


| ANZSIC Division | Industrial Economy Selection | Arrowtown | Queenstown | Wanaka | Total QLD | Cromwell * | Total Study Area |
|---|---|-----------|------------|--------|-----------|------------|------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 0.7 | 0.2 | 0.4 | 0.3 | 4.5 | 1.0 |
| C | Manufacturing | 0.8 | 0.7 | 1.0 | 0.8 | 2.0 | 1.0 |
| D | Waste Services Group Only | - | 0.6 | 2.9 | 1.1 | 0.3 | 1.0 |
| E | Construction | 1.7 | 0.9 | 1.2 | 1.0 | 1.0 | 1.0 |
| F | Wholesale Trade | 0.5 | 0.7 | 0.9 | 0.7 | 2.3 | 1.0 |
| I | Selected Transport, Postal and Warehousing | 0.2 | 0.8 | 0.6 | 0.7 | 2.3 | 1.0 |
| L | Selected Rental and Hiring Services | 1.6 | 1.3 | 0.6 | 1.1 | 0.3 | 1.0 |
| S | Selected Other Services | 1.5 | 1.0 | 1.2 | 1.1 | 0.7 | 1.0 |
| QLD Industrial Economy | | 1.2 | 0.8 | 1.0 | 0.9 | 1.6 | 1.0 |
| Rest of QLD Economy (all other ANZSICs) | | 0.9 | 1.1 | 1.0 | 1.0 | 0.8 | 1.0 |
| Total QLD Economy | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |

Source: M.E, Statistics NZ Business Frame 2017. * Assesses Cromwell in the context of QLD's defined industrial economy. This does not fully represent Cromwell Ward's own industrial economy, or that of COD.

Taking a more detailed look at the comparative mix of activities in the industrial economy of each ward in the study area, the following table highlights not only the degree of overlap or duplication between ward businesses (by 6-Digit ANZSIC) but also the uniqueness of each Ward in terms of supply. This is another way of identifying specialisation of wards within the study area's industrial economy. It also contributes to an understanding on how dependent or independent each ward is of the others. This is relevant to the question on how much Queenstown's industrial economy "serves" Wanaka, and vice versa, and how much Cromwell "serves" QLD.

Key findings from Figure 2.13:

- a) There are just three ANZSICs in which Arrowtown Ward has the only businesses in QLD (i.e. those businesses are unique to Arrowtown). These include Milk and Cream Processing, Other Ceramic Product Manufacturing and Steel Pipe and Tube Manufacturing. All other industrial economy businesses are replicated in either Wanaka Ward, Queenstown Ward, or both (notwithstanding unique offerings of those businesses within each ANZSIC classification).
- b) There are 18 ANZSICs in which Wanaka Ward has the only businesses in QLD (i.e. those businesses are unique to Wanaka). In one of those ANZSICs (Pharmaceutical and Toiletry



Goods Wholesaling) there are 4 businesses¹³. In three of these ANZSICs there are two Wanaka businesses each. These include Human Pharmaceutical and Medicinal Product Manufacturing (very similar to Pharmaceutical and Toiletry Goods Wholesaling, potentially bringing that type of industry to 6 in total and suggesting that Wanaka attracts these types of businesses), Ice Cream Manufacturing and Book and Magazine Wholesaling. The remaining 14 unique ANZSICs contain one business each. All other industrial economy businesses are replicated in either Arrowtown Ward, Queenstown Ward, or both (notwithstanding unique offerings of those businesses within each ANZSIC classification).

- c) There are 20 ANZSICs in which Queenstown Ward has the only businesses in QLD (i.e. those businesses are unique to Queenstown). In three of those ANZSICs (Clothing Manufacturing, Printing and Fire and Security Alarm Installation Services) there are between 5 and 7 businesses each – suggesting that Queenstown attracts (or sustains) these types of businesses. In three of these ANZSICs there are between 3 and 4 businesses each. These include Interurban and Rural Bus Transport¹⁴, Timber Wholesaling and Computer and Computer Peripherals Wholesaling. In four of the unique ANZSICs in Queenstown Ward, there are 2 businesses each. The remaining 10 unique ANZSICs contain one business each. All other industrial economy businesses are replicated in either Arrowtown Ward, Wanaka Ward, or both (notwithstanding unique offerings of those businesses within each ANZSIC classification).
- d) Relative to the total QLD industrial economy, Cromwell Ward has a total of 16 unique manufacturing businesses, spread across 13 different manufacturing ANZSICs – several of which may be considered more heavy industrial activities (i.e. Tyre Manufacturing, Prefabricated Metal Building Manufacturing, Metal Furniture Manufacturing, Leather Tanning and Fur Processing and Log Sawmilling). Cromwell Ward also contains two unique wholesaling ANZSICs (Wool Wholesaling and Plumbing Goods Wholesaling) that are not present in QLD according to Statistics NZ. All other industrial economy businesses are replicated in QLD (notwithstanding unique offerings of those businesses within each ANZSIC classification).
- e) QLD has a large number of ANZSICs that are not present in Cromwell Ward. Several of which reflect the important tourism role that QLD has (and linked to the regional airport also in Queenstown). In some respects, Cromwell can be considered a satellite tourism destination relative to the Queenstown hub. Due to this, several industries supporting the tourism sector are likely to service demand in Cromwell from Queenstown. This may include, for example, Laundry and Dry Cleaning Services (10 in total in QLD and none in Cromwell Ward) and Interurban and Rural Bus Transport (4 in QLD). Care is needed as we have not considered the total COD and Alexandra is slightly larger than Cromwell. The proximity of Alexandra to Cromwell will influence what industrial land use activities are present in Cromwell, just as the proximity of both Wanaka and Queenstown will influence the mix of activities that can be sustained.

¹³ This will include businesses that wholesale cosmetics, medicine, perfume, toiletries, and veterinary medicines.

¹⁴ This is consistent with Queenstown having the only public bus transport within the district. Wanaka does not yet sustain public transport.

Figure 2.13 – Count of Businesses (2017) in QLD’s Industrial Economy by Study Area Ward

| Industry | ANZSIC06 | Division | Arrowtown | Queenstown | Wanaka | Total QLD | Cromwell | Total Study Area |
|---|----------|----------|-----------|------------|--------|-----------|----------|------------------|
| Industrial - House Construction | E301100 | E | 37 | 194 | 161 | 392 | 55 | 447 |
| Industrial - Electrical Services | E323200 | E | 6 | 37 | 34 | 78 | 14 | 92 |
| Industrial - Painting and Decorating Services | E324400 | E | 4 | 44 | 28 | 76 | 11 | 87 |
| Industrial - Other Residential Building Construction | E301900 | E | 4 | 40 | 24 | 68 | 21 | 89 |
| Industrial - Other Goods and Equipment Rental and Hiring n.e.c. | L663900 | L | 4 | 42 | 18 | 64 | 3 | 67 |
| Industrial - Land Development and Subdivision | E321100 | E | - | 34 | 27 | 61 | 5 | 65 |
| Industrial - Plastering and Ceiling Services | E324100 | E | 4 | 30 | 19 | 54 | 8 | 61 |
| Industrial - Other Automotive Repair and Maintenance | S941900 | S | 5 | 31 | 16 | 52 | 8 | 60 |
| Industrial - Other Agriculture and Fishing Support Services | A052900 | A | 5 | 21 | 24 | 50 | 25 | 76 |
| Industrial - Plumbing Services | E323100 | E | 7 | 21 | 22 | 50 | 16 | 66 |
| Industrial - Landscape Construction Services | E329100 | E | 1 | 25 | 21 | 47 | 16 | 63 |
| Industrial - Tiling and Carpeting Services | E324300 | E | 3 | 26 | 17 | 46 | 4 | 50 |
| Industrial - Site Preparation Services | E321200 | E | 5 | 24 | 17 | 46 | 6 | 52 |
| Industrial - Bricklaying Services | E322200 | E | 6 | 20 | 14 | 40 | 6 | 46 |
| Industrial - Passenger Car Rental and Hiring | L661100 | L | 2 | 27 | 10 | 39 | - | 39 |
| Industrial - Carpentry Services | E324200 | E | 2 | 25 | 8 | 35 | 3 | 38 |
| Industrial - Other Construction Services n.e.c. | E329900 | E | 1 | 14 | 19 | 33 | 7 | 41 |
| Industrial - Road Freight Transport | I461000 | I | - | 19 | 11 | 30 | 18 | 48 |
| Industrial - Other Heavy and Civil Engineering Construction | E310900 | E | 4 | 15 | 7 | 26 | 8 | 34 |
| Industrial - Non-Residential Building Construction | E302000 | E | 2 | 17 | 6 | 25 | 4 | 29 |
| Industrial - Courier Pick-up and Delivery Services | I510200 | I | - | 18 | 4 | 22 | 14 | 35 |
| Industrial - Other Motor Vehicle and Transport Equipment Rental and Hiring | L661900 | L | - | 15 | 5 | 21 | 7 | 27 |
| Industrial - Wine and Other Alcoholic Beverage Manufacturing | C121400 | C | - | 13 | 7 | 20 | 19 | 40 |
| Industrial - Wooden Furniture and Upholstered Seat Manufacturing | C251100 | C | - | 11 | 8 | 20 | 4 | 24 |
| Industrial - Other Machinery and Equipment Manufacturing n.e.c. | C249900 | C | 2 | 12 | 6 | 20 | 5 | 24 |
| Industrial - Automotive Body, Paint and Interior Repair | S941200 | S | 1 | 12 | 7 | 19 | 6 | 26 |
| Industrial - Roofing Services | E322300 | E | - | 8 | 9 | 17 | 4 | 22 |
| Industrial - Concreting Services | E322100 | E | 1 | 10 | 6 | 17 | 5 | 22 |
| Industrial - Other Electrical and Electronic Goods Wholesaling | F349400 | F | - | 11 | 7 | 17 | 3 | 20 |
| Industrial - Air Conditioning and Heating Services | E323300 | E | 5 | 7 | 4 | 17 | 2 | 19 |
| Industrial - Aircraft Manufacturing and Repair Services | C239400 | C | - | 6 | 10 | 16 | 1 | 17 |
| Industrial - Road and Bridge Construction | E310100 | E | - | 11 | 4 | 15 | 3 | 18 |
| Industrial - Commission Based Wholesaling | F380000 | F | - | 5 | 10 | 14 | 4 | 18 |
| Industrial - Other Grocery Wholesaling | F360900 | F | 2 | 8 | 5 | 14 | 4 | 18 |
| Industrial - Other Goods Wholesaling n.e.c. | F373900 | F | - | 8 | 6 | 14 | 2 | 16 |
| Industrial - Liquor and Tobacco Product Wholesaling | F360600 | F | - | 7 | 4 | 11 | 4 | 15 |
| Industrial - Bakery Product Manufacturing (Non-factory-based) | C117400 | C | 1 | 6 | 3 | 10 | 3 | 13 |
| Industrial - Laundry and Dry-Cleaning Services | S953100 | S | 1 | 6 | 3 | 10 | - | 10 |
| Industrial - Other Agricultural Product Wholesaling | F331900 | F | - | 6 | 4 | 9 | 3 | 13 |
| Industrial - Urban Bus Transport (Including Tramway) | I462200 | I | - | 7 | 2 | 9 | - | 9 |
| Industrial - Other Building Installation Services | E323900 | E | 1 | 6 | 2 | 9 | 1 | 10 |
| Industrial - Other Hardware Goods Wholesaling | F333900 | F | - | 6 | 3 | 9 | 7 | 16 |
| Industrial - Other Warehousing and Storage Services | I530900 | I | 2 | 4 | 3 | 9 | 1 | 10 |
| Industrial - Electronic (except Domestic Appliance) and Precision Equipment | S942200 | S | - | 3 | 5 | 8 | - | 8 |
| Industrial - Clothing and Footwear Wholesaling | F371200 | F | - | 5 | 3 | 8 | - | 8 |
| Industrial - Other Manufacturing n.e.c. | C259900 | C | 1 | 5 | 1 | 8 | 1 | 9 |
| Industrial - Clothing Manufacturing | C135100 | C | - | 7 | - | 7 | 2 | 9 |
| Industrial - Beer Manufacturing | C121200 | C | - | 5 | 2 | 7 | 1 | 8 |
| Industrial - Solid Waste Collection Services | D291100 | D | - | 4 | 3 | 7 | - | 7 |
| Industrial - Printing | C161100 | C | - | 6 | - | 6 | - | 6 |
| Industrial - Cut and Sewn Textile Product Manufacturing | C133300 | C | - | 2 | 4 | 6 | - | 6 |
| Industrial - Other Fabricated Metal Product Manufacturing n.e.c. | C229900 | C | - | 4 | 2 | 6 | 4 | 10 |
| Industrial - Other Transport Support Services n.e.c | I529900 | I | 1 | 2 | 3 | 6 | - | 6 |
| Industrial - Glazing Services | E324500 | E | - | 3 | 3 | 6 | 1 | 7 |
| Industrial - Medical and Surgical Equipment Manufacturing | C241200 | C | 1 | 2 | 2 | 5 | - | 5 |
| Industrial - Confectionery Manufacturing | C118200 | C | - | 3 | 2 | 5 | - | 5 |
| Industrial - Iron Smelting and Steel Manufacturing | C211000 | C | 1 | 1 | 3 | 5 | - | 5 |
| Industrial - Other Non-Metallic Mineral Product Manufacturing | C209000 | C | 1 | 2 | 2 | 5 | 2 | 7 |
| Industrial - Fire and Security Alarm Installation Services | E323400 | E | - | 5 | - | 5 | - | 5 |
| Industrial - Hire of Construction Machinery with Operator | E329200 | E | - | 3 | 2 | 5 | 3 | 8 |
| Industrial - Other Machinery and Equipment Repair and Maintenance | S942900 | S | 1 | 3 | 1 | 5 | 3 | 8 |
| Industrial - Petroleum Product Wholesaling | F332100 | F | - | 2 | 3 | 5 | - | 5 |
| Industrial - Toy and Sporting Goods Wholesaling | F373400 | F | - | 1 | 4 | 5 | 1 | 6 |
| Industrial - Waste Treatment and Disposal Services | D292100 | D | - | 4 | 1 | 5 | 1 | 6 |
| Industrial - Wooden Structural Fittings and Components Manufacturing | C149200 | C | - | 2 | 2 | 5 | 2 | 7 |
| Industrial - Motor Vehicle Body and Trailer Manufacturing | C231200 | C | 1 | 2 | 1 | 4 | - | 4 |
| Industrial - Dairy Produce Wholesaling | F360300 | F | 1 | 2 | 1 | 4 | - | 4 |
| Industrial - Other Wood Product Manufacturing n.e.c. | C149900 | C | - | 2 | 2 | 4 | 1 | 5 |
| Industrial - Heavy Machinery and Scaffolding Rental and Hiring | L663100 | L | - | 2 | 2 | 4 | 2 | 6 |
| Industrial - Motor Vehicle New Part Wholesaling | F350400 | F | - | 3 | 1 | 4 | 1 | 5 |
| Industrial - Automotive Electrical Services | S941100 | S | - | 3 | 1 | 4 | 5 | 9 |
| Industrial - Cake and Pastry Manufacturing (Factory-based) | C117200 | C | - | 2 | 2 | 4 | - | 4 |
| Industrial - Other Food Products Manufacturing n.e.c. | C119900 | C | - | 1 | 3 | 4 | 3 | 7 |

Figure 2.14 - Count of Businesses (2017) in QLD's Industrial Economy by Ward Continued...

| Industry | ANZSIC06 | Division | Arrowsdown | Queenstown | Wanaka | Total QLD | Cromwell | Total Study Area |
|---|----------|----------|------------|--------------|------------|--------------|------------|------------------|
| Industrial - Pharmaceutical and Toiletry Goods Wholesaling | F372000 | F | - | - | 4 | 4 | - | 4 |
| Industrial - Interurban and Rural Bus Transport | I462100 | I | - | 4 | - | 4 | - | 4 |
| Industrial - Other Water Transport Support Services | I521900 | I | 1 | 1 | 2 | 4 | - | 4 |
| Industrial - Domestic Appliance Repair and Maintenance | S942100 | S | 1 | 2 | 1 | 4 | 1 | 5 |
| Industrial - Metal Roof and Guttering Manufacturing (except Aluminium) | C222400 | C | - | 2 | 2 | 4 | 2 | 6 |
| Industrial - Agricultural and Construction Machinery Wholesaling | F341100 | F | - | 2 | 2 | 4 | 8 | 12 |
| Industrial - Concrete Product Manufacturing | C203400 | C | - | 3 | 1 | 4 | 1 | 5 |
| Industrial - Jewellery and Silverware Manufacturing | C259100 | C | 1 | 2 | - | 3 | 1 | 4 |
| Industrial - Cosmetic and Toiletry Preparation Manufacturing | C185200 | C | - | 2 | 1 | 3 | - | 3 |
| Industrial - Ready-Mixed Concrete Manufacturing | C203300 | C | - | 2 | 1 | 3 | 3 | 6 |
| Industrial - Fish and Seafood Wholesaling | F360400 | F | - | 2 | 1 | 3 | - | 3 |
| Industrial - Furniture and Floor Coverings Wholesaling | F373100 | F | - | 1 | 2 | 3 | - | 3 |
| Industrial - Timber Wholesaling | F333100 | F | - | 3 | - | 3 | 2 | 5 |
| Industrial - Computer and Computer Peripherals Wholesaling | F349200 | F | - | 3 | - | 3 | - | 3 |
| Industrial - Fruit and Vegetable Processing | C114000 | C | - | 2 | 1 | 3 | 1 | 4 |
| Industrial - Structural Steel Fabricating | C222100 | C | - | 1 | 1 | 2 | - | 2 |
| Industrial - Other Specialised Industrial Machinery and Equipment Wholesaling | F341900 | F | - | 1 | 1 | 2 | 3 | 6 |
| Industrial - Other Machinery and Equipment Wholesaling n | F349900 | F | - | 2 | - | 2 | - | 2 |
| Industrial - Boatbuilding and Repair Services | C239200 | C | - | 1 | 1 | 2 | - | 2 |
| Industrial - Industrial and Agricultural Chemical Product Wholesaling | F332300 | F | - | 1 | 1 | 2 | 4 | 6 |
| Industrial - Human Pharmaceutical and Medicinal Product Manufacturing | C184100 | C | - | - | 2 | 2 | - | 2 |
| Industrial - Ice Cream Manufacturing | C113200 | C | - | - | 2 | 2 | - | 2 |
| Industrial - Other Furniture Manufacturing | C251900 | C | - | 1 | 1 | 2 | - | 2 |
| Industrial - Soft Drink, Cordial and Syrup Manufacturing | C121100 | C | - | 2 | - | 2 | - | 2 |
| Industrial - Spirit Manufacturing | C121300 | C | - | 1 | 1 | 2 | - | 2 |
| Industrial - Textile Finishing and Other Textile Product Manufacturing | C133400 | C | - | 1 | 1 | 2 | - | 2 |
| Industrial - Waste Remediation and Materials Recovery Services | D292200 | D | - | 1 | 1 | 2 | - | 2 |
| Industrial - Structural Steel Erection Services | E322400 | E | - | 1 | 1 | 2 | - | 2 |
| Industrial - Book and Magazine Wholesaling | F373500 | F | - | - | 2 | 2 | - | 2 |
| Industrial - Car Wholesaling | F350100 | F | - | 1 | 1 | 2 | 1 | 3 |
| Industrial - Kitchen and Dining Ware Wholesaling | F373300 | F | - | 1 | 1 | 2 | - | 2 |
| Industrial - Textile Product Wholesaling | F371100 | F | - | 1 | 1 | 2 | - | 2 |
| Industrial - Metal and Mineral Wholesaling | F332200 | F | - | 2 | - | 2 | 2 | 4 |
| Industrial - Photographic, Optical and Ophthalmic Equipment Manufacturing | C241100 | C | - | 2 | - | 2 | - | 2 |
| Industrial - Motor Vehicle Dismantling and Used Part Wholesaling | F350500 | F | - | 1 | - | 1 | 2 | 3 |
| Industrial - Prepared Animal and Bird Feed Manufacturing | C119200 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Fruit and Vegetable Wholesaling | F360500 | F | - | - | 1 | 1 | 3 | 4 |
| Industrial - Agricultural Machinery and Equipment Manufacturing | C246100 | C | - | - | 1 | 1 | 2 | 3 |
| Industrial - Aluminium Rolling, Drawing, Extruding | C214200 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Architectural Aluminium Product Manufacturing | C222300 | C | - | - | 1 | 1 | 1 | 2 |
| Industrial - Basic Inorganic Chemical Manufacturing | C181300 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Bread Manufacturing (Factory-based) | C117100 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Cereal, Pasta and Baking Mix Manufacturing | C116200 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Cleaning Compound Manufacturing | C185100 | C | - | - | 1 | 1 | 1 | 2 |
| Industrial - Cured Meat and Smallgoods Manufacturing | C111300 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Electric Cable and Wire Manufacturing | C243100 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Milk and Cream Processing | C113100 | C | 1 | - | - | 1 | - | 1 |
| Industrial - Mining and Construction Machinery Manufacturing | C246200 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Oil and Fat Manufacturing | C115000 | C | - | 1 | - | 1 | 1 | 2 |
| Industrial - Other Ceramic Product Manufacturing | C202900 | C | 1 | - | - | 1 | - | 1 |
| Industrial - Other Electrical Equipment Manufacturing | C243900 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Other Sheet Metal Product Manufacturing | C224000 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Other Specialised Machinery and Equipment Manufacturing | C246900 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Other Structural Metal Product Manufacturing | C222900 | C | - | - | 1 | 1 | - | 1 |
| Industrial - Prefabricated Wooden Building Manufacturing | C149100 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Printing Support Services | C161200 | C | - | 1 | - | 1 | - | 1 |
| Industrial - Steel Pipe and Tube Manufacturing | C212200 | C | 1 | - | - | 1 | - | 1 |
| Industrial - Other Waste Collection Services | D291900 | D | - | - | 1 | 1 | - | 1 |
| Industrial - Jewellery and Watch Wholesaling | F373200 | F | - | - | 1 | 1 | - | 1 |
| Industrial - Meat, Poultry and Smallgoods Wholesaling | F360200 | F | - | - | 1 | 1 | - | 1 |
| Industrial - Freight Forwarding Services | I529200 | I | - | 1 | - | 1 | - | 1 |
| Rest of Manufacturing | multiple | C | - | - | - | - | 16 | 16 |
| Rest of Wholesale Trade | multiple | F | - | - | - | - | 2 | 2 |
| Total QLD Industrial Economy | | | 133 | 1,059 | 736 | 1,928 | 431 | 2,359 |

Source: M.E, Statistics NZ Business Frame 2017, QLD and COD district plan zones.

denotes unique industries in that Ward (limited to comparison within QLD)

denotes unique industries in that Ward/District (limited to comparison btw. QLD and Cromwell Ward)

Overall, the Arrowsdown industrial economy is only small with a selected range of businesses and is highly linked and dependent on activities located in the Queenstown Ward. For the most part, industrial



businesses are duplicated in both Queenstown and Wanaka. This is not to say that each ward does not have *some* businesses that service customers in the opposing ward, as this is always likely. But for the less specialist industries, it is more likely that the data supports a degree of independence – i.e. the wards are largely self-sufficient. A relatively small share of industrial economy businesses is unique to each ward. This alone is not evidence that these businesses service both wards in terms of customers (i.e. they might just be small businesses selling locally), but equally, it is not evidence that they don't.

This issue is examined further in Section 3 using another approach.



3 Economic Linkages and Relationships

This section further examines the trade relationships between the district's three wards and with the rest of New Zealand. The analysis draws on a detailed multi-regional input-output (MRIO) table developed by M.E and used to develop QLDC's employment growth projections within the Economic Futures Model™. This section also indicates the degree to which QLD's industrial economy services demand from other businesses (i.e. serves intermediate demand) versus final demand (households, government and tourists). This analysis provides an opportunity to verify the presence and strength of industrial economy relationships in the Wanaka-Queenstown-Cromwell triangle, and how this may or may not impact on the way that industrial zones in QLD need to be managed over the medium-term future.

3.1 Approach


Not all local demand for industrial activity will be met from within QLD and not all supply from local industrial activity will be consumed within QLD. QLD's industrial economy is shaped by demand and supply and exists within a wider industrial economy that means that what is supplied locally within QLD is only that which is not more efficiently supplied from elsewhere.

Put another way, not all industrial sectors are in demand in QLD and of those that are in demand, not all are economically viable to operate within the District. QLD relies, to some extent on industrial goods and services supplied from outside the District and is more self-sufficient in some industrial sectors than others. QLD also produces industrial products and services for markets elsewhere. These economic processes are captured in an MRIO table. This table underpins the economic growth projections developed in M.E's *Economic Futures Model (EFM)*, which has been used to develop employment projections for QLDC (specifically utilised in the Business Development Capacity Assessment 2017 report (M.E)).

The MRIO table is a proprietary product of M.E. Its built from an underlying national level Input-Output (IO) table produced by Statistics NZ. Developing sub-national and multi-regional tables from that base data requires a range of other data inputs and mathematical calibrations. Freight flow data for example helps to reconcile the flow of physical goods between regions. A gravity-based model helps calibrate flows of goods and services at a regional, district and sub-district level. This factors in both supply and demand calculations. Areas with an indicative surplus of supply relative to local demand are deemed to 'export' that surplus to areas with an indicative shortfall of supply relative to local demand, using distance decay and scale functions.

The MRIO developed for QLDC's EFM is a matrix showing gross output¹⁵ (\$m₂₀₁₆) by 48 economic sectors within Wanaka Ward, Arrowtown Ward, Queenstown Ward, Dunedin City, Rest of Otago Region and Rest

¹⁵ The measure of total economic activity in the production of new goods and services in an accounting period. Gross output represents, roughly speaking, the total value of sales by producing enterprises (their turnover) in an accounting period (e.g. a quarter or a year), before subtracting the value of intermediate goods used up in production.



of New Zealand. The rows of the matrix show outputs (products and services sold) from each sector in each location and the columns show the inputs (products and services purchased) by each sector in each location.

In simple terms, the matrix shows supply and demand, and balances so that all demand in New Zealand (by sectors as well as by final demand categories of households, local and central government and international exports) is met by total supply, including international imports and inputs to production such as labour (wages and salaries), operating surplus, consumption of fixed capital (stocks and depreciation), subsidies and taxes on products.

It is therefore possible to use the MRIO to trace, for any sector or final demand category, where their inputs (demands) come from, geographically and by supplying sector. This is termed the *upstream supply chain*. It is also possible to trace, for any sector or other factor of production (i.e. imports), where their outputs (products and services supplied) are consumed, geographically and by purchasing sector. This is termed the *downstream supply chain*.

For the purpose of this study, the 48 economic sectors have been broadly matched to the definition of QLD's industrial economy¹⁶. Using the MRIO table summarised in this way – a range of questions can be answered (within the limitations of the MRIO table) as follows:

- How self-sufficient each ward within the district is in terms of demand for industrial goods and services. Conversely, how reliant different wards are on industrial businesses elsewhere. This includes the share of intermediate demand and final demand met from outside the district.
- The degree to which Queenstown's industrial economy services demand in the Wanaka Ward and vice versa. This has been a key issue in the discourse around vacant capacity of industrial zoned land.
- How the industrial economy sustains activity in other sectors of the economy (as a consumer of intermediate goods and services) or as a supplier of intermediate goods and services). This helps illustrate the economic impact of the local industrial economy.
- Provides insights on what sorts of industrial goods and services are viable to supply within the District, versus industrial goods and services that are more efficient to purchase/import from outside the district (including from larger economies).

3.1.1 Limitations

While full calibration is achieved in generating the MRIO for QLD, the resulting structure of the matrix has not been verified by any primary research. This is a limitation of the model. M.E recommend that surveying of local businesses in the industrial economy would be useful to complement this analysis (and sense check the results). Further, the current MRIO does not explicitly isolate Cromwell Ward or even COD. This analysis is limited to 'Rest of Otago Region' which includes COD, parts of Waitaki District and Clutha District. In future the EFM could be expanded to distinguish COD or even Cromwell Ward. Lastly, the MRIO is based

¹⁶ In most cases, an individual sector in the 48-sector structure captures more 6-Digit ANZSICs than included in QLD's industrial economy (where a selection has been made). The exception is the Manufacturing and Construction sectors, where all ANZSICs are included in the definition. Where the 6-Digit ANZSIC in the industrial economy definition accounted for a minor share of the aggregate sector, the entire sector was excluded so as not to over represent the scale of the industrial economy in the analysis.

on output (\$ millions₂₀₁₆). This means that results are driven by products and services that are traded in large quantities and have high \$ values. The analysis is therefore not able to demonstrate the flow of ‘units’ (the quantum of products or services irrespective of value). This may under-represent the relationships of small-scale sectors, or sectors with low levels of low-priced outputs.

3.2 Consumption of Industrial Economy Output

Figure 3.1 summarises the destination of QLD’s industrial economy gross output by value (2016). It shows that a significant 65% of QLD industrial economy output is consumed (purchased) within the district. In other words, a significant share of output is produced to meet local demand. A further 18% is consumed within the Rest of Otago (which includes, but is not limited to, Cromwell). The Rest of New Zealand (i.e. everywhere outside of Otago Region) consumes 11% of the output and Dunedin consumes 6% of the total.

Figure 3.1 – Destination of QLD Industrial Economy Output Value \$ (2016) – Share of Total

| Demand/Consumption of Gross Output | QLD | Dunedin | Rest of Otago | Rest of NZ | Total |
|--|------------|-----------|---------------|------------|-------------|
| Total Business Sectors | 38% | 3% | 11% | 7% | 59% |
| Final consumption expenditure - households | 3% | 1% | 1% | 1% | 6% |
| Final consumption expenditure - NPISH * | 0% | 0% | 0% | 0% | 0% |
| Final consumption expenditure - local government | 1% | 0% | 0% | 0% | 1% |
| Final consumption expenditure - central government | 0% | 0% | 0% | 0% | 1% |
| International Exports | 9% | 0% | 0% | 1% | 10% |
| Gross fixed capital formation | 13% | 3% | 6% | 2% | 24% |
| Change in inventories | 0% | 0% | 0% | 0% | 0% |
| Total Consumption | 65% | 6% | 18% | 11% | 100% |

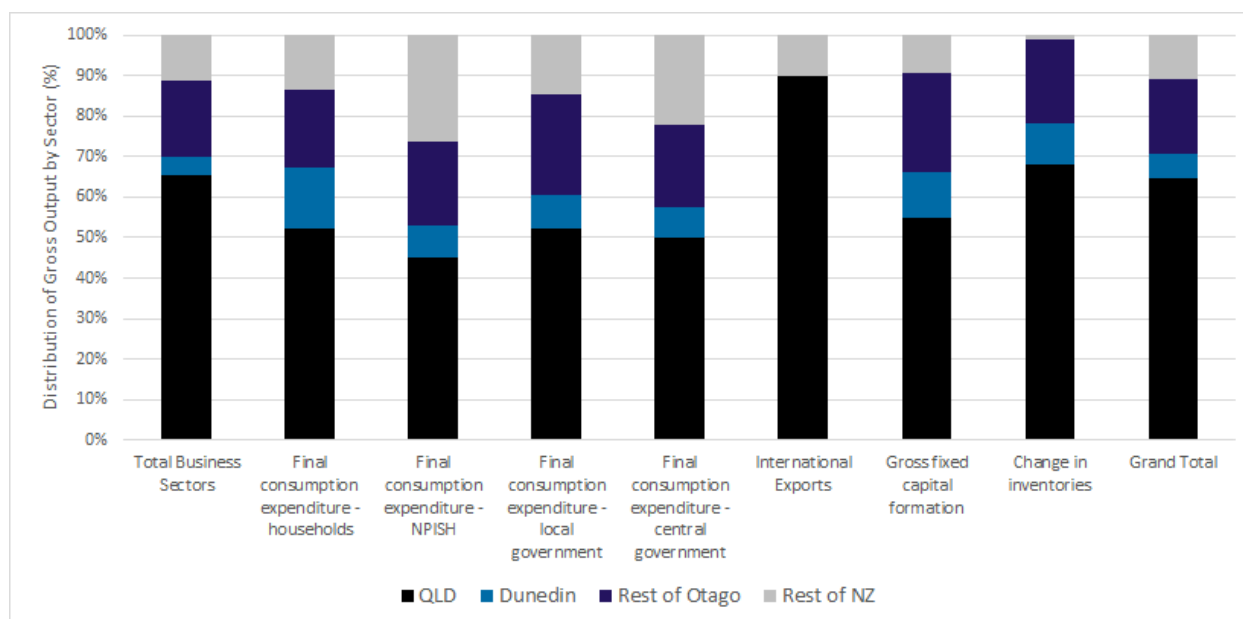
Source: M.E (Queenstown EFM Multi-Regional Input-Output Table) * Not for Profit Institutions Serving Households

Looking at the components of that consumption, in total 59% of the gross output from the QLD industrial economy is supplied to other business sectors (as intermediate inputs to production). An estimated 38% of consumption is to local businesses and 11% is to businesses in the Rest of Otago. Just 6% is supplied directly to households (which includes domestic visitors). In other words, only a small share of businesses in the industrial economy direct sell to the public. Local households make up half of that (3%). International exports (which includes tourists but would also including things like wine exports) take 10% of the output in value terms and the majority of the balance (24%) is directed at gross fixed capital formation (net investment by the producers).¹⁷

Figure 3.2 contains a graph of the same data. QLD consumption of QLD industrial economy output is shown in black. It is clear that the QLD industrial economy is largely (but not exclusively) sustained by local demand.

¹⁷ Gross fixed capital formation includes spending on land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; the construction of roads, railways, private residential dwellings, and commercial and industrial buildings. Disposal of fixed assets is taken away from the total.

Figure 3.2 – Destination of QLD Industrial Economy Output Value \$ (2016) – Share of Sector



To put QLD’s industrial economy output consumption patterns in context, Figures 3.3 and 3.4 show the same results for the equivalent industrial economy sectors in Dunedin City¹⁸. It shows that a significant 81% of output is consumed within Dunedin City (compared to 65% for QLD). A further 9% is consumed by the Rest of Otago Region (compared to 18% for QLD). This means in relative terms the Rest of Otago Region is a more important market for QLD’s industrial economy than it is to Dunedin’s industrial economy. A further 9% of Dunedin’s industrial output value is consumed in the Rest of New Zealand – also lower than the QLD share. Demand from QLD consumes 2% of the output from industrial businesses in Dunedin.

Figure 3.3 – Destination of Dunedin Industrial Economy Output Value \$ (2016) – Share of Total

| Demand/Consumption of Gross Output | QLD | Dunedin | Rest of Otago | Rest of NZ | Total |
|--|-----------|------------|---------------|------------|-------------|
| Total Business Sectors | 1% | 38% | 6% | 5% | 49% |
| Final consumption expenditure - households | 0% | 10% | 1% | 1% | 12% |
| Final consumption expenditure - NPISH * | 0% | 0% | 0% | 0% | 0% |
| Final consumption expenditure - local government | 0% | 1% | 0% | 0% | 2% |
| Final consumption expenditure - central government | 0% | 1% | 0% | 0% | 1% |
| International Exports | 0% | 12% | 0% | 2% | 14% |
| Gross fixed capital formation | 0% | 19% | 2% | 1% | 22% |
| Change in inventories | 0% | 0% | 0% | 0% | 0% |
| Total Consumption | 2% | 81% | 9% | 9% | 100% |

Source: M.E (Queenstown EFM Multi-Regional Input-Output Table) * Not for Profit Institutions Serving Households

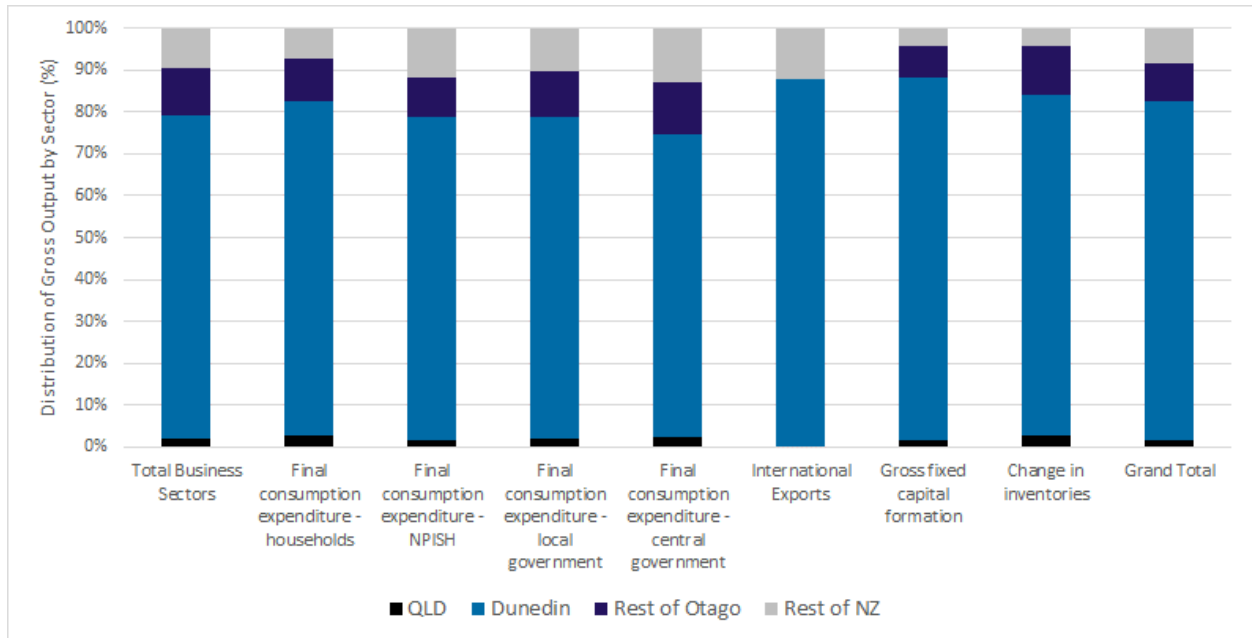
Looking at the component of consumption for Dunedin, 49% of output value is consumed by other business sectors (this is much less than in QLD on 69%). A much higher share is direct sold to households (12%) and this is much more localised than in Queenstown. This will in part be driven by different domestic visitor rates. A higher share of Dunedin output goes to international exports (14% compared to 10%). This is likely

¹⁸ Note, this does not necessarily capture Dunedin City’s total industrial economy.



to be focussed on international exports via freight (shipping) rather an international tourist component as in QLD. A slightly lower share is invested in fixed capital in Dunedin (22% compared to 24%).

Figure 3.4 – Destination of Dunedin Industrial Economy Output Value \$ (2016) – Share of Sector



In comparison to Dunedin, QLD is not as self-sufficient in terms of meeting its own demand for industrial goods and services. QLD is more reliant on bringing products and services in but is a small economy overall and this is likely to be the case for all districts of QLD’s size. However, QLD’s distance from other larger economies most likely means that QLD is still more self-sufficient than many comparably sized districts that benefit from closer proximity to major cities.

3.3 Upstream and Downstream Linkages

This section examines these patterns at a ward level. Figure 3.5 looks at the upstream and downstream relationships for the industrial economy in **Queenstown Ward**. A more detailed table, that identifies the ‘top 8’ sectors of supply and demand by location is included in Appendix 5.

In terms of where the industrial economy in Queenstown ward gets its inputs to production (upstream supply chain), 48.3% is non-product or service related. I.e. is the labour (measured as compensation to employees, 18.5%), international imports (10.3%), profit (operating surplus, 10.9%) and other. Of the product and service inputs, 30.2% of inputs by value come from other businesses within Queenstown ward (this is the degree to which it is locally self-sufficient). A moderate share (12.8%) comes from the Rest of New Zealand (that is areas outside of Otago). Just under 5% of inputs by value (4.9%) come from Rest of Otago Region (which includes but is not limited to Cromwell). The next largest share comes from suppliers in Dunedin (1.8% of total input value). Just 1.2% of inputs by value come from businesses in the Wanaka Ward.

In terms of the ‘economic triangle’ of Queenstown-Wanaka-Cromwell; Rest of Otago is relatively more important to meeting demand arising from Queenstown’s industrial economy than Wanaka is. Note, this is

not demand arising from the *all* sectors of the economy (including households), just the needs of the businesses in Queenstown’s industrial economy to supply their products and services. Put simply, there is more demand related trade flowing between Rest of Otago and Queenstown than there is flowing from Wanaka to Queenstown. The key sectors that Queenstown’s industrial economy businesses rely on in Rest of Otago include Construction products/services (0.9% of total input value) and Wood Product Manufacturing (0.6%) (Appendix 5).

Figure 3.5 – Summary of Queenstown Ward Industrial Economy Upstream & Downstream Linkages

| Location / Sector | Upstream (Inputs) | Downstream (Outputs) |
|---|-------------------|----------------------|
| Wanaka Ward Businesses | 1.2% | 1.5% |
| Wanaka Ward Households/Govt | | 0.4% |
| Wanaka Ward Other Consumption/Intl. Exports | | 0.8% |
| Sub-Total Wanaka Ward | 1.2% | 2.7% |
| Arrowtown Ward Businesses | 0.7% | 1.0% |
| Arrowtown Ward Households/Govt | | 0.2% |
| Arrowtown Ward Other Consumption/Intl. Exports | | 0.8% |
| Sub-Total Arrowtown Ward | 0.7% | 1.9% |
| Queenstown Ward Businesses | 30.2% | 37.5% |
| Queenstown Ward Households/Govt | | 3.1% |
| Queenstown Ward Other Consumption/Intl. Exports | | 22.2% |
| Sub-Total Queenstown Ward | 30.2% | 62.8% |
| Dunedin Businesses | 1.8% | 2.4% |
| Dunedin Households/Govt | | 0.8% |
| Dunedin Other Consumption/Intl. Exports | | 2.3% |
| Sub-Total Dunedin | 1.8% | 5.6% |
| Rest of Otago Businesses | 4.9% | 10.1% |
| Rest of Otago Households/Govt | | 1.1% |
| Rest of Otago Other Consumption/Intl. Exports | | 5.3% |
| Sub-Total Rest of Otago | 4.9% | 16.6% |
| Rest of New Zealand Businesses | 12.8% | 6.3% |
| Rest of New Zealand Households/Govt | | 1.0% |
| Rest of New Zealand Other Consumption/Intl. Exports | | 3.0% |
| Sub-Total Rest of New Zealand | 12.8% | 10.4% |
| Taxes on products | 0.9% | |
| Compensation of Employees | 18.5% | |
| Operating Surplus | 10.9% | |
| Consumption of Fixed Capital | 7.2% | |
| Other Taxes on products | 0.7% | |
| Subsidies | -0.2% | |
| International Imports | 10.3% | |
| Sub-Total Other | 48.3% | 0.0% |
| Total | 100.0% | 100.0% |

Source: M.E (Queenstown EFM Multi-Regional Input-Output Table)

In terms of downstream relationships of the Queenstown industrial economy, an estimated 62.8% of product and service value is consumed by businesses and final demand sectors within Queenstown. The Construction sector consumes 21.4% of total output value. A moderately significant 16.6% of output value is consumed in the Rest of Otago, again primarily the Construction sector in that catchment. A further 10.4% is consumed by demand arising in the Rest of New Zealand and 5.6% is consumed by demand arising in Dunedin City. Just 2.7% of output by value is destined for Wanaka ward (primarily the construction sector there). Arrowtown consumes 1.9% of output.

We can conclude from this analysis, that most of the output of the Queenstown industrial economy stays local. The Rest of Otago market is more important to Queenstown than the Wanaka market in terms of selling its products and services.


Figure 3.6 looks at the upstream and downstream relationships for the industrial economy in **Wanaka Ward**. A more detailed table, that identifies the ‘top 8’ sectors of supply and demand by location is included in Appendix 6.

Figure 3.6 – Summary of Wanaka Ward Industrial Economy Upstream & Downstream Linkages

| Location / Sector | Upstream (Inputs) | Downstream (Outputs) |
|---|-------------------|----------------------|
| Wanaka Ward Businesses | 27.8% | 32.0% |
| Wanaka Ward Households/Govt | | 3.0% |
| Wanaka Ward Other Consumption/Intl. Exports | | 18.9% |
| Sub-Total Wanaka Ward | 27.8% | 53.9% |
| Arrowtown Ward Businesses | 0.5% | 0.7% |
| Arrowtown Ward Households/Govt | | 0.3% |
| Arrowtown Ward Other Consumption/Intl. Exports | | 0.4% |
| Sub-Total Arrowtown Ward | 0.5% | 1.4% |
| Queenstown Ward Businesses | 3.1% | 3.4% |
| Queenstown Ward Households/Govt | | 1.0% |
| Queenstown Ward Other Consumption/Intl. Exports | | 1.0% |
| Sub-Total Queenstown Ward | 3.1% | 5.4% |
| Dunedin Businesses | 2.3% | 3.1% |
| Dunedin Households/Govt | | 1.4% |
| Dunedin Other Consumption/Intl. Exports | | 3.1% |
| Sub-Total Dunedin | 2.3% | 7.5% |
| Rest of Otago Businesses | 5.8% | 12.1% |
| Rest of Otago Households/Govt | | 2.3% |
| Rest of Otago Other Consumption/Intl. Exports | | 6.4% |
| Sub-Total Rest of Otago | 5.8% | 20.8% |
| Rest of New Zealand Businesses | 14.7% | 6.6% |
| Rest of New Zealand Households/Govt | | 1.0% |
| Rest of New Zealand Other Consumption/Intl. Exports | | 3.4% |
| Sub-Total Rest of New Zealand | 14.7% | 11.0% |
| Taxes on products | 1.0% | |
| Compensation of Employees | 18.0% | |
| Operating Surplus | 10.5% | |
| Consumption of Fixed Capital | 4.6% | |
| Other Taxes on products | 0.7% | |
| Subsidies | -0.2% | |
| International Imports | 11.2% | |
| Sub-Total Other | 45.8% | 0.0% |
| Total | 100.0% | 100.0% |

Source: M.E (Queenstown EFM Multi-Regional Input-Output Table)

In terms of where the industrial economy in Wanaka ward gets its inputs to production (upstream supply chain), 45.8% is non-product or service related. I.e. is the labour, (18.0%), international imports (11.2%), profit (operating surplus, 10.5%) and other. Of the product and service inputs, 27.8% of inputs by value come from other businesses within Wanaka ward (this is the degree to which it is locally self-sufficient, which is much less than in Queenstown). A moderate share (14.7%) comes from the Rest of New Zealand (that is areas outside of Otago). Again, this is higher than for Queenstown. Just under 6% of inputs by value (5.8%) come from Rest of Otago Region (which includes but is not limited to Cromwell). The next largest



share comes from suppliers in Queenstown Ward (3.1% of total input value). Just 2.3% of inputs by value come from businesses in Dunedin City. Arrowtown plays a very minor supply role.

In terms of the 'economic triangle' of Queenstown-Wanaka-Cromwell; Rest of Otago is relatively more important to meeting demand arising from Wanaka's industrial economy than Queenstown is. Note, this is not demand arising from the *all* sectors of the economy (including households), just the needs of the businesses in Wanaka's industrial economy to supply their products and services. Put simply, there is more demand related trade flowing between Rest of Otago and Wanaka than there is flowing from Queenstown to Wanaka. The key sectors that Wanaka's industrial economy businesses rely on in Rest of Otago include Construction products/services (1.2% of total input value) and Wood Product Manufacturing (0.6%) (Appendix 6).

In terms of downstream relationships of the Wanaka industrial economy, an estimated 53.9% of product and service value is consumed by businesses and final demand sectors within Wanaka. The Construction sector consumes 20.6% of total output value. A moderately significant 20.8% of output value is consumed in the Rest of Otago, again primarily the Construction sector in that catchment. A further 11.0% is consumed by demand arising in the Rest of New Zealand and 7.5% is consumed by demand arising in Dunedin City. Just 5.4% of output by value is destined for Queenstown ward (primarily the construction sector there). Arrowtown consumes 1.4% of output.

We can conclude from this analysis, that most of the output of the Wanaka industrial economy stays local. The Rest of Otago market is more important to Wanaka than the Queenstown market in terms of selling its products and services.

Figure 3.7 looks at the upstream and downstream relationships for the industrial economy in **Arrowtown Ward**. A more detailed table, that identifies the 'top 8' sectors of supply and demand by location is included in Appendix 7.

In terms of where the industrial economy in Arrowtown ward gets its inputs to production (upstream supply chain), 44.7% is non-product or service related. I.e. is the labour, (16.9%), international imports (11.5%), profit (operating surplus, 10.1%) and other. Of the product and service inputs, 18.9% of inputs by value come from other businesses within Arrowtown ward (this is the degree to which it is locally self-sufficient, which is much less than in Queenstown or Wanaka – not unexpected given its size). A moderate share (14.5%) comes from the Rest of New Zealand (that is areas outside of Otago). Again, this is higher than for Queenstown but similar to Wanaka. Just under 6% of inputs by value (5.9%) come from Rest of Otago Region (which includes but is not limited to Cromwell). The next largest share comes from suppliers in Queenstown Ward (10.5% of total input value). Just 3.2% of inputs by value come from businesses in Wanaka Ward. Dunedin City plays a more minor supply role.

In terms of the 'economic triangle', and notwithstanding the clearly important relationship Arrowtown has with wider Queenstown; Rest of Otago is relatively more important to meeting demand arising from Arrowtown's industrial economy than Wanaka is. Note, this is not demand arising from the *all* sectors of the economy (including households), just the needs of the businesses in Arrowtown's industrial economy to supply their products and services. Put simply, there is more demand related trade flowing between Rest of Otago and Arrowtown than there is flowing from Wanaka to Arrowtown. The key sectors that Arrowtown's industrial economy businesses rely on in Rest of Otago include (again) Construction products/services (1.3% of total input value) and Wood Product Manufacturing (0.8%) (Appendix 7).

Figure 3.7 – Summary of Arrowtown Ward Industrial Economy Upstream & Downstream Linkages

| Location / Sector | Upstream (Inputs) | Downstream (Outputs) |
|---|-------------------|----------------------|
| Wanaka Ward Businesses | 3.2% | 2.1% |
| Wanaka Ward Households/Govt | | 0.3% |
| Wanaka Ward Other Consumption/Intl. Exports | | 0.9% |
| Sub-Total Wanaka Ward | 3.2% | 3.3% |
| Arrowtown Ward Businesses | 18.9% | 22.0% |
| Arrowtown Ward Households/Govt | | 0.9% |
| Arrowtown Ward Other Consumption/Intl. Exports | | 14.6% |
| Sub-Total Arrowtown Ward | 18.9% | 37.6% |
| Queenstown Ward Businesses | 10.5% | 8.3% |
| Queenstown Ward Households/Govt | | 0.8% |
| Queenstown Ward Other Consumption/Intl. Exports | | 3.3% |
| Sub-Total Queenstown Ward | 10.5% | 12.4% |
| Dunedin Businesses | 2.2% | 3.3% |
| Dunedin Households/Govt | | 0.4% |
| Dunedin Other Consumption/Intl. Exports | | 4.2% |
| Sub-Total Dunedin | 2.2% | 7.9% |
| Rest of Otago Businesses | 5.9% | 15.0% |
| Rest of Otago Households/Govt | | 0.7% |
| Rest of Otago Other Consumption/Intl. Exports | | 9.3% |
| Sub-Total Rest of Otago | 5.9% | 25.1% |
| Rest of New Zealand Businesses | 14.5% | 8.2% |
| Rest of New Zealand Households/Govt | | 1.0% |
| Rest of New Zealand Other Consumption/Intl. Exports | | 4.6% |
| Sub-Total Rest of New Zealand | 14.5% | 13.8% |
| Taxes on products | 1.1% | |
| Compensation of Employees | 16.9% | |
| Operating Surplus | 10.1% | |
| Consumption of Fixed Capital | 4.7% | |
| Other Taxes on products | 0.6% | |
| Subsidies | -0.3% | |
| International Imports | 11.5% | |
| Sub-Total Other | 44.7% | 0.0% |
| Total | 100.0% | 100.0% |

Source: M.E (Queenstown EFM Multi-Regional Input-Output Table)

In terms of downstream relationships of the Arrowtown industrial economy, an estimated 37.6% of product and service value is consumed by businesses and final demand sectors within Arrowtown. The Construction sector consumes 17.1% of total output value. A moderately significant 25.1% of output value is consumed in the Rest of Otago, again primarily the Construction sector in that catchment. A further 13.8% is consumed by demand arising in the Rest of New Zealand and 12.4% is consumed by demand arising in Queenstown ward. An estimated 7.9% of output by value is destined for Dunedin City (primarily the construction sector there). Wanaka consumes 3.3% of output.

We can conclude from this analysis, that most of the output of the Arrowtown industrial economy stays local (including Queenstown). The Rest of Otago market is more important to Arrowtown than the Wanaka market in terms of selling its products and services.

Finally, Figure 3.8 looks at the upstream and downstream relationships for the industrial economy in **Rest of Otago**. While this is not specific to Cromwell (the catchment of most interest to QLDC's enquiry), it is the

best information we have to date. A more detailed table, that identifies the ‘top 8’ sectors of supply and demand by location is included in Appendix 8.

Figure 3.8 – Summary of Rest of Otago Industrial Economy Upstream & Downstream Linkages

| Location / Sector | Upstream (Inputs) | Downstream (Outputs) |
|---|-------------------|----------------------|
| Wanaka Ward Businesses | 1.8% | 0.8% |
| Wanaka Ward Households/Govt | | 0.2% |
| Wanaka Ward Other Consumption/Intl. Exports | | 0.4% |
| Sub-Total Wanaka Ward | 1.8% | 1.5% |
| Arrowtown Ward Businesses | 0.4% | 0.2% |
| Arrowtown Ward Households/Govt | | 0.1% |
| Arrowtown Ward Other Consumption/Intl. Exports | | 0.1% |
| Sub-Total Arrowtown Ward | 0.4% | 0.4% |
| Queenstown Ward Businesses | 2.9% | 1.8% |
| Queenstown Ward Households/Govt | | 0.5% |
| Queenstown Ward Other Consumption/Intl. Exports | | 0.7% |
| Sub-Total Queenstown Ward | 2.9% | 3.0% |
| Dunedin Businesses | 7.8% | 6.7% |
| Dunedin Households/Govt | | 3.5% |
| Dunedin Other Consumption/Intl. Exports | | 5.1% |
| Sub-Total Dunedin | 7.8% | 15.3% |
| Rest of Otago Businesses | 29.6% | 21.2% |
| Rest of Otago Households/Govt | | 2.7% |
| Rest of Otago Other Consumption/Intl. Exports | | 39.9% |
| Sub-Total Rest of Otago | 29.6% | 63.8% |
| Rest of New Zealand Businesses | 20.4% | 6.5% |
| Rest of New Zealand Households/Govt | | 2.2% |
| Rest of New Zealand Other Consumption/Intl. Exports | | 7.3% |
| Sub-Total Rest of New Zealand | 20.4% | 16.0% |
| Taxes on products | 0.7% | |
| Compensation of Employees | 18.9% | |
| Operating Surplus | 5.8% | |
| Consumption of Fixed Capital | 4.4% | |
| Other Taxes on products | 0.6% | |
| Subsidies | -0.4% | |
| International Imports | 7.1% | |
| Sub-Total Other | 37.2% | 0.0% |
| Total | 100.0% | 100.0% |

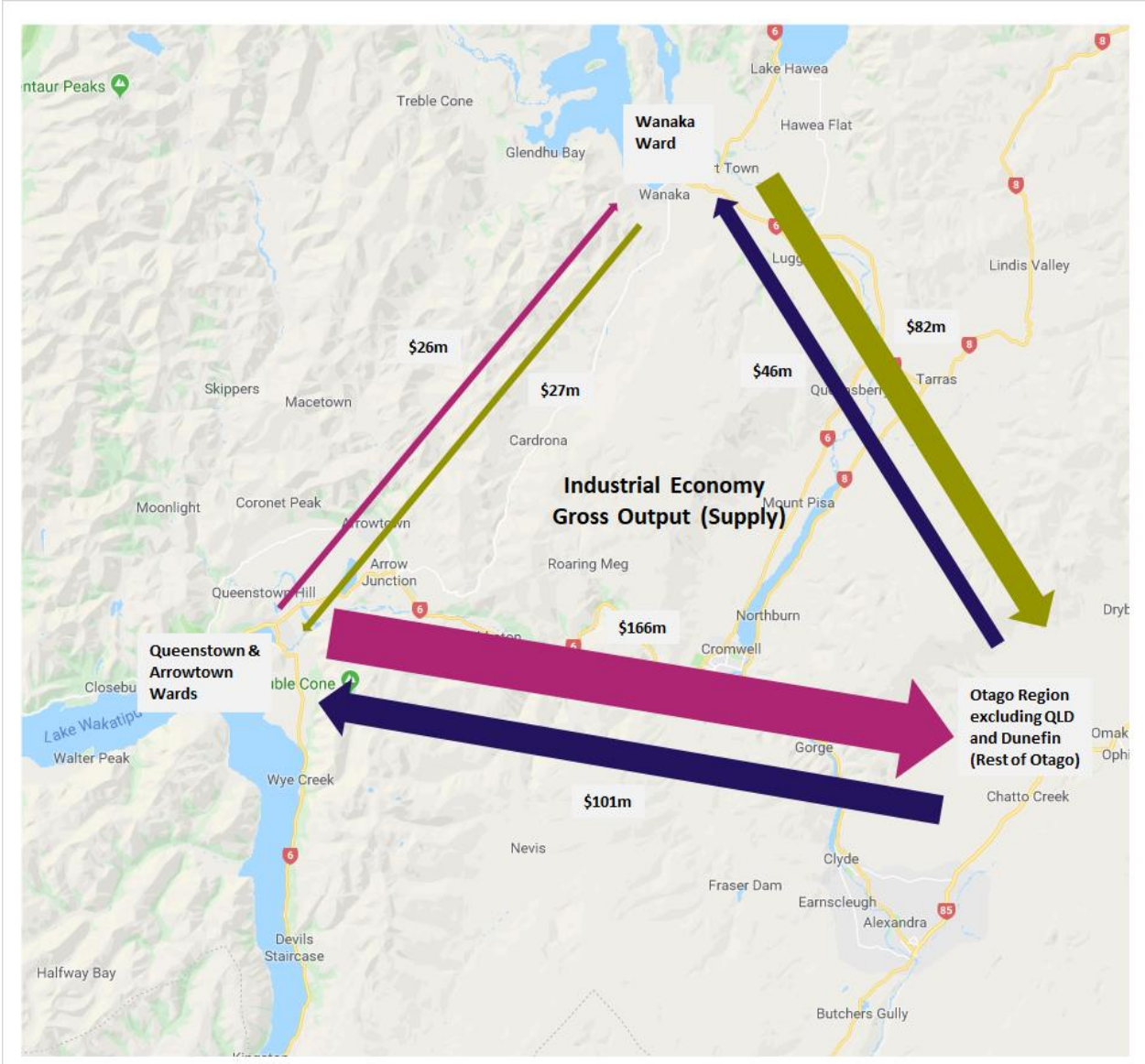
Source: M.E (Queenstown EFM Multi-Regional Input-Output Table)

The key thing to note in Figure 3.8 is that the Rest of Otago industrial economy demands more products and services from the Queenstown Ward (in value term) than it does the Wanaka Ward (2.9% compared to 1.8% respectively). This is expected that Queenstown is the bigger of the two economies. In terms of supplying products to QLD, the Rest of Otago industrial economy sends twice as much value to Queenstown Ward as it does to Wanaka Ward, but these shares are low relative to other parts of New Zealand. Again, this is as expected given the relative size of the two markets. Care is needed in inferring a relationship with Cromwell specifically, as the ratios may be quite different than for the catchment as a whole.

Figure 3.9 provides an overview of the Queenstown-Wanaka-Rest of Otago triangle from an industrial economy downstream (supply) perspective. This does not capture upstream flows that contribute to production of outputs. For this summary, Queenstown and Arrowtown have been combined as a single industrial economy for the supply of goods and services (selling) and a single total market for the

consumption of industrial economy goods and services (buying). The results are also expressed in dollar terms of gross output (\$m₂₀₁₆)¹⁹.

Figure 3.9 – Catchment’s Industrial Economy External Supply to Total Catchment Market (\$m)



As discussed above, the Queenstown/Arrowtown industrial economy sells a greater value of products and services to the total Rest of Otago market, than the Rest of Otago industrial economy sells to the total Queenstown/Arrowtown market. *Is some of the intermediate and final demand in Queenstown/Arrowtown for products and services from industrial activities met by businesses located in the Rest of Otago (and possibly Cromwell)?* The answer is: yes (approximately \$100m worth). This is, however, a similar amount to that which is met from further afield (Dunedin and Rest of New Zealand). All this intermediate and final

¹⁹ Given the stated limitations of the MRIO, these dollar figures should be considered indicative only and are used to show the order of magnitude.



demand that is met from outside the district is however small compared to the amount that is met by the local industrial economy.

Finally, the downstream trade from the industrial economy in Wanaka that is consumed in Queenstown/Arrowtown is very similar to the downstream trade from the industrial economy in Queenstown/Arrowtown that is consumed in Wanaka. The flow of industrial products and services sold is minor, at about \$26-27m each way (not including upstream supply flows (inputs to production)). *Does the Wanaka industrial economy help service the needs of the Queenstown/Arrowtown market at present?* The answer to that question is: to a very limited extent. *Would the Wanaka industrial economy be able to play a greater role in meeting the needs of the Queenstown/Arrowtown market in the future?* The answer to that question is: highly unlikely based on current industrial economy supply and demand relationships. For the large part, both catchments are focussed on supplying local demand. They operate as mostly independent markets, although both are dependent on relationships outside the district.



4 QLD Industrial Economy by Zone

This section examines the location of the QLD industrial economy at a zone level. This helps with understanding the land use and locational requirements of businesses included in the industrial economy. It begins with an analysis of what industrial businesses are located in QLD's urban and rural environments, then examines the distribution of businesses and employment across zone types, placing the industrial economy businesses in the context of the overall role of those zones. Further insight is then provided on the industrial/business zones of specific interest for Stage 3 of the District Plan Review.

Not all of the industrial economy exists in the District's industrial zones. The Industrial, Industrial B, Ballantyne Road Mixed Use Zone and Gorge Road Business Zone are only a subset of zones enabling industrial land use. There are a range of zones in the Stage 1 decisions version District Plan that enable or accommodate (through existing use rights or consent) what might be considered industrial land use activities. This includes the Frankton Flats B Special Zones (certain structure plan precincts), Three Parks (business precincts), The Airport zones, the industrial overlay area in Luggate, the Business Mixed Use Zone, Business Zone (Gorge Road), the Rural Zone (with regards to quarries, waste management facilities, Waste Water Treatment Plants, rural based industrial activities etc) and even the incidence of industrial premises in the Township Zone (i.e. Albert Town east of the State Highway). The Coneburn Industrial zone has now also been zoned but is presently a greenfield site.


While these zones are outside the scope of this assessment, any assessment of the QLD industrial economy needs to take into account the full picture. The distribution of industrial land use businesses by zone is an important part of the context for understanding the role of the Industrial, Industrial B and Business (Operative) zones (to the extent to which these are currently occupied).

4.1 Location Drivers

The location of businesses in the industrial economy is driven by the following key drivers:

- **The nature of the business** – As described earlier, M.E has identified a list of business types (6-Digit ANZSICs) that either fall within *typical* 'industrial' definitions (i.e. Manufacturing and Construction), as well as business types that are *typically* understood to require land use and a built form anticipated in industrial zones (warehouses, factories, yards) and businesses currently present in the district that fit within the activities *broadly enabled* in industrial zones (i.e. industrial service activities). A limitation of this approach to describing the industrial economy is that within those businesses there may be range of functional/operational business forms. Simply the name of the 6-Digit ANZSIC description is not always a good enough indicator of the physical form of a business.

Within the identified industrial economy there will be some businesses that are fully office based for example (yet fall within the Construction Division – which is generally defined as 'industrial'). We would expect them to seek a location suited to commercial office space. Other businesses might have their office-based activities in one zone and their manufacturing / storage / yard /



service activities in another zone. This might register the business to the office location in terms of the Business Directory conventions (and this analysis); underestimating the businesses that operate from (or require space within) industrial zones. Others might have a functional need for office space (most businesses do) and this might be on the same site as the physical industrial activities (ancillary office space). Within any one ANZSIC we have included in our 'industrial economy', there will be a spectrum of physical business forms – ranging from offices, warehouses, factories or yards, and combinations of these.

- **The scale of the business** – Not all manufacturing or service industries included in the industrial economy are necessarily large in scale. The scale of operation depends on what space/land requirements are needed for that operation. Within any one ANZSIC that has been included in the description of the industrial economy, there will be very small operations through to much larger operations. It is less likely that very small operations would justify premises or a site in an industrial zone, or any other zone. These businesses can usually be run from people's residences (and may or may not be identified as Home Occupation properties). Builders for example typically register their business to their home address. Therefore, a significant share of the Construction sector is found in Residential Zones.
- **The externality effects of the business** – Some businesses within the identified industrial economy – depending on their nature and scale – may have externality effects that limit the locations where they can operate. This may include noise, dust, glare, odour, unusual hours of operation and visual effects, or effects associated with heavy truck movements or high vehicle trip generation. Such businesses seek locations where these externality effects are anticipated/tolerated and can be managed (including by managing reverse sensitivity effects).
- **A dependence on proximity to physical resources** – Certain businesses have a functional need to be close to resources that are inputs to their business (and in some cases, close to their customers). This is often the case for rural based industrial activities such as quarries, food processing (milk product factories, beverage manufacturing (i.e. vineyards that manufacture wine on site), meat processing), agricultural service industries, sawmills, agricultural machinery manufacturing or servicing, etc. Some industrial businesses also have a functional need for high water or power volumes that cannot be supplied through urban infrastructure.
- **Supply of suitable sites/buildings** - For those industrial economy businesses that do require land or space in an urban business enabled zone, their ultimate location will depend on the availability of sites (to buy or lease, built or vacant) at the appropriate size and price that meets all their business needs and allows them to operate effectively. These 'supply' factors are where district plans have a direct influence, although not total control. It is up to the landowners to determine what they deliver to the market while satisfying the rules/standards of the zone (or alternatively seeking approval when there is non-compliance).

The analysis in this section – the location of the industrial economy by zone – shows the combined impact of all of these key location drivers.

4.2 Rural Urban Split of Industrial Economy

M.E has split QLD according to an urban and rural environment, at the (2013) meshblock level. For consistency, the adopted urban-rural environment matches that used for the Council's Business Development Capacity Assessment 2017 under the NPS – UDC. It is important to note that the rural environment includes areas of urban land use (including the Township Zones of Kingston, Glenorchy and Makarora). It also includes several Special Zones that may be urban in nature (such as resort zones) as well as the Wanaka Airport Zone and ski fields. The urban area generally captures all the zones within the urban growth boundaries, as well as Luggate, the Luggate rural industrial overlay and the small area of Low Density Residential zone adjacent to Lake Hayes.


Figure 4.1 shows the urban/rural split of 2017 businesses (top part of table) and employment (bottom part of table) in QLD's industrial economy, summarised by Division. More detailed tables at the 6-Digit ANZSIC level are included in Appendix 9. Overall, 82% of businesses in the industrial economy are located within the urban environment (1,587 businesses out of a total of 1,928 in 2017). This compares to 80% of all other businesses in the economy located in the urban environment. A total of 341 businesses that fall within the industrial economy description are located in the rural environment.

Figure 4.1 – Summary of QLD Industrial Economy by Urban-Rural Environment (2017)

| ANZSIC Division | Industrial Economy Selection | Urban Environment Count | Rural Environment Count | Total QLD Count (2017) | Urban Share of QLD (%) | Rural Share of QLD (%) | Urban Structure of IE (%) | Rural Structure of IE (%) |
|---|---|-------------------------|-------------------------|------------------------|------------------------|------------------------|---------------------------|---------------------------|
| Business Count (2017) | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 27 | 24 | 50 | 53% | 47% | 2% | 7% |
| C | Manufacturing | 181 | 44 | 225 | 80% | 20% | 11% | 13% |
| D | Waste Services Group Only | 13 | 2 | 15 | 90% | 10% | 1% | 0% |
| E | Construction | 965 | 203 | 1,168 | 83% | 17% | 61% | 60% |
| F | Wholesale Trade | 135 | 19 | 154 | 88% | 12% | 9% | 6% |
| I | Selected Transport, Postal and Warehousing | 71 | 14 | 85 | 84% | 16% | 4% | 4% |
| L | Selected Rental and Hiring Services | 103 | 25 | 128 | 81% | 19% | 7% | 7% |
| S | Selected Other Services | 92 | 11 | 102 | 89% | 11% | 6% | 3% |
| QLD Industrial Economy Business Count | | 1,587 | 341 | 1,928 | 82% | 18% | 100% | 100% |
| Rest of QLD Economy (all other ANZSICs) | | 4,625 | 1,157 | 5,782 | 80% | 20% | | |
| Total QLD Economy Business Count | | 6,213 | 1,498 | 7,710 | 81% | 19% | | |
| Employment Count (2017) | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 66 | 64 | 130 | 51% | 49% | 1% | 7% |
| C | Manufacturing | 692 | 170 | 862 | 80% | 20% | 13% | 18% |
| D | Waste Services Group Only | 101 | 2 | 103 | 98% | 2% | 2% | 0% |
| E | Construction | 2,871 | 594 | 3,465 | 83% | 17% | 54% | 63% |
| F | Wholesale Trade | 532 | 42 | 573 | 93% | 7% | 10% | 4% |
| I | Selected Transport, Postal and Warehousing | 273 | 38 | 312 | 88% | 12% | 5% | 4% |
| L | Selected Rental and Hiring Services | 348 | 23 | 371 | 94% | 6% | 7% | 2% |
| S | Selected Other Services | 418 | 17 | 434 | 96% | 4% | 8% | 2% |
| QLD Industrial Economy Employment Count | | 5,300 | 948 | 6,249 | 85% | 15% | 100% | 100% |
| Rest of QLD Economy (all other ANZSICs) | | 19,024 | 2,527 | 21,551 | 88% | 12% | | |
| Total QLD Economy Employment Count | | 24,325 | 3,475 | 27,800 | 88% | 12% | | |

Source: M.E, Statistics NZ Business Frame 2017, QLD amalgamated district plan zones. Urban Environment includes zones within urban limits plus Luggate, Luggate Rural Industrial Subzone, LDR adjacent to Lake Hayes (as per QLDC BDCA 2017). The Rural Environment includes special zone and townships that are urban in nature and includes Wanaka Airport Zone.

Divisions that have an above average propensity to be in the urban environment include Waste Services (90% urban), Construction (83%), Wholesale Trade (88%), Transport, Postal and Warehousing (84%) and Selected Other Services (89%). Agricultural Support Services has the greatest share of businesses in the Rural Environment (47% or 24 businesses). This is not unexpected.



The split of industrial economy employment (2017) is slightly more oriented to the urban environment (85%). This indicates that urban locations sustain industries that are slightly larger in size (in terms of the average count of workers) than those industries locating in the rural environment. For all Divisions except Agricultural Support Services, the urban share of employment is between 80% and 98%).

Figure 4.1 also shows the structure of the industrial economy in the urban versus rural environment. While the urban industrial economy is clearly significantly larger, the mix of businesses is reasonably similar – both dominated by Construction businesses at about 60-61%. Wholesaling and Selected Other Services play a slightly bigger role in urban areas than in the rural environment. Conversely, Agricultural Support Services (only a small sector) and Manufacturing (QLD’s second largest industrial economy sector) play a slightly bigger role relative to total businesses in the rural environment.

4.3 Urban Industrial Zones versus Other Urban Zones

This section focuses on zones in the QLD urban environment only. As discussed in section 2.1, the accuracy of Business Directory data to inform zone level analysis is limited by the ability to match much coarser (2013) meshblock boundaries to zone boundaries. Some zones have not been able to be specifically identified. Examples include the Remarkables Park Special Zone, Frankton Flats A Special Zone, Frankton Flats B Special Zone and Glenda Drive Industrial Zone. All four zones are captured in a single meshblock (mapped in Appendix 10). However, in this example, by focussing on the businesses that fall within the identified industrial economy, the results should be more weighted towards Glenda Drive Industrial Zone and Frankton Flats B Special Zone.

For the purpose of this summary, Business Mixed Use and the Business (Operative) zones are grouped. Industrial and Industrial B zones excluding Glenda Drive are grouped and also include the Rural Industrial Overlay in Luggate. Further detail of the zone groupings is tabled in Appendix 10.

Figure 4.2 shows the count of urban industrial economy businesses (2017) by zone group. The results are indicative only due to the limitations of defining zones with meshblocks. Overall, the greatest count of urban industrial economy businesses (899) is found in Other zones (which primarily covers residential focussed zones and the visitor accommodation sub-zones in residential areas). This accounts for a significant 57% of all urban industrial economy businesses. This is dominated by 639 Construction businesses – mainly trade workers who run their business from home. In total, 66% of all urban Construction businesses are located in Other zones. In saying that, they do not dominate the count of businesses included in these defined meshblocks. Construction businesses in this zone group account for just 20% of total businesses (although 71% of total industrial economy businesses, Figure 4.3).

The Township zone accounts for a further 9% of urban industrial economy businesses, and as they are effectively residential zones, could be considered with the Other zones group. 10% of all Construction businesses are located in these zones. In saying that, Selected Agricultural Support Services make up an above average share of businesses in this zone – 19% of the 27 urban businesses in this Division. 12% of all urban Manufacturing businesses are also in Township zones. Combined with the 38% in the Other (residential) zones, this confirms that half of all Manufacturing businesses in the urban environment are very small scale and are likely home-based businesses.

Figure 4.2 – QLD Urban Industrial Economy Businesses by Broad Zone Group (2017)

| ANZSIC Division | Industrial Economy Selection | Airport (Queenstown) | Business (Mixed Use & Operative) | Industrial, Industrial B, Rural Overlay | Other Commercial & Industrial (Remarkables Park, Frankton A&B, Glenda Drive Industrial) | Other (Residential and Visitor Accommodation) | Other Commercial (Town Centres and Local Shopping Centres) | Township Zones | Total QLD Urban |
|--|---|----------------------|----------------------------------|---|---|---|--|----------------|-----------------|
| A | Selected Ag/Forestry/Fishing Support Services | 1 | - | 4 | - | 14 | 3 | 5 | 27 |
| C | Manufacturing | 2 | 13 | 16 | 26 | 70 | 34 | 22 | 181 |
| D | Waste Services Group Only | - | - | - | 1 | 6 | 5 | 1 | 13 |
| E | Construction | 3 | 29 | 25 | 45 | 639 | 131 | 92 | 965 |
| F | Wholesale Trade | 2 | 16 | 10 | 19 | 53 | 29 | 6 | 135 |
| I | Selected Transport, Postal and Warehousing | - | 3 | 5 | 10 | 36 | 12 | 4 | 71 |
| L | Selected Rental and Hiring Services | 5 | 2 | 1 | 10 | 51 | 31 | 3 | 103 |
| S | Selected Other Services | 1 | 20 | 11 | 13 | 30 | 13 | 3 | 92 |
| QLD Urban Industrial Economy | | 14 | 84 | 72 | 126 | 899 | 257 | 136 | 1,587 |
| Rest of QLD Urban Economy (all other ANZSICs) | | 71 | 140 | 101 | 188 | 2,320 | 1,606 | 199 | 4,625 |
| Total QLD Urban Economy | | 85 | 224 | 173 | 314 | 3,219 | 1,863 | 335 | 6,213 |
| Division Share of Each Zone Group | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 2% | 0% | 2% | 0% | 0% | 0% | 1% | 0% |
| C | Manufacturing | 2% | 6% | 9% | 8% | 2% | 2% | 6% | 3% |
| D | Waste Services Group Only | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| E | Construction | 4% | 13% | 15% | 14% | 20% | 7% | 27% | 16% |
| F | Wholesale Trade | 3% | 7% | 6% | 6% | 2% | 2% | 2% | 2% |
| I | Selected Transport, Postal and Warehousing | 0% | 1% | 3% | 3% | 1% | 1% | 1% | 1% |
| L | Selected Rental and Hiring Services | 5% | 1% | 1% | 3% | 2% | 2% | 1% | 2% |
| S | Selected Other Services | 1% | 9% | 6% | 4% | 1% | 1% | 1% | 1% |
| QLD Urban Industrial Economy | | 16% | 38% | 42% | 40% | 28% | 14% | 41% | 26% |
| Rest of QLD Urban Economy (all other ANZSICs) | | 84% | 62% | 58% | 60% | 72% | 86% | 59% | 74% |
| Total QLD Urban Economy | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Zone Group Share of Each Division | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 5% | 0% | 14% | 0% | 52% | 10% | 19% | 100% |
| C | Manufacturing | 1% | 7% | 9% | 14% | 38% | 19% | 12% | 100% |
| D | Waste Services Group Only | 0% | 0% | 0% | 8% | 45% | 38% | 8% | 100% |
| E | Construction | 0% | 3% | 3% | 5% | 66% | 14% | 10% | 100% |
| F | Wholesale Trade | 2% | 12% | 7% | 14% | 39% | 21% | 4% | 100% |
| I | Selected Transport, Postal and Warehousing | 0% | 5% | 8% | 15% | 51% | 17% | 6% | 100% |
| L | Selected Rental and Hiring Services | 4% | 2% | 1% | 10% | 49% | 30% | 3% | 100% |
| S | Selected Other Services | 1% | 22% | 12% | 15% | 33% | 14% | 4% | 100% |
| QLD Urban Industrial Economy | | 1% | 5% | 5% | 8% | 57% | 16% | 9% | 100% |
| Rest of QLD Urban Economy (all other ANZSICs) | | 2% | 3% | 2% | 4% | 50% | 35% | 4% | 100% |
| Total QLD Urban Economy | | 1% | 4% | 3% | 5% | 52% | 30% | 5% | 100% |

Source: M.E, Statistics NZ Business Frame 2017. Refer Appendix 10 for detail on zones excluded and spatial extent in meshblock terms.

The Other Commercial zones (Town Centres and Local Shopping Centres) account for 257 urban industrial economy businesses in 2017. This is 16% of the total. The industrial economy businesses make up just 14% of total businesses, confirming that the key role of those zones is focussed elsewhere (e.g. commercial, retail, household and personal service, visitor accommodation, etc). The combined Business Zones (Business Mixed Use and Business (Operative)) in Wanaka and Queenstown account for just 5% of all urban industrial economy businesses (84). They do account for a higher share of urban Wholesale businesses included in the urban industrial economy (12%) and 22% of Selected Other Services businesses.

The Industrial group of zones, which includes the Industrial and Industrial B zones with the exception of Glenda Drive (which can't be separated) and includes the small Industrial zone in Luggate, account for just 5% of all urban industrial economy businesses (72). The industrial economy businesses in these meshblock areas account for 42% of all businesses – the highest share of any zone group. This means the role of these zones is more strongly focussed on the industrial economy in relative terms (as is the intent). However, this also means that 58% of businesses in these meshblock (101) areas are not within the industrial economy description (although still may be enabled by the zone provisions).

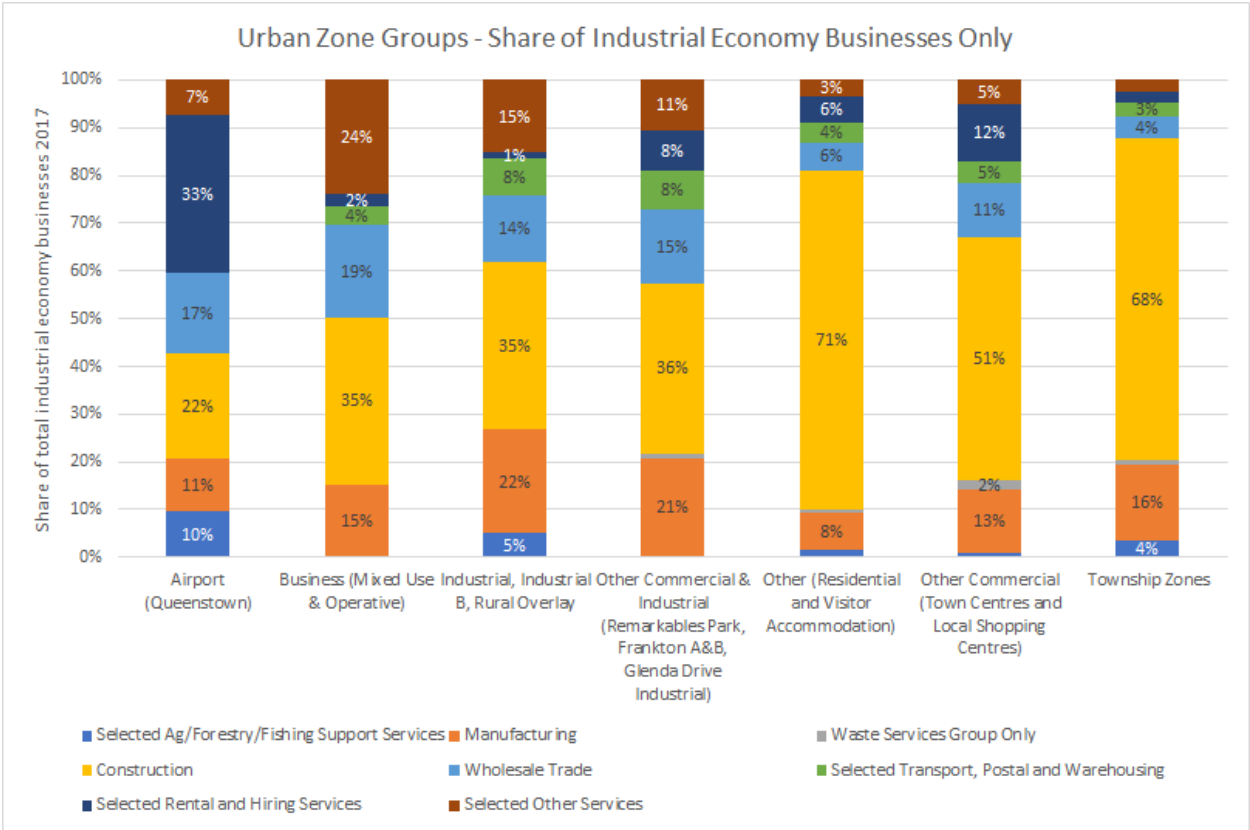


Similarly, the Other Commercial & Industrial zone group accounts for approximately 8% of all urban industrial economy businesses (126) (mostly expected to capture Frankton Flats B and Glenda Drive Industrial). The share of this zone group that is made up of the industrial economy versus other businesses should not be focussed on, as it includes large commercial areas in Remarkables Park and Frankton Flats generally.

This means that somewhere between approximately 5% and 13% (the exact share is uncertain) of the industrial economy businesses in 2017 fall within Industrial and Industrial B zones²⁰. This appears a small share, but the location patterns are relatively easy to explain when considering the various drivers of industrial economy location decisions. This is the component of the industrial economy that a review of industrial zone provisions needs to focus most strongly on (notwithstanding the opportunity for industrial zones to attract a greater share of industrial economy businesses in the future).

Figure 4.3 compares the mix of just industrial economy businesses in each zone group (with other types of businesses excluded). It shows that the profile (mix) of businesses (at the Division level) is not dissimilar between the Industrial group and the Other Commercial & Industrial group. There is a greater share of Rental and Hiring Services, but all three zones in this group are in close proximity to the airport. Importantly, their Manufacturing and Construction role is very similar.

Figure 4.3 – Share of QLD Urban Industrial Economy Businesses by Broad Zone Group (2017)



²⁰ A very small portion is likely to be attributable to the Luggate Industrial Overlay area included in the urban environment and captured in these zone groups.

By comparison, the dominance of Construction businesses in the Other and Township groups is related to the concentration of residential dwellings (where tradesmen reside). The role of the Other Commercial zone group is still dominated by Construction (potentially more Construction related services or the office activity of Construction businesses). Relative to Industrial zones, the Business zone group excludes Agricultural Support Services activity, and has a greater focus on Wholesale and Other Services activity.

For completeness, Figures 4.4 and 4.5 show the same results for industrial economy employment.

Figure 4.4 – QLD Urban Industrial Economy Employment by Broad Zone Group (2017)

| ANZSIC Division | Industrial Economy Selection | Airport (Queenstown) | Business (Mixed Use & Operative) | Industrial, Industrial B, Rural Overlay | Other Commercial & Industrial (Remarkables Park, Frankton A&B, Glenda Drive Industrial) | Other (Residential and Visitor Accommodation) | Other Commercial (Town Centres and Local Shopping Centres) | Township Zones | Total QLD Urban |
|---|---|----------------------|----------------------------------|---|---|---|--|----------------|-----------------|
| A | Selected Ag/Forestry/Fishing Support Services | 2 | - | 10 | - | 47 | 3 | 4 | 66 |
| C | Manufacturing | 6 | 77 | 57 | 152 | 135 | 232 | 33 | 692 |
| D | Waste Services Group Only | - | - | - | 19 | 67 | 14 | 1 | 101 |
| E | Construction | 15 | 174 | 111 | 499 | 1,503 | 399 | 171 | 2,871 |
| F | Wholesale Trade | 12 | 86 | 49 | 236 | 77 | 61 | 9 | 532 |
| I | Selected Transport, Postal and Warehousing | - | 36 | 7 | 128 | 75 | 21 | 7 | 273 |
| L | Selected Rental and Hiring Services | 79 | 9 | 1 | 115 | 69 | 68 | 8 | 348 |
| S | Selected Other Services | 6 | 125 | 53 | 113 | 69 | 48 | 4 | 418 |
| QLD Urban Industrial Economy | | 120 | 506 | 288 | 1,261 | 2,042 | 845 | 238 | 5,300 |
| Rest of QLD Urban Economy (all other ANZSICs) | | 972 | 874 | 268 | 1,186 | 5,421 | 10,044 | 260 | 19,024 |
| Total QLD Urban Economy | | 1,092 | 1,380 | 556 | 2,447 | 7,463 | 10,888 | 497 | 24,325 |
| Division Share of Each Zone Group | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 0% | 0% | 2% | 0% | 1% | 0% | 1% | 0% |
| C | Manufacturing | 1% | 6% | 10% | 6% | 2% | 2% | 7% | 3% |
| D | Waste Services Group Only | 0% | 0% | 0% | 1% | 1% | 0% | 0% | 0% |
| E | Construction | 1% | 13% | 20% | 20% | 20% | 4% | 34% | 12% |
| F | Wholesale Trade | 1% | 6% | 9% | 10% | 1% | 1% | 2% | 2% |
| I | Selected Transport, Postal and Warehousing | 0% | 3% | 1% | 5% | 1% | 0% | 1% | 1% |
| L | Selected Rental and Hiring Services | 7% | 1% | 0% | 5% | 1% | 1% | 2% | 1% |
| S | Selected Other Services | 1% | 9% | 10% | 5% | 1% | 0% | 1% | 2% |
| QLD Urban Industrial Economy | | 11% | 37% | 52% | 52% | 27% | 8% | 48% | 22% |
| Rest of QLD Urban Economy (all other ANZSICs) | | 89% | 63% | 48% | 48% | 73% | 92% | 52% | 78% |
| Total QLD Urban Economy | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Zone Group Share of Each Division | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 3% | 0% | 15% | 0% | 71% | 5% | 7% | 100% |
| C | Manufacturing | 1% | 11% | 8% | 22% | 19% | 34% | 5% | 100% |
| D | Waste Services Group Only | 0% | 0% | 0% | 19% | 66% | 14% | 1% | 100% |
| E | Construction | 1% | 6% | 4% | 17% | 52% | 14% | 6% | 100% |
| F | Wholesale Trade | 2% | 16% | 9% | 44% | 15% | 11% | 2% | 100% |
| I | Selected Transport, Postal and Warehousing | 0% | 13% | 3% | 47% | 28% | 8% | 2% | 100% |
| L | Selected Rental and Hiring Services | 23% | 3% | 0% | 33% | 20% | 19% | 2% | 100% |
| S | Selected Other Services | 1% | 30% | 13% | 27% | 17% | 11% | 1% | 100% |
| QLD Urban Industrial Economy | | 2% | 10% | 5% | 24% | 39% | 16% | 4% | 100% |
| Rest of QLD Urban Economy (all other ANZSICs) | | 5% | 5% | 1% | 6% | 28% | 53% | 1% | 100% |
| Total QLD Urban Economy | | 4% | 6% | 2% | 10% | 31% | 45% | 2% | 100% |

Source: M.E, Statistics NZ Business Frame 2017. Refer Appendix 10 for detail on zones excluded and spatial extent in meshblock terms.

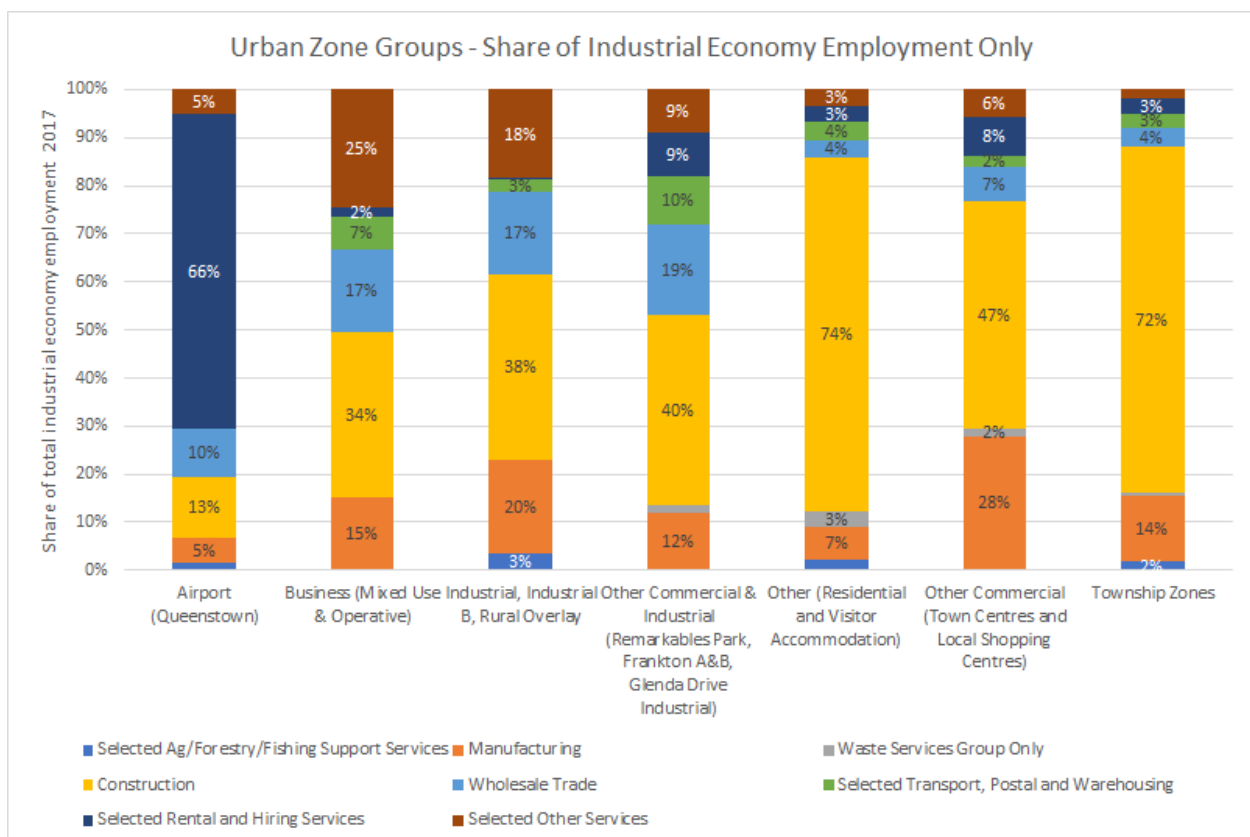
Key features:

- The Other zone group (residential zones) accounts for a much lower share of urban industrial economy employment (39% or approximately 2,040 workers) than it does businesses (57%). This confirms the very small scale of these businesses, including sole traders in the Construction sector. The same applies to the Township zone group (4% of employment compared to 9% of businesses).

- The Business zones group accounts for 10% of urban industrial economy employment (506 workers). This includes 11% of urban Manufacturing employment and 16% of Wholesale employment and 30% of Selected Other Services employment.
- The Industrial zone group captures 5% of urban industrial economy employment, the same share as it captures of industrial economy businesses. This includes 8% of urban Manufacturing employment, 9% of Wholesale Trade employment and 13% of Selected Other Services employment.
- Interestingly, the Other Commercial & Industrial zone group (which includes Glenda Drive and Frankton Flats in addition to Remarkables Park) captures 24% of urban industrial economy employment, compared to just 8% of businesses. This is a total of approximately 1,260 workers. This highlights that these businesses have a larger average size (and compared with other Industrial zones in the district). It is not clear from this Business Directory data, exactly what role the Industrial zone (Glenda Drive) has in this share.

The key features of Figure 4.5, relative to Figure 4.3, are that the profile of employment is broadly similar to the profile of businesses in each zone group. The key exceptions are the Airport Zone in Queenstown. While Rental and Hiring Services makes up 33% of businesses in that zone, it accounts for 66% of employment (meaning the businesses are larger relative to the others in the industrial economy in that area). Also, it is worth pointing out that the share of employment in the Industrial zone group in the Transport, Postal and Warehousing Division is just 3% compared to 8% of businesses. This is driven by storage companies, which have very low levels of staff.

Figure 4.5 – Share of QLD Urban Industrial Economy Employment by Broad Zone Group (2017)



4.3.1 Current Propensity to Locate in an Urban Industrial Zone

We have attempted to categorise ANZSICs within the industrial economy based on their current propensity to choose an Industrial Zone in the urban environment compared to other zones in the urban environment (including non-business zones). These results are indicative only, and may look different if revisited in the future, particularly with the prospect of two greenfield industrial zones coming on stream at some time (Coneburn and the Ballantyne Road Mixed Use Zone).

The purpose of this analysis is to help guide the review process in terms of what ANZSICs most need to be provided for (accepting that the district plan is activity focussed not business classification focussed) because they currently don't appear to locate anywhere else in the urban environment (for various reasons) or have demonstrated a moderate to high preference for industrial zones.

Care is needed as every business is unique in its operation. Within each category (High, Moderate-High and Moderate propensity for an industrial zone location) there are some ANZSICs that have a higher and lower propensity than the category average. Nor should this analysis be used in any way to necessarily exclude any industrial economy business from industrial zones just because they have demonstrated little or no propensity at present. Depending on their scale, some businesses may be beneficial to 'direct' or 'attract' to industrial zones rather than other zones.

Figure 4.6 – Industries Demonstrating a High Preference for Urban Industrial Zones (2017)

| QLD Industrial Economy | ANZSIC | Division | Urban Industrial Zone Propensity 2017 | Count of Urban Businesses | Share of Urban Businesses |
|---|---------|----------|---------------------------------------|---------------------------|---------------------------|
| Industrial - Aluminium Rolling, Drawing, Extruding | C214200 | C | High | 1 | 0% |
| Industrial - Other Sheet Metal Product Manufacturing | C224000 | C | High | 1 | 0% |
| Industrial - Other Specialised Machinery and Equipment Manufacturing | C246900 | C | High | 1 | 0% |
| Industrial - Structural Steel Fabricating | C222100 | C | High | 2 | 0% |
| Industrial - Car Wholesaling | F350100 | F | High | 1 | 0% |
| Industrial - Dairy Produce Wholesaling | F360300 | F | High | 2 | 0% |
| Industrial - Metal and Mineral Wholesaling | F332200 | F | High | 2 | 0% |
| Industrial - Motor Vehicle Dismantling and Used Part Wholesaling | F350500 | F | High | 1 | 0% |
| Industrial - Other Specialised Industrial Machinery and Equipment Wholesaling | F341900 | F | High | 1 | 0% |
| Sub-Total | | | | 13 | 1% |

Source: M.E, Statistics NZ Business Directory.

Figure 4.7 – Industries Demonstrating a Moderate-High Preference for Urban Ind. Zones (2017)

| QLD Industrial Economy | ANZSIC | Division | Urban Industrial Zone Propensity 2017 | Count of Urban Businesses | Share of Urban Businesses |
|--|---------|----------|---------------------------------------|---------------------------|---------------------------|
| Industrial - Metal Roof and Guttering Manufacturing (except Aluminium) | C222400 | C | Moderate-High | 4 | 0% |
| Industrial - Other Wood Product Manufacturing n.e.c. | C149900 | C | Moderate-High | 3 | 0% |
| Industrial - Motor Vehicle New Part Wholesaling | F350400 | F | Moderate-High | 3 | 0% |
| Sub-Total | | | | 10 | 1% |

Figure 4.8 – Industries Demonstrating a Moderate Preference for Urban Industrial Zones (2017)

| QLD Industrial Economy | ANZSIC | Division | Urban Industrial Zone Propensity 2017 | Count of Urban Businesses | Share of Urban Businesses |
|--|---------|----------|---------------------------------------|---------------------------|---------------------------|
| Industrial - Boatbuilding and Repair Services | C239200 | C | Moderate | 2 | 0% |
| Industrial - Clothing Manufacturing | C135100 | C | Moderate | 3 | 0% |
| Industrial - Concrete Product Manufacturing | C203400 | C | Moderate | 4 | 0% |
| Industrial - Other Fabricated Metal Product Manufacturing n.e.c. | C229900 | C | Moderate | 5 | 0% |
| Industrial - Other Furniture Manufacturing | C251900 | C | Moderate | 2 | 0% |
| Industrial - Textile Finishing and Other Textile Product Manufacturing | C133400 | C | Moderate | 2 | 0% |
| Industrial - Wooden Structural Fittings and Components Manufacturing | C149200 | C | Moderate | 5 | 0% |
| Industrial - Industrial and Agricultural Chemical Product Wholesaling | F332300 | F | Moderate | 2 | 0% |
| Industrial - Interurban and Rural Bus Transport | I462100 | I | Moderate | 2 | 0% |
| Industrial - Heavy Machinery and Scaffolding Rental and Hiring | L663100 | L | Moderate | 2 | 0% |
| Industrial - Automotive Electrical Services | S941100 | S | Moderate | 4 | 0% |
| Sub-Total | | | | 33 | 2% |

Source: M.E, Statistics NZ Business Directory.

Appendix 11 lists the ANZSICs that have a lower propensity to locate in today’s urban industrial zones (when considered as a group, not the individual business level). These businesses have not demonstrated a functional or operational need to locate in an industrial zone. They may be office-based businesses for example, that can locate in a range of other urban business zones. They may be service based businesses that can locate in the Business Mixed Use Zone. They may have a functional or operational need to be in an Airport zone. Alternatively, they may be very small-scale and can operate as home-occupation businesses, or simply have no physical premises requirements, such as tradesmen.

4.4 Stage 3 Review Industrial/Business Zones

This section focusses on what data is able to be analysed for the specific zones of interest for the Stage 3 review. These are the Industrial, Industrial B and Business (Operative) zones. While the Ballantyne Road Mixed Use Zone is also of interest, it is currently vacant. The analysis draws on the Business Directory data (as described above) which is limited to whole meshblocks. These limitations are described in more detail for each zone below. Despite the limitations, the conclusions are considered sufficiently reliable for the purpose of comparing the zones against each other as the industrial zones account for major share of industrial economy businesses and employment (which is the key focus). This section also draws on Council’s own field data for each zone. Both datasets have different strengths so complement each other.

4.4.1 Arrowtown Industrial Zone

Figure 4.9 – Meshblock Boundaries and District Plan Zone Extent – Arrowtown Industrial

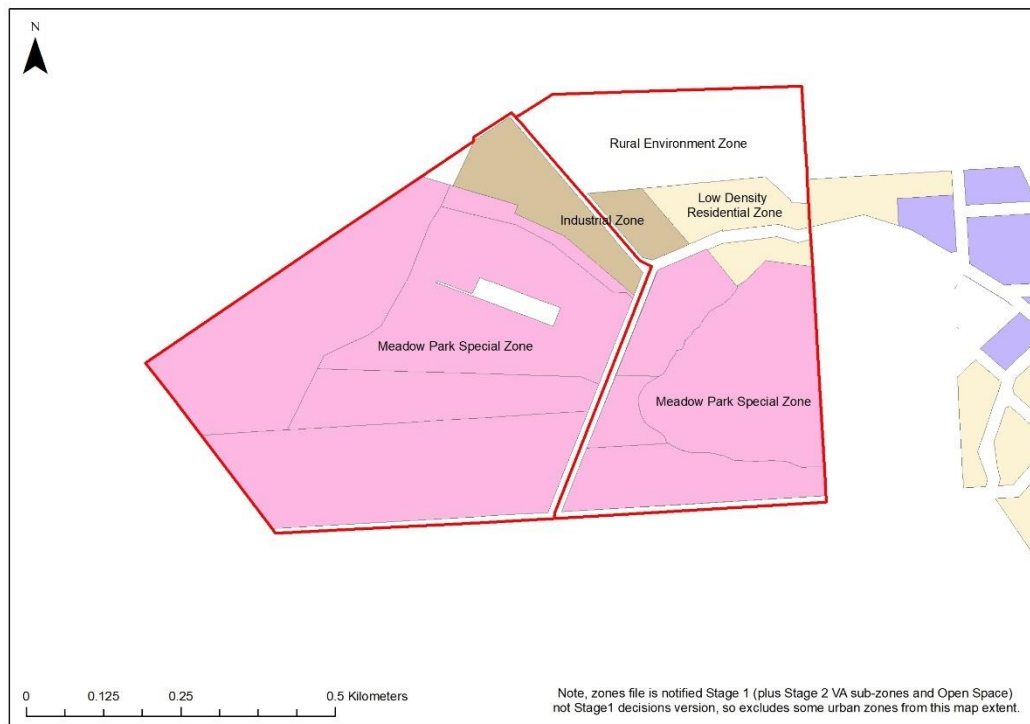


Figure 4.9 shows a map that compares the meshblock extent that has been used to represent economic activity using Business Directory data in the Arrowtown Industrial Zone, relative to underlying zone boundaries. Note, the zoning file is from the notified Stage 1 PDP²¹ and not the Stage 1 decisions version, so some minor variations may exist. In order to capture the Industrial zone, the Business Directory analysis also picks up the Meadow Park Special Zone (residential) and the Low Density Residential Zone. This means that the data will include industrial economy businesses that may be ‘home-based’ and not within the actual Industrial zone.

Figure 4.10 shows that the Arrowtown Industrial zone (and immediate surrounding zone areas) contain 41 businesses (2017) of which 15 are included in the identified industrial economy (spread over 11 different ANZSIC types). The industrial economy share of total businesses in the area captured is therefore 37%. However, the industrial economy share of total employment is 63%, with 54 workers. This gives an average business size for industrial economy businesses of 3.5 (2017).

Construction related businesses account for 30% of total industrial economy businesses and 40% of employment. This is followed by Wholesale Trade businesses (18% of businesses and 33% of employment – these have the biggest average business size at around 6 workers).

²¹ Also includes notified Stage 2 visitor accommodation sub-zones and open space.

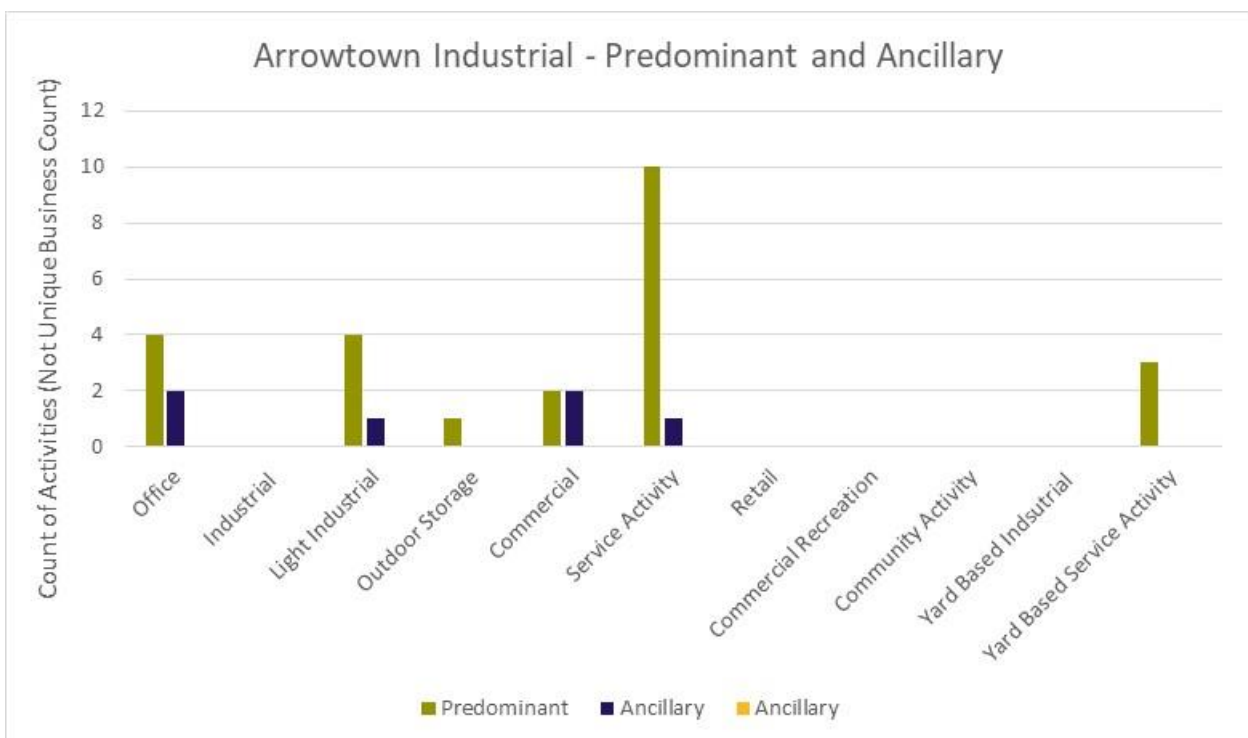
Figure 4.10 – Industrial Economy Activity in Approximate Arrowtown Industrial Zone (2017)

| ANZSIC Division | Industrial Economy Selection | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|---|--------------------|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|------------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 3 | 17% | 6% | 4 | 7% | 4% | 1.4 |
| C | Manufacturing | 1 | 8% | 3% | 3 | 5% | 3% | 2.3 |
| D | Waste Services Group Only | - | 0% | 0% | - | 0% | 0% | - |
| E | Construction | 5 | 30% | 11% | 21 | 40% | 25% | 4.7 |
| F | Wholesale Trade | 3 | 18% | 7% | 18 | 33% | 21% | 6.6 |
| I | Selected Transport, Postal and Warehousing | 3 | 17% | 6% | 3 | 5% | 3% | 1.0 |
| L | Selected Rental and Hiring Services | - | 0% | 0% | - | 0% | 0% | - |
| S | Selected Other Services | 2 | 11% | 4% | 6 | 10% | 7% | 3.5 |
| QLD Industrial Economy | | 15 | 100% | 37% | 54 | 100% | 63% | 3.5 |
| Rest of QLD Economy (all other ANZSICs) | | 26 | | 63% | 32 | | 37% | 1.2 |
| Total QLD Economy | | 41 | | 100% | 86 | | 100% | 2.1 |

Source: M.E, Statistics NZ Business Frame 2017. Meshblock extent includes areas of adjacent district plan zones - data not limited to Industrial A zone.

Figure 4.11 summarises actual counts of all activities within the extent of the Arrowtown Industrial zone (based on Council field survey data). This is not limited to industrial activities. Activities are described according the definitions in the Stage 1 decisions version district plan. The counts shown in the graph do not sum to the total business count, as up to two ancillary activities are also identified, although the predominant activity is representative of total businesses. It shows that the zone includes 24 businesses at present, with 6 of these including an ancillary activity. The most common (predominant) activity is defined as Service Activities. There are 10 of these businesses. Light Industrial, Office, Outdoor Storage, Commercial and Yard Based Service activities are also present.

Figure 4.11 – Activities by District Plan Category (2019) – Arrowtown Industrial Zone



4.4.2 Glenda Drive Industrial

Figure 4.12 shows a map that compares the meshblock extent that has been used to represent economic activity using Business Directory data in the Glenda Drive Industrial Zone, relative to underlying zone boundaries. Unfortunately, in order to capture the Industrial zone, the Business Directory analysis also picks up extensive areas of the Remarkables Park Zone, all of the Frankton Flats A zone and all of the Frankton Flats B Zone (due to 2013 meshblock boundaries). This means that the data will include industrial economy businesses that may be located in any of those zones. On the other hand, Frankton Flats A and Remarkables Park are highly retail and recreation focussed. The Frankton Flats B zone includes some industrial precincts and more flexible mixed commercial/light industrial zones. To the extent that these businesses were present in February 2017 (the snapshot of the Business Directory), Frankton Flats B in particular will be skewing the data.

Figure 4.12 – Meshblock Boundaries and District Plan Zone Extent – Glenda Drive Industrial

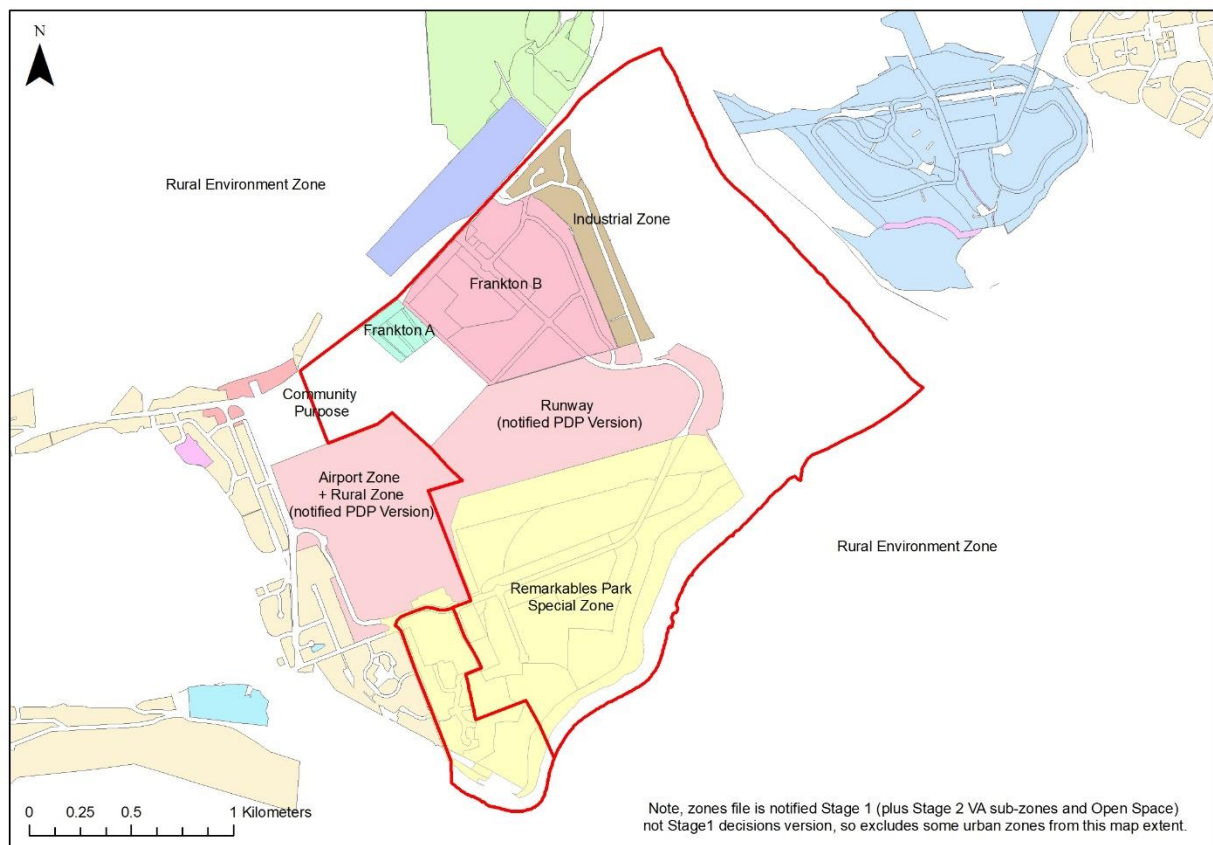


Figure 4.13 shows that the Glenda Drive Industrial zone (and immediate surrounding zone areas) contain 314 businesses (2017) of which 124 are included in the identified industrial economy (spread over 62 different ANZSIC types). The industrial economy share of total businesses in the area captured is therefore 39% but not representative of just the Industrial zone. The industrial economy share of total employment is 52%, with 1,261 workers (again this percentage should be viewed with caution). This gives an average

business size for industrial economy businesses of 10 workers each (2017). This is the highest for any of the zones examined.

Construction related businesses account for 36% of total industrial economy businesses and 40% of employment (these have an average business size of approximately 11 workers each). This is followed by Manufacturing businesses (21% of businesses and 12% of employment). The single Waste Services business has 19 staff according to the Business Directory. Both Wholesaling and Transport, Postal and Warehousing businesses in this area have an average business size of 12 workers each. Overall, the Glenda Drive Industrial Zone (or wider Frankton area) supports the largest businesses in the industrial economy.

Figure 4.13 – Industrial Economy Activity in Approximate Glenda Drive Industrial Zone (2017)

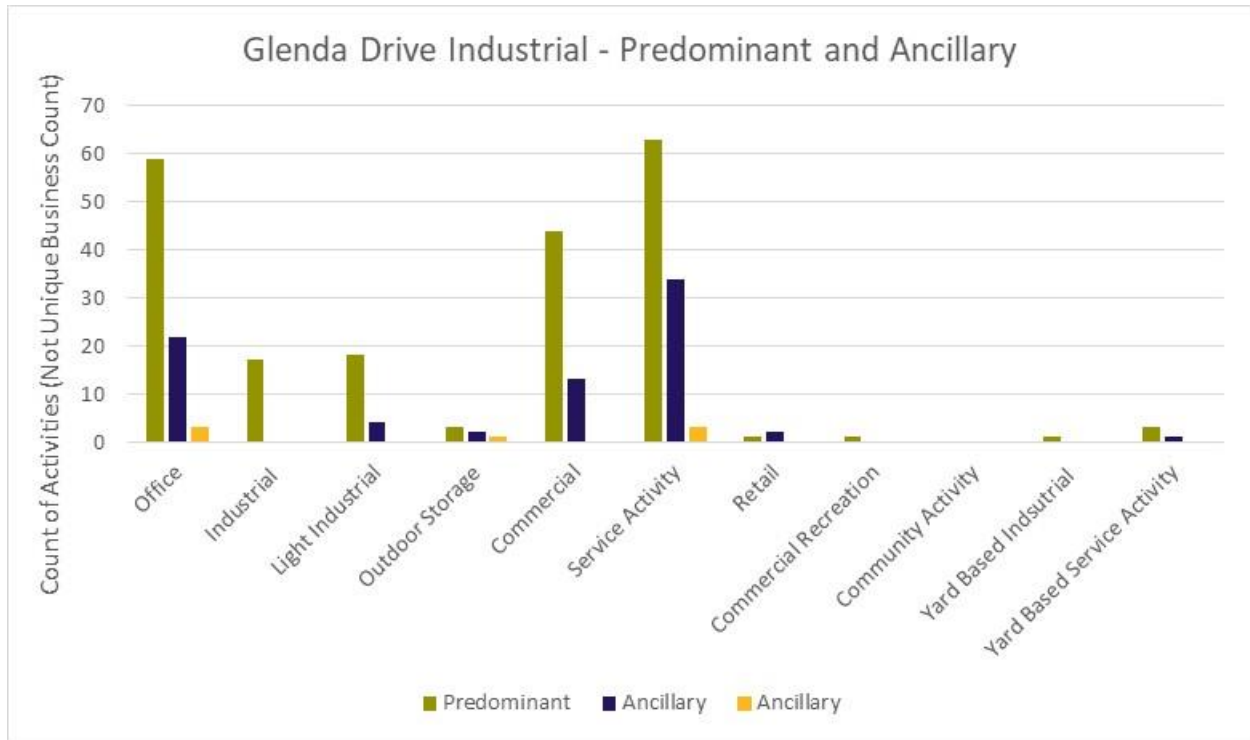
| ANZSIC Division | Industrial Economy Selection | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|---|--------------------|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|------------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | - | 0% | 0% | - | 0% | 0% | - |
| C | Manufacturing | 26 | 21% | 8% | 152 | 12% | 6% | 5.9 |
| D | Waste Services Group Only | 1 | 1% | 0% | 19 | 1% | 1% | 18.8 |
| E | Construction | 45 | 36% | 14% | 499 | 40% | 20% | 11.1 |
| F | Wholesale Trade | 19 | 15% | 6% | 236 | 19% | 10% | 12.4 |
| I | Selected Transport, Postal and Warehousing | 10 | 8% | 3% | 128 | 10% | 5% | 12.8 |
| L | Selected Rental and Hiring Services | 10 | 8% | 3% | 115 | 9% | 5% | 11.5 |
| S | Selected Other Services | 13 | 10% | 4% | 113 | 9% | 5% | 8.7 |
| QLD Industrial Economy | | 124 | 100% | 39% | 1,261 | 100% | 52% | 10.2 |
| Rest of QLD Economy (all other ANZSICs) | | 190 | | 61% | 1,186 | | 48% | 6.2 |
| Total QLD Economy | | 314 | | 100% | 2,447 | | 100% | 7.8 |

Source: M.E, Statistics NZ Business Frame 2017. Meshblock extent includes areas of adjacent district plan zones - data not limited to Industrial A zone.

Figure 4.14 summarises actual counts of all activities within the extent of the Glenda Drive Industrial zone (based on Council field survey data). It shows that the zone includes 210 businesses at present, with 78 of these including one ancillary activity and 7 of those containing a second ancillary activity. The most common (predominant) activity is defined as Service Activities. There are 63 of these businesses. The only business types not present in the zone include Yard Based Storage and Community Activities. Commercial activities are common (44 businesses) as are Office activities (59 businesses). Offices are also a significant ancillary activity. For 34 businesses, the Service Activity was the ancillary activity not the predominant role of the business.



Figure 4.14 – Activities by District Plan Category (2019) – Glenda Drive Industrial Zone



4.4.3 Wanaka Industrial

Figure 4.15 shows a map that compares the meshblock extent that has been used to represent economic activity using Business Directory data in the Wanaka Industrial zones, relative to underlying zone boundaries. Unfortunately, in order to capture the Industrial zone, the Business Directory analysis also picks up the Industrial B Zone, so these cannot be analysed separately. It also picks up extensive areas of the Plan Change 46 Zone, Low and Medium Density residential zones, Large Lot A residential zone and the Local Shopping Centre zone. This means that the data will include industrial economy businesses that may be located in any of those zones. However, much of this other zone area is vacant land or residential. The medical centre is the most obvious commercial activity. Any additional industrial economy businesses captured are therefore likely to be home-based businesses.

Figure 4.16 shows that the combined Wanaka Industrial zones (and immediate surrounding zone areas) contain 126 businesses (2017) of which 52 are included in the identified industrial economy (spread over 41 different ANZSIC types). The industrial economy share of total businesses in the area captured is therefore 41% but not representative of just the Industrial zones. The industrial economy share of total employment is 48%, with 218 workers (again this percentage should be viewed with caution). This gives an average business size for industrial economy businesses of 4 workers each (2017).

Figure 4.15 – Meshblock Boundaries and District Plan Zone Extent – Wanaka Ind. and Ind. B

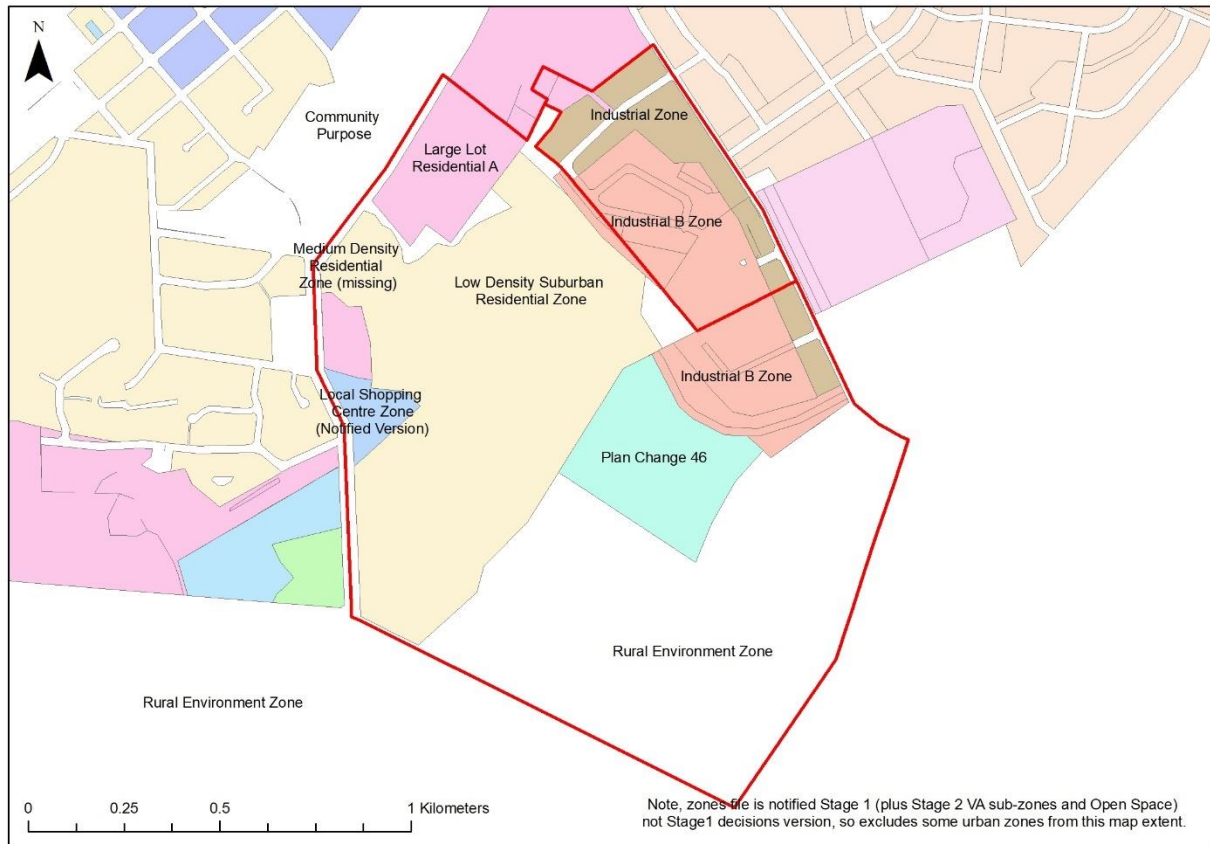


Figure 4.16 – Industrial Economy Activity in Approximate Wanaka Ind. & Ind. B Zone (2017)

| ANZSIC Division | Industrial Economy Selection | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|---|--------------------|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|------------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | - | 0% | 0% | - | 0% | 0% | - |
| C | Manufacturing | 13 | 25% | 10% | 48 | 22% | 11% | 3.7 |
| D | Waste Services Group Only | - | 0% | 0% | - | 0% | 0% | - |
| E | Construction | 20 | 38% | 16% | 87 | 40% | 19% | 4.3 |
| F | Wholesale Trade | 7 | 13% | 6% | 32 | 14% | 7% | 4.5 |
| I | Selected Transport, Postal and Warehousing | 3 | 6% | 2% | 5 | 2% | 1% | 1.6 |
| L | Selected Rental and Hiring Services | 1 | 2% | 1% | 1 | 1% | 0% | 1.1 |
| S | Selected Other Services | 8 | 15% | 6% | 46 | 21% | 10% | 5.7 |
| QLD Industrial Economy | | 52 | 100% | 41% | 218 | 100% | 48% | 4.2 |
| Rest of QLD Economy (all other ANZSICs) | | 74 | | 59% | 235 | | 52% | 3.2 |
| Total QLD Economy | | 126 | | 100% | 453 | | 100% | 3.6 |

Source: M.E, Statistics NZ Business Frame 2017. Meshblock extent includes areas of adjacent district plan zones - data not limited to Industrial A and B zone.

Construction related businesses account for 38% of total industrial economy businesses and 40% of employment (these have an average business size of approximately 4 workers each). This is followed by Manufacturing businesses (25% of businesses and 22% of employment). Selected Other Services make up



5% of industrial economy businesses (8 as at 2017) and 21% of employment – giving a slightly above average size of nearly 6 workers each.

Figure 4.17 summarises actual counts of all activities within the extent of the Wanaka Industrial zone (based on Council field survey data). It shows that the zone includes 77 businesses at present, with 28 of these including one ancillary activity and 5 of those containing a second ancillary activity. The most common (predominant) activity is defined as Service Activities. There are 23 of these businesses. The only business types not present in the zone (but enabled) are Service Stations and Yard Based Storage. Commercial and Retail activities are few (6 businesses combined). Office activities are common (16 businesses) as are Light Industrial activities (18 businesses). Offices and Commercial activities are the most common ancillary activities.

Figure 4.17 – Activities by District Plan Category (2019) – Wanaka Industrial Zone

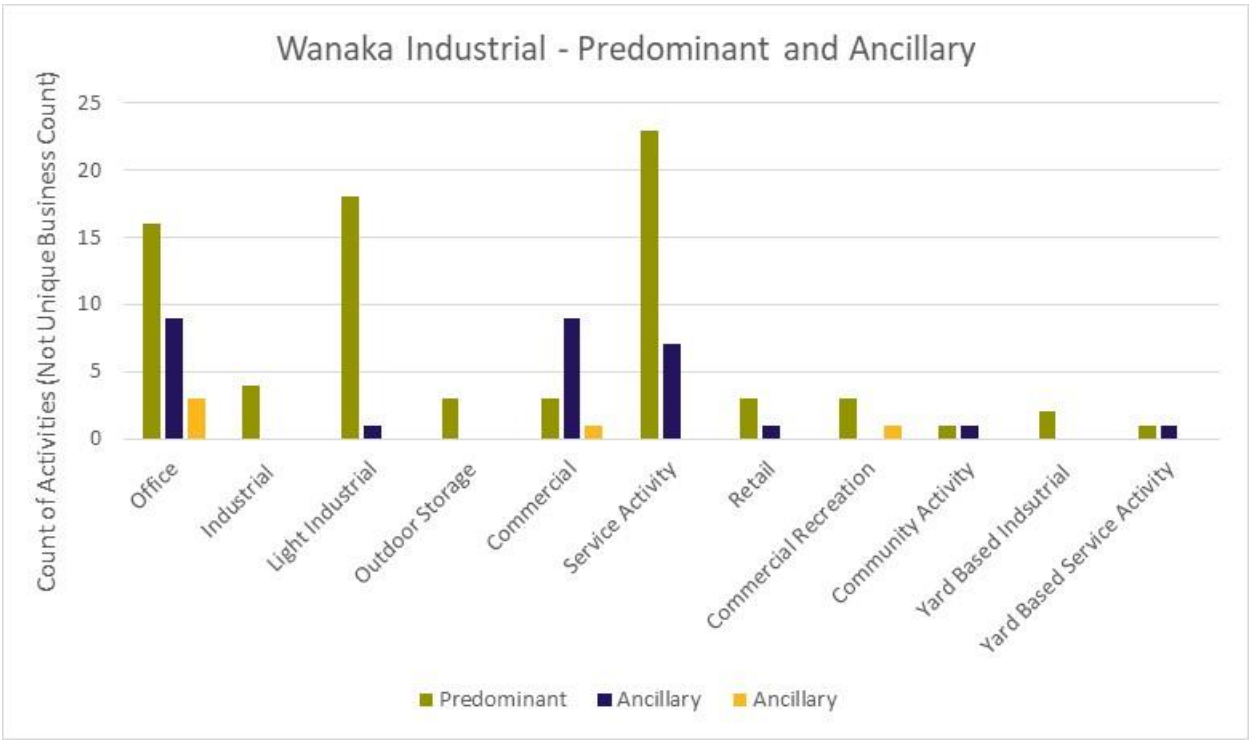
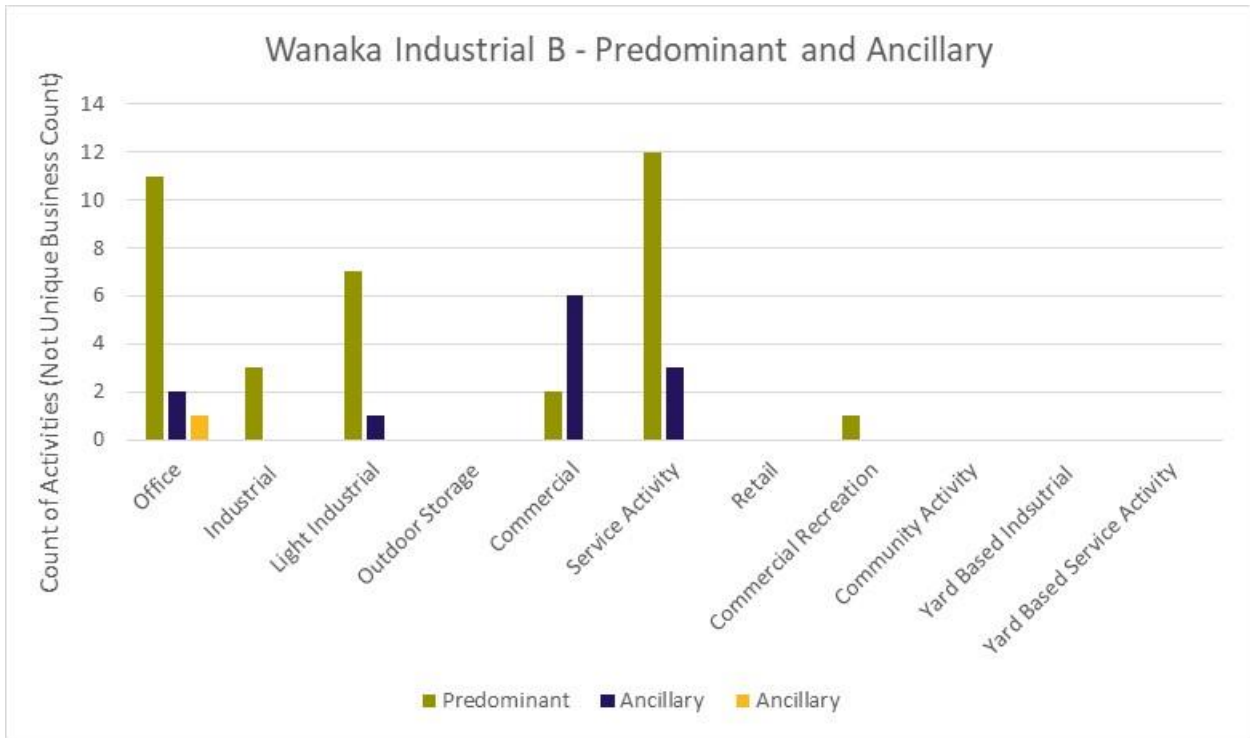


Figure 4.18 summarises actual counts of all activities within the extent of the Wanaka Industrial B zone (based on Council field survey data). For the purpose of this analysis, we have categorised activities according to the categories enabled in the Industrial zone and not those specifically identified for the Industrial B zone (for better comparability). It shows that the zone includes 33 businesses at present, with 12 of these including one ancillary activity and 1 of those containing a second ancillary activity. The most common (predominant) activity is defined as Service Activities and Office activities. There are 11 of these businesses each. There are no yard-based activities or outdoor storage. Retail and Commercial activities have also not occurred. Light Industrial activities are slightly less common (7 businesses). Commercial activities are the most common ancillary activity.



Figure 4.18 – Activities by District Plan Category (2019) – Wanaka Industrial B Zone

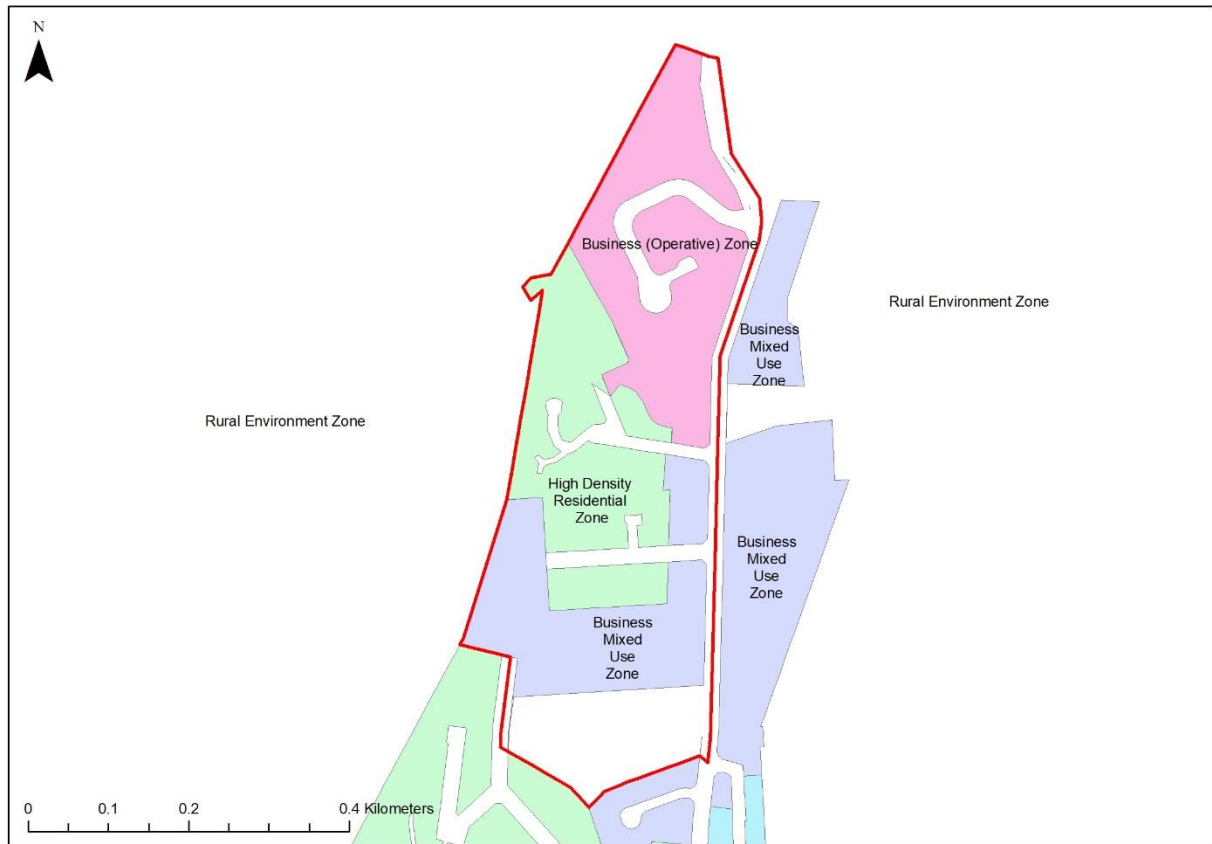


4.4.4 Gorge Road Business (Operative)

Figure 4.19 shows a map that compares the meshblock extent that has been used to represent economic activity using Business Directory data in the Gorge Road Business (Operative) Zone, relative to underlying zone boundaries. In order to capture the Business zone, the Business Directory analysis also picks up the High Density Residential Zone to the south and an area of the Business Mixed Use Zone. This means that the data will include industrial economy businesses that may be 'home-based' or in the Business Mixed Use Zone and not within the actual operative Business zone.

Figure 4.20 shows that the Business (Operative) zone (and immediate surrounding zone areas) contains 89 businesses (2017) of which 38 are included in the identified industrial economy (spread over 22 different ANZSIC types). The industrial economy share of total businesses in the area captured is therefore 43% but not representative of just the Operative Business Zone. The industrial economy share of total employment is 32%, with 204 workers (again this percentage should be viewed with caution). This gives an average business size for industrial economy businesses of 5 workers each (2017).

Figure 4.19 – Meshblock Boundaries and District Plan Zone Extent – Gorge Rd Business



Construction related businesses account for 39% of total industrial economy businesses and 46% of employment (these have an average business size of approximately 6 workers each). This is followed by Selected Other Service businesses (29% of businesses and 31% of employment). Manufacturing make up 16% of industrial economy businesses (6 as at 2017) and 9% of employment – giving a below average size of 3 workers each compared to other Divisions.

Figure 4.20 – Industrial Economy Activity in Approximate Gorge Rd Business Zone (2017)

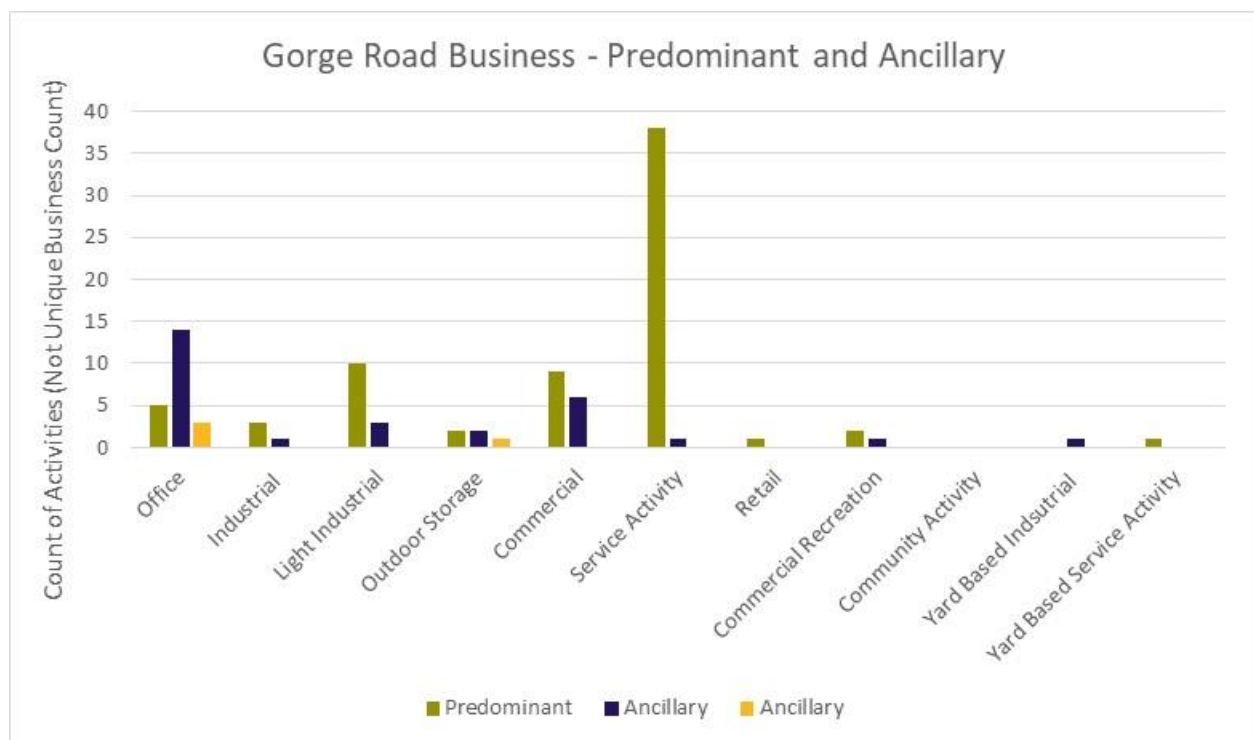
| ANZSIC Division | Industrial Economy Selection | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|---|--------------------|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|------------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | - | 0% | 0% | - | 0% | 0% | - |
| C | Manufacturing | 6 | 16% | 7% | 18 | 9% | 3% | 3.0 |
| D | Waste Services Group Only | - | 0% | 0% | - | 0% | 0% | - |
| E | Construction | 15 | 39% | 17% | 94 | 46% | 15% | 6.3 |
| F | Wholesale Trade | 5 | 13% | 6% | 21 | 11% | 3% | 4.3 |
| I | Selected Transport, Postal and Warehousing | 1 | 3% | 1% | 7 | 3% | 1% | 6.5 |
| L | Selected Rental and Hiring Services | - | 0% | 0% | - | 0% | 0% | - |
| S | Selected Other Services | 11 | 29% | 12% | 64 | 31% | 10% | 5.8 |
| QLD Industrial Economy | | 38 | 100% | 43% | 204 | 100% | 32% | 5.4 |
| Rest of QLD Economy (all other ANZSICs) | | 51 | | 57% | 441 | | 68% | 8.6 |
| Total QLD Economy | | 89 | | 100% | 644 | | 100% | 7.2 |

Source: M.E, Statistics NZ Business Frame 2017. Meshblock extent includes areas of adjacent district plan zones - data not limited to Business (Operative) zone.



Figure 4.21 summarises actual counts of all activities within the extent of the Gorge Road Business (Operative) zone (based on Council field survey data). For the purpose of this analysis, activities were categorised according to the categories enabled in the Industrial zone (for comparability). It shows that the zone includes 77 businesses at present, with 29 of these including one ancillary activity and 4 of those containing a second ancillary activity. The most common (predominant) activity is defined as Service Activities. There are 38 of these businesses. There are no yard-based storage activities but there are two outdoor storage businesses and one yard based service activity. Light Industrial activities are the next most common (10 businesses), followed by Commercial activities (9 businesses). Office activities are the most common ancillary activity.

Figure 4.21 – Activities by District Plan Category (2019) – Gorge Road Business Zone

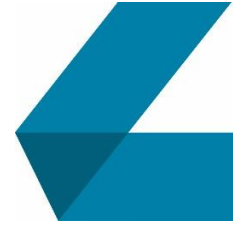


4.5 Industrial Zone Profile Comparison

This section provides a comparison of the five zones using both available datasets. This is relevant to understand what makes the zones similar and what makes them different.

Figures 4.22 and 4.23 compare the zones in terms of the count and share of 2017 businesses included in the description of the industrial economy (not all businesses in the zone). As discussed above, the Business Directory data is not limited just to the zone extents, so is indicative. The data is summarised by ANZSIC Division.

Figure 4.22 highlights the larger number of industrial economy businesses in the Glenda Drive Industrial area (this is likely to overestimate the actual count to some degree). The small size of the Arrowtown Industrial zone is also apparent (and consistent with its relatively small area in hectares). Figure 4.23 provides a more direct comparison of their respective mix of industrial economy (but not all businesses)



businesses using a percentage distribution. Their industrial economy business structure is very similar – especially between the Gorge Road Business zone, combined Wanaka Industrial zones and Glenda Drive Industrial zone. The Arrowtown Industrial zone is more unique in that it has a greater focus on Agricultural Support Services, a lesser focus on Manufacturing and a higher relative focus on Transport, Postal and Warehouse industries. It is relevant to consider though that a physically small zone will struggle to support a diverse range of businesses – had it been able to include more businesses, it's profile might have shifted slightly and would be expected to be closer to the average of other zones.

Figures 4.24 and 4.25 also provide a comparison of total businesses within the specific zone areas using Council's data. This data is more current and shows the total mix of predominant activities using District Plan terminology. As with the Business Directory comparison, Figure 4.24 shows the much larger overall size of the Glenda Drive Industrial zone. It has a considerable count of businesses in both Commercial and Office activities that has not occurred in the other zones, despite the same zoning in both Wanaka and Arrowtown. It also sustains more Industrial activities than seen elsewhere.

Figure 4.25 provides the more direct comparison (in percentage terms), removing the effect of size. As per the Business Directory analysis, it confirms a very similar profile across all zones. The Gorge Road Business zone is slightly more oriented towards Service Activities and slightly less to office and light industrial activities, otherwise is a close match. The Wanaka Industrial and Industrial B zones are also very similar for the main business types when compared using consistent categories. The only main difference in the Arrowtown Industrial zone is the higher share of yard-based service activities. Again, the Commercial component of Glenda Drive also sounds out.



Figure 4.22 – Comparison Using Business Directory Meshblock Data (2017) – IE Business Count

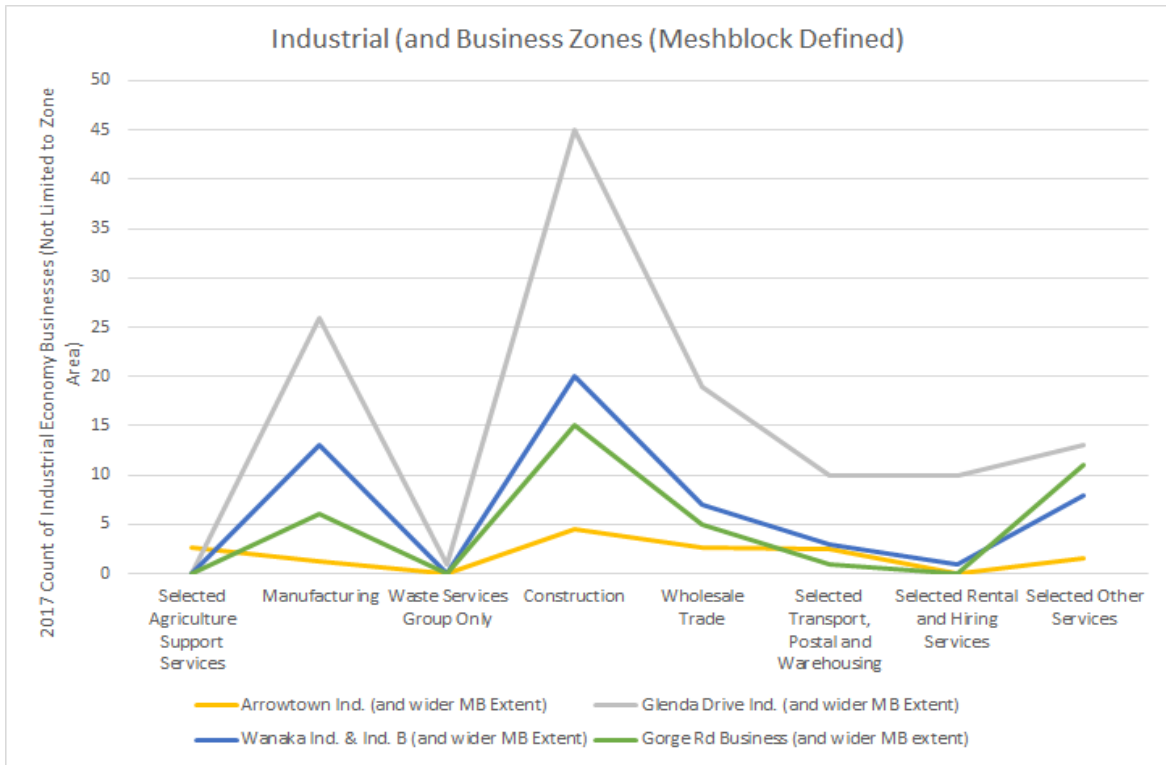


Figure 4.23 – Comparison Using Business Directory Meshblock Data (2017) – IE Business Share

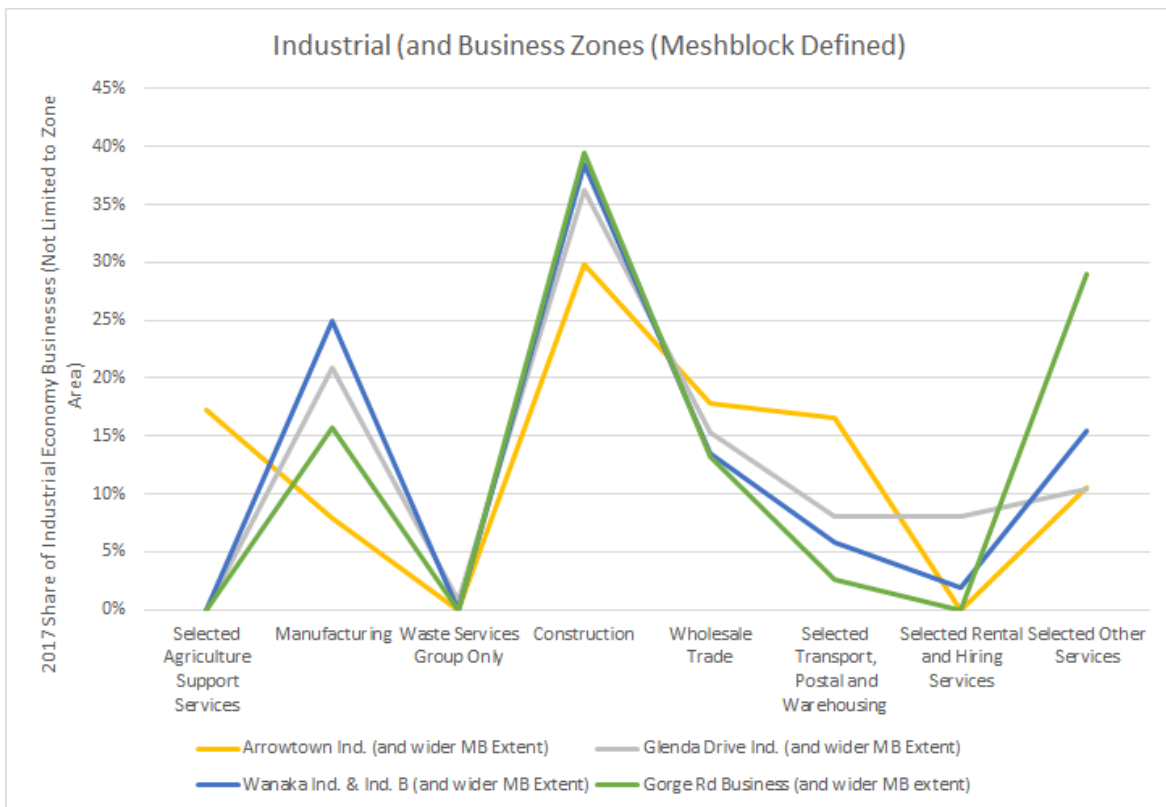




Figure 4.24 – Comparison Using Field Survey Zone Data (2019) – Total Business Count

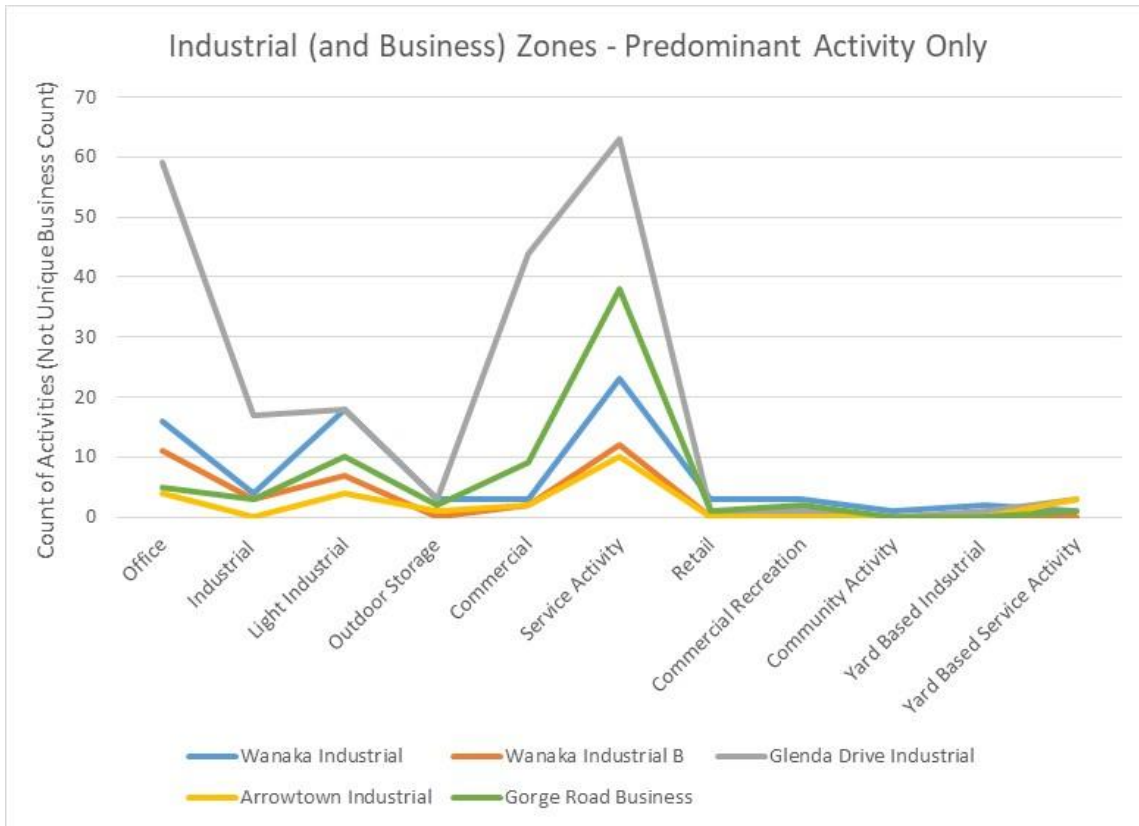
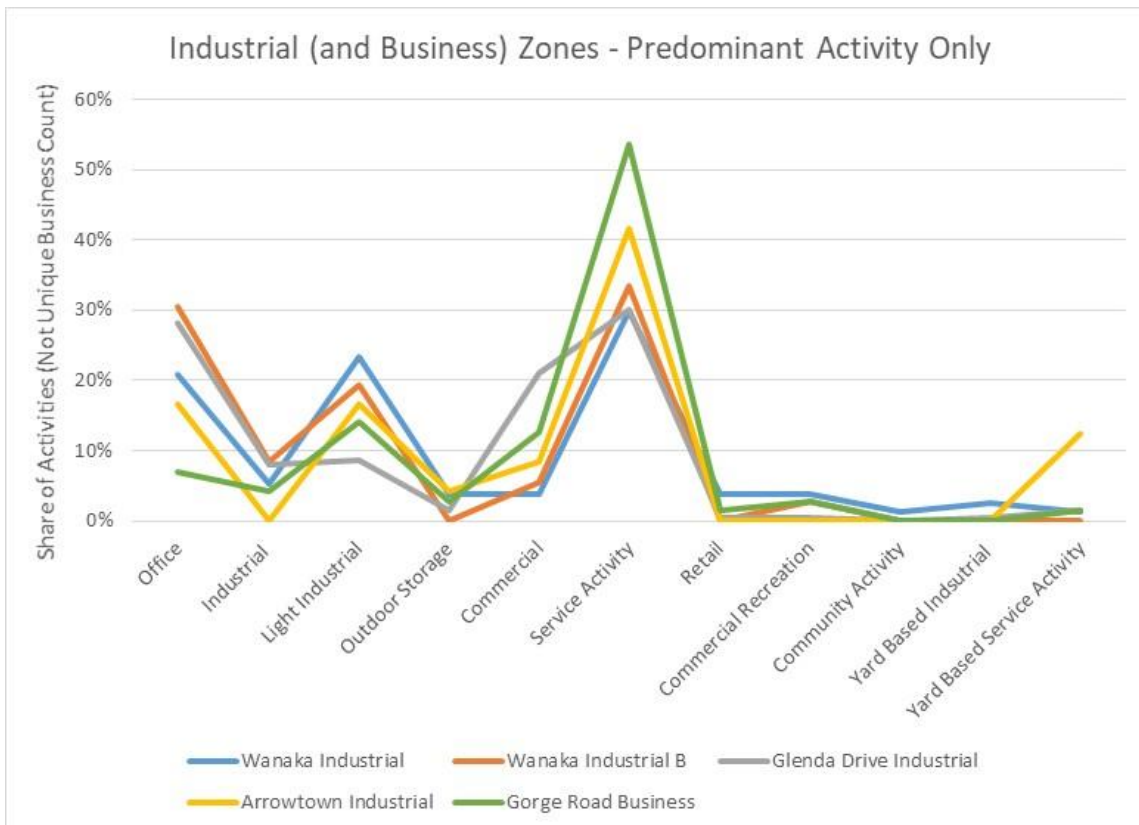


Figure 4.25 – Comparison Using Field Survey Zone Data (2019) – Total Business Share





5 Recent Changes in the Industrial Economy

This section examines how the QLD industrial economy has changed in recent years – not only in terms of its size, but its structure. This is important because evidence of ‘size change’ provides clues for the rate of future growth that will need to be met (zone capacity). Evidence of ‘structural change’ reminds Council’s that their industrial zones need to be flexible enough to allow the industrial economy to adapt. Provisions for managing activities and effects in industrial zones in the past, may not be suitable for today’s industrial economy. Basing new provisions for managing activities and effects in industrial zones on what we see today, may not be suitable for the future industrial economy. These are all pertinent issues for the District Plan Review.

5.1 Business Growth 2001-2017

Figure 5.1 takes a high-level look at business counts in the QLD industrial economy between 2001 and 2017. A snapshot is provided for 2001, 2006, 2013 and 2017 (being a combination of census years and the latest year available for Statistics NZ Business Directory data). In order to compare the industrial economy over time, M.E has ensured that the approach to identifying the industrial economy is applied in each year – that is, if there were relevant industries that had one or more businesses in the past that are no-longer present in QLD’s industrial economy, they were included in the industrial economy at that time.

The analysis shows that in 2001, the QLD industrial economy was just over a third of the size it is today in terms of the count of businesses. There were just 739 businesses. This grew to 1,490 businesses by 2006 (total growth of 751 businesses; 102% or an annual average growth rate of 15%). This rate of growth was faster than the rate of growth for the rest of QLD economy (73% between 2001-2006 or an annual average rate of 12%).

Jumping to 2013, the industrial economy was larger again at 1,626 businesses. This was however total growth of just 9% or 136 businesses between 2006 and 2013 – a significant slow-down (just 1.3% per annum). This is explained by the global financial crisis (GFC, approximately 2008), which took some time to recover from. This highlights that QLD’s industrial economy is vulnerable to global and national economic forces. Between 2013 and 2017 growth picked up. The total count of businesses increased by 302 which was total growth of 19% or 4.4% per annum.


Overall, between 2001 and 2017, the number of businesses in QLD’s industrial economy has increased by 1,189 to reach 1,928, from a base of 739 in 2001. This is total growth of 161% or an average annual growth rate of 6.2%. This is slightly faster than the growth rate of the rest of the QLD economy (152% total growth or 6.0% per annum (Figure 5.1).

Figure 5.1 – Total QLD Industrial Economy Business Count Growth 2001-2017

| ANZSIC Division | Industrial Economy Selection | Businesses 2001 | Businesses 2006 | Businesses 2013 | Businesses 2017 |
|---|---|---------------------------|---------------------------|---------------------------|-----------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 24 | 41 | 47 | 50 |
| C | Manufacturing | 114 | 163 | 168 | 225 |
| D | Waste Services Group Only | 9 | 11 | 12 | 15 |
| E | Construction | 401 | 950 | 1,042 | 1,168 |
| F | Wholesale Trade | 55 | 97 | 106 | 154 |
| I | Selected Transport, Postal and Warehousing | 31 | 64 | 63 | 85 |
| L | Selected Rental and Hiring Services | 59 | 84 | 104 | 128 |
| S | Selected Other Services | 46 | 80 | 84 | 102 |
| QLD Industrial Economy | | 739 | 1,490 | 1,626 | 1,928 |
| Rest of QLD Economy (all other ANZSICs) | | 2,291 | 3,959 | 4,890 | 5,782 |
| Total QLD Economy | | 3,030 | 5,449 | 6,516 | 7,710 |
| <i>QLD Industrial Economy as Share of Total Economy</i> | | <i>24%</i> | <i>27%</i> | <i>25%</i> | <i>25%</i> |
| Growth by Time Period (n) | | Businesses 2001-06 | Businesses 2006-13 | Businesses 2013-17 | Businesses 2001-2017 |
| A | Selected Ag/Forestry/Fishing Support Services | 17 | 6 | 3 | 26 |
| C | Manufacturing | 49 | 5 | 57 | 111 |
| D | Waste Services Group Only | 2 | 1 | 3 | 6 |
| E | Construction | 549 | 92 | 126 | 767 |
| F | Wholesale Trade | 42 | 9 | 48 | 99 |
| I | Selected Transport, Postal and Warehousing | 33 | 1 | 22 | 54 |
| L | Selected Rental and Hiring Services | 25 | 20 | 24 | 69 |
| S | Selected Other Services | 34 | 4 | 18 | 56 |
| QLD Industrial Economy | | 751 | 136 | 302 | 1,189 |
| Rest of QLD Economy (all other ANZSICs) | | 1,668 | 931 | 892 | 3,491 |
| Total QLD Economy | | 2,419 | 1,067 | 1,194 | 4,680 |
| Growth by Time Period (%) | | Businesses 2001-06 | Businesses 2006-13 | Businesses 2013-17 | Businesses 2001-2017 |
| A | Selected Ag/Forestry/Fishing Support Services | 71% | 15% | 7% | 109% |
| C | Manufacturing | 43% | 3% | 34% | 98% |
| D | Waste Services Group Only | 22% | 9% | 23% | 63% |
| E | Construction | 137% | 10% | 12% | 191% |
| F | Wholesale Trade | 76% | 9% | 46% | 181% |
| I | Selected Transport, Postal and Warehousing | 106% | -2% | 35% | 174% |
| L | Selected Rental and Hiring Services | 42% | 24% | 23% | 117% |
| S | Selected Other Services | 74% | 5% | 22% | 122% |
| QLD Industrial Economy | | 102% | 9% | 19% | 161% |
| Rest of QLD Economy (all other ANZSICs) | | 73% | 24% | 18% | 152% |
| Total QLD Economy | | 80% | 20% | 18% | 154% |

Source: M.E, Statistics NZ Business Frame

The Division within the industrial economy that has grown most significantly in terms of businesses is the Construction sector. This grew especially strongly between 2001 and 2006 with 549 additional businesses. In the following two time periods, the total increase was just 10% and 12% respectively (a significant slow-down in growth rate, but still a positive increase). Overall since 2001, there has been 767 Construction businesses added to QLD (Figure 5.1).



While Wholesale Trade is a relatively small sector in terms of QLD's total industrial economy, it is notable that its total rate of growth between 2001 and 2017 has been almost as rapid as the Construction sector (181% compared to 191% for Construction in that period). It was the fastest growing sector in the most recent period of 2013-2017; 46% growth compared with an average across the total industrial economy in that period of just 19%. In fact, all Divisions except Selected Agricultural Services grew faster than the construction sector since 2013 in percentage terms. In quantum terms though, the Construction sector still dominates (and accounted for 42% of all industrial economy growth between 2013 and 2017).

This does show that several Divisions within the QLD industrial economy are on the rise.

5.2 Employment Growth 2001-2017

Figure 5.2 tells a similar story from the perspective of industrial economy employment growth between 2001 and 2017. The analysis shows that in 2001, the QLD industrial economy was just over a third of the size it is today in terms of the count of workers (2,258). This grew to 4,344 workers by 2006 (total growth of 2,086 workers; 92% or an annual average growth rate of 14%). This rate of growth was considerably faster than the rate of employment growth for the rest of QLD economy (40% between 2001-2006 or an annual average rate of 7%). As these growth rates are lower than business growth rates, it indicates that in the rapid period of growth between 2001 and 2016, QLD was attracting lots of smaller businesses, particularly in the rest of the economy.

Jumping to 2013, the industrial economy was larger again at 4,426 workers. This was however total growth of just 2% or 82 workers between 2006 and 2013 – a significant slow-down (just 0.3% per annum). This shows that the GFC impacted not only on the number of businesses that the market could sustain, but also shows that a share of businesses survived by drastically reducing staff. This is evidenced by the business growth rate of 9% compared with the 2% growth rate of employment. Between 2013 and 2017 growth picked up. The total count of workers increased by 1,823 which was total growth of 41% or 9% per annum. This was faster than business growth in this period (19%), meaning that either the new businesses were much larger in size, or more likely, existing businesses were building up their staff counts due to better economic times.

Overall, between 2001 and 2017, the number of workers in QLD's industrial economy has increased by roughly 3,990 to reach approximately 6,250, from a base of around 2,260 in 2001. This is total growth of 177% or an average annual growth rate of 6.6%. This is faster than the growth rate of the rest of the QLD economy (115% total growth or 4.9% per annum (Figure 5.2)).

The Division within the industrial economy that has grown most significantly in terms of workers is the Construction sector. This grew especially strongly between 2001 and 2006 with 1,475 additional businesses. In the following time period (2006-2013) the total count of Construction workers shrank by 5% (-126), but then grew by another 1,044 workers between 2013 and 2017. Overall since 2001, there has been a net increase of 2,390 odd Construction workers in QLD – growth of 223% and the fastest rate of overall growth across all Divisions of the industrial economy (Figure 5.2).

Figure 5.2 – Total QLD Industrial Economy Employment Count Growth 2001-2017

| ANZSIC Division | Industrial Economy Selection | Employment 2001 | Employment 2006 | Employment 2013 | Employment 2017 |
|---|---|---------------------------|---------------------------|---------------------------|-----------------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 96 | 216 | 98 | 130 |
| C | Manufacturing | 436 | 637 | 658 | 862 |
| D | Waste Services Group Only | 39 | 55 | 63 | 103 |
| E | Construction | 1,072 | 2,547 | 2,421 | 3,465 |
| F | Wholesale Trade | 180 | 227 | 364 | 573 |
| I | Selected Transport, Postal and Warehousing | 159 | 228 | 231 | 312 |
| L | Selected Rental and Hiring Services | 127 | 185 | 302 | 371 |
| S | Selected Other Services | 150 | 248 | 289 | 434 |
| QLD Industrial Economy | | 2,258 | 4,344 | 4,426 | 6,249 |
| Rest of QLD Economy (all other ANZSICs) | | 10,031 | 14,007 | 16,242 | 21,551 |
| Total QLD Economy | | 12,289 | 18,351 | 20,668 | 27,800 |
| <i>QLD Industrial Economy as Share of Total Economy</i> | | <i>18%</i> | <i>24%</i> | <i>21%</i> | <i>22%</i> |
| Growth by Time Period (n) | | Employment 2001-06 | Employment 2006-13 | Employment 2013-17 | Employment 2001-2017 |
| A | Selected Ag/Forestry/Fishing Support Services | 120 | - | 118 | 32 |
| C | Manufacturing | 201 | | 21 | 204 |
| D | Waste Services Group Only | 16 | | 8 | 40 |
| E | Construction | 1,475 | - | 126 | 1,044 |
| F | Wholesale Trade | 47 | | 137 | 209 |
| I | Selected Transport, Postal and Warehousing | 69 | | 3 | 80 |
| L | Selected Rental and Hiring Services | 58 | | 117 | 69 |
| S | Selected Other Services | 99 | | 41 | 145 |
| QLD Industrial Economy | | 2,086 | 82 | 1,823 | 3,991 |
| Rest of QLD Economy (all other ANZSICs) | | 3,976 | 2,235 | 5,309 | 11,520 |
| Total QLD Economy | | 6,062 | 2,317 | 7,132 | 15,511 |
| Growth by Time Period (%) | | Employment 2001-06 | Employment 2006-13 | Employment 2013-17 | Employment 2001-2017 |
| A | Selected Ag/Forestry/Fishing Support Services | 126% | -55% | 33% | 35% |
| C | Manufacturing | 46% | 3% | 31% | 98% |
| D | Waste Services Group Only | 41% | 15% | 63% | 166% |
| E | Construction | 138% | -5% | 43% | 223% |
| F | Wholesale Trade | 26% | 61% | 57% | 218% |
| I | Selected Transport, Postal and Warehousing | 44% | 1% | 35% | 96% |
| L | Selected Rental and Hiring Services | 46% | 63% | 23% | 192% |
| S | Selected Other Services | 66% | 16% | 50% | 190% |
| QLD Industrial Economy | | 92% | 2% | 41% | 177% |
| Rest of QLD Economy (all other ANZSICs) | | 40% | 16% | 33% | 115% |
| Total QLD Economy | | 49% | 13% | 35% | 126% |

Source: M.E, Statistics NZ Business Frame

Again, Wholesale Trade is a relatively small Division in terms of QLD's total industrial economy employment, but it is notable that its total rate of growth between 2001 and 2017 has been almost as rapid as the Construction sector (218% compared to 223% for Construction in that period). It was the second fastest growing sector in the most recent period of 2013-2017; 57% growth compared with an average across the total industrial economy in that period of 41%. Waste Services was the fastest growing Division since 2013 (63%). The only other above average growth was by the Selected Other Services Division. In quantum terms

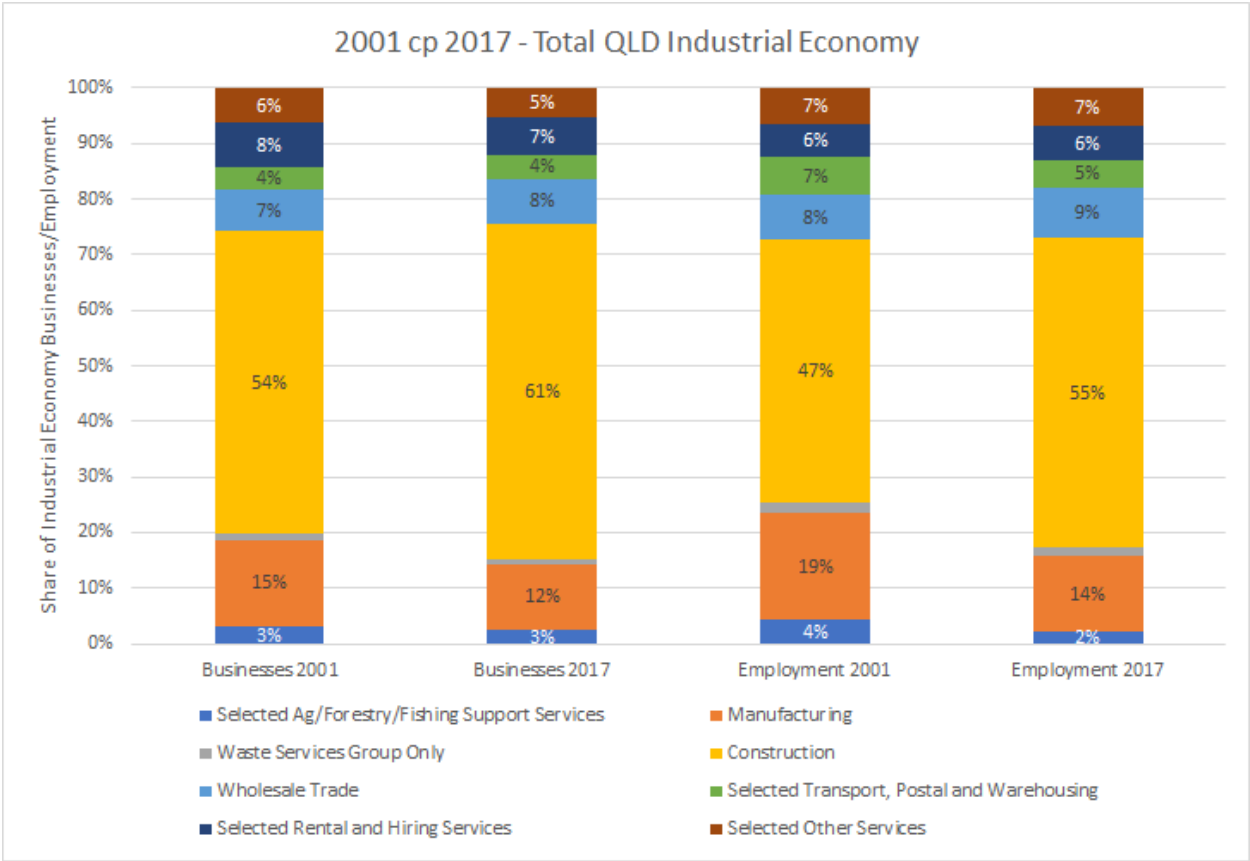


though, the Construction sector still dominates (and accounted for 57% of all industrial economy employment growth between 2013 and 2017).


5.3 Structural Shifts 2001-2017

Figure 5.3 compares the structure of the industrial economy between 2001 and 2017. The structure of businesses is represented by the two left hand bars. The structure of employment is represented in the two right hand bars. The dominance of the Construction Division is clear. It accounted for 54% of industrial economy businesses in 2001 but now accounts for a 61% share. Similarly, in employment terms, Construction has increased from a 47% share to a 55% share. As a result, other industrial economy sectors generally represent a smaller share of the total, with the exception of the Wholesale Trade Division, which has increased by 1 percentage point in both the share of business and employment. While none of the other sectors have declined in absolute terms, their slower growth rates mean that they now play a smaller role in the industrial economy than they did in the past. The industrial economy in QLD is becoming slightly less diverse compared to 2001, but even then, it was dominated by Construction activity.

Figure 5.3 – Share of Industrial Economy in QLD 2001 versus 2017 – Businesses & Employment



It is useful to test whether the recent changes experienced by QLD’s industrial economy have been consistent with changes in the wider industrial economy of New Zealand. Comparing the total Manufacturing and total Construction sector is the most robust way to do this. We have based the comparison on the share that each sector makes up in the total economy over time. Key findings are:



Manufacturing

- We have already established that the Manufacturing Division accounts for a smaller share of the QLD industrial economy (and Construction a larger share) than many other places, and the national average (section 2.4). Therefore, it is relevant to consider the relative shift in share between 2001 and 2017.
- In QLD, the total Manufacturing sector decreased from a 3.8% share to a 2.9% share of total businesses in the economy (2001 to 2017). This is a reduction in share of 22%.
- By comparison, the total Manufacturing sector in New Zealand decreased from a 5.5% share to a 4.0% share. This is a reduction in share of 27% (2001 to 2017). This means that the changing (declining) relative role of Manufacturing in the QLD economy has been only slightly less apparent than the shifts seen nationwide.
- In QLD, the total Manufacturing sector decreased from a 3.5% share to a 3.1% share of total employment in the economy. This is a reduction in share of 13% (2001 to 2017).
- By comparison, the total Manufacturing sector in New Zealand decreased from a 13.3% share of total employment to a 9.7% share. This is a reduction in share of 27% (2001 to 2017). This means that the changing (declining) relative role of Manufacturing employment in the QLD economy has been significantly less (half as) apparent to the shifts seen nationwide.

Construction

- In QLD, the total Construction sector increased from a 13.2% share to a 15.2% share of total businesses in the economy (2001 to 2017). This is an increase in share of 15%.
- By comparison, the total Construction sector in New Zealand increased from a 10.1% share to a 10.8% share. This is an increase in share of 7% (2001 to 2017). This means that the changing (increasing) relative role of Construction in the QLD economy has been significantly more (twice as) apparent than the shifts seen nationwide.
- In QLD, the total Construction sector increased from an 8.7% share to a 12.5% share of total employment in the economy. This is an increase in share of 43% (2001 to 2017).
- By comparison, the total Construction sector in New Zealand increased from a 6.0% share of total employment to an 8.6% share. This is an increase in share of 44% (2001 to 2017). This means that the changing (increasing) relative role of Construction employment in the QLD economy has been very similar to the shifts seen nationwide.

In summary this means that, structurally, the QLD industrial (and total) economy is not changing in the same way as New Zealand's industrial (and total) economy. It is somewhat unique and responding to different drivers of demand and supply compared with the rest of New Zealand. While the relative rise in the role of Construction employment in the economy is similar to that seen nationwide, the nature of that business growth has been different – namely smaller sized Construction business. For example, the Construction sector in QLD supports a greater share of independent builders.

5.4 Moderate-Strong Growth Industries

This section looks at the growth in the industrial economy in more detail (by 6-Digit ANZSIC). Figure 5.4 shows those ANZSICs within the industrial economy that have experienced moderately strong net growth in business counts between 2001 and 2017. These are the industry's most "on the rise". The industries highlighted in darker green are those growth industries that have experienced consistent positive growth in each period analysed and are key sectors to watch in future. The balance has had one period where the size of the industry declined. More often than not, this was in the period containing the GFC, but some have declined more recently – whilst still showing a net increase.

Figure 5.4 – Industries in Industrial Economy with Mod-Strong Net Business Growth 2001-2017

| QLD Industrial Economy | ANZSIC | Division | 2001-2006 | 2006-2013 | 2013-2017 | 2001-2017 | Share of IE Growth 2001-2017 % | Share of IE 2017 (%) |
|--|---------|----------|-----------|-----------|-----------|-----------|--------------------------------|----------------------|
| Industrial - House Construction | E301100 | E | 219 | 17 | 10 | 246 | 21% | 20% |
| Industrial - Other Residential Building Construction | E301900 | E | 22 | 24 | 20 | 66 | 6% | 4% |
| Industrial - Other Goods and Equipment Rental and Hiring n.e.c. | L663900 | L | 16 | 19 | 20 | 55 | 5% | 3% |
| Industrial - Electrical Services | E323200 | E | 28 | 11 | 9 | 48 | 4% | 4% |
| Industrial - Painting and Decorating Services | E324400 | E | 36 | - | 1 | 10 | 4% | 4% |
| Industrial - Land Development and Subdivision | E321100 | E | 20 | 9 | 11 | 40 | 3% | 3% |
| Industrial - Landscape Construction Services | E329100 | E | 32 | 8 | - | 3 | 3% | 2% |
| Industrial - Plastering and Ceiling Services | E324100 | E | 35 | - | 10 | 8 | 3% | 3% |
| Industrial - Plumbing Services | E323100 | E | 20 | 12 | - | 3 | 2% | 3% |
| Industrial - Tiling and Carpeting Services | E324300 | E | 20 | - | 2 | 10 | 2% | 2% |
| Industrial - Other Automotive Repair and Maintenance | S941900 | S | 13 | 6 | 8 | 27 | 2% | 3% |
| Industrial - Site Preparation Services | E321200 | E | 23 | - | 2 | 6 | 2% | 2% |
| Industrial - Other Construction Services n.e.c. | E329900 | E | 10 | 14 | 2 | 26 | 2% | 2% |
| Industrial - Other Agriculture and Fishing Support Services | A052900 | A | 17 | 6 | 3 | 26 | 2% | 3% |
| Industrial - Carpentry Services | E324200 | E | 20 | - | 7 | 8 | 2% | 2% |
| Industrial - Other Heavy and Civil Engineering Construction | E310900 | E | 5 | 6 | 10 | 21 | 2% | 1% |
| Industrial - Road Freight Transport | I461000 | I | 11 | 2 | 7 | 20 | 2% | 2% |
| Industrial - Bricklaying Services | E322200 | E | 18 | 9 | - | 8 | 1% | 2% |
| Industrial - Courier Pick-up and Delivery Services | I510200 | I | 3 | 4 | 11 | 18 | 1% | 1% |
| Industrial - Wine and Other Alcoholic Beverage Manufacturing | C121400 | C | 4 | 9 | 2 | 15 | 1% | 1% |
| Industrial - Concreting Services | E322100 | E | 8 | - | 7 | 15 | 1% | 1% |
| Industrial - Wooden Furniture and Upholstered Seat Manufacturing | C251100 | C | 5 | - | 10 | 15 | 1% | 1% |
| Industrial - Other Motor Vehicle and Transport Equipment Rental and Hiring | L661900 | L | 5 | 11 | - | 2 | 1% | 1% |
| Industrial - Other Electrical and Electronic Goods Wholesaling | F349400 | F | 7 | 2 | 5 | 14 | 1% | 1% |
| Industrial - Roofing Services | E322300 | E | 14 | - | 1 | 0 | 1% | 1% |
| Industrial - Air Conditioning and Heating Services | E323300 | E | 7 | 2 | 4 | 13 | 1% | 1% |
| Industrial - Passenger Car Rental and Hiring | L661100 | L | 12 | - | 7 | 7 | 1% | 2% |
| Industrial - Commission Based Wholesaling | F380000 | F | 3 | - | 2 | 11 | 1% | 1% |
| Industrial - Automotive Body, Paint and Interior Repair | S941200 | S | 7 | - | 1 | 6 | 1% | 1% |
| Industrial - Non-Residential Building Construction | E302000 | E | 2 | - | 1 | 10 | 1% | 1% |
| Industrial - Aircraft Manufacturing and Repair Services | C239400 | C | 3 | 2 | 5 | 10 | 1% | 1% |

House Construction was the biggest mover. It currently accounts for 20% of the businesses in the QLD industrial economy but accounted for 21% of the industrial economy growth between 2001-2017. Not all these ANZSICs have a high propensity (functional need) to seek an industrial zone location. But for those that do (section 4.3.1), relatively more weight should be given to considering the degree to which current industrial zone provisions (policies and rules/standards) accommodate the needs of these types of business operations.

5.5 Low-Moderate Growth Industries

Figure 5.5 shows those industries within the industrial economy that have experienced low-moderate net growth in business counts between 2001 and 2017. These are the industry's slowly "on the rise". The ANZSICs highlighted in darker orange are those growth industries that have experienced consistent positive growth in each period analysed and are sectors to watch in future. The balance has had one (or two) period(s) where the size of the industry declined. More often than not, this was in the period containing the GFC, but some have declined more recently – whilst still showing a small net increase.

Figure 5.5 – Industries in Industrial Economy with Low-Moderate Net Business Growth 2001-2017

| QLD Industrial Economy | ANZSIC | Division | 2001-2006 | 2006-2013 | 2013-2017 | 2001-2017 | Share of IE Growth 2001-2017 % | Share of IE 2017 (%) | |
|---|---------|----------|-----------|-----------|-----------|-----------|--------------------------------|----------------------|----|
| Industrial - Other Building Installation Services | E323900 | E | - | 4 | 5 | 9 | 1% | 0% | |
| Industrial - Other Machinery and Equipment Manufacturing n.e.c. | C249900 | C | - | 1 | 2 | 8 | 9 | 1% | 1% |
| Industrial - Electronic (except Domestic Appliance) and Precision Equipment | S942200 | S | 7 | - | 1 | 2 | 8 | 1% | 0% |
| Industrial - Other Goods Wholesaling n.e.c. | F373900 | F | 10 | - | 1 | 2 | 8 | 1% | 1% |
| Industrial - Clothing and Footwear Wholesaling | F371200 | F | 5 | 2 | - | 0 | 7 | 1% | 0% |
| Industrial - Liquor and Tobacco Product Wholesaling | F360600 | F | 4 | - | 2 | 4 | 6 | 1% | 1% |
| Industrial - Other Agricultural Product Wholesaling | F331900 | F | 1 | - | - | 5 | 6 | 1% | 0% |
| Industrial - Road and Bridge Construction | E310100 | E | - | 2 | 1 | 7 | 6 | 1% | 1% |
| Industrial - Other Warehousing and Storage Services | I530900 | I | 1 | - | - | 5 | 6 | 0% | 0% |
| Industrial - Bakery Product Manufacturing (Non-factory-based) | C117400 | C | 3 | - | - | 2 | 5 | 0% | 1% |
| Industrial - Beer Manufacturing | C121200 | C | - | - | 1 | 4 | 5 | 0% | 0% |
| Industrial - Iron Smelting and Steel Manufacturing | C211000 | C | - | - | 3 | 2 | 5 | 0% | 0% |
| Industrial - Other Non-Metallic Mineral Product Manufacturing | C209000 | C | 6 | - | 4 | 3 | 5 | 0% | 0% |
| Industrial - Hire of Construction Machinery with Operator | E329200 | E | 3 | 3 | - | 1 | 5 | 0% | 0% |
| Industrial - Other Transport Support Services n.e.c. | I529900 | I | - | - | 2 | 3 | 5 | 0% | 0% |
| Industrial - Laundry and Dry-Cleaning Services | S953100 | S | 4 | - | 1 | 2 | 5 | 0% | 1% |
| Industrial - Other Hardware Goods Wholesaling | F333900 | F | 1 | 3 | 1 | 1 | 5 | 0% | 0% |
| Industrial - Other Manufacturing n.e.c. | C259900 | C | - | 1 | 1 | 5 | 5 | 0% | 0% |
| Industrial - Medical and Surgical Equipment Manufacturing | C241200 | C | - | - | 2 | 2 | 4 | 0% | 0% |
| Industrial - Cut and Sewn Textile Product Manufacturing | C133300 | C | 1 | 2 | 1 | 1 | 4 | 0% | 0% |
| Industrial - Other Fabricated Metal Product Manufacturing n.e.c. | C229900 | C | 4 | 1 | - | 1 | 4 | 0% | 0% |
| Industrial - Fire and Security Alarm Installation Services | E323400 | E | 4 | - | 2 | 2 | 4 | 0% | 0% |
| Industrial - Other Water Transport Support Services | I521900 | I | 3 | - | 1 | 2 | 4 | 0% | 0% |
| Industrial - Other Grocery Wholesaling | F360900 | F | 1 | 2 | 1 | 1 | 4 | 0% | 1% |
| Industrial - Glazing Services | E324500 | E | 3 | - | 1 | 2 | 4 | 0% | 0% |
| Industrial - Petroleum Product Wholesaling | F332100 | F | 2 | 1 | 1 | 1 | 4 | 0% | 0% |
| Industrial - Toy and Sporting Goods Wholesaling | F373400 | F | - | 1 | 2 | 3 | 4 | 0% | 0% |
| Industrial - Metal Roof and Guttering Manufacturing (except Aluminium) | C222400 | C | - | - | 1 | 3 | 4 | 0% | 0% |
| Industrial - Concrete Product Manufacturing | C203400 | C | 2 | - | - | 2 | 4 | 0% | 0% |
| Industrial - Motor Vehicle Body and Trailer Manufacturing | C231200 | C | 1 | 1 | 1 | 1 | 3 | 0% | 0% |
| Industrial - Dairy Produce Wholesaling | F360300 | F | - | - | - | 3 | 3 | 0% | 0% |
| Industrial - Confectionery Manufacturing | C118200 | C | - | - | 2 | 1 | 3 | 0% | 0% |
| Industrial - Cake and Pastry Manufacturing (Factory-based) | C117200 | C | - | 1 | 3 | 1 | 3 | 0% | 0% |
| Industrial - Cosmetic and Toiletry Preparation Manufacturing | C185200 | C | - | - | - | 3 | 3 | 0% | 0% |
| Industrial - Other Food Products Manufacturing n.e.c. | C119900 | C | 1 | - | - | 2 | 3 | 0% | 0% |
| Industrial - Furniture and Floor Coverings Wholesaling | F373100 | F | 3 | - | 2 | 2 | 3 | 0% | 0% |
| Industrial - Other Machinery and Equipment Repair and Maintenance | S942900 | S | 1 | 1 | 1 | 1 | 3 | 0% | 0% |
| Industrial - Waste Treatment and Disposal Services | D292100 | D | 3 | - | 1 | 1 | 3 | 0% | 0% |
| Industrial - Agricultural and Construction Machinery Wholesaling | F341100 | F | 1 | 1 | 1 | 1 | 3 | 0% | 0% |
| Industrial - Fruit and Vegetable Processing | C114000 | C | - | - | - | 3 | 3 | 0% | 0% |

Other Building Insulation Services was the biggest mover in this group. It currently accounts for less than 1% of the businesses in the QLD industrial economy and accounted for 1% of the industrial economy growth between 2001-2017. Not all these ANZSICs have a high propensity (functional need) to seek an industrial zone location. But for those that do (section 4.3.1), some weight should be given to considering the degree

to which current industrial zone provisions (policies and rules/standards) accommodate the needs of these types of business operations.

5.6 Declining Industries

When reviewing the ‘fit’ of industrial zone provisions to meet the future needs of the industrial economy, consideration should be given to industries that are in decline (in terms of the count of businesses). These industries may be facing decreasing demand from a changing market and/or facing increasing competition from outside the district. Alternatively, they may be undergoing consolidation (fewer businesses catering for a larger market share each). Either way, a decline in recent years *may* suggest continued decline in future years (particularly under a business as usual scenario).

Figure 5.6 shows those ANZSICs within the industrial economy that have experienced a net decrease in business counts between 2001 and 2017. All of them account for a very small share of total industrial economy businesses. These are the industry’s slowly “on the decline”. The ANZSICs highlighted in darker red are those industries that have experienced consistent negative growth in each period analysed and are sectors that may be exiting at some time in the future if these trends continue. The balance have had one (or two) period(s) where the size of the industry increased or stayed the same. We note that in one of these ANZSICs (Wooden Structural Fittings and Components Manufacturing), Cromwell has a number of businesses (and this may be a relevant factor).

Figure 5.6 – Industries in Industrial Economy with Net Business Decline 2001-2017

| QLD Industrial Economy | ANZSIC | Division | 2001-2006 | 2006-2013 | 2013-2017 | 2001-2017 | Share of IE Growth 2001-2017 % | Share of IE 2017 (%) | | | | |
|--|---------|----------|-----------|-----------|-----------|-----------|--------------------------------|----------------------|----|-----|-----|----|
| Industrial - Boatbuilding and Repair Services | C239200 | C | - | 1 | - | 0 | - | 1 | 0% | 0% | | |
| Industrial - Agricultural Machinery and Equipment Manufacturing | C246100 | C | - | - | 1 | - | - | 1 | 0% | 0% | | |
| Industrial - Other Ceramic Product Manufacturing | C202900 | C | 2 | - | 3 | - | - | 1 | 0% | 0% | | |
| Industrial - Other Structural Metal Product Manufacturing | C222900 | C | 3 | - | 4 | - | - | 1 | 0% | 0% | | |
| Industrial - Ready-Mixed Concrete Manufacturing | C203300 | C | - | - | - | 1 | - | 1 | 0% | 0% | | |
| Industrial - Textile Finishing and Other Textile Product Manufacturing | C133400 | C | - | - | 1 | - | - | 1 | 0% | 0% | | |
| Industrial - Other Wood Product Manufacturing n.e.c. | C149900 | C | - | - | 1 | - | 1 | 2 | 0% | 0% | | |
| Industrial - Wooden Structural Fittings and Components Manufacturing | C149200 | C | 1 | - | 3 | - | 6 | - | 8 | -1% | 0% | |
| Rest of Manufacturing | | C | 6 | - | 6 | - | 9 | - | 9 | -1% | 0% | |
| Industrial - Heavy Machinery and Scaffolding Rental and Hiring | L663100 | L | - | 8 | - | 3 | - | 2 | - | 13 | -1% | 0% |

Heavy Machinery and Scaffolding Rental and Hiring was the biggest loser in this group (with the loss of 13 businesses although the rate of decline is less recently compared to 2001-2006). It currently accounts for less than 1% of the businesses in the QLD industrial economy. We note that employment in this ANZSIC has also declined in net terms since 2001. This *suggests* that the decline is not caused by consolidation (where employment levels may be more likely to stay the same), but that conclusion is not certain. Not all these ANZSICs have a high propensity (functional need) to seek an industrial zone location. But for those that do (section 4.3.1), relatively less weight might be given to considering the degree to which current industrial zone provisions (policies and rules/standards) accommodate the needs of these types of business operations. The possible exception might be Ready-Mixed Concrete Manufacturing, which while losing one business to drop from 4 to 3, has increased employment in the same time (by 14). Most of these industries are heavy industrial businesses.



5.7 Lost Industries

This section identifies industrial sectors for which there have been one or more businesses in QLD in the recent past (since 2001) but are no longer present / represented in the industrial economy. These industries are listed below. These are industries that while probably only small or unique have already exited (closed or moved). On the one hand, the loss of these industries might be considered as gaps in the market and an opportunity for new entrants. However, M.E considers it is more likely that QLD will not see these types of ANZSICs again. Most are heavy industries.

- Cheese and other dairy product manufacturing
- Communication equipment manufacturing
- Leather tanning, fur dressing and leather product manufacturing
- Log sawmilling
- Machine tool and parts manufacturing
- Meat processing
- Other electronic equipment manufacturing
- Other motor vehicle parts manufacturing
- Other polymer product manufacturing
- Polymer foam product manufacturing
- Prefabricated metal building manufacturing
- Reconstituted wood product manufacturing
- Reproduction of recorded media
- Toy, sporting and recreational product manufacturing
- Whiteware appliance manufacturing

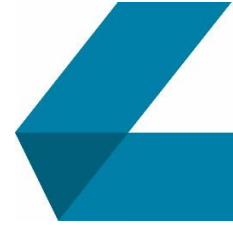
5.8 Recent Growth by Ward

Figure 5.7 examines recent growth in business counts in the industrial economy by ward. It considers just the 2001 and 2017 snapshots. While the total industrial economy has grown by 161% during that period, Wanaka's industrial economy has increased at a much faster rate. It has increased from 234 businesses in 2001 to 736 in 2017 (growth of 215% or 502 businesses). Wanaka's total economy has also grown faster than the district average, but the industrial economy has increased its share of total businesses from 28% to 30%. Wholesale Trade and Transport, Postal and Warehousing Divisions have had the fastest growth rate, marginally higher than Construction, but in absolute terms, Construction has still experienced the largest increase in business counts.

Figure 5.7 – QLD Industrial Economy Business Count Growth by Ward 2001-2017

| ANZSIC Division | Industrial Economy Selection | Arrowtown | Queenstown | Wanaka | Total QLD |
|--|---|-----------|------------|--------|-----------|
| Businesses 2001 | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 3 | 8 | 13 | 24 |
| C | Manufacturing | 10 | 63 | 41 | 114 |
| D | Waste Services Group Only | - | 7 | 2 | 9 |
| E | Construction | 43 | 230 | 128 | 401 |
| F | Wholesale Trade | 2 | 36 | 17 | 55 |
| I | Selected Transport, Postal and Warehousing | 4 | 20 | 7 | 31 |
| L | Selected Rental and Hiring Services | 4 | 40 | 15 | 59 |
| S | Selected Other Services | 4 | 31 | 11 | 46 |
| Industrial Economy | | 70 | 435 | 234 | 739 |
| Rest of Economy (all other ANZSICs) | | 115 | 1,564 | 612 | 2,291 |
| Total Economy | | 185 | 1,999 | 846 | 3,030 |
| Industrial Economy as Share of Total Economy | | 38% | 22% | 28% | 24% |
| Businesses 2017 | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 5 | 21 | 24 | 50 |
| C | Manufacturing | 13 | 124 | 88 | 225 |
| D | Waste Services Group Only | - | 9 | 6 | 15 |
| E | Construction | 94 | 619 | 455 | 1,168 |
| F | Wholesale Trade | 3 | 83 | 68 | 154 |
| I | Selected Transport, Postal and Warehousing | 4 | 56 | 25 | 85 |
| L | Selected Rental and Hiring Services | 6 | 86 | 36 | 128 |
| S | Selected Other Services | 9 | 60 | 34 | 102 |
| Industrial Economy | | 133 | 1,059 | 736 | 1,928 |
| Rest of Economy (all other ANZSICs) | | 328 | 3,716 | 1,738 | 5,782 |
| Total Economy | | 462 | 4,775 | 2,474 | 7,710 |
| Industrial Economy as Share of Total Economy | | 29% | 22% | 30% | 25% |
| Net Growth 2001-2017 (n) | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 2 | 13 | 11 | 26 |
| C | Manufacturing | 3 | 61 | 47 | 111 |
| D | Waste Services Group Only | - | 2 | 4 | 6 |
| E | Construction | 51 | 389 | 327 | 767 |
| F | Wholesale Trade | 1 | 47 | 51 | 99 |
| I | Selected Transport, Postal and Warehousing | 1 | 36 | 18 | 54 |
| L | Selected Rental and Hiring Services | 2 | 46 | 21 | 69 |
| S | Selected Other Services | 5 | 29 | 23 | 56 |
| Industrial Economy | | 63 | 624 | 502 | 1,189 |
| Rest of Economy (all other ANZSICs) | | 213 | 2,152 | 1,126 | 3,491 |
| Total Economy | | 277 | 2,776 | 1,628 | 4,680 |
| Net Growth 2001-2017 (%) | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 63% | 168% | 84% | 109% |
| C | Manufacturing | 33% | 96% | 116% | 98% |
| D | Waste Services Group Only | 0% | 23% | 205% | 63% |
| E | Construction | 119% | 169% | 256% | 191% |
| F | Wholesale Trade | 35% | 132% | 301% | 181% |
| I | Selected Transport, Postal and Warehousing | -13% | 181% | 259% | 174% |
| L | Selected Rental and Hiring Services | 50% | 116% | 139% | 117% |
| S | Selected Other Services | 120% | 93% | 206% | 122% |
| Industrial Economy | | 90% | 143% | 215% | 161% |
| Rest of Economy (all other ANZSICs) | | 185% | 138% | 184% | 152% |
| Total Economy | | 149% | 139% | 192% | 154% |

Source: M.E, Statistics NZ Business Frame



The count of industrial economy businesses in the Queenstown ward has grown by 624 between 2001 and 2017. However, this is growth of 143% - below the district average. The industrial economy in Queenstown ward has however grown faster than the rest of the economy (142% compared to 138%). As with Wanaka, the fastest growing sector is Transport, Postal and Warehousing at 181% - not as fast as the increase in Wanaka (259%) but double the growth in quantum (36 new businesses compared to 18 in Wanaka). The Construction sector in Queenstown has grown by 169% between 2001 and 2017 (389 additional businesses). The amount of growth is not that much more than in Wanaka despite the larger size of the market. Wanaka's Construction growth represents a more significant change from the 2001 situation (256% growth compared to 169% in Queenstown).

Figure 5.8 examines recent growth in employment counts in the industrial economy by ward. While total industrial economy employment has grown by 177% during that period, Wanaka's industrial economy employment has increased at a much more significant rate. It has increased from 538 workers in 2001 to 1,873 in 2017 (growth of 248% or 1,335 workers). Wanaka's total economy has also grown faster than the district average, but the industrial economy has increased its share of total employment from 20% to 26%.

Waste Services has had the most rapid growth (829%) but off a very small base in 2001. The actual growth in workers in that sector was 61. Wholesale Trade has had the second fastest employment growth rate (528%) but again, off a small base. While the growth of Transport, Postal and Warehousing businesses has been rapid in percentage terms, the same does not apply to the rate of employment growth in that sector (just 57%). The addition of 18 businesses only translated into growth of 23 workers. On closer investigation, most of the employment growth has been for Bus Transport. The increase in businesses has most likely been linked to Couriers and Other Transport Services (which includes taxis). Construction has still experienced the largest increase in employment counts in Wanaka (818 additional workers).

Total growth in the Queenstown ward's industrial economy employment has been 2,368 (2001-2017). This is 59% of district growth in the industrial economy. Arrowtown ward has increased industrial economy employment by 288 (an increase of 225%). There Construction sector growth accounts for 67% of the total growth (Figure 5.8).

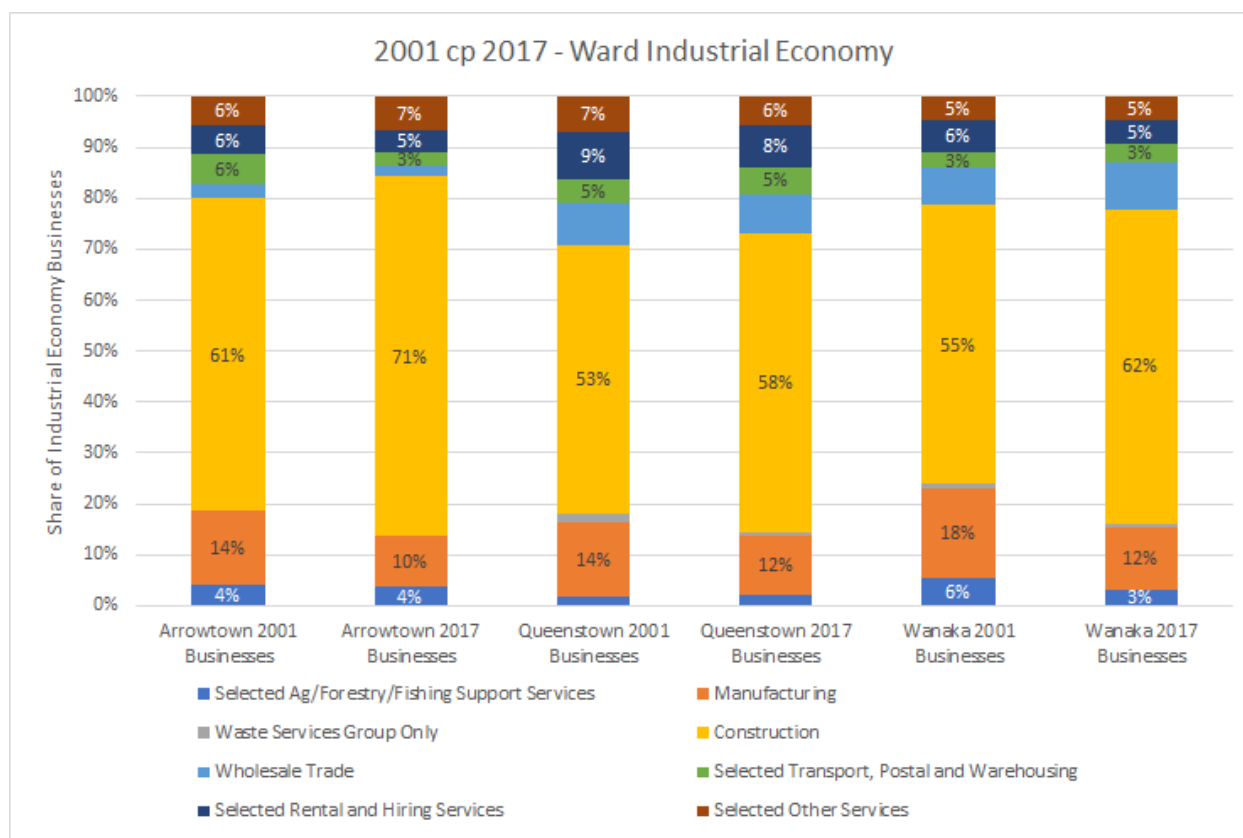
Figure 5.9 illustrates the changing structure of the industrial economy in each ward since 2001. It considers the mix of businesses by Division only. A key feature of this data is that structurally, Queenstown ward's industrial economy has been the most stable. Certainly, the Construction sector has grown in share with other sectors having a relatively smaller role, but this shift has been more moderate compared to in Arrowtown and Wanaka.

Figure 5.8 – QLD Industrial Economy Employment Count Growth by Ward 2001-2017

| ANZSIC Division | Industrial Economy Selection | Arrowtown | Queenstown | Wanaka | Total QLD |
|---|---|--------------|---------------|--------------|---------------|
| Employment 2001 | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 3 | 52 | 41 | 96 |
| C | Manufacturing | 26 | 284 | 126 | 436 |
| D | Waste Services Group Only | - | 31 | 7 | 39 |
| E | Construction | 90 | 740 | 243 | 1,072 |
| F | Wholesale Trade | 1 | 150 | 29 | 180 |
| I | Selected Transport, Postal and Warehousing | 3 | 115 | 41 | 159 |
| L | Selected Rental and Hiring Services | 1 | 111 | 15 | 127 |
| S | Selected Other Services | 4 | 109 | 37 | 150 |
| Industrial Economy | | 129 | 1,591 | 538 | 2,258 |
| Rest of Economy (all other ANZSICs) | | 359 | 7,534 | 2,139 | 10,031 |
| Total Economy | | 487 | 9,125 | 2,677 | 12,289 |
| <i>Industrial Economy as Share of Total Economy</i> | | <i>26%</i> | <i>17%</i> | <i>20%</i> | <i>18%</i> |
| Employment 2017 | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 16 | 63 | 51 | 130 |
| C | Manufacturing | 41 | 549 | 272 | 862 |
| D | Waste Services Group Only | - | 35 | 68 | 103 |
| E | Construction | 284 | 2,121 | 1,060 | 3,465 |
| F | Wholesale Trade | 18 | 375 | 181 | 573 |
| I | Selected Transport, Postal and Warehousing | 4 | 244 | 64 | 312 |
| L | Selected Rental and Hiring Services | 25 | 294 | 51 | 371 |
| S | Selected Other Services | 29 | 280 | 126 | 434 |
| Industrial Economy | | 416 | 3,959 | 1,873 | 6,249 |
| Rest of Economy (all other ANZSICs) | | 906 | 15,409 | 5,237 | 21,551 |
| Total Economy | | 1,322 | 19,368 | 7,110 | 27,800 |
| <i>Industrial Economy as Share of Total Economy</i> | | <i>31%</i> | <i>20%</i> | <i>26%</i> | <i>22%</i> |
| Net Growth 2001-2017 (n) | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 13 | 11 | 9 | 34 |
| C | Manufacturing | 15 | 265 | 146 | 426 |
| D | Waste Services Group Only | - | 4 | 61 | 64 |
| E | Construction | 194 | 1,381 | 818 | 2,393 |
| F | Wholesale Trade | 17 | 224 | 152 | 393 |
| I | Selected Transport, Postal and Warehousing | 1 | 129 | 23 | 153 |
| L | Selected Rental and Hiring Services | 24 | 183 | 37 | 244 |
| S | Selected Other Services | 25 | 171 | 89 | 285 |
| Industrial Economy | | 288 | 2,368 | 1,335 | 3,991 |
| Rest of Economy (all other ANZSICs) | | 547 | 7,875 | 3,098 | 11,520 |
| Total Economy | | 835 | 10,243 | 4,433 | 15,511 |
| Net Growth 2001-2017 (%) | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 496% | 22% | 22% | 35% |
| C | Manufacturing | 56% | 93% | 116% | 98% |
| D | Waste Services Group Only | 0% | 11% | 829% | 166% |
| E | Construction | 217% | 187% | 337% | 223% |
| F | Wholesale Trade | 1375% | 150% | 528% | 218% |
| I | Selected Transport, Postal and Warehousing | 19% | 112% | 57% | 96% |
| L | Selected Rental and Hiring Services | 1831% | 165% | 252% | 192% |
| S | Selected Other Services | 586% | 157% | 244% | 190% |
| Industrial Economy | | 224% | 149% | 248% | 177% |
| Rest of Economy (all other ANZSICs) | | 152% | 105% | 145% | 115% |
| Total Economy | | 171% | 112% | 166% | 126% |

Source: M.E, Statistics NZ Business Frame

Figure 5.9 - Share of Industrial Economy Businesses by Ward 2001 versus 2017



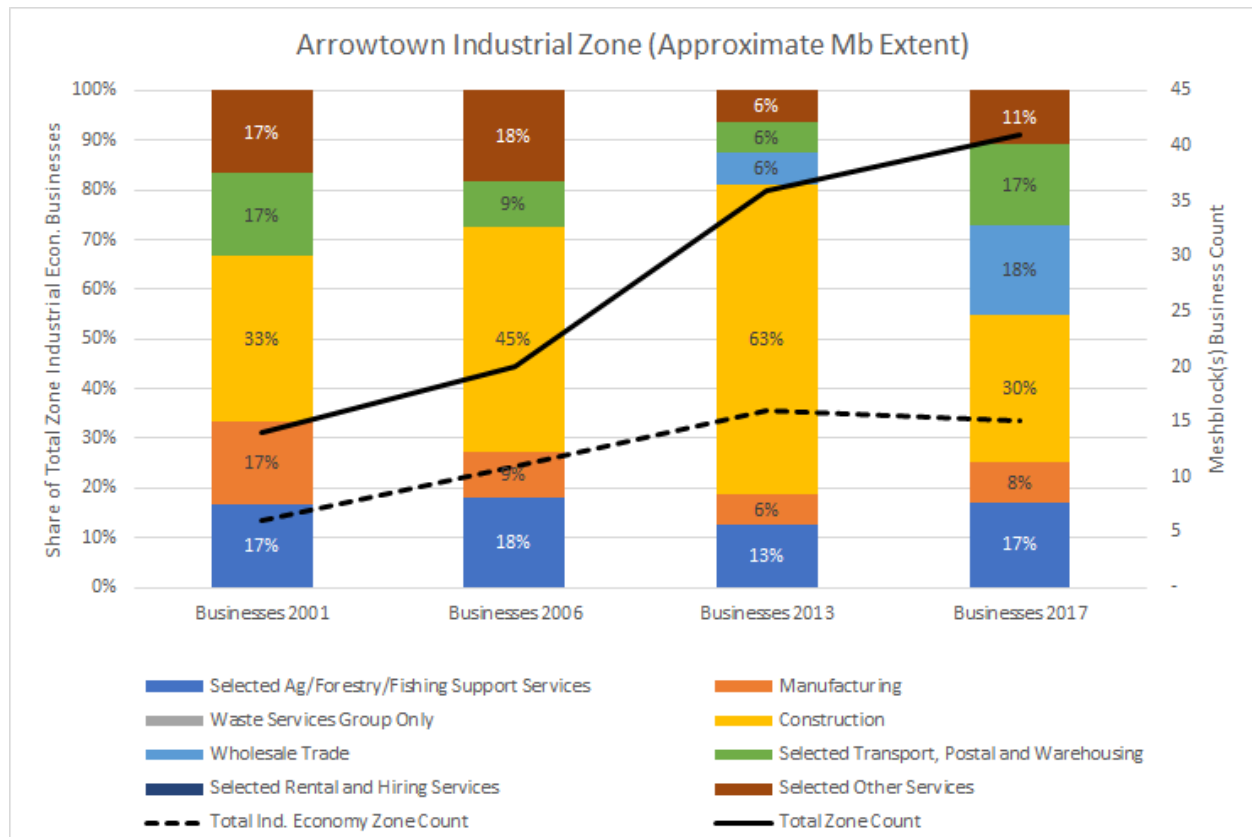
5.9 Recent Changes Stage 3 Review Industrial/Business Zones

This section focusses on what data is able to be analysed for the specific zones of interest for the Stage 3 review (Industrial, Industrial B and Business (Operative) zones). The analysis draws on the Business Directory data which is limited to whole meshblocks, so is not necessarily specific to the zone itself, but the results are considered sufficiently robust for the purpose of this report (to show general trends and the direction of change). As above, we have examined a time series of business and employment data, presenting a snapshot as at 2001, 2016, 2013 and 2017 to examine recent changes in both size and structure. Refer Section 4.4 for maps and explanation of the meshblock extents for this analysis relative to the zone of interest.

5.9.1 Arrowtown Industrial Zone

In the meshblocks containing the Arrowtown Industrial zone, the count of businesses included in the industrial economy definition has increased from 6 in 2001 to 15 in 2017 (growth of 152%). The count of industrial economy businesses peaked in 2013 and is now slightly lower (by one). In the meantime, there has been strong growth in total businesses in and around the zone (most likely attributed to the development of surrounding residential land rather than in the Industrial zone, and these including a range of home-based businesses). Over time, the structure of the industrial economy in these meshblocks has varied significantly. This is attributed to the very small size of the zone – small changes in businesses can have a marked effect on the structure. The Arrowtown industrial zone may continue to demonstrate different mixes of activities in the future (non-stable) as businesses come and go (Figure 5.10).

Figure 5.10 – Recent Changes in Industrial Economy Business Counts – Arrowtown Industrial



Industrial economy employment in the meshblocks containing the Arrowtown Industrial zone has also grown in line with business growth. It has grown from just 11 workers to 54, but also previously peaked in 2013 (77 workers). This is net growth of 42 workers or 370%. As with the structure of businesses, the structure of employment over time has varied significantly. Construction sector employment for example has varied from 73% of total industrial economy meshblock employment in 2006, to just 29% in 2013 and now 40% in 2017.

5.9.2 Glenda Drive Industrial

Care is needed with this analysis as the meshblocks containing the Glenda Drive Industrial zone also include all of Remarkables Park, Frankton Flats A and Frankton Flats B zones, although industrial economy employment not expected to feature in Remarkables Park or the Frankton Flats A zones. The count of businesses included in the industrial economy definition has increased from 38 in 2001 to 126 in 2017 (growth of 88 or 231%). The 2017 count of industrial economy businesses is the highest since 2001, indicating a steady rate of growth as this zone ‘filled-up’, albeit that there has been very little change since 2013. This reflects the very limited vacant capacity left in Glenda Drive. It is likely that the count of industrial economy businesses in Glenda Drive will not increase much going forward, although it is possible that it may decline if sites are redeveloped for other activities enabled by the zoning (or through decision making).

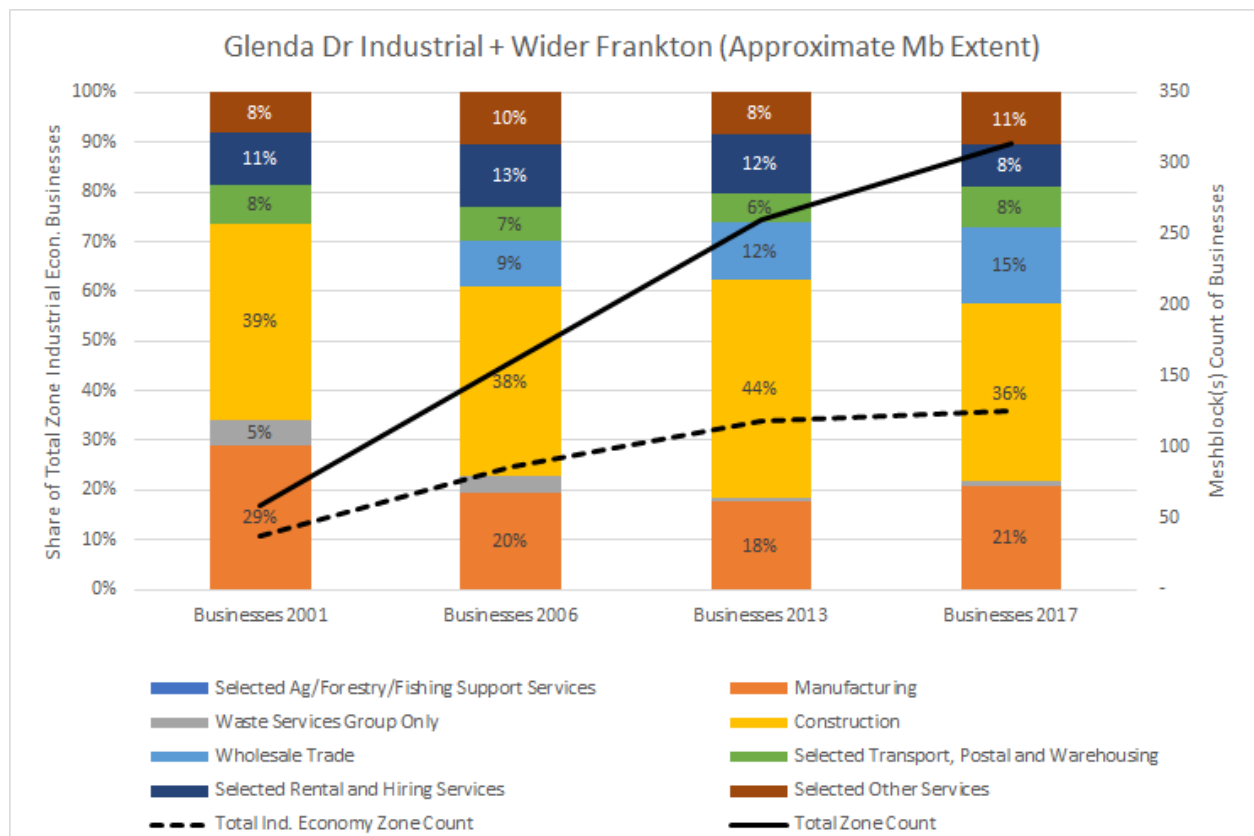
At the same time, there has been strong growth in total businesses in and around the zone (attributed to the development of surrounding zones included in the meshblock extent). This highlights that the location in which the industrial zone now finds itself, has changed rapidly. This may have increased potential for



reverse sensitivity issues and has certainly increased the traffic in the general area (with Glenda Drive now connecting to Remarkables Park around the end of the airport runway).

Over time, the structure of the industrial economy in these meshblocks has been relatively consistent. This means that as it grew, the zone attracted more businesses of a similar type. This is an important observation as it indicates that the businesses that enter a new zone early are likely to play a key role in determining what sort of businesses will enter the zone in the years following. It is therefore important that decision making upholds the intent of the zone early on to avoid setting a precedent that cannot be reversed. Going forward, the structure of the zone is expected to stay similar to that in 2017. Price may be one factor that influences this outcome, with demand continuing to rise. When Coneburn Industrial Zone starts selling sites/leases to the market, some compatible industrial businesses in Glenda Drive might consider a shift if the prices were relatively more affordable. (Figure 5.11).

Figure 5.11 – Recent Changes in Industrial Economy Business Counts – Glenda Drive Industrial



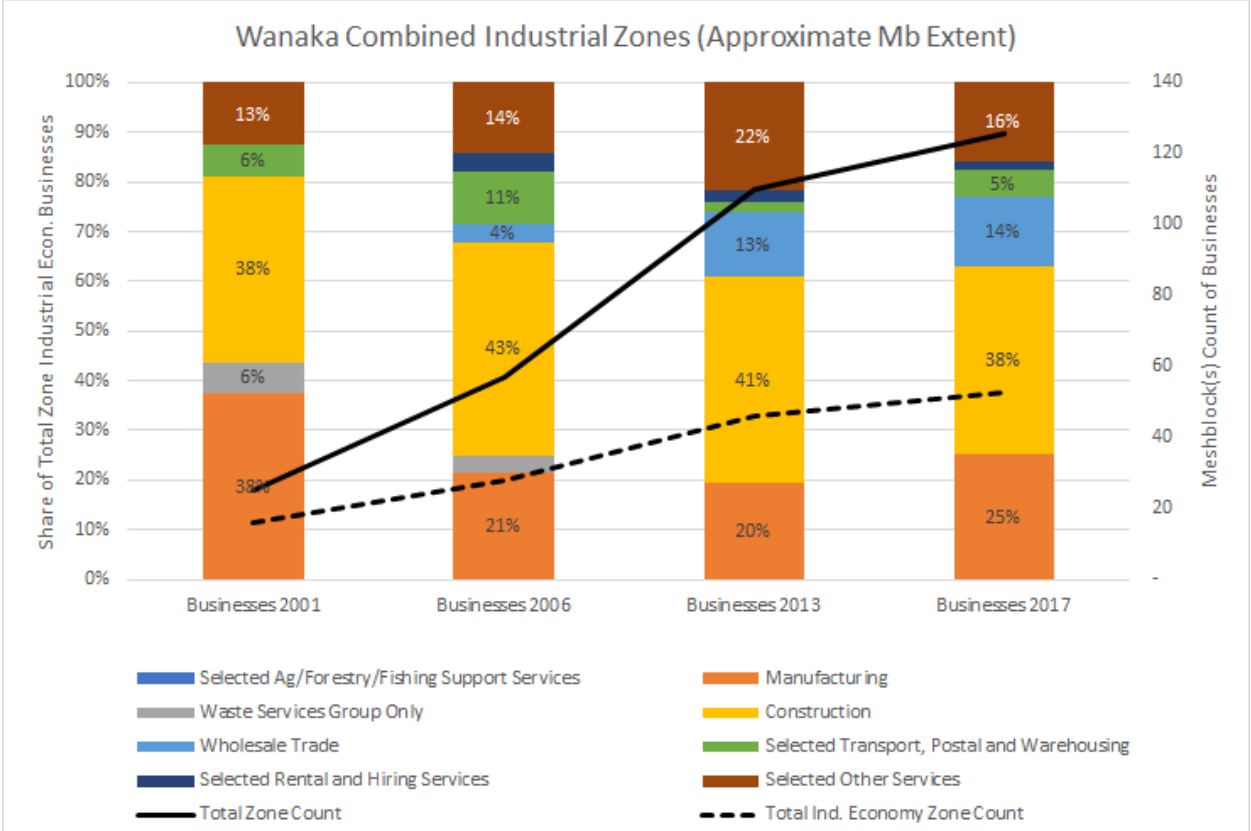
Industrial economy employment in the meshblocks containing the Glenda Drive Industrial zone has also grown more or less in line with business growth. It has grown from 212 workers to 1,261 between 2001 and 2017 (net growth of 1,049 workers or 495%). The structure of employment over time varied significantly between 2001 and 2006 and again to 2013, but the structure since 2013 has remained similar (stable). Construction sector employment for example has varied from 50% of total industrial economy meshblock employment in 2001, to 60% in 2006 and 37-40% since 2013.

5.9.3 Wanaka Industrial


In the meshblocks containing the Wanaka Industrial and Industrial B zones, the count of businesses included in the industrial economy definition has increased from 16 in 2001 to 53 in 2017 (growth of 37 businesses or 230%). 2017 is the current peak, indicating steady growth (particularly to 2013) as these zones have filled up (first the Industrial and now starting with the Industrial B). In the meantime, there has been strong growth in total businesses in and around the zone. Some of this growth will be attributed to the development of surrounding residential land on Golf Course Road and these including a range of home-based businesses. The development of the medical centre is also included in this time period. Growth of non-industrial economy businesses within the zones is also a contributor. There has not yet been a lot of residential development on the boundary of the industrial zones so reverse sensitivity has not been an issue but is something that may change as that adjacent greenfield land is developed.

Over time, the structure of the industrial economy in these meshblocks has been relatively stable since 2006. As with Glenda Drive, growth has attracted a similar mix of businesses. The combined Wanaka Industrial and Industrial B zones may be expected to maintain this structure going forward, subject to any slight variations caused by further occupation of the Industrial B zone which has a slightly different focus. This will influence the average mix more over time as it is currently weighted more towards the Industrial zone business mix. Wholesaling may play a bigger future role for example (Figure 5.12).

Figure 5.12 – Recent Changes in Industrial Economy Business Counts – Wanaka Industrial Zones



Industrial economy employment in the meshblocks containing the Wanaka Industrial and Industrial B zones has also grown more or less in line with business growth, although has been stronger since 2013. It has



grown from just 46 workers to 218 between 2001 and 2017 (net growth of 172 workers or 373%). The structure of employment has been more constant since 2013 but varied prior to that. Construction sector employment for example has varied from 37% of total industrial economy meshblock employment in 2001, to 45% in 2006 and back down to 36% in 2013, rising slightly to 40% in 2017. Wholesale Trade employment was 8% in 2013 (previously just 1% in 2006), and this increased to 14% in 2017, although the number of wholesale businesses only increased by 1. When looking at these employment trends, it seems more likely than not that the average structure could continue to adjust in the years to come – with Wholesaling playing a bigger relative role – as the Wanaka B zone further develops.

5.9.4 Gorge Road Business (Operative)

In the meshblock containing the Gorge Road Business (Operative) zone, the count of businesses included in the industrial economy definition has decreased from 57 in 2001 to 38 in 2017 (decline of 19 businesses or -33%). The drop occurred between 2006 and 2013 (loss of 20 businesses), with only 3 additional industrial economy businesses entering between 2013 and 2017. Given that this zone is largely occupied and is expected to have been for a portion of the time period analysed, it is not clear if this drop has been evident within the Business zone itself, or in the Business Mixed Use Zone area which is also captured in the meshblock to the south. It is relevant that while industrial economy businesses were declining between 2006 and 2013, other economy businesses in the meshblock were rising – so potentially this means that industrial businesses have been displaced.

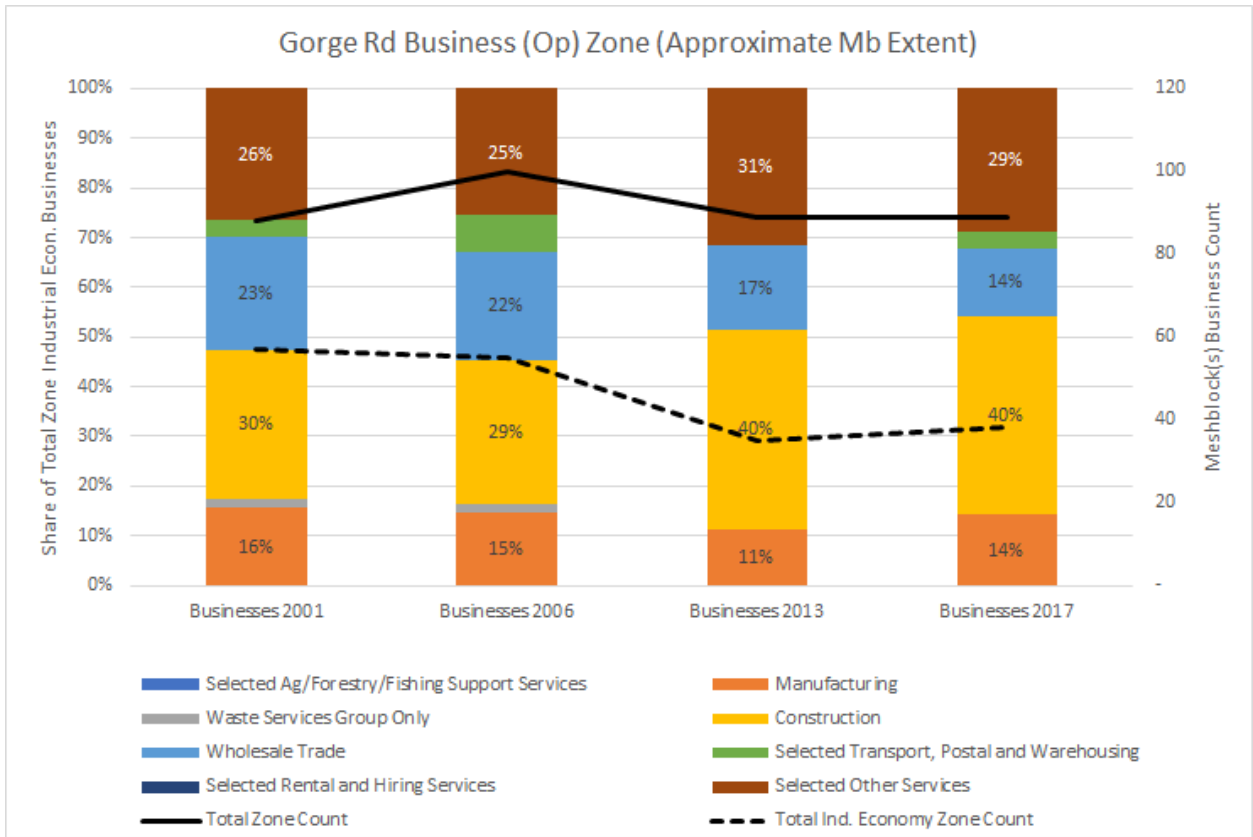
However, since 2013, the count of both industrial economy businesses and total businesses has been steady – indicating that the wider area was more or less fully occupied by 2013.

These changes are reflected in the structure of the meshblock. The meshblock lost some of its diversity when the count of industrial economy businesses dropped after 2006. Specifically, it lost all four businesses in the selected Transport, Postal and Warehousing Division. Since 2013, one business in this Division has entered the meshblock. Overall, M.E expects a very stable mix of industrial economy businesses in this location going forward, due largely to the fact that it is largely occupied/developed and the area surrounding it has also reached a point of stability (Figure 5.13).

Industrial economy employment in the meshblock containing the Gorge Road Business zone has also changed more or less in line with business change (decline and then stability since 2013). In net terms, it has decreased from 313 workers to 204 between 2001 and 2017 (net loss of 127 workers or -38%). Selected Other Services employment has been increasing its share of the total since 2006. It is not clear if this reflects what has occurred specifically inside the business zone, or activity elsewhere in the meshblocks (Business Mixed Use Zone). Construction sector employment has been as high as 52% of total industrial economy employment in 2006, but currently accounts for 46% (down from 47% in 2013).



Figure 5.13 – Recent Changes in Industrial Economy Business Counts – Gorge Rd Business





6 Future Changes to the Industrial Economy

This section considers future changes to the QLD industrial economy. It examines future economic growth projections, trends and drivers at the national level that may impact on what happens locally, and local trends and pressures that may be influencing the location of industrial activity and its ongoing viability/sustainability in industrial zones. We also look at what influence the Council's economic strategy could have and what that might mean for industrial zone planning and provisions.

6.1 Business as Usual Demand Projections

As part of the Business Development Capacity Assessment (BDCA) 2017 project (published 2018), QLDC commissioned customised economic projections for the district at a ward level. The projections were developed using M.E's Economic Futures Model (EFM) – also discussed previously in Section 3. The projections assume a business as usual future and consider a range of growth drivers including population growth, tourism growth, multi factor productivity change and rates of gross fixed capital formation. The employment projections in the EFM underpin the BDCA modelling.

The population and tourism projections used in the EFM at the time were those provided by QLDC – being the Rationale projection developed in 2017. Emphasis was given to the Council's Recommended growth projection, which (for population) sat between the StatisticsNZ medium and high growth series.

At the end of 2018, QLDC commissioned an update of the Rationale growth projections. Rationale have revised their recommended growth outlook to a much higher rate of future growth. This latest projection now sits well above what was the High projection at the time that the EFM was run. This is summarised in Figure 6.1.

The EFM has not been updated to reflect the latest projections and although the EFM included a high growth scenario (including the recommended growth scenario at the time), the change in population growth rate alone would mean that economic projections would be higher again. This section of the report relies on the EFM High (2017) employment projections, but it is important to recognise that these are conservative and will under-represent future employment growth according to current thinking on future growth.

Figure 6.2 shows the projected growth of QLD industrial economy employment for each ward. As 2017 employment data is now available, the EFM growth (n) has been rebased to 2017 actual employment – keeping the quantum of growth the same. The EFM reports employment at the 48-sector level. In order to isolate the industrial economy employment, the current industrial economy share of total employment in each sector (and each ward) in 2017 has been held constant over time. This assumes that the structure of activity within each (48) sector stays the same over time (which is considered reasonable). As some sectors are expected to grow faster than others, the aggregate result is that the industrial economy



employment continues to account for slightly greater share of total employment over time in each ward. This is consistent with historical trends. For example, between 2001 and 2017, the industrial economy’s share of employment in the Queenstown ward increased from 17% to 20%. Out to 2048, the EFM suggests it will increase to a 22% share. Similarly, in Wanaka, the historical share increased from 20% to 26%, and by 2048 the EFM suggests it will account for a 29% share. In other words, under a business as usual future, the industrial economy will play an increasing role relative to total economic activity.

Figure 6.1 – Comparison of QLDC Recommended 2017 and 2018 Population Growth Projections

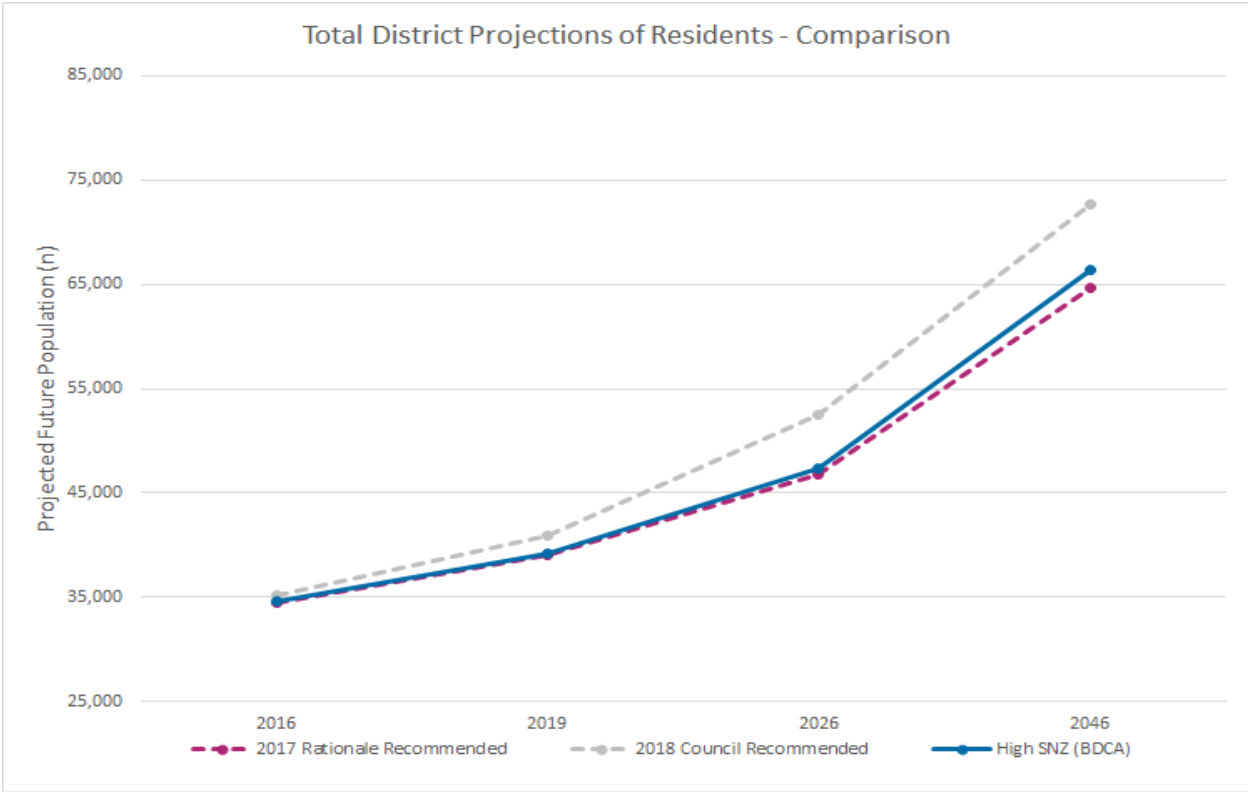
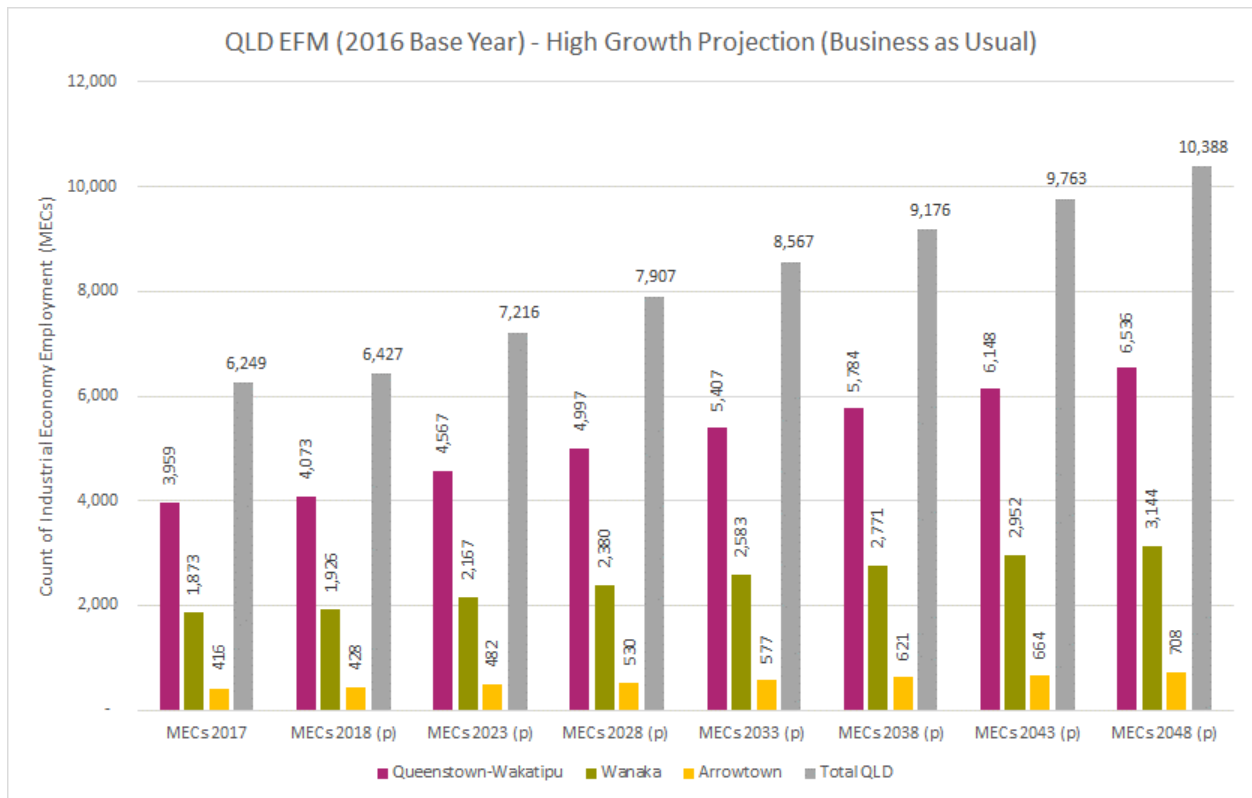


Figure 6.2 shows that between 2018 and 2028 (the medium-term future), industrial economy employment in the Queenstown Ward will increase by an estimated 920 workers (23%) and between 2018 and 2048 (the long-term) it will increase by an estimated 2,460 workers (60%). These results are likely to be conservative. Note that this is total ward industrial economy growth so covers both rural and urban locations and is not limited to the share that may locate (or seek to locate) in an industrial zone.

Between 2018 and 2028 (the medium-term future), industrial economy employment in the Wanaka Ward will increase by an estimated 450 workers (24%) and between 2018 and 2048 (the long-term) it will increase by an estimated 1,220 workers (63%). Again, these results are likely to be conservative. Over the total district, the industrial economy may conservatively be expected to grow 1,480 workers by 2028 and 3,960 workers by 2048.




Figure 6.2 – Estimated Industrial Economy Employment Projections by Ward (EFM High Scenario)



It is of value to consider the projected demand for industrial zone land that is linked specifically to the industrial economy in each ward (as opposed to other sectors which may seek to locate in industrial zones). This is an important question that Council is trying to grapple with. However, this is very difficult to project with any certainty. We note that the BDCA considered demand for industrial category land and floorspace in urban business enabled zones (from all sectors of the urban economy) but did not attempt to direct that demand to specific zones in each ward. With this caution in mind, the analysis below is presented as a loose guide of potential demand growth only in industrial zones.

Figure 6.3 shows the projected growth of industrial economy employment (High EFM growth outlook) in each ward that *may* seek to locate in an industrial zone (or the Business (operative) Zone) in future (i.e. industrial zone demand arising from the industrial economy). This is approximate only and relies on the previously analysed industrial economy employment (2017) in the meshblocks that contain the Industrial (A) zones in Glenda Drive and Arrowtown, the Industrial and Industrial B zones in Wanaka and the Gorge Road Business Zone. There are some limitations to those estimates as the meshblocks are not specific to the zone extents.

On the basis that the current snap shot of the share of industrial economy employment in each ward that falls into these respective zones is representative of the propensity of industrial economy businesses (within each 48 sector) to also seek an industrial zone location in the future, we have held these shares constant (at the sector level). Because some industrial economy sectors are growing faster than others, the aggregate result is that the industrial zone share of industrial economy employment decreases slightly over time in each ward. This indicates that the industrial economy activities that don't tend to seek an industrial zone location are growing faster than the ones that do. This makes sense when considering the



House Building sector as we know that they tend to be based in residential zones (home registered tradesmen) and account for large share of industrial economy employment and growth.

However, this is inconsistent with historical trends. For example, between 2001 and 2017, the industrial zones' share of industrial economy employment in the Wanaka ward increased from 8.6% to 11.7%. Out to 2048, the EFM (and our assumptions) suggests it will decrease to a 10.9% share. Similarly, in Arrowtown, the historical share increased from 8.9% to 12.9%, and by 2048 the EFM (and our assumptions) suggests it will account for a 12.1% share. In other words, under a business as usual future, the industrial zones will play a decreasing role relative to total industrial economy activity.

On the one hand, this might reflect that the zones reach capacity and so cannot keep absorbing an increasing share. On the other hand, it does not account for remaining capacity in the Industrial B zone in particular as well as the Coneburn and Ballantyne Mixed Use Zone and what influence this supply might have when they become available for development. We have also not factored in latent demand for industrial zone locations (which would be most applicable in Queenstown as vacant capacity in Queenstown industrial zones has rapidly diminished). Last, the 2017 shares of industrial economy employment that are located in the industrial zones reflects:

- a) The mix of activities enabled in the relevant industrial zones (which is not limited to the industrial economy activities), and
- b) The ability of industrial economy activities to compete for space in those industrial zones relative to other enabled (or approved) activities.
- c) This is important as the share of industrial economy businesses that are located in industrial zones would be expected to be higher today if the zones were less permissive of a range of activities and there was more capacity available exclusively for industrial economy businesses. Elsewhere in this report, it has been shown that industrial economy business and employment counts are accounting for a decreasing share of total zone activity over time.
- d) Rather than projecting *demand* (which should be unconstrained), we are effectively projecting *supply* (which has been constrained).

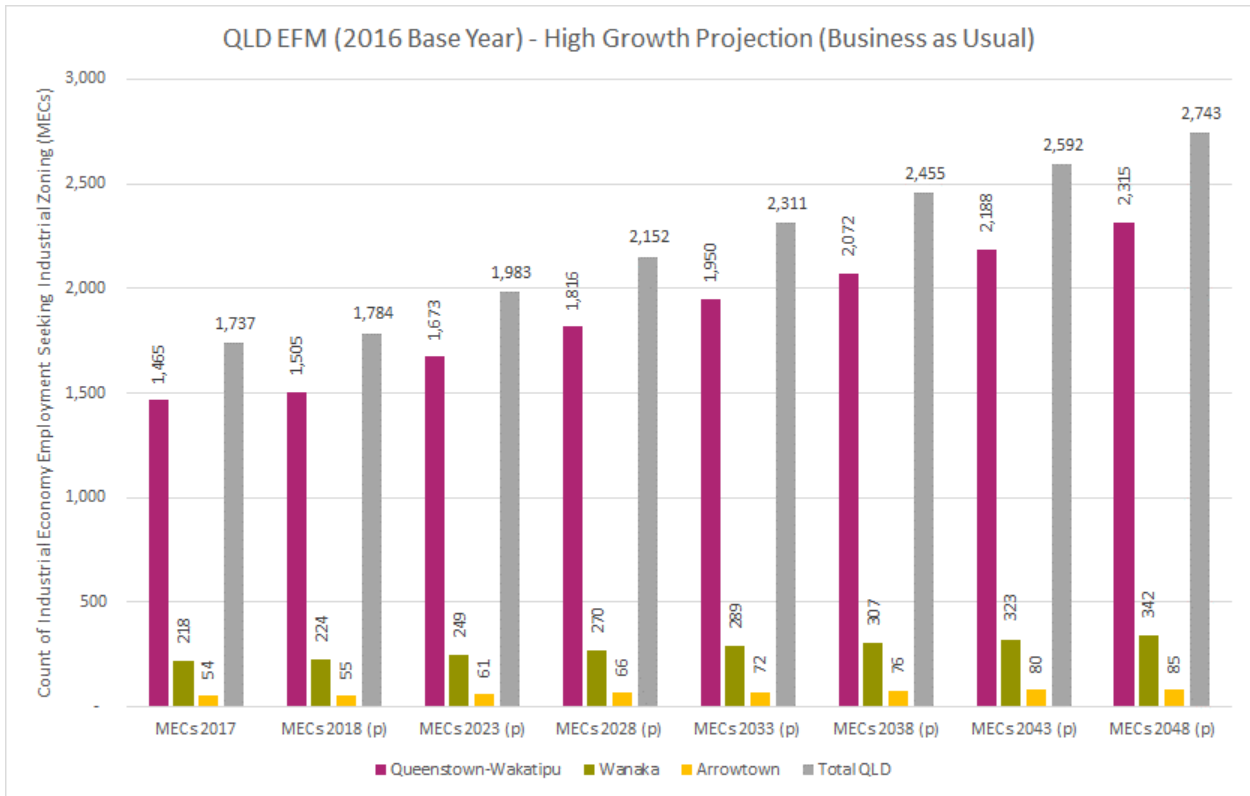
Notwithstanding these limitations and assumptions, Figure 6.3 shows that between 2018 and 2028 (the medium-term future), industrial economy industrial zone employment in the Queenstown Ward could increase by an estimated 310 workers (21%) and between 2018 and 2048 (the long-term) it could increase by an estimated 810 workers (54%). These results are likely to be conservative given the new Council growth projections and should be considered as the minimum *demand* (as they imply that industrial economy businesses only take up the same portion of industrial zone capacity as they do today. This would change when Coneburn comes on-line as that zone is less permissive of other activities than the industrial zone).

Between 2018 and 2028 (the medium-term future), industrial economy industrial zone employment demand in the Wanaka Ward could increase by an estimated 50 workers (20%) and between 2018 and 2048 (the long-term) it will increase by an estimated 120 workers (53%). Again, these results are likely to be conservative (because the growth projections are now higher than modelled) and because they more closely reflect projected supply, they should be treated as the minimum *demand*. Over the total district,



the industrial economy industrial zone minimum 'demand' may conservatively be expected to grow 370 workers by 2028 and 960 workers by 2048.

Figure 6.3 – Estimated Industrial Economy Employment Projections in Selected Ind. Zones (High)



6.2 Macro-Economic Trends Impacting on the Industrial Economy and Industrial Land

This section considers macro-economic trends that may be expected to influence QLD's industrial economy in the coming years. This is relevant given that the EFM projections (considered above) reflect a business as usual future, so would not pick up any new industrial sector trends that may be coming QLD's way (if indeed likely).

Industrial activity forms an important component of New Zealand's economy. It provides key stages of the value chain in the processing and export of a large share of the output of the economy's agricultural base.

The share of total activity within the industrial sector has gradually declined through time from a combination of declines within the sector and faster growth within New Zealand's tertiary sector. These are driving gradual changes in the structure of the national economy to an increasing services-sector base. Despite this, the industrial sector still accounts for a large share of the country's employment and has strong linkages to activity within other parts of the economy, making it fundamental to the growth in other



key sectors. Industrial activity is a major driver and enabler of exports, which are critical for New Zealand's economic growth²².

There are a number of both exogenous global and international factors and endogenous national conditions that have shaped change within New Zealand's industrial sector through time. These affect the distribution of the sector nationally and the consequent nature and scale of industrial location demand locally.

Global rationalisation of supply chains and manufacturing operations has seen growth in the size of offshore foreign firms serving international markets. This has consequently increased the pressure for New Zealand exporters to sufficiently upscale to competitively serve growing key markets. Growth in international connectedness and the rise of developing economies has also increased scale economies in supply chains driving further price competitiveness. This has acted to increase competitive pressure on New Zealand exporters through their comparative disadvantages of distance from main trading markets.

In response to these global trends, New Zealand exporters, a core part of the industrial sector, are increasingly seeking large sites in the key urban centres of New Zealand. Location within main cities provides firms with crucial access to main international infrastructural connections (ports)²³. It also enables their required upsizing through access to the labour market (including skilled trades workers²⁴) and other firms that provide fundamental inputs. The larger population base of main cities also enables many firms to develop their presence supplying the domestic market, which can then be used as a base platform from which to move into larger offshore markets (MBIE, 2018).

The ability of New Zealand's industrial sector to respond to these exogenous influences is affected by a number of core factors within New Zealand, which further influence the national distribution of the industrial sector. The small size of the domestic market has provided a limited platform from which industry can develop to serve the larger overseas markets. This is compounded by the geographic distribution of urban activity across a number of urban centres that are geographically dispersed and often separated by major geographic features.

A number of more localised conditions also emerge for industry within regional economies that affect the national distribution of industrial activity and its competitiveness. Key amongst these are infrastructure connections which have a significant influence on the efficiency of industry²⁵. International connections have often driven a movement of industry towards larger centres, although identified constraints in infrastructure to support growth may be limiting the performance of industry within these centres (MBIE, 2018). Growth pressures on the affordability of housing within a number of New Zealand's key centres are also emerging as constraints for the industrial labour pool (EMA, 2016-2018).

Increased competitiveness within global markets together with the rise of cheaper suppliers has begun to generate changes to the types of exports produced by New Zealand, which has flow-on effects on the corresponding types of industrial activity. Many manufactured exports are now much cheaper to produce

²² Ministry of Business, Innovation & Employment (MBIE), 2018 *Beyond commodities: Manufacturing into the future*, New Zealand Sectors Report Series.

²³ Rationalisation within international global commodity chain logistical structures further reinforces the need to locate within larger cities as visitation to national economies is concentrated into fewer ports.

²⁴ Sourcing skilled trades workers has been identified as an important labour requirement by New Zealand's industrial sector firms.

²⁵ This is a common theme identified within a number of the EMA submissions to central and local government.



in lower cost labour markets offshore as well as it often being cheaper to import fully manufactured commodities rather than having final assembly stages of the supply chain within New Zealand (e.g. car assembly). National strategies are consequently increasingly calling for a shift toward higher value capture within already established commodity chains as well as the development of higher value products. This reflects a shift away from heavy industry towards light industry.

Recent research has identified large potential for further value capture within New Zealand's core agricultural export chains²⁶. A high share of New Zealand's agricultural exports has low levels of processing, some of which have further processing prior to final consumption occurring within offshore markets. Growth in this area is likely to generate significant demand within New Zealand's industrial sector over the medium to longer-term through the further processing and value-added of these commodities. This is also occurring through the development of new products that have higher levels of final processing (e.g. dairy product-based smoothies).

Growth in value-added products is driving substantial demand within New Zealand's food manufacturing sector²⁷. There have been a number of opportunities identified for further growth in this sector, underpinned by New Zealand's large agricultural base and as a dominant dairy product supplier within the south-east Asian area. Growth in demand is also likely to be felt in other areas of the industrial sector due to the upstream linkages within the sector.

Growth and change in demand within end markets and the diversification of those markets²⁸ are likely to drive much of this growth. Rapid demand growth within markets across much of southeast Asia²⁹ and the maturation of demand within existing markets drive both demand for bulk production of standardised lower value-added products and the development of more specialised higher value-added food products³⁰. This includes the emergence of newer products, particularly focussed around sustainable food production chains^{31,32}.

The type of growth within the food and beverage industrial sector has generated increased demand for research and development (R&D)³³ and ICT inputs to the sector. Both of these inputs further encourage the concentration of activity into larger firms to achieve the necessary scale economies in the application of R&D and ICT resources (and therefore larger centres). Growth in food and beverage manufacturing concurrently facilitates the development of smaller industrial firms through the supply of niche products.

²⁶ Coriolis, 2018 *Emerging Growth Opportunities in New Zealand Food & Beverage*, Final Report, prepared for Ministry of Business, Innovation & Employment, New Zealand Trade & Enterprise and Ministry for Primary Industries.

²⁷ Coriolis, 2012 *Driving growth in the Processed Foods sector*, Final Report, prepared for Ministry of Business, Innovation & Employment, New Zealand Ministry of Foreign Affairs & Trade, Ministry for Primary Industries and New Zealand Trade & Enterprise.

²⁸ New Zealand's agricultural exports are distributed across an increasingly large number of end markets. This compares to historically high levels of concentration to the United Kingdom, Australia and U.S.A. markets.

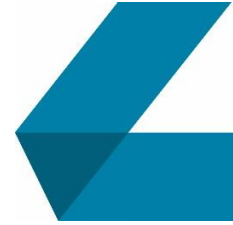
²⁹ Coriolis, 2015 *Opportunities for New Zealand Dairy Products in South East Asia*, prepared for Ministry of Business, Innovation & Employment, New Zealand Trade & Enterprise, New Zealand Foreign Affairs & Trade and Ministry for Primary Industries.

³⁰ Coriolis, 2018.

³¹ EMA, 2018 *Business Plus*, Issue 161, August 2018.

³² Plant & Food Research, 2018 *The Evolution of Plant Protein: Assessing Consumer Response*, prepared for Ministry for Primary Industries.

³³ ManufacturingNZ, 2017 *ManufacturingNZ Election Manifesto – Snapshot*.



A number of other areas of industrial growth have also been identified at the national level. These include machinery and equipment manufacturing, chemicals and refining manufacturing, fabricated metal product manufacturing, and the screen production sector. With the exception of the latter, these sectors are also significantly influenced by the need for a main city, central location. This is because they are largely driven by and require direct access to overseas markets and large labour pools.

The screen sector has been identified nationally as a high value growth area for New Zealand that is likely to generate demand for industrial activity (in addition to the demand predominantly in the services sectors). The sector is currently small but is being facilitated by central government grants due to the identified high economic returns on investment and future growth potential. Growth in opportunities within this sector are also predominantly export-focussed with the larger economic returns generated by international films³⁴.

The greatest area of demand within the screen sector has been identified within the production and post-production stages³⁵. Many of these activities (e.g. particularly sound stages) are likely to seek an industrial location, particularly larger sites, to undertake the required activities. Nearly all of New Zealand's existing sound stages are located in industrial zones. They typically require large sites containing large warehouse style buildings and yard storage and manoeuvring areas, but with good transport links). Unlike many other industrial growth sectors, the screen sector's location is not predominantly driven by access to major national infrastructure. A core location driver is the area-specific location of filming.

The construction sector is growing strongly at the national level, primarily to meet the need for residential housing. While a large portion of this sector is trade based and not dependent on industrial zone locations, component manufacturing (steel, sheet metal, joinery, trusses etc) are industrial zone focussed. Another emerging trend is the offsite construction of houses (pre-fabrication). This is more apparent in many overseas markets where houses are built in large warehouses/factories, partially disassembled and then reassembled quickly on site. With the construction sector constantly looking at ways to deliver housing more efficiently and cost effectively, this might become a growing feature of New Zealand's construction industry. It has already started to appear with some businesses building kit-set homes, or small (tiny) houses that can be trucked short distances.

So, what is the potential future influence of these national (macro level) trends on QLD's industrial economy?

- Large portions of industrial sector growth will be aimed at large centres, so will not be attracted to districts like QLD.
- Food and beverage sector growth for the export/domestic market may be more relevant and focused on wine production as opposed to the dairy sector. Only off-site wine production/bottling would place demand on industrial zones (with many processing at the vineyard). The craft beer industry is on the rise nationally and internationally and this could be expected to continue growing in QLD (it is currently a niche industry).

³⁴ McWha, V., Niemi, M., Moore, D. and Harley, R., 2018 *Evaluating the New Zealand Screen Production Grant*, prepared for the Ministry of Business, Innovation & Employment and the Ministry for Culture and Heritage, March 2018.

³⁵ Ministry of Economic Development, 2012 *Discussion Paper: Growth and Dynamics of the New Zealand Screen Industry*, April 2012.

- Film sector infrastructure (sound stage) may be a viable opportunity for QLD given a range of location attributes and a skilled workforce already supporting film activity that takes place in the district. There is evidence of more districts outside of Auckland and Wellington trying to attract or facilitate sound stage development in light of strong demand and insufficient capacity in the main centres – i.e. the Bay of Plenty Region is currently developing a feasibility study/business case for a sound stage.
- Off-site manufacturing (pre-fabrication) of dwellings (or even self-contained worker accommodation cabins) could emerge in QLD. This could be relevant for infill housing demand or demand on small sites and would be likely to seek an industrial zone location. The demand for bespoke/high end homes is expected to continue to dominate the market.
- Otherwise, the small scale of the domestic market within QLD combined with limited access to an industrial labour pool and constrained freight and logistics (reliant on road transport at present) means that QLD would not expect to move towards large scale industrial activities. Rather, small scale and niche manufacturing will continue to be more viable. Most likely that manufacturing will continue to be limited to businesses supplying local consumers and service oriented industrial activities, particularly for the construction sector.
- QLD businesses (and consumers) will continue to be dependent on inter-regional imports for many products.
- In our view, a business as usual growth outlook is most relevant going forward, but with potential for a few new industries to emerge. These would be limited to very small numbers of businesses so would not greatly influence the overall structure of the industrial economy in the future (but could add to its diversity).

6.3 QLD Economic Development Strategy

M.E has reviewed the QLDC Economic Development Strategy 2015 to assess the degree to which this might impact on or influence future changes in the industrial economy in the district. Key points from that review are as follows:

- The primary objectives of the strategy are to enhance the quality of the natural, business and living environment and facilitate the growth of knowledge-based sector. Knowledge based sectors include education, health, screen and some professional services. These are not industrial businesses per se (i.e. the strategy identifies these as businesses that “electronically deliver their product”, “be in the service sector, that also has comparatively low exposure to transport costs for production inputs,” and “usually operating with limited number of staff” with higher salaries.
- Supporting objectives are to attract high contributing visitors and generate higher levels of expenditure from visitors and develop a long-term, sustainable approach to investing in infrastructure that will enable future growth.
- A more general aim to support a diverse economy. This is one of the community outcomes identified through public consultation. The strategy specifically seeks to move away from a construction and tourism dominated economy.

- Overall, the Economic Development Strategy offers little support for growing or diversifying the industrial economy as identified for the purpose of this report.
- However, consistent with Section 6.2 above, the strategy does identify potential for long term growth of screen production in the district, stating a number of locational advantages offered by the district. This is relevant to the extent that film infrastructure may seek a location in an industrial zone. The following are excerpts on the screen industry opportunity.

Further growth depends critically on marketing and developing relationships across New Zealand and overseas, in order to raise the profile of the District's advantages and to continue to attract productions. Promotion, offshore representation and facilitation are provided by Film Otago Southland, that works closely with other regional film offices and Film New Zealand.

The absence of a screen production studio has been raised as a potential constraint to industry growth, and work has been undertaken on exploring the feasibility of and options for a studio. The need for a studio has not been clearly demonstrated and private investment has not been attracted to date. Other options suggested include a simpler facility to enable indoor shooting in the event of adverse weather or a creative centre to bring together experts from film, IT and other creative industries to encourage innovation and breakthrough ideas.

The District currently supports the film sector through the Council providing \$84,000 of funding support annually for the activities of Film Otago Southland (an independent trust), in partnership with other local authorities in the region. Film Otago Southland puts production companies in touch with local expertise, hosts major industry influencers in the District, represents the screen production industry to the community, liaises with the Department of Conservation and Land Information New Zealand to ensure that productions have access to locations, and promotes the District's capability in New Zealand and overseas. A major part of promotional effort involves networking with other offices in New Zealand and offshore through an international network of film offices. One question for Queenstown Lakes is whether the current regional arrangement provides the best leverage for film promotion efforts in the District, whether more focused attention on the District is required and/or whether more formal partnerships with the other key screen production centres of Wellington and Auckland would be of value.

- Overall, there is no evidence to suggest that attracting investment in a sound stage is imminent or a specific priority. This is not to say that the private sector may not pursue this opportunity, but elsewhere in Auckland and more recently in the Bay of Plenty, Councils have been a key driver (or funder) of this activity (including owning the facility over the short-term).

M.E has also reviewed the "Out Local Economy – A Strategy Update, 2018" for the same purpose. Key points from that review:

- The document provides an update of what has been achieved in the three years following the economic development strategy. It confirms the same objectives and priorities.

- It does identify that two roles have been added to council that are focussed on the film sector and that research has been carried out “into businesses that could be attracted here with NZ Trade and Enterprise”, as well as support provided for “start-up” businesses. Some of these initiatives *could* potentially relate to new business growth in the industrial economy, but further detail is not included.
- The investments made in recent years are focussed on the education, tourism and IT sectors and not the industrial economy.
- Overall, there is nothing concrete that can be gained from this document that suggests that any changes are imminent in the direction and structure of the industrial economy as a result of Council.

This further confirms our view that a business as usual growth outlook is most relevant going forward for QLD’s industrial economy and this should be the focus of the planning framework. This does not preclude the potential for a few new industries to emerge, but they will be the exception, not the norm.

6.4 Micro-Economic Trends Impacting on the Industrial Economy and Industrial Land

The section looks at some local level factors that affect the viability and vulnerability of industrial land use activities within the district’s industrial zones. These can be considered as more micro level trends. They are discussed under a number of (related) themes. Most are issues that can be influenced or managed through the District Plan, although may sit outside of the scope of the Stage 3 review. For clarity, this analysis does not consider site specific factors (such as operative site standards) and how these may be affecting the viability of industrial land use activities.

6.4.1 Specialist versus Generalist Zones

In large urban economies such as Auckland, not only can industrial zones be created in a range of locations and scales (dispersed around the city in the north, south, east and west), but zones specifically for heavy industrial activities and specifically for light industrial activities can be sustained and with little or no need for these zones to enable a mix of non-industrial activities. Further, when there is a relatively large range of industrial zones to choose from, some can begin to specialise in terms of their business mix (key locations for manufacturing, logistics, industrial services etc). The scale of places like Auckland can also sustain specialist business zones like Business Parks which have very uniform developments of large-scale office-developments.

Unlike places such as Auckland, QLD is a small economy. The zoning structure (special zones notwithstanding) is relatively simple with currently one ‘Mixed Business Zone’ and two ‘Industrial Zones’ (although upon comparison, Industrial and Industrial B have a very similar role and function and so may be considered as one). The Airport Zone is distinguished as are local shopping centres from town centres. There are however few instances of each zone type. Just one combined industrial location in Wanaka and just two locations of Industrial zone in Queenstown-Arrowtown. This is typical of districts of comparable size.



At the time that the Industrial zones were formed the industrial economy was much smaller (see analysis on growth since 2001) and the rationale for providing specialist (i.e. less mixed use) industrial zones most likely would have seemed unjustified. This means that if you are going to create one industrial zone, it needs to have a degree of flexibility in terms of what it enables as the market has little or no choice to locate elsewhere. Similarly, if you are going to have one type of business zone, this also needs a degree of flexibility too – hence the ‘mixed use’ zone purpose.

The implications of a broad activity mix in industrial zones is discussed further below. However, it is relevant to note that only recently has Queenstown started to sustain a discourse of more specialist (less mixed use) industrial zones – i.e. Precinct D in the Frankton Flats B Special Zone (yard-based specialty) and now Coneburn Special Zone (primarily industrial).

Looking forward (in a planning sense), it is important to recognise that the district has grown considerably (matured) and the need to provide mixed use or permissive industrial zones (i.e. zones that allow for activities not specifically dependent on an industrial zone location) has reduced and it is now viable to provide for industrial zones that are more strictly focussed on enabling those activities that have a functional need to be in an industrial zone . Avoiding too much flexibility in industrial zones is important to protect the capacity for those industrial activities that have little or no alternative location options.

6.4.2 Room to Grow

The geography of Queenstown has shaped and constrained where urban development can occur. It has been squeezed between the lake edge and rivers and the steep hills behind, on a relatively thin ribbon land, most of it sloping. Finding locations for industrial zones (or any zone) is therefore difficult (particularly now with the identification and protection of ONLs). However, it is relevant to observe where industrial zones have been positioned in the past. As this is a key lesson for where they might be positioned in the future.

Figure 6.4 shows how the Industrial zone in Arrowtown was positioned hard up against the surrounding steep hills (left-hand image) and the Gorge Road Business (Operative Zone) is also positioned hard up against the surrounding steep hills (and a wetland). This is the right-hand image. Similarly, Glenda Drive is hard up against the steep bank that drops to the Shotover River delta. A positive outcome of these locations is that it removes the risk of reverse sensitivity effects by avoiding neighbouring urban land use on one side.

Figure 6.4 – Examples of Inability to Expand Industrial Zones (Arrowtown and Gorge Road)





Until relatively recently, these zones would have been surrounded (on the unconstrained side) by greenfield land, particularly in Glenda Drive and Arrowtown. Over time, adjoining land has been zoned and developed and now the Business (Operative) and Arrowtown Industrial zones are hemmed in, removing any opportunity for these zones to expand.

In Glenda Drive, the Frankton Flats B zone *has* provided for the expansion of industrial activity and that is a positive outcome in terms of agglomeration benefits of a larger, consolidated industrial (or semi-industrial) area.

In Wanaka, the landform is more open and means that urban growth is less constrained. The location of the Industrial zone has no natural barriers, although Ballantyne Road forms a hard edge. This is ideal from an expansion opportunity perspective, although does generate more potential for adverse effects at the boundary. Like in Queenstown and Arrowtown, the surrounding land has been extensively undeveloped (greenfield). This has allowed for one round of expansion – the Industrial B, and a second round of expansion - PC 46.

Wanaka's industrial land is however facing the same fate as Arrowtown. The land to the west is now zoned for Low Density Suburban Residential as well as the residential component of PC 46. The only Rural Zone expansion potential (that is contiguous) is to the south towards Riverbank Road.

The Ballantyne Mixed Use Zone provides an expansion of industrial zoning opposite the Industrial and Industrial B zone. This is largely surrounded by the Three Parks Special Zone, although some adjoining precincts are compatible business zones so will form a contiguous industrial/business area. There may be potential to expand to the south, again to Riverbank Road.

Overall, it appears (from an observation of land use zoning patterns only) that there has been only partial (or inconsistent) consideration given to the future expansion potential of existing industrial zones. Locating industrial zones against natural barriers limits expansion to just the unconstrained sides. Not providing for 'future industrial expansion areas' or deferred industrial zones on that land has resulted in zones that now have little or no expansion potential. The consequence of this is that it places greater onus on finding new locations for industrial growth. This is challenging as industrial zones have more specific location requirements compared to most other zone types (such as residential). They invariably will be located further away from key markets of demand. This has (among other things) adverse effects on transport and infrastructure provision and the efficiency of conducting business in QLD.

On the positive side, finding new locations for industrial zoning (i.e. Coneburn) provides for more location choices for industrial activities (assuming there is vacant capacity across each location, which is not necessarily the case in Queenstown) and may make it easier to create a more specialised (less mixed use) industrial zone (where expansion of an existing zone may be expected to provide or retain the existing mix of activity). Now that Coneburn is zoned, protecting the opportunity for it to expand in future may be prudent. This could/should be considered as part of QLDC's wider strategic planning processes.

6.4.3 Limited Short-Term Feasible Development Capacity

The existing industrial zones in Queenstown and Arrowtown, including the Business (Operative) zone, have very little vacant capacity and are nearly fully occupied³⁶. Wanaka however has comparatively large amounts of vacant industrial capacity. The BDCA 2017 report included a survey of vacant capacity carried out in January 2018. At that time, the results were as follows:

- Gorge Road Business Zone: 3,700sqm vacant developable land area.
- Arrowtown Industrial Zone: 300sqm vacant developable land area.
- Glenda Drive Industrial Zone: 1.18ha vacant developable land area.
- Wanaka Industrial Zone: 1.71ha vacant developable land area.
- Wanaka Industrial B Zone: 12.52ha vacant developable land area (large areas of which did not have titles issued or infrastructure complete).
- Ballantyne Road Mixed Use: 14.9ha of vacant developable land area (not currently feasible capacity³⁷).

This is a sub-total of 15.81ha excluding the Ballantyne Road Mixed Use Zone, and 30.71ha including the Ballantyne Mixed Use Zone.

In addition, there are other zones that enable some industrial land use activities (based on activities defined in the Stage 1 decisions version district plan). These are:

- Frankton Flats B Special Zones (precincts E1, E2 and D): vacant developable capacity estimated at 27.19ha potentially or exclusively available for industrial land use activities.
- The Gorge Road Business Mixed Use Zone: 4.7ha of vacant capacity that enables some forms of industrial activity.
- The Wanaka Business Mixed Use Zone: 4,800sqm of vacant capacity that enables some forms of industrial activity.
- The Three Parks Special Zone (precincts Business and Business Mixed Use): 8.17ha of vacant capacity that enables some forms of industrial activity.

This is an overall maximum³⁸ vacant capacity for industrial land use activities of 70.76ha (January 2018)³⁹. That is 32.99ha in Queenstown and Arrowtown combined and 37.4ha available in the Wanaka ward⁴⁰.

As far as M.E is aware, an update of this vacant capacity using a consistent approach to defining vacant capacity, has not been carried out. Given the fast rate of development occurring in the district, it is expected that a portion of this vacant capacity is now already developed and occupied by business activities


³⁶ Not to be confused with fully 'developed' as some sites are used as yards which have little or no development on them.

³⁷ The zone currently has a building restriction over it.

³⁸ It is considered 'maximum' capacity as some zones containing vacant capacity enable a range of activities (including retail and commercial activities) that are also competing for this space. The land area of plan enabled vacant industrial capacity is therefore greater than the land area of industrial land that the market will supply.

³⁹ This excludes the capacity in the Queenstown Airport Zone.

⁴⁰ This does not account for land ownership or landowner aspirations for vacant land.



and a portion is under construction (or consented for development). What remains vacant today has not been quantified.

Since the BDCA, the following zone capacity has been enabled in the Stage 1 decisions version plan in the Queenstown-Wakatipu ward:

- Business Mixed Use Zone in Frankton: estimated 5.8ha (out of a total of 9.1ha) vacant capacity that enables some forms of industrial activity⁴¹.
- Coneburn Industrial Special Zone: estimated (but not verified) vacant capacity of 19.5ha (out of a total of 71ha) that enables mainly industrial activity.

These two zones, but especially Coneburn, will provide vital additional capacity in the Queenstown ward for growth of the industrial economy. However, the Coneburn land is not serviced with necessary infrastructure and so is not yet feasible development capacity. The timing of when this land will be available for development is not known.


The key adverse effects of having only limited vacant development capacity at any one time include (but are not limited to):

- There are few bare sites available for new industrial businesses to choose from and a greater chance that an appropriate site will not be found. This may force industrial businesses to locate elsewhere. Lost opportunities for growth, employment and competition.
- There are few vacant tenancies (built sites) as high demand and limited supply means that spaces are snapped up as soon as they become available. This limits churn in the market which is important to allow businesses to move to different premises as their needs change. Businesses are more likely to stay put even when their premises are not sustainable physically or financially. This can impact on the efficient operation of businesses and can have flow on effects on staff, customers and the local environment.
- A lack of certainty about future business growth/expansion potential can curb investment and future job opportunities.
- High demand and limited supply drive up prices of land and built space. This limits the types of businesses that can occupy remaining vacant capacity and can price many industrial activities out of the zone/market. It also encourages sites to be developed more intensively, which precludes land extensive activities. Rising prices are discussed further below.

6.4.4 Neighbouring Land Use

The environments surrounding the district's industrial zones have changed considerably in recent years (as discussed above). The changes in Wanaka - where the adjoining residential zone represents feasible development potential – is however still to come, but that uptake is imminent. It is understood that some roads in the industrial zone will directly connect to the residential zone (i.e. Gordon Road).

⁴¹ This zone was confirmed after the BDCA 2017 was completed. Estimates provided for evidence on Stage 1 Appeals (N Hampson, 12th October 2018).



While all zones have a policy framework that helps manage boundary effects and reverse sensitivity, it is likely that the full effect of those policies have not yet been tested. The residential development adjoining the Arrowtown Industrial zone has been in place for a number of years, but the small size of the industrial-residential interface means that this is not representative of the level of effects that may be felt in Frankton and Wanaka. When reviewing the efficacy of operative (boundary and reverse sensitivity) provisions, it is important to recognise that current monitoring data may not reflect the full scale of the issue and that this may be more apparent in the near future.

The other relevant issue is that the development of surrounding land can have a significant impact on traffic and parking demand in industrial zones. Glenda Drive is a good example. For many years, Glenda Drive was a dead-end street surrounded by greenfield land. The traffic and parking in that area was limited to the businesses present in the zone and their customers and staff.


Today, Glenda Drive is a through-road connecting to Remarkables Park and the surrounding land has developed rapidly. The density of employment in the wider Frankton area has increased significantly (and is still rising). There will soon be large numbers of residents and the retail precincts are nearing completion. Combined with population and visitor growth, the immediate environment in which Glenda Drive industrial businesses now operate has changed significantly.

With limited options to relocate, industrial businesses (and all businesses that existed before these significant changes) will have needed to adapt to the following:

- Increased traffic on the immediate road network – this can cause delays in receiving goods and delivering goods/services. Businesses depending on large sized truck movements will be most affected, as would businesses that operate with a fleet of vehicles that come and go regularly from the site (i.e. couriers, waste collection, trade supplies and services). Large trucks that may need to manoeuvre into sites/properties now potentially have a greater impact on traffic flows (i.e. delays where they temporarily block traffic) than they once did and may need to adjust the time at which they arrive to avoid peak traffic flows. All of these factors result in an overall reduction in efficiency.
- Reduced street parking – this may be putting pressure on staff parking or the ability to park work related vehicles on the roadside at times during the day. Staff may need to park further away than they once did. Public transport options are unlikely to be offsetting this at present (and don't apply in Wanaka). An inability to find parking affects the functional amenity of industrial zones as a place of work.

It is possible that the size of sites in the Glenda Drive Industrial zone might have *seemed* more appropriate when Glenda Drive was not as busy. Businesses *may* not feel the same today now that they don't have the benefit of a quieter street with less competition for parking and there is a greater need to internalise parking provision and manoeuvring. This is an area that may warrant further targeted research. The key message is that:

- a) What might seem like a satisfactory provision of on-site parking and manoeuvring today (and particularly in newly developing industrial zones in greenfield locations) may not be satisfactory in the future when those zones and the neighbouring (connecting) land areas are fully developed.

- 
- b) Industrial zones that have (or will have) road connections to other neighbouring land use zones (particularly commercial zones) can expect to face increasing traffic flows and demand for parking. It is therefore more important for sites in these zones to be able to provide for on-site staff parking and manoeuvring.
 - c) Any further research on the appropriateness of site sizes for the purpose of on-site parking and manoeuvring should take into account the stage of development of that zone (developing versus fully developed - and including the stage of development of surrounding land) as this is likely to influence results.
 - d) Encouraging public transport routes that service industrial zones is likely to contribute to the efficient function of those zones by reducing demand for staff parking.

6.4.5 Higher Value Land Uses

A relevant issue in QLD is the impact of higher value land uses in industrial zones. When zones provide for a mix of activities, including activities that are not dependent on an industrial zone location, it provides options for what landowners choose to supply to the market.

On the one hand, industrial zones are intended to provide for land extensive activities (typically yard-based businesses). These are an important component of the industrial economy and are activities highly dependent on an industrial zone location. Figure 6.5 shows several images from Glenda Drive Industrial zone of businesses that require space that is not used intensively but yet is still critical to the operation of those businesses. This includes businesses that store raw materials, provide a depot for machinery and equipment, or need to internalise large volumes of truck/vehicle movements and parking.



Figure 6.5 – Examples of Land Extensive Activities Dependent on Industrial Zone Locations




On the other hand, industrial zones have enabled more intensive land uses (typically office-based activities). Figure 6.6 shows images also from Glenda Drive of multi-storey office buildings, within which a range of business types operate that do not have a functional need to be in an industrial zone. When developed intensively, these sites can sustain multiple businesses and therefore offer greater returns to landowners than a single land-extensive business. The flow on effect of this outcome is that you often end up with office buildings right beside yard-based industrial businesses which increases the potential for reverse sensitivity effects on industrial businesses which may generate noise, dust and heavy vehicle movements (for example).

Figure 6.6 – Examples of Land Intensive Developments Not Dependent on Industrial Zoning



In some cases, the purpose of the industrial zone is blurred through decisions that consider the effects of a single site in isolation and do not consider the aggregate or cumulative effect on the industrial zone. Such



decisions allow activities that were not generally anticipated by the provisions (i.e. non-complying activities) and these can set a precedent effect for future decisions that is not easily combatted. The recent Bunnings decision in Frankton Flats is a key example of these decision-making processes. Judge Jackson asked and answered the following question:

"In particular is it 'inefficient' to use land zoned industrial for some other business activity if the landowner can obtain higher rents for it? It appears not, provided there is zoned capacity elsewhere in the region."⁴²

In our view, this approach does not recognise the purpose of providing for industrial zones in the district plan. Regulation is needed to protect against market failure. In this case, to ensure that land extensive and other industrial activities are provided with suitable land on which to operate despite the fact that there are higher value activities that could utilise that land. The industrial economy sustains a wide range of economic activity and is essential for the efficient operation of the economy and its potential to grow. It is especially important in QLD to help diversify the economy and provide employment opportunities.

Care is therefore needed to consider the wider effects of enabling activities that are not dependent on an industrial zone location, especially on the ground floor. Commercial, office and retail activities have a greater range of zone locations to choose from and are capitalising on the lower land value of industrial zones relative to business and town centre zones. This issue was central to the BDCA 2017 which presented a scenario of industrial zone land *supply* (that captured the competitive nature of higher value land uses) as distinct to industrial zone land *capacity*. Avoiding too much flexibility in industrial zone activities (especially at ground level) is necessary to protect those businesses that have a functional need to be there, now and in the future.

6.4.6 Rising Land Values


Related to the issue above, rising land values are a key feature of the QLD property market due to ongoing strong rates of growth and demand. For those people looking to develop land or individual sites, they are faced with very high purchase prices for the land relative to most places in New Zealand. As a result of these high prices (and financing costs), landowners seek to maximise the returns from development. This is achieved by developing the site to maximum intensity and targeting their development to the highest value use.

⁴² Excerpt of Bunnings Environment Court Decision, taken from Stuff article (April 15 2019)

Figure 6.7 – Average Shift in Land Value 2014 – 2017 (Government Valuations) by Zone

| Zone (PDP/ODP) | Estimated Zone Property Area (ha) | Total LV 2014 | Average LV 2014 | Estimated Average LV 2014 per ha | Total LV 2017 | Average LV 2017 | Estimated Average LV 2017 per ha | Increase in Average in LV | Average Increase in LV % | Increase in Average in LV/ha | Average Increase in LV/ha % |
|--|-----------------------------------|-------------------------|-------------------|----------------------------------|--------------------------|-------------------|----------------------------------|---------------------------|--------------------------|------------------------------|-----------------------------|
| Town Centre Queenstown | 9 | \$ 618,018,000 | \$ 1,592,830 | \$ 67,147,000 | \$ 887,373,000 | \$ 2,287,044 | \$ 96,413,000 | \$ 694,214 | 44% | \$ 29,266,000 | 44% |
| High Density Residential | 61 | \$ 715,028,000 | \$ 260,864 | \$ 11,651,000 | \$ 1,579,555,500 | \$ 576,691 | \$ 25,737,000 | \$ 315,827 | 121% | \$ 14,086,000 | 121% |
| High Density Residential (Operative) | 10 | \$ 96,894,000 | \$ 398,741 | \$ 9,337,000 | \$ 199,473,000 | \$ 820,877 | \$ 19,221,000 | \$ 422,136 | 106% | \$ 9,884,000 | 106% |
| Town Centre Arrowtown | 1 | \$ 27,770,000 | \$ 1,157,083 | \$ 29,389,000 | \$ 33,600,000 | \$ 1,344,000 | \$ 35,559,000 | \$ 186,917 | 16% | \$ 6,170,000 | 21% |
| Arrowtown Residential Historic Management Zone | 19 | \$ 109,216,000 | \$ 418,452 | \$ 5,882,000 | \$ 216,539,000 | \$ 829,651 | \$ 11,663,000 | \$ 411,199 | 98% | \$ 5,781,000 | 98% |
| Town Centre Wanaka | 8 | \$ 125,370,000 | \$ 858,699 | \$ 16,342,000 | \$ 159,039,000 | \$ 1,081,898 | \$ 20,731,000 | \$ 223,199 | 26% | \$ 4,389,000 | 27% |
| Special Zone - Frankton Flats | 45 | \$ 117,499,000 | \$ 1,780,288 | \$ 2,634,000 | \$ 282,169,000 | \$ 4,408,891 | \$ 6,326,000 | \$ 2,628,603 | 148% | \$ 3,692,000 | 140% |
| Low Density Residential | 997 | \$ 2,907,582,200 | \$ 305,194 | \$ 2,917,000 | \$ 5,826,207,000 | \$ 611,804 | \$ 5,845,000 | \$ 306,610 | 100% | \$ 2,928,000 | 100% |
| Industrial A (Operative) | 29 | \$ 116,059,000 | \$ 495,979 | \$ 4,026,000 | \$ 194,995,000 | \$ 833,312 | \$ 6,764,000 | \$ 337,333 | 68% | \$ 2,738,000 | 68% |
| Local Shopping Centre | 7 | \$ 24,642,000 | \$ 513,375 | \$ 3,488,000 | \$ 42,029,000 | \$ 875,604 | \$ 5,949,000 | \$ 362,229 | 71% | \$ 2,461,000 | 71% |
| Business Mixed Use | 18 | \$ 97,242,000 | \$ 549,390 | \$ 5,391,000 | \$ 135,636,000 | \$ 766,305 | \$ 7,520,000 | \$ 216,915 | 39% | \$ 2,129,000 | 39% |
| Penrith park | 34 | \$ 73,649,000 | \$ 640,426 | \$ 2,146,000 | \$ 135,640,000 | \$ 1,179,478 | \$ 3,952,000 | \$ 539,052 | 84% | \$ 1,806,000 | 84% |
| Medium Density Residential | 263 | \$ 460,351,000 | \$ 425,857 | \$ 1,751,000 | \$ 883,811,500 | \$ 817,587 | \$ 3,362,000 | \$ 391,730 | 92% | \$ 1,611,000 | 92% |
| Special Zone - Shotover Country | 96 | \$ 126,615,000 | \$ 189,543 | \$ 1,314,000 | \$ 249,733,000 | \$ 373,852 | \$ 2,591,000 | \$ 184,308 | 97% | \$ 1,277,000 | 97% |
| Township (Operative) | 294 | \$ 327,453,000 | \$ 159,112 | \$ 1,116,000 | \$ 699,259,500 | \$ 339,282 | \$ 2,382,000 | \$ 180,169 | 113% | \$ 1,266,000 | 113% |
| Business (Operative) | 9 | \$ 25,841,000 | \$ 478,537 | \$ 2,799,000 | \$ 34,304,000 | \$ 635,259 | \$ 3,715,000 | \$ 156,722 | 33% | \$ 916,000 | 33% |
| Rural Residential (Operative) | 26 | \$ 17,150,000 | \$ 281,148 | \$ 660,000 | \$ 37,960,000 | \$ 622,295 | \$ 1,462,000 | \$ 341,148 | 121% | \$ 802,000 | 122% |
| Industrial B (Operative) | 13 | \$ 11,903,000 | \$ 297,575 | \$ 898,000 | \$ 22,515,000 | \$ 562,875 | \$ 1,699,000 | \$ 265,300 | 89% | \$ 801,000 | 89% |
| Special Zone - Quail Rise | 73 | \$ 68,930,000 | \$ 328,238 | \$ 944,000 | \$ 125,715,000 | \$ 598,643 | \$ 1,722,000 | \$ 270,405 | 82% | \$ 778,000 | 82% |
| Special Zone - Remarkables Park | 127 | \$ 136,048,000 | \$ 657,237 | \$ 1,068,000 | \$ 225,184,000 | \$ 1,093,126 | \$ 1,767,000 | \$ 435,889 | 66% | \$ 699,000 | 65% |
| Large Lot Residential | 419 | \$ 314,768,000 | \$ 464,260 | \$ 752,000 | \$ 602,137,000 | \$ 888,108 | \$ 1,438,000 | \$ 423,848 | 91% | \$ 686,000 | 91% |
| Special Zone - Meadow Park | 25 | \$ 17,556,000 | \$ 274,313 | \$ 695,000 | \$ 32,470,000 | \$ 507,344 | \$ 1,286,000 | \$ 233,031 | 85% | \$ 591,000 | 85% |
| Ferry Hill Rural Residential Sub-Zone | 10 | \$ 9,240,000 | \$ 577,500 | \$ 893,000 | \$ 13,890,000 | \$ 868,125 | \$ 1,342,000 | \$ 290,625 | 50% | \$ 449,000 | 50% |
| Special Zone - Resort | 861 | \$ 369,964,000 | \$ 364,856 | \$ 430,000 | \$ 629,964,000 | \$ 621,266 | \$ 731,000 | \$ 256,410 | 70% | \$ 301,000 | 70% |
| Special Zone - Arrowtown South | 31 | \$ 11,112,500 | \$ 1,010,227 | \$ 362,000 | \$ 19,580,000 | \$ 1,958,000 | \$ 638,000 | \$ 947,773 | 94% | \$ 276,000 | 76% |
| Rural Residential | 606 | \$ 271,074,000 | \$ 410,718 | \$ 447,000 | \$ 436,755,000 | \$ 662,754 | \$ 721,000 | \$ 252,036 | 61% | \$ 274,000 | 61% |
| Special Zone - Bendemeer | 62 | \$ 29,650,000 | \$ 780,263 | \$ 478,000 | \$ 43,260,000 | \$ 1,138,421 | \$ 698,000 | \$ 358,158 | 46% | \$ 220,000 | 46% |
| Rural Lifestyle Deferred | 4 | \$ 1,270,000 | \$ 635,000 | \$ 335,000 | \$ 1,965,000 | \$ 982,500 | \$ 519,000 | \$ 347,500 | 55% | \$ 184,000 | 55% |
| Rural General (Operative) | 79 | \$ 8,430,000 | \$ 4,215,000 | \$ 107,000 | \$ 20,200,000 | \$ 10,100,000 | \$ 256,000 | \$ 5,885,000 | 140% | \$ 149,000 | 139% |
| Rural Lifestyle | 3,263 | \$ 479,481,000 | \$ 671,542 | \$ 147,000 | \$ 733,038,000 | \$ 1,026,664 | \$ 225,000 | \$ 355,122 | 53% | \$ 78,000 | 53% |
| Rural Visitor | 504 | \$ 41,950,000 | \$ 270,645 | \$ 83,000 | \$ 73,828,000 | \$ 476,310 | \$ 146,000 | \$ 205,665 | 76% | \$ 63,000 | 76% |
| Special Zone - Ballantyne Road Mixed Use | 20 | \$ 2,500,000 | \$ 2,500,000 | \$ 122,000 | \$ 3,760,000 | \$ 3,760,000 | \$ 184,000 | \$ 1,260,000 | 50% | \$ 62,000 | 51% |
| Airport Mixed Use Zone | 127 | \$ 13,177,000 | \$ 1,317,700 | \$ 104,000 | \$ 20,520,000 | \$ 2,052,000 | \$ 161,000 | \$ 734,300 | 56% | \$ 57,000 | 55% |
| Rural Lifestyle Buffer | 21 | \$ 2,110,000 | \$ 2,110,000 | \$ 99,000 | \$ 2,950,000 | \$ 2,950,000 | \$ 138,000 | \$ 840,000 | 40% | \$ 39,000 | 39% |
| Gibbston Character Zone | 1,103 | \$ 70,535,000 | \$ 443,616 | \$ 64,000 | \$ 108,435,000 | \$ 681,981 | \$ 98,000 | \$ 238,365 | 54% | \$ 34,000 | 53% |
| Special Zone - Three Parks | 147 | \$ 4,530,000 | \$ 755,000 | \$ 31,000 | \$ 7,680,000 | \$ 1,280,000 | \$ 52,000 | \$ 525,000 | 70% | \$ 21,000 | 68% |
| Special Zone - Hanley Downs | 616 | \$ 17,370,000 | \$ 2,481,429 | \$ 28,000 | \$ 24,715,000 | \$ 3,530,714 | \$ 40,000 | \$ 1,049,286 | 42% | \$ 12,000 | 43% |
| Special Zone - Kingston Village | 82 | \$ 1,850,000 | \$ 1,850,000 | \$ 23,000 | \$ 2,730,000 | \$ 2,730,000 | \$ 33,000 | \$ 880,000 | 48% | \$ 10,000 | 43% |
| Rural | 305,092 | \$ 1,585,334,000 | \$ 930,907 | \$ 5,000 | \$ 2,438,511,000 | \$ 1,439,499 | \$ 8,000 | \$ 508,592 | 55% | \$ 3,000 | 60% |
| Total QLD Properties | 315,213 | \$ 9,455,161,700 | \$ 400,513 | \$ 30,000 | \$ 17,187,125,500 | \$ 728,797 | \$ 55,000 | \$ 328,284 | 82% | \$ 25,000 | 83% |

Values not adjusted for inflation. Assumes zone area is the same in both time periods. Source: QLDC



This is a key issue for industrial zones which rely on lower land values to support the viability of industrial businesses that use land less extensively – whether yard-based businesses or workshops, factories or warehouses that tend to be single use buildings with no other tenancies on upper floors.

Figure 6.7 summarises the change in government valuations of land value in QLD by zone between the 2014 valuation and the 2017 valuation. Note, these values do not reflect market values which would typically be higher in QLD.

- It shows that in the Industrial zone, the average land value of a property was nearly \$496,000 in 2014 (and average of \$4,026,000/ha). This increased to an average of \$833,000 per property (\$6,764,000/ha) by 2017. This is an increase of 68% or \$2,738,000/ha. In dollar terms, this was the 9th largest increase in value per ha and the 8th most valuable zone in per ha terms (topped only by the three town centres, Frankton Flats Special Zone(s), High Density (Operative) zone and the Low Density Residential Zone.
- It shows that in the Industrial B zone, the average land value of a property was nearly \$298,000 in 2014 (and average of \$898,000/ha). This increased to an average of \$563,000 per property (\$1,699,000/ha) by 2017. This is an increase of 89% or \$801,000/ha. In dollar terms, this was the 18th largest increase in value per ha and the 19th most valuable zone in per ha.
- It shows that in the Business Operative zone, the average land value of a property was nearly \$479,000 in 2014 (and average of \$2,799,000/ha). This increased to an average of \$635,000 per property (\$3,715,000/ha) by 2017. This is an increase of 33% or \$916,000/ha. In dollar terms, this was the 16th largest increase in value per ha and the 13th most valuable zone in per ha terms.

The significant change in value in the Industrial B zone (89%) is potentially driven by the improvements made to the greenfield land over that period (i.e. became more development ready), but also reflects the reduced supply available in the neighbouring Industrial zone.

Overall, the reduction in available capacity in each of these zones has made the land more valuable (i.e. scarcity of resources). This is typical when the amount of available capacity does not keep pace with demand. The addition of Coneburn may not make a material difference on industrial land values as this new capacity is located further out. More central zones remain prime locations. Further, Coneburn's focus on industrial activities will not influence the desirability of Industrial zone sites for other activities that may not be dependent on an industrial zone location.

These high prices make it more important for landowners to maximise the intensity of development to ensure it is commercially feasible (i.e. profitable). This drives the supply of non-industrial land uses, given that office (and to some extent retail/service) businesses can afford to pay higher prices and the industrial zones provide a cheaper but still attractive alternative to the more expensive town centres. These economic processes have significant implications for what portion of remaining industrial zone vacant capacity is made available for the industrial economy and those activities that have a functional need to locate in industrial zones.

6.4.7 Labour Supply and Housing Affordability

The availability of labour is another relevant issue that impacts on the viability and sustainability of industrial economy businesses. Industrial economy businesses typically support a range of occupations



(from management through to unskilled labour). This is valuable in terms of the mix of employment opportunities sustained in the district. However, the ability to attract and retain staff is strongly linked to the ability of those workers to find accommodation (whether rental or to own). While applicants may be able to secure jobs advertised in QLD, anecdotal evidence suggests that once they move to the district, the ability to secure long-term housing (particularly when earning the lower range of incomes) becomes problematic and many are forced to leave again.

The issue of housing affordability and what this means for QLD's economic growth potential for lower wage and salary earners is widely known, so is not expanded on here. The Council is trying to address the issue through a range of statutory and non-statutory functions. This is however expected to be a key constraining factor to growing medium to large industrial economy businesses, including those that typically locate in the industrial zones.



7 Summary and Recommendations

Having analysed QLD's industrial economy in detail, this section provides a concise description of that industrial economy and summarises key findings from throughout the report. The section concludes with a number of recommendations for the review of the operative industrial zones.

7.1 Brief Description of the QLD Industrial Economy

QLD's industrial economy comprises of businesses involved in Manufacturing; Construction; Waste Collection, Treatment and Disposal; Wholesaling; Road Transport; Delivery Services; Storage; Vehicle, Machinery and Equipment (construction related) Hire; Automotive, Appliance, Machinery and Equipment Repair and Maintenance Services; and industrial Dry Cleaning (non-retail component). It is characterised by small scale businesses that serve local level demand.

Industrial economy businesses operate in a range of physical forms including factories, warehouses, workshops, yards and offices. Only a small portion of industrial economy businesses have a function or operational need to locate in an industrial zone. Those that do, tend to be the larger sized businesses (in employment terms) and will often have ancillary office and commercial activities.


A large share of the industrial economy places no demand on zoned capacity (industrial or otherwise) and does not need to be provided for in a district plan sense. These businesses are dominated by tradesman in the Construction sector, or very small-scale home-based manufacturing businesses.


QLD's industrial economy is growing rapidly and has demonstrated growth rates faster than the rest of the district's economy. This can be expected to continue, with the future structure of the industrial economy likely to be very similar to what is here today.

7.2 Key Findings

The key findings of this research include the following:

1. QLD's industrial economy makes up about 25% of all businesses and 22.5% of all employment in the district as at 2017. The relative role of the industrial economy within the wider economy is fairly similar to other areas in New Zealand in terms of the share of businesses, but accounts for a smaller share of employment. This is driven by the fact that industrial economy businesses in QLD tend to be smaller. The economy does not sustain large industrial businesses – these are typically in the large cities.
2. There are currently 1,930 businesses employing 6,250 workers in the district's industrial economy. While the range of ANZSICs included in the description is broad, most ANZSICs have very little depth. Many have only one business or a few businesses.


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3. The industrial economy in QLD is heavily dominated by the construction sector (61% of businesses and 56% of employment). This plays a larger role than most other industrial economies in New Zealand. Conversely, QLD does not have a significant manufacturing base. Nor is it well suited for transport and logistics type activities including large warehousing. These sectors are under-represented compared to the national average.
 4. The major share of the industrial economy is located in the Queenstown ward. This is consistent with the ward's share of total population and dwellings. The Queenstown ward accounts for 55% of all industrial economy businesses (2017).
 5. There is a lot of duplication of business types between Wanaka and Queenstown wards – i.e. they have a very similar mix of activities. The Cromwell ward has a smaller industrial economy than Wanaka, although has slightly larger sized businesses. There is a lot of duplication of industries between QLD and Cromwell. While there is industrial economy trade between the wards, this is small and each ward is largely self-sufficient (but with all areas dependent on inputs from the rest of New Zealand). Wanaka does not generally serve demand in Queenstown and vice versa.
 6. In total 65% of gross output from the QLD industrial economy is consumed (demanded) by customers within the district (mostly business to business transactions, with only a small share of demand going directly to households).
 7. The industrial economy is predominantly urban based. 82% of businesses and 85% of employment is based in the urban environment. A significant 66% of urban industrial zone activity is located in residential or township zones and has no functional need to locate in a business-oriented zone. This is common throughout New Zealand, but the QLD share is expected to be above average. It reflects the small scale, home-based businesses which are significant in QLD. The construction sector (builders and tradesman) accounts for the majority of this activity.
 8. The business zones of the district accommodate an estimated 5% of industrial economy businesses and the industrial zones between 5-13%. This further highlights that the industrial economy is not limited to just that activity present in industrial zones.
 9. While QLD does not support much heavy industry per se, it is the 'heavier' industries (in a relative sense) that are highly dependent on an industrial zone location. These include the manufacturing and service businesses that provide inputs to the construction sector. Industrial zones also have an important role for wholesaling, other manufacturing and transport businesses.
 10. Those industrial economy activities that have a functional need to locate in an industrial zone also tend to be larger businesses (in employment terms); have a need to store machinery or materials outside; generate higher levels of truck movements; and/or have externalities such as dust and noise. They may support ancillary commercial or office space. The main activities are generally limited to the ground floor, with many businesses requiring high internal building space.

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11. The existing industrial zones (by location) and including the Business (Operative) zone, have a very similar mix of activities. While the zones vary in size (and the number of businesses they can support), they all have a similar structure/role. This is consistent with the finding that Wanaka and Queenstown are largely self-sufficient (i.e. they serve local markets).
 12. The industrial economy is growing strongly and faster than the rest of the QLD economy. Business counts have increased by 161% since 2001 and employment has increased by 177%. Most of the growth has been in the construction sector.
 13. Future growth of the industrial economy is also expected to be strong and largely driven by household growth. There is limited likelihood that industrial sector trends occurring outside the district will have a material impact on what happens to the industrial economy within the district in future. A business as usual outlook is the most appropriate approach to projecting future growth.
 14. There are however a range of local factors that will continue to influence the viability and vulnerability of those industrial economy businesses that have a functional need to locate within industrial zones. These include constraints on the ability to grow activities and move premises as needs change due to limited growth potential of zone areas generally and limited vacant capacity remaining in existing zones (particularly in Queenstown); changing land use around industrial zones impacting on how busy the general areas are in terms of traffic and parking availability; rapidly rising land values which flows through to rising development, lease and rental costs; competition for higher value land uses within zones which is further exacerbated by rising land values; and labour force-housing availability constraints.

7.3 Recommendations for Zone Provisions

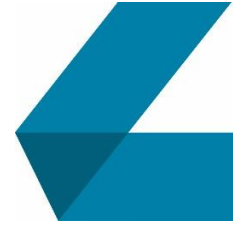
This section provides some overall preliminary thoughts and recommendations (based on the analysis contained in this report) that may be relevant when considering options for the Industrial Zone provisions (objectives, policies and rules).

- There is limited vacant capacity in the Industrial Zone and Gorge Road Business (Operative) Zone. This means that any changes to provisions can have only a minor impact on future growth but could have a greater influence on supporting existing activities and any site redevelopment within the zones. On the contrary, there is more significant vacant capacity in the Industrial B Zone and 100% vacant capacity in the Ballantyne Road Mixed Use Zone. This means that any changes to provisions will have a greater impact on future growth of those locations and will therefore need to support the needs of future industrial land use businesses (which will be similar to the needs of current industrial land use businesses).
- Site size – While it is important to provide for *some* larger sites to enable land extensive activities (and larger scale businesses generally, although these are few and far between), the majority of industrial economy businesses seeking industrial zone locations are small-medium sized. It is therefore recommended that individual zones provide for a small share of larger sites as part of the mix of subdivided lots (in appropriate locations with good access), or that specific



zones/precincts are set aside to specifically accommodate those few businesses needing larger sites. Existing large sites in developed industrial zones are likely to provide a good indication of what is an appropriate 'large lot' in the context of QLD given that we can expect more of the same types of businesses in future.

- Multi-unit developments – On the basis that industrial zone land values are already high and unlikely to come down in the foreseeable future, it is important that industrial zones are developed in an efficient way that can help mitigate the costs of construction and the rental/lease costs for tenants. Enabling multi-unit (multi tenancy) industrial buildings on sites is likely to aid in balancing the need for suitable space for businesses with a more affordable cost (relative to occupying their own site). For clarity, these are not multi-unit office buildings, but could include warehouse or workshop type buildings divided by internal walls to create separate tenancies on the ground floor.
- Permissive/flexible zones – While in the past enabling a mix of activities would have helped ensure efficient use and uptake of industrial zones (when demand was lower), the rapid growth of the industrial economy means that it is more important that the needs of the industrial economy (and particularly those activities with a functional need to be industrial zones) are prioritised and the competition for that land from activities that do not have a functional need to locate in industrial zones, is reduced. There is no clear evidence from this study that having mixed use or flexible industrial zones is beneficial (at the aggregate level), but there is evidence of the costs associated with that outcome. It is recommended that going forward, more stringent planning frameworks are needed that avoid too much flexibility in industrial zones so that industrial activities that have a functional need to locate in those zones are protected. Ideally, industrial zones should be clearly distinguishable from the Business Mixed Use zones.
- Relatedly, it is recommended that purely office-based activities should be discouraged from industrial zones. One adverse effect of this activity is that they create high demand for parking. Rules are needed to limit the intensity that sites can be developed so that multi-storey office developments such as those seen in Glenda Drive are avoided. Such activities can locate in town centres and Business Mixed Use zones (and are more efficient in those locations and are better serviced by public transport).
- Ancillary activities – nearly all industrial businesses require some office-based functions and for most it will be efficient to have these on-site. Providing for ancillary office space is therefore essential to support industrial (and industrial yard and service) activities in industrial zones. Providing for ancillary retail is also likely to support the viability of some industrial businesses, as the alternative is to have the retail activity in one zone and the manufacturing/servicing in another (this is likely to be less efficient). It is also important to recognise that the manufacturing/servicing component is unlikely to be enabled in a centre zone, which means that industrial or mixed business zones are the only options if the business needs to keep these activities combined.
- Do we need to manage differences between zones? There may be benefits in simplifying the Industrial and Industrial B zone structure to have a single zone. Given the similar structure/profile of each of the zones examined, there are not anticipated to be any significant costs of doing this (and the marginal effect is limited to sites that have not yet been developed or any



redevelopment activity). The Ballantyne Mixed Use Zone is likely to provide for over-flow demand once the Industrial B zone is full (assuming it is development ready at that time). As such, there may be some logic in also including this in the same unified zone type, providing that the opportunity for some yard-based activity is not diminished when doing so. Given that Coneburn is focussed more strictly on industrial activities, there is benefit in retaining that 'industrial only' zone in the Queenstown market. We also see no cost associated with including the Business (Operative) Zone in a unified industrial zone approach, if that is up for consideration. There would be a marginal effect on that zone given that it is largely occupied. Otherwise, there seems little need to retain or create industrial zones that have a particular niche role within the industrial economy (such as heavy industry or light industry specifically). The market is not big enough to support that now or in the foreseeable future.

- When considering subdivision plans for new areas of industrial zone, thought should be given to the road network, particularly any connecting roads through to other neighbouring land uses and the implication this has on future traffic flows and parking demand. Where industrial zones are expected to be influenced by activity in surrounding areas, the need for onsite parking and manoeuvring will be relatively more important.
- While outside of the scope of the Stage 3 review, it is relevant to note that providing for future expansion of industrial zones (at the time of zoning) is the most efficient way to manage industrial zone capacity and growth. This could be managed through deferred or future urban zones, or by ensuring that any new zoning (or setting aside of land) provides for long-term demand as required under the NPS-UDC. There are costs associated with dispersing industrial activity across many small locations (and these will likely outweigh the benefits of providing for a range of location choices for industrial activity). Losing the opportunity to expand places a greater burden on finding and zoning new locations. There are a range of opportunities outside the district plan where these considerations can be more strategically addressed (including in the Future Development Strategy).
- Where feasible, providing public transport for industrial zones will help mitigate the need for onsite staff parking and will allow sites to be developed more intensively.

Appendix 1 – QLD Industrial Economy Breakdown

| Division Code * | Division Name | Sub-Division Code | Sub-Division Name | Class (6-Digit) Code | Class (6-Digit) Name |
|-----------------|-----------------------------------|-------------------|---|----------------------|---|
| A | Agriculture, Forestry and Fishing | 5 | Agriculture, Forestry and Fishing Support Services | A052900 | Other Agriculture and Fishing Support Services |
| C | Manufacturing | 11 | Food Product Manufacturing | C111300 | Cured Meat and Smallgoods Manufacturing |
| C | Manufacturing | 11 | Food Product Manufacturing | C113100 | Milk and Cream Processing |
| C | Manufacturing | 11 | Food Product Manufacturing | C113200 | Ice Cream Manufacturing |
| C | Manufacturing | 11 | Food Product Manufacturing | C114000 | Fruit and Vegetable Processing |
| C | Manufacturing | 11 | Food Product Manufacturing | C115000 | Oil and Fat Manufacturing |
| C | Manufacturing | 11 | Food Product Manufacturing | C116200 | Cereal, Pasta and Baking Mix Manufacturing |
| C | Manufacturing | 11 | Food Product Manufacturing | C117100 | Bread Manufacturing (Factory-based) |
| C | Manufacturing | 11 | Food Product Manufacturing | C117200 | Cake and Pastry Manufacturing (Factory-based) |
| C | Manufacturing | 11 | Food Product Manufacturing | C117400 | Bakery Product Manufacturing (Non-factory-based) |
| C | Manufacturing | 11 | Food Product Manufacturing | C118200 | Confectionery Manufacturing |
| C | Manufacturing | 11 | Food Product Manufacturing | C119200 | Prepared Animal and Bird Feed Manufacturing |
| C | Manufacturing | 11 | Food Product Manufacturing | C119900 | Other Food Products Manufacturing n.e.c. |
| C | Manufacturing | 12 | Beverage and Tobacco Product Manufacturing | C121100 | Soft Drink, Cordial and Syrup Manufacturing |
| C | Manufacturing | 12 | Beverage and Tobacco Product Manufacturing | C121200 | Beer Manufacturing |
| C | Manufacturing | 12 | Beverage and Tobacco Product Manufacturing | C121300 | Spirit Manufacturing |
| C | Manufacturing | 12 | Beverage and Tobacco Product Manufacturing | C121400 | Wine and Other Alcoholic Beverage Manufacturing |
| C | Manufacturing | 13 | Textile, Leather, Clothing and Footwear Manufacturing | C133300 | Cut and Sewn Textile Product Manufacturing |
| C | Manufacturing | 13 | Textile, Leather, Clothing and Footwear Manufacturing | C133400 | Textile Finishing and Other Textile Product Manufacturing |
| C | Manufacturing | 13 | Textile, Leather, Clothing and Footwear Manufacturing | C135100 | Clothing Manufacturing |
| C | Manufacturing | 14 | Wood Product Manufacturing | C149100 | Prefabricated Wooden Building Manufacturing |
| C | Manufacturing | 14 | Wood Product Manufacturing | C149200 | Wooden Structural Fittings and Components Manufacturing |
| C | Manufacturing | 14 | Wood Product Manufacturing | C149900 | Other Wood Product Manufacturing n.e.c. |
| C | Manufacturing | 16 | Printing | C161100 | Printing |
| C | Manufacturing | 16 | Printing | C161200 | Printing Support Services |
| C | Manufacturing | 18 | Basic Chemical and Chemical Product Manufacturing | C181300 | Basic Inorganic Chemical Manufacturing |
| C | Manufacturing | 18 | Basic Chemical and Chemical Product Manufacturing | C184100 | Human Pharmaceutical and Medicinal Product Manufacturing |
| C | Manufacturing | 18 | Basic Chemical and Chemical Product Manufacturing | C185100 | Cleaning Compound Manufacturing |
| C | Manufacturing | 18 | Basic Chemical and Chemical Product Manufacturing | C185200 | Cosmetic and Toiletry Preparation Manufacturing |
| C | Manufacturing | 20 | Non-Metallic Mineral Product Manufacturing | C202900 | Other Ceramic Product Manufacturing |
| C | Manufacturing | 20 | Non-Metallic Mineral Product Manufacturing | C203300 | Ready-Mixed Concrete Manufacturing |
| C | Manufacturing | 20 | Non-Metallic Mineral Product Manufacturing | C203400 | Concrete Product Manufacturing |
| C | Manufacturing | 20 | Non-Metallic Mineral Product Manufacturing | C209000 | Other Non-Metallic Mineral Product Manufacturing |
| C | Manufacturing | 21 | Primary Metal and Metal Product Manufacturing | C211000 | Iron Smelting and Steel Manufacturing |
| C | Manufacturing | 21 | Primary Metal and Metal Product Manufacturing | C212200 | Steel Pipe and Tube Manufacturing |
| C | Manufacturing | 21 | Primary Metal and Metal Product Manufacturing | C214200 | Aluminium Rolling, Drawing, Extruding |
| C | Manufacturing | 22 | Fabricated Metal Product Manufacturing | C222100 | Structural Steel Fabricating |
| C | Manufacturing | 22 | Fabricated Metal Product Manufacturing | C222300 | Architectural Aluminium Product Manufacturing |
| C | Manufacturing | 22 | Fabricated Metal Product Manufacturing | C222400 | Metal Roof and Guttering Manufacturing (except Aluminium) |
| C | Manufacturing | 22 | Fabricated Metal Product Manufacturing | C222900 | Other Structural Metal Product Manufacturing |
| C | Manufacturing | 22 | Fabricated Metal Product Manufacturing | C224000 | Other Sheet Metal Product Manufacturing |
| C | Manufacturing | 22 | Fabricated Metal Product Manufacturing | C229900 | Other Fabricated Metal Product Manufacturing n.e.c. |
| C | Manufacturing | 23 | Transport Equipment Manufacturing | C231200 | Motor Vehicle Body and Trailer Manufacturing |
| C | Manufacturing | 23 | Transport Equipment Manufacturing | C239200 | Boatbuilding and Repair Services |
| C | Manufacturing | 23 | Transport Equipment Manufacturing | C239400 | Aircraft Manufacturing and Repair Services |

| Division Code * | Division Name | Sub-Division Code | Sub-Division Name | Class (6-Digit) Code | Class (6-Digit) Name |
|-----------------|--|-------------------|---|----------------------|--|
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C241100 | Photographic, Optical and Ophthalmic Equipment Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C241200 | Medical and Surgical Equipment Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C243100 | Electric Cable and Wire Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C243900 | Other Electrical Equipment Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C246100 | Agricultural Machinery and Equipment Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C246200 | Mining and Construction Machinery Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C246900 | Other Specialised Machinery and Equipment Manufacturing |
| C | Manufacturing | 24 | Machinery and Equipment Manufacturing | C249900 | Other Machinery and Equipment Manufacturing n.e.c. |
| C | Manufacturing | 25 | Furniture and Other Manufacturing | C251100 | Wooden Furniture and Upholstered Seat Manufacturing |
| C | Manufacturing | 25 | Furniture and Other Manufacturing | C251900 | Other Furniture Manufacturing |
| C | Manufacturing | 25 | Furniture and Other Manufacturing | C259100 | Jewellery and Silverware Manufacturing |
| C | Manufacturing | 25 | Furniture and Other Manufacturing | C259900 | Other Manufacturing n.e.c. |
| D | Electricity, Gas, Water and Waste Services | 29 | Waste Collection, Treatment and Disposal Services | D291100 | Solid Waste Collection Services |
| D | Electricity, Gas, Water and Waste Services | 29 | Waste Collection, Treatment and Disposal Services | D291900 | Other Waste Collection Services |
| D | Electricity, Gas, Water and Waste Services | 29 | Waste Collection, Treatment and Disposal Services | D292100 | Waste Treatment and Disposal Services |
| D | Electricity, Gas, Water and Waste Services | 29 | Waste Collection, Treatment and Disposal Services | D292200 | Waste Remediation and Materials Recovery Services |
| E | Construction | 30 | Building Construction | E301100 | House Construction |
| E | Construction | 30 | Building Construction | E301900 | Other Residential Building Construction |
| E | Construction | 30 | Building Construction | E302000 | Non-Residential Building Construction |
| E | Construction | 31 | Heavy and Civil Engineering Construction | E310100 | Road and Bridge Construction |
| E | Construction | 31 | Heavy and Civil Engineering Construction | E310900 | Other Heavy and Civil Engineering Construction |
| E | Construction | 32 | Construction Services | E321100 | Land Development and Subdivision |
| E | Construction | 32 | Construction Services | E321200 | Site Preparation Services |
| E | Construction | 32 | Construction Services | E322100 | Concreting Services |
| E | Construction | 32 | Construction Services | E322200 | Bricklaying Services |
| E | Construction | 32 | Construction Services | E322300 | Roofing Services |
| E | Construction | 32 | Construction Services | E322400 | Structural Steel Erection Services |
| E | Construction | 32 | Construction Services | E323100 | Plumbing Services |
| E | Construction | 32 | Construction Services | E323200 | Electrical Services |
| E | Construction | 32 | Construction Services | E323300 | Air Conditioning and Heating Services |
| E | Construction | 32 | Construction Services | E323400 | Fire and Security Alarm Installation Services |
| E | Construction | 32 | Construction Services | E323900 | Other Building Installation Services |
| E | Construction | 32 | Construction Services | E324100 | Plastering and Ceiling Services |
| E | Construction | 32 | Construction Services | E324200 | Carpentry Services |
| E | Construction | 32 | Construction Services | E324300 | Tiling and Carpeting Services |
| E | Construction | 32 | Construction Services | E324400 | Painting and Decorating Services |
| E | Construction | 32 | Construction Services | E324500 | Glazing Services |
| E | Construction | 32 | Construction Services | E329100 | Landscape Construction Services |
| E | Construction | 32 | Construction Services | E329200 | Hire of Construction Machinery with Operator |
| E | Construction | 32 | Construction Services | E329900 | Other Construction Services n.e.c. |
| F | Wholesale Trade | 33 | Basic Material Wholesaling | F331900 | Other Agricultural Product Wholesaling |
| F | Wholesale Trade | 33 | Basic Material Wholesaling | F332100 | Petroleum Product Wholesaling |
| F | Wholesale Trade | 33 | Basic Material Wholesaling | F332200 | Metal and Mineral Wholesaling |
| F | Wholesale Trade | 33 | Basic Material Wholesaling | F332300 | Industrial and Agricultural Chemical Product Wholesaling |
| F | Wholesale Trade | 33 | Basic Material Wholesaling | F333100 | Timber Wholesaling |
| F | Wholesale Trade | 33 | Basic Material Wholesaling | F333900 | Other Hardware Goods Wholesaling |

| Division Code * | Division Name | Sub-Division Code | Sub-Division Name | Class (6-Digit) Code | Class (6-Digit) Name |
|-----------------|---|-------------------|---|----------------------|---|
| F | Wholesale Trade | 34 | Machinery and Equipment Wholesaling | F341100 | Agricultural and Construction Machinery Wholesaling |
| F | Wholesale Trade | 34 | Machinery and Equipment Wholesaling | F341900 | Other Specialised Industrial Machinery and Equipment Wholesaling |
| F | Wholesale Trade | 34 | Machinery and Equipment Wholesaling | F349200 | Computer and Computer Peripherals Wholesaling |
| F | Wholesale Trade | 34 | Machinery and Equipment Wholesaling | F349400 | Other Electrical and Electronic Goods Wholesaling |
| F | Wholesale Trade | 34 | Machinery and Equipment Wholesaling | F349900 | Other Machinery and Equipment Wholesaling n |
| F | Wholesale Trade | 35 | Motor Vehicle and Motor Vehicle Parts Wholesaling | F350100 | Car Wholesaling |
| F | Wholesale Trade | 35 | Motor Vehicle and Motor Vehicle Parts Wholesaling | F350400 | Motor Vehicle New Part Wholesaling |
| F | Wholesale Trade | 35 | Motor Vehicle and Motor Vehicle Parts Wholesaling | F350500 | Motor Vehicle Dismantling and Used Part Wholesaling |
| F | Wholesale Trade | 36 | Grocery, Liquor and Tobacco Product Wholesaling | F360200 | Meat, Poultry and Smallgoods Wholesaling |
| F | Wholesale Trade | 36 | Grocery, Liquor and Tobacco Product Wholesaling | F360300 | Dairy Produce Wholesaling |
| F | Wholesale Trade | 36 | Grocery, Liquor and Tobacco Product Wholesaling | F360400 | Fish and Seafood Wholesaling |
| F | Wholesale Trade | 36 | Grocery, Liquor and Tobacco Product Wholesaling | F360500 | Fruit and Vegetable Wholesaling |
| F | Wholesale Trade | 36 | Grocery, Liquor and Tobacco Product Wholesaling | F360600 | Liquor and Tobacco Product Wholesaling |
| F | Wholesale Trade | 36 | Grocery, Liquor and Tobacco Product Wholesaling | F360900 | Other Grocery Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F371100 | Textile Product Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F371200 | Clothing and Footwear Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F372000 | Pharmaceutical and Toiletry Goods Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F373100 | Furniture and Floor Coverings Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F373200 | Jewellery and Watch Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F373300 | Kitchen and Dining Ware Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F373400 | Toy and Sporting Goods Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F373500 | Book and Magazine Wholesaling |
| F | Wholesale Trade | 37 | Other Goods Wholesaling | F373900 | Other Goods Wholesaling n.e.c. |
| F | Wholesale Trade | 38 | Commission Based Wholesaling | F380000 | Commission Based Wholesaling |
| I | Transport, Postal and Warehousing | 46 | Road Transport | I461000 | Road Freight Transport |
| I | Transport, Postal and Warehousing | 46 | Road Transport | I462100 | Interurban and Rural Bus Transport |
| I | Transport, Postal and Warehousing | 46 | Road Transport | I462200 | Urban Bus Transport (Including Tramway) |
| I | Transport, Postal and Warehousing | 51 | Postal and Courier Pick-up and Delivery Services | I510200 | Courier Pick-up and Delivery Services |
| I | Transport, Postal and Warehousing | 52 | Transport Support Services | I521900 | Other Water Transport Support Services |
| I | Transport, Postal and Warehousing | 52 | Transport Support Services | I529200 | Freight Forwarding Services |
| I | Transport, Postal and Warehousing | 52 | Transport Support Services | I529900 | Other Transport Support Services n.e.c |
| I | Transport, Postal and Warehousing | 53 | Warehousing and Storage Services | I530900 | Other Warehousing and Storage Services |
| L | Rental, Hiring and Real Estate Services | 66 | Rental and Hiring Services (except Real Estate) | L661100 | Passenger Car Rental and Hiring |
| L | Rental, Hiring and Real Estate Services | 66 | Rental and Hiring Services (except Real Estate) | L661900 | Other Motor Vehicle and Transport Equipment Rental and Hiring |
| L | Rental, Hiring and Real Estate Services | 66 | Rental and Hiring Services (except Real Estate) | L663100 | Heavy Machinery and Scaffolding Rental and Hiring |
| L | Rental, Hiring and Real Estate Services | 66 | Rental and Hiring Services (except Real Estate) | L663900 | Other Goods and Equipment Rental and Hiring n.e.c. |
| S | Other Services | 94 | Repair and Maintenance | S941100 | Automotive Electrical Services |
| S | Other Services | 94 | Repair and Maintenance | S941200 | Automotive Body, Paint and Interior Repair |
| S | Other Services | 94 | Repair and Maintenance | S941900 | Other Automotive Repair and Maintenance |
| S | Other Services | 94 | Repair and Maintenance | S942100 | Domestic Appliance Repair and Maintenance |
| S | Other Services | 94 | Repair and Maintenance | S942200 | Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance |
| S | Other Services | 94 | Repair and Maintenance | S942900 | Other Machinery and Equipment Repair and Maintenance |
| S | Other Services | 95 | Personal and Other Services | S953100 | Laundry and Dry-Cleaning Services |

* By default, all other Manufacturing industries (6-Digit ANZSICs) fall within this construct of QLD's industrial economy - they are not listed as there were no local businesses in those industries in QLD as at 2017.

Source: Australia New Zealand Standard Industrial Classification, 2006. M.E.

Appendix 2 – Structure of QLD Industrial Economy 2017

| Industry | ANZSIC06 | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) * | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|----------|--------------------|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|------------------------------|
| Industrial - House Construction | E301100 | 392 | 20.3% | 5.1% | 1,030 | 16.5% | 3.7% | 3 |
| Industrial - Electrical Services | E323200 | 78 | 4.0% | 1.0% | 279 | 4.5% | 1.0% | 4 |
| Industrial - Painting and Decorating Services | E324400 | 76 | 3.9% | 1.0% | 200 | 3.2% | 0.7% | 3 |
| Industrial - Other Residential Building Construction | E301900 | 68 | 3.5% | 0.9% | 83 | 1.3% | 0.3% | 1 |
| Industrial - Other Goods and Equipment Rental and Hiring n.e.c. | L663900 | 64 | 3.3% | 0.8% | 147 | 2.4% | 0.5% | 2 |
| Industrial - Land Development and Subdivision | E321100 | 61 | 3.2% | 0.8% | 31 | 0.5% | 0.1% | 1 |
| Industrial - Plastering and Ceiling Services | E324100 | 54 | 2.8% | 0.7% | 163 | 2.6% | 0.6% | 3 |
| Industrial - Other Automotive Repair and Maintenance | S941900 | 52 | 2.7% | 0.7% | 191 | 3.1% | 0.7% | 4 |
| Industrial - Other Agriculture and Fishing Support Services | A052900 | 50 | 2.6% | 0.7% | 130 | 2.1% | 0.5% | 3 |
| Industrial - Plumbing Services | E323100 | 50 | 2.6% | 0.6% | 181 | 2.9% | 0.7% | 4 |
| Industrial - Landscape Construction Services | E329100 | 47 | 2.5% | 0.6% | 136 | 2.2% | 0.5% | 3 |
| Industrial - Tiling and Carpeting Services | E324300 | 46 | 2.4% | 0.6% | 99 | 1.6% | 0.4% | 2 |
| Industrial - Site Preparation Services | E321200 | 46 | 2.4% | 0.6% | 295 | 4.7% | 1.1% | 6 |
| Industrial - Bricklaying Services | E322200 | 40 | 2.1% | 0.5% | 88 | 1.4% | 0.3% | 2 |
| Industrial - Passenger Car Rental and Hiring | L661100 | 39 | 2.0% | 0.5% | 200 | 3.2% | 0.7% | 5 |
| Industrial - Carpentry Services | E324200 | 35 | 1.8% | 0.5% | 58 | 0.9% | 0.2% | 2 |
| Industrial - Other Construction Services n.e.c. | E329900 | 33 | 1.7% | 0.4% | 134 | 2.1% | 0.5% | 4 |
| Industrial - Road Freight Transport | I461000 | 30 | 1.6% | 0.4% | 83 | 1.3% | 0.3% | 3 |
| Industrial - Other Heavy and Civil Engineering Construction | E310900 | 26 | 1.3% | 0.3% | 136 | 2.2% | 0.5% | 5 |
| Industrial - Non-Residential Building Construction | E302000 | 25 | 1.3% | 0.3% | 174 | 2.8% | 0.6% | 7 |
| Industrial - Courier Pick-up and Delivery Services | I510200 | 22 | 1.1% | 0.3% | 40 | 0.6% | 0.1% | 2 |
| Industrial - Other Motor Vehicle and Transport Equipment Rental and Hiring | L661900 | 21 | 1.1% | 0.3% | 21 | 0.3% | 0.1% | 1 |
| Industrial - Wine and Other Alcoholic Beverage Manufacturing | C121400 | 20 | 1.0% | 0.3% | 58 | 0.9% | 0.2% | 3 |
| Industrial - Wooden Furniture and Upholstered Seat Manufacturing | C251100 | 20 | 1.0% | 0.3% | 41 | 0.6% | 0.1% | 2 |
| Industrial - Other Machinery and Equipment Manufacturing n.e.c. | C249900 | 20 | 1.0% | 0.3% | 60 | 1.0% | 0.2% | 3 |
| Industrial - Automotive Body, Paint and Interior Repair | S941200 | 19 | 1.0% | 0.2% | 108 | 1.7% | 0.4% | 6 |
| Industrial - Roofing Services | E322300 | 17 | 0.9% | 0.2% | 64 | 1.0% | 0.2% | 4 |
| Industrial - Concreting Services | E322100 | 17 | 0.9% | 0.2% | 51 | 0.8% | 0.2% | 3 |
| Industrial - Other Electrical and Electronic Goods Wholesaling | F349400 | 17 | 0.9% | 0.2% | 74 | 1.2% | 0.3% | 4 |
| Industrial - Air Conditioning and Heating Services | E323300 | 17 | 0.9% | 0.2% | 75 | 1.2% | 0.3% | 4 |
| Industrial - Aircraft Manufacturing and Repair Services | C239400 | 16 | 0.8% | 0.2% | 73 | 1.2% | 0.3% | 5 |
| Industrial - Road and Bridge Construction | E310100 | 15 | 0.8% | 0.2% | 119 | 1.9% | 0.4% | 8 |
| Industrial - Commission Based Wholesaling | F380000 | 14 | 0.7% | 0.2% | 15 | 0.2% | 0.1% | 1 |
| Industrial - Other Grocery Wholesaling | F360900 | 14 | 0.7% | 0.2% | 169 | 2.7% | 0.6% | 12 |
| Industrial - Other Goods Wholesaling n.e.c. | F373900 | 14 | 0.7% | 0.2% | 22 | 0.3% | 0.1% | 2 |
| Industrial - Liquor and Tobacco Product Wholesaling | F360600 | 11 | 0.6% | 0.1% | 22 | 0.3% | 0.1% | 2 |
| Industrial - Bakery Product Manufacturing (Non-factory-based) | C117400 | 10 | 0.5% | 0.1% | 119 | 1.9% | 0.4% | 12 |
| Industrial - Laundry and Dry-Cleaning Services | S953100 | 10 | 0.5% | 0.1% | 92 | 1.5% | 0.3% | 9 |
| Industrial - Other Agricultural Product Wholesaling | F331900 | 9 | 0.5% | 0.1% | 21 | 0.3% | 0.1% | 2 |
| Industrial - Urban Bus Transport (Including Tramway) | I462200 | 9 | 0.5% | 0.1% | 126 | 2.0% | 0.5% | 14 |
| Industrial - Other Building Installation Services | E323900 | 9 | 0.5% | 0.1% | 12 | 0.2% | 0.0% | 1 |
| Industrial - Other Hardware Goods Wholesaling | F333900 | 9 | 0.5% | 0.1% | 35 | 0.6% | 0.1% | 4 |
| Industrial - Other Warehousing and Storage Services | I530900 | 9 | 0.4% | 0.1% | 7 | 0.1% | 0.0% | 1 |
| Industrial - Electronic (except Domestic Appliance) and Precision Equipment | S942200 | 8 | 0.4% | 0.1% | 13 | 0.2% | 0.0% | 2 |
| Industrial - Clothing and Footwear Wholesaling | F371200 | 8 | 0.4% | 0.1% | 42 | 0.7% | 0.1% | 5 |
| Industrial - Other Manufacturing n.e.c. | C259900 | 8 | 0.4% | 0.1% | 20 | 0.3% | 0.1% | 3 |
| Industrial - Clothing Manufacturing | C135100 | 7 | 0.4% | 0.1% | 17 | 0.3% | 0.1% | 2 |
| Industrial - Beer Manufacturing | C121200 | 7 | 0.4% | 0.1% | 8 | 0.1% | 0.0% | 1 |
| Industrial - Solid Waste Collection Services | D291100 | 7 | 0.4% | 0.1% | 63 | 1.0% | 0.2% | 9 |
| Industrial - Printing | C161100 | 6 | 0.3% | 0.1% | 47 | 0.7% | 0.2% | 8 |
| Industrial - Cut and Sewn Textile Product Manufacturing | C133300 | 6 | 0.3% | 0.1% | 14 | 0.2% | 0.0% | 2 |
| Industrial - Other Fabricated Metal Product Manufacturing n.e.c. | C229900 | 6 | 0.3% | 0.1% | 14 | 0.2% | 0.0% | 2 |
| Industrial - Other Transport Support Services n.e.c. | I529900 | 6 | 0.3% | 0.1% | 9 | 0.1% | 0.0% | 2 |
| Industrial - Glazing Services | E324500 | 6 | 0.3% | 0.1% | 23 | 0.4% | 0.1% | 4 |
| Industrial - Medical and Surgical Equipment Manufacturing | C241200 | 5 | 0.3% | 0.1% | 8 | 0.1% | 0.0% | 2 |
| Industrial - Confectionery Manufacturing | F118200 | 5 | 0.3% | 0.1% | 73 | 1.2% | 0.3% | 15 |
| Industrial - Iron Smelting and Steel Manufacturing | C211000 | 5 | 0.3% | 0.1% | 5 | 0.1% | 0.0% | 1 |
| Industrial - Other Non-Metallic Mineral Product Manufacturing | C209000 | 5 | 0.3% | 0.1% | 13 | 0.2% | 0.0% | 3 |
| Industrial - Fire and Security Alarm Installation Services | E323400 | 5 | 0.3% | 0.1% | 13 | 0.2% | 0.0% | 3 |
| Industrial - Hire of Construction Machinery with Operator | E329200 | 5 | 0.3% | 0.1% | 17 | 0.3% | 0.1% | 3 |
| Industrial - Other Machinery and Equipment Repair and Maintenance | S942900 | 5 | 0.3% | 0.1% | 14 | 0.2% | 0.0% | 3 |
| Industrial - Petroleum Product Wholesaling | F332100 | 5 | 0.2% | 0.1% | 18 | 0.3% | 0.1% | 4 |
| Industrial - Toy and Sporting Goods Wholesaling | F373400 | 5 | 0.2% | 0.1% | 4 | 0.1% | 0.0% | 1 |
| Industrial - Waste Treatment and Disposal Services | D292100 | 5 | 0.2% | 0.1% | 27 | 0.4% | 0.1% | 5 |
| Industrial - Wooden Structural Fittings and Components Manufacturing | C149200 | 5 | 0.2% | 0.1% | 29 | 0.5% | 0.1% | 6 |
| Industrial - Motor Vehicle Body and Trailer Manufacturing | C231200 | 4 | 0.2% | 0.1% | 4 | 0.1% | 0.0% | 1 |
| Industrial - Dairy Produce Wholesaling | F360300 | 4 | 0.2% | 0.1% | 15 | 0.2% | 0.1% | 4 |
| Industrial - Other Wood Product Manufacturing n.e.c. | C149900 | 4 | 0.2% | 0.1% | 13 | 0.2% | 0.0% | 3 |
| Industrial - Heavy Machinery and Scaffolding Rental and Hiring | L663100 | 4 | 0.2% | 0.1% | 3 | 0.0% | 0.0% | 1 |
| Industrial - Motor Vehicle New Part Wholesaling | F350400 | 4 | 0.2% | 0.1% | 11 | 0.2% | 0.0% | 3 |
| Industrial - Automotive Electrical Services | S941100 | 4 | 0.2% | 0.1% | 11 | 0.2% | 0.0% | 3 |
| Industrial - Cake and Pastry Manufacturing (Factory-based) | C117200 | 4 | 0.2% | 0.1% | 6 | 0.1% | 0.0% | 2 |
| Industrial - Other Food Products Manufacturing n.e.c. | C119900 | 4 | 0.2% | 0.1% | 4 | 0.1% | 0.0% | 1 |

| Industry | ANZSIC06 | Business Count (n) | Share of IE Businesses (%) | Share of All Businesses (%) | Employment Count (n) * | Share of IE Employment (%) | Share of All Employment (%) | Average Business Size (MECs) |
|---|----------|--------------------|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|------------------------------|
| Industrial - Pharmaceutical and Toiletry Goods Wholesaling | F372000 | 4 | 0.2% | 0.1% | 11 | 0.2% | 0.0% | 3 |
| Industrial - Interurban and Rural Bus Transport | I462100 | 4 | 0.2% | 0.1% | 41 | 0.6% | 0.1% | 10 |
| Industrial - Other Water Transport Support Services | I521900 | 4 | 0.2% | 0.1% | 4 | 0.1% | 0.0% | 1 |
| Industrial - Domestic Appliance Repair and Maintenance | S942100 | 4 | 0.2% | 0.1% | 7 | 0.1% | 0.0% | 2 |
| Industrial - Metal Roof and Guttering Manufacturing (except Aluminium) | C222400 | 4 | 0.2% | 0.0% | 47 | 0.7% | 0.2% | 12 |
| Industrial - Agricultural and Construction Machinery Wholesaling | F341100 | 4 | 0.2% | 0.0% | 8 | 0.1% | 0.0% | 2 |
| Industrial - Concrete Product Manufacturing | C203400 | 4 | 0.2% | 0.0% | 8 | 0.1% | 0.0% | 2 |
| Industrial - Jewellery and Silverware Manufacturing | C259100 | 3 | 0.2% | 0.0% | 6 | 0.1% | 0.0% | 2 |
| Industrial - Cosmetic and Toiletry Preparation Manufacturing | C185200 | 3 | 0.2% | 0.0% | 4 | 0.1% | 0.0% | 1 |
| Industrial - Ready-Mixed Concrete Manufacturing | C203300 | 3 | 0.2% | 0.0% | 27 | 0.4% | 0.1% | 9 |
| Industrial - Fish and Seafood Wholesaling | F360400 | 3 | 0.2% | 0.0% | 13 | 0.2% | 0.0% | 4 |
| Industrial - Furniture and Floor Coverings Wholesaling | F373100 | 3 | 0.2% | 0.0% | 4 | 0.1% | 0.0% | 1 |
| Industrial - Timber Wholesaling | F333100 | 3 | 0.2% | 0.0% | 4 | 0.1% | 0.0% | 1 |
| Industrial - Computer and Computer Peripherals Wholesaling | F349200 | 3 | 0.1% | 0.0% | 18 | 0.3% | 0.1% | 6 |
| Industrial - Fruit and Vegetable Processing | C114000 | 3 | 0.1% | 0.0% | 3 | 0.0% | 0.0% | 1 |
| Industrial - Structural Steel Fabricating | C222100 | 2 | 0.1% | 0.0% | 19 | 0.3% | 0.1% | 10 |
| Industrial - Other Specialised Industrial Machinery and Equipment Wholesaling | F341900 | 2 | 0.1% | 0.0% | 8 | 0.1% | 0.0% | 4 |
| Industrial - Other Machinery and Equipment Wholesaling n | F349900 | 2 | 0.1% | 0.0% | 7 | 0.1% | 0.0% | 4 |
| Industrial - Boatbuilding and Repair Services | C239200 | 2 | 0.1% | 0.0% | 3 | 0.1% | 0.0% | 2 |
| Industrial - Industrial and Agricultural Chemical Product Wholesaling | F332300 | 2 | 0.1% | 0.0% | 9 | 0.1% | 0.0% | 5 |
| Industrial - Human Pharmaceutical and Medicinal Product Manufacturing | C184100 | 2 | 0.1% | 0.0% | 16 | 0.3% | 0.1% | 8 |
| Industrial - Ice Cream Manufacturing | C113200 | 2 | 0.1% | 0.0% | 14 | 0.2% | 0.1% | 7 |
| Industrial - Other Furniture Manufacturing | C251900 | 2 | 0.1% | 0.0% | 3 | 0.1% | 0.0% | 2 |
| Industrial - Soft Drink, Cordial and Syrup Manufacturing | C121100 | 2 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 1 |
| Industrial - Spirit Manufacturing | C121300 | 2 | 0.1% | 0.0% | 12 | 0.2% | 0.0% | 6 |
| Industrial - Textile Finishing and Other Textile Product Manufacturing | C133400 | 2 | 0.1% | 0.0% | 3 | 0.1% | 0.0% | 2 |
| Industrial - Waste Remediation and Materials Recovery Services | D292200 | 2 | 0.1% | 0.0% | 6 | 0.1% | 0.0% | 3 |
| Industrial - Structural Steel Erection Services | E322400 | 2 | 0.1% | 0.0% | 6 | 0.1% | 0.0% | 3 |
| Industrial - Book and Magazine Wholesaling | F373500 | 2 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 1 |
| Industrial - Car Wholesaling | F350100 | 2 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Kitchen and Dining Ware Wholesaling | F373300 | 2 | 0.1% | 0.0% | 12 | 0.2% | 0.0% | 6 |
| Industrial - Textile Product Wholesaling | F371100 | 2 | 0.1% | 0.0% | 3 | 0.0% | 0.0% | 2 |
| Industrial - Metal and Mineral Wholesaling | F332200 | 1.80 | 0.1% | 0.0% | 18 | 0.3% | 0.1% | 9 |
| Industrial - Photographic, Optical and Ophthalmic Equipment Manufacturing | C241100 | 2 | 0.1% | 0.0% | 27 | 0.4% | 0.1% | 14 |
| Industrial - Motor Vehicle Dismantling and Used Part Wholesaling | F350500 | 1 | 0.1% | 0.0% | 3 | 0.1% | 0.0% | 3 |
| Industrial - Prepared Animal and Bird Feed Manufacturing | C119200 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Fruit and Vegetable Wholesaling | F360500 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Agricultural Machinery and Equipment Manufacturing | C246100 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Aluminium Rolling, Drawing, Extruding | C214200 | 1 | 0.1% | 0.0% | 7 | 0.1% | 0.0% | 7 |
| Industrial - Architectural Aluminium Product Manufacturing | C222300 | 1 | 0.1% | 0.0% | 3 | 0.0% | 0.0% | 3 |
| Industrial - Basic Inorganic Chemical Manufacturing | C181300 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Bread Manufacturing (Factory-based) | C117100 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Cereal, Pasta and Baking Mix Manufacturing | C116200 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Cleaning Compound Manufacturing | C185100 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Cured Meat and Smallgoods Manufacturing | C111300 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Electric Cable and Wire Manufacturing | C243100 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Milk and Cream Processing | C113100 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Mining and Construction Machinery Manufacturing | C246200 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Oil and Fat Manufacturing | C115000 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Other Ceramic Product Manufacturing | C202900 | 1 | 0.1% | 0.0% | 3 | 0.0% | 0.0% | 3 |
| Industrial - Other Electrical Equipment Manufacturing | C243900 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Other Sheet Metal Product Manufacturing | C224000 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Other Specialised Machinery and Equipment Manufacturing | C246900 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Other Structural Metal Product Manufacturing | C222900 | 1 | 0.1% | 0.0% | 5 | 0.1% | 0.0% | 5 |
| Industrial - Prefabricated Wooden Building Manufacturing | C149100 | 1 | 0.1% | 0.0% | 3 | 0.0% | 0.0% | 3 |
| Industrial - Printing Support Services | C161200 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Steel Pipe and Tube Manufacturing | C212200 | 1 | 0.1% | 0.0% | 2 | 0.0% | 0.0% | 2 |
| Industrial - Other Waste Collection Services | D291900 | 1 | 0.1% | 0.0% | 6 | 0.1% | 0.0% | 6 |
| Industrial - Jewellery and Watch Wholesaling | F373200 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Industrial - Meat, Poultry and Smallgoods Wholesaling | F360200 | 1 | 0.1% | 0.0% | 3 | 0.1% | 0.0% | 3 |
| Industrial - Freight Forwarding Services | I529200 | 1 | 0.1% | 0.0% | 1 | 0.0% | 0.0% | 1 |
| Rest of Manufacturing | multiple | - | 0.0% | 0.0% | - | 0.0% | 0.0% | na |
| Rest of Wholesale Trade | multiple | - | 0.0% | 0.0% | - | 0.0% | 0.0% | na |
| Total QLD Industrial Economy | | 1,928 | 100.0% | 25.0% | 6,249 | 100.0% | 22.5% | 3 |

Source: M.E, Statistics NZ Business Frame 2017, QLD and COD district plan zones.

Appendix 3 – TA/Region QLD IE Comparison

Businesses 2017 – According to QLD Identified Industrial Economy

| ANZSIC Division | Industrial Economy Selection | Queenstown-Lakes District | Taupo District | Upper Hutt City | Wanganui District | Whakatane District | Dunedin City | Auckland Region | Otago Region | New Zealand |
|-------------------------------------|---|---------------------------|----------------|-----------------|-------------------|--------------------|---------------|-----------------|---------------|----------------|
| A | Selected Ag/Forestry/Fishing Support Services | 50 | 82 | 8 | 55 | 88 | 87 | 490 | 402 | 6,116 |
| C | Manufacturing | 225 | 200 | 147 | 203 | 137 | 477 | 8,037 | 994 | 22,773 |
| D | Waste Services Group Only | 15 | 3 | 14 | 10 | 15 | 19 | 287 | 46 | 987 |
| E | Construction | 1,168 | 576 | 532 | 399 | 353 | 1,183 | 21,500 | 3,164 | 60,625 |
| F | Wholesale Trade | 154 | 120 | 79 | 129 | 69 | 384 | 9,962 | 750 | 21,000 |
| I | Selected Transport, Postal and Warehousing | 85 | 119 | 84 | 54 | 69 | 238 | 3,705 | 475 | 10,312 |
| L | Selected Rental and Hiring Services | 128 | 57 | 19 | 37 | 28 | 95 | 1,503 | 271 | 4,401 |
| S | Selected Other Services | 102 | 114 | 69 | 104 | 83 | 241 | 3,779 | 488 | 11,026 |
| QLD Industrial Economy | | 1,928 | 1,270 | 952 | 991 | 842 | 2,724 | 49,263 | 6,589 | 137,240 |
| Rest of Economy (all other ANZSICs) | | 5,782 | 3,649 | 2,155 | 3,192 | 3,307 | 9,181 | 141,573 | 22,372 | 426,048 |
| Total Economy | | 7,710 | 4,919 | 3,106 | 4,183 | 4,149 | 11,905 | 190,835 | 28,962 | 563,287 |
| Division Share of Each Area | | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 0.7% | 1.7% | 0.2% | 1.3% | 2.1% | 0.7% | 0.3% | 1.4% | 1.1% |
| C | Manufacturing | 2.9% | 4.1% | 4.7% | 4.9% | 3.3% | 4.0% | 4.2% | 3.4% | 4.0% |
| D | Waste Services Group Only | 0.2% | 0.1% | 0.5% | 0.2% | 0.4% | 0.2% | 0.2% | 0.2% | 0.2% |
| E | Construction | 15.2% | 11.7% | 17.1% | 9.5% | 8.5% | 9.9% | 11.3% | 10.9% | 10.8% |
| F | Wholesale Trade | 2.0% | 2.4% | 2.5% | 3.1% | 1.7% | 3.2% | 5.2% | 2.6% | 3.7% |
| I | Selected Transport, Postal and Warehousing | 1.1% | 2.4% | 2.7% | 1.3% | 1.7% | 2.0% | 1.9% | 1.6% | 1.8% |
| L | Selected Rental and Hiring Services | 1.7% | 1.2% | 0.6% | 0.9% | 0.7% | 0.8% | 0.8% | 0.9% | 0.8% |
| S | Selected Other Services | 1.3% | 2.3% | 2.2% | 2.5% | 2.0% | 2.0% | 2.0% | 1.7% | 2.0% |
| QLD Industrial Economy | | 25.0% | 25.8% | 30.6% | 23.7% | 20.3% | 22.9% | 25.8% | 22.8% | 24.4% |
| Rest of Economy (all other ANZSICs) | | 75.0% | 74.2% | 69.4% | 76.3% | 79.7% | 77.1% | 74.2% | 77.2% | 75.6% |
| Total Economy | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: M.E. Statistics NZ Business Frame 2017. Assesses each location in the context of QLD's defined industrial economy. This does not necessarily represent the industrial economy of each location. Industries that may form part each other areas industrial economy are captured in 'Rest of Economy'.

Employment 2017 – According to QLD Identified Industrial Economy

| ANZSIC Division | Industrial Economy Selection | Queenstown-Lakes District | Taupo District | Upper Hutt City | Wanganui District | Whakatane District | Dunedin City | Auckland Region | Otago Region | New Zealand |
|-------------------------------------|---|---------------------------|----------------|-----------------|-------------------|--------------------|---------------|-----------------|----------------|------------------|
| A | Selected Ag/Forestry/Fishing Support Services | 130 | 242 | 17 | 130 | 356 | 175 | 846 | 1,259 | 22,553 |
| C | Manufacturing | 862 | 1,226 | 964 | 2,805 | 1,101 | 4,020 | 80,603 | 9,649 | 239,580 |
| D | Waste Services Group Only | 103 | 18 | 87 | 56 | 60 | 123 | 2,351 | 282 | 6,378 |
| E | Construction | 3,465 | 1,661 | 1,385 | 1,602 | 1,146 | 5,033 | 70,005 | 11,737 | 212,472 |
| F | Wholesale Trade | 573 | 385 | 409 | 551 | 279 | 2,474 | 60,547 | 4,053 | 118,966 |
| I | Selected Transport, Postal and Warehousing | 312 | 497 | 219 | 725 | 437 | 1,420 | 24,990 | 2,586 | 65,227 |
| L | Selected Rental and Hiring Services | 371 | 119 | 17 | 49 | 69 | 254 | 5,129 | 741 | 12,049 |
| S | Selected Other Services | 434 | 360 | 188 | 314 | 242 | 975 | 12,848 | 1,888 | 38,510 |
| QLD Industrial Economy | | 6,249 | 4,507 | 3,285 | 6,232 | 3,689 | 14,476 | 257,319 | 32,194 | 715,735 |
| Rest of Economy (all other ANZSICs) | | 21,551 | 13,581 | 9,299 | 13,546 | 11,334 | 48,046 | 603,206 | 94,048 | 1,748,333 |
| Total Economy | | 27,800 | 18,089 | 12,584 | 19,779 | 15,024 | 62,522 | 860,525 | 126,242 | 2,464,068 |
| Division Share of Each Area | | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 0.5% | 1.3% | 0.1% | 0.7% | 2.4% | 0.3% | 0.1% | 1.0% | 0.9% |
| C | Manufacturing | 3.1% | 6.8% | 7.7% | 14.2% | 7.3% | 6.4% | 9.4% | 7.6% | 9.7% |
| D | Waste Services Group Only | 0.4% | 0.1% | 0.7% | 0.3% | 0.4% | 0.2% | 0.3% | 0.2% | 0.3% |
| E | Construction | 12.5% | 9.2% | 11.0% | 8.1% | 7.6% | 8.1% | 8.1% | 9.3% | 8.6% |
| F | Wholesale Trade | 2.1% | 2.1% | 3.2% | 2.8% | 1.9% | 4.0% | 7.0% | 3.2% | 4.8% |
| I | Selected Transport, Postal and Warehousing | 1.1% | 2.7% | 1.7% | 3.7% | 2.9% | 2.3% | 2.9% | 2.0% | 2.6% |
| L | Selected Rental and Hiring Services | 1.3% | 0.7% | 0.1% | 0.2% | 0.5% | 0.4% | 0.6% | 0.6% | 0.5% |
| S | Selected Other Services | 1.6% | 2.0% | 1.5% | 1.6% | 1.6% | 1.6% | 1.5% | 1.5% | 1.6% |
| QLD Industrial Economy | | 22.5% | 24.9% | 26.1% | 31.5% | 24.6% | 23.2% | 29.9% | 25.5% | 29.0% |
| Rest of Economy (all other ANZSICs) | | 77.5% | 75.1% | 73.9% | 68.5% | 75.4% | 76.8% | 70.1% | 74.5% | 71.0% |
| Total Economy | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Average Business Size (MECs) | | | | | | | | | | |
| A | Selected Ag/Forestry/Fishing Support Services | 3 | 3 | 2 | 2 | 4 | 2 | 2 | 3 | 4 |
| C | Manufacturing | 4 | 6 | 7 | 14 | 8 | 8 | 10 | 10 | 11 |
| D | Waste Services Group Only | 7 | 6 | 6 | 6 | 4 | 6 | 8 | 6 | 6 |
| E | Construction | 3 | 3 | 3 | 4 | 3 | 4 | 3 | 4 | 4 |
| F | Wholesale Trade | 4 | 3 | 5 | 4 | 4 | 6 | 6 | 5 | 6 |
| I | Selected Transport, Postal and Warehousing | 4 | 4 | 3 | 13 | 6 | 6 | 7 | 5 | 6 |
| L | Selected Rental and Hiring Services | 3 | 2 | 1 | 1 | 2 | 3 | 3 | 3 | 3 |
| S | Selected Other Services | 4 | 3 | 3 | 3 | 3 | 4 | 3 | 4 | 3 |
| QLD Industrial Economy | | 3 | 4 | 3 | 6 | 4 | 5 | 5 | 5 | 5 |
| Rest of Economy (all other ANZSICs) | | 4 | 4 | 4 | 4 | 3 | 5 | 4 | 4 | 4 |
| Total Economy | | 4 | 4 | 4 | 5 | 4 | 5 | 5 | 4 | 4 |

Source: M.E. Statistics NZ Business Frame 2017. Assesses each location in the context of QLD's defined industrial economy. This does not necessarily represent the industrial economy of each location. Industries that may form part each other areas industrial economy are captured in 'Rest of Economy'.

Appendix 4 – TA/Region Manufacturing Comparison

Businesses 2017 – According to Manufacturing Sector Sub-Divisions

| Manufacturing Sub-Division | Queenstown-Lakes District | Taupo District | Upper Hutt City | Wanganui District | Whakatane District | Dunedin City | Auckland Region | Otago Region | New Zealand |
|---|---------------------------|----------------|-----------------|-------------------|--------------------|---------------|-----------------|---------------|---------------|
| Food Product Manufacturing | 34 | 22 | 12 | 29 | 23 | 72 | 1,204 | 144 | 3,367 |
| Beverage and Tobacco Product Manufacturing | 31 | 1 | 5 | 1 | 4 | 10 | 206 | 76 | 768 |
| Textile, Leather, Clothing and Footwear Manufacturing | 15 | 14 | 7 | 14 | 7 | 29 | 644 | 59 | 1,508 |
| Wood Product Manufacturing | 10 | 23 | 20 | 26 | 14 | 33 | 418 | 83 | 1,795 |
| Pulp, Paper and Converted Paper Product Manufacturing | - | - | - | - | 1 | 2 | 52 | 3 | 120 |
| Printing | 8 | 3 | 7 | 11 | 6 | 24 | 663 | 38 | 1,305 |
| Petroleum and Coal Product Manufacturing | - | - | - | - | - | 2 | 17 | 2 | 57 |
| Basic Chemical and Chemical Product Manufacturing | 7 | 3 | 2 | 5 | 1 | 16 | 257 | 32 | 632 |
| Polymer Product and Rubber Product Manufacturing | - | 2 | 11 | 6 | 2 | 20 | 322 | 26 | 724 |
| Non-Metallic Mineral Product Manufacturing | 13 | 10 | 4 | 9 | 5 | 17 | 300 | 56 | 972 |
| Primary Metal and Metal Product Manufacturing | 7 | 1 | 2 | 3 | 2 | 6 | 86 | 15 | 240 |
| Fabricated Metal Product Manufacturing | 15 | 38 | 26 | 27 | 22 | 69 | 1,010 | 125 | 2,988 |
| Transport Equipment Manufacturing | 23 | 20 | 6 | 8 | 8 | 36 | 590 | 72 | 1,597 |
| Machinery and Equipment Manufacturing | 32 | 43 | 30 | 41 | 28 | 93 | 1,330 | 164 | 4,190 |
| Furniture and Other Manufacturing | 33 | 21 | 14 | 22 | 15 | 46 | 940 | 99 | 2,511 |
| Total Manufacturing Sector | 225 | 200 | 147 | 203 | 137 | 477 | 8,037 | 994 | 22,773 |
| Sub-Division Share of Each Area | | | | | | | | | |
| Food Product Manufacturing | 14.9% | 11.1% | 8.1% | 14.5% | 16.5% | 15.1% | 15.0% | 14.5% | 14.8% |
| Beverage and Tobacco Product Manufacturing | 13.8% | 0.5% | 3.5% | 0.5% | 2.9% | 2.1% | 2.6% | 7.6% | 3.4% |
| Textile, Leather, Clothing and Footwear Manufacturing | 6.7% | 6.9% | 4.8% | 6.9% | 5.3% | 6.0% | 8.0% | 6.0% | 6.6% |
| Wood Product Manufacturing | 4.3% | 11.5% | 13.5% | 12.9% | 10.1% | 7.0% | 5.2% | 8.4% | 7.9% |
| Pulp, Paper and Converted Paper Product Manufacturing | 0.0% | 0.0% | 0.0% | 0.0% | 0.7% | 0.5% | 0.6% | 0.3% | 0.5% |
| Printing | 3.3% | 1.7% | 5.0% | 5.5% | 4.4% | 5.1% | 8.2% | 3.8% | 5.7% |
| Petroleum and Coal Product Manufacturing | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% | 0.2% | 0.2% | 0.3% |
| Basic Chemical and Chemical Product Manufacturing | 3.1% | 1.5% | 1.4% | 2.5% | 0.7% | 3.4% | 3.2% | 3.2% | 2.8% |
| Polymer Product and Rubber Product Manufacturing | 0.0% | 1.1% | 7.7% | 3.1% | 1.5% | 4.2% | 4.0% | 2.6% | 3.2% |
| Non-Metallic Mineral Product Manufacturing | 5.5% | 4.8% | 2.7% | 4.4% | 3.6% | 3.5% | 3.7% | 5.7% | 4.3% |
| Primary Metal and Metal Product Manufacturing | 3.1% | 0.5% | 1.4% | 1.5% | 1.1% | 1.3% | 1.1% | 1.5% | 1.1% |
| Fabricated Metal Product Manufacturing | 6.7% | 18.8% | 17.4% | 13.2% | 16.0% | 14.6% | 12.6% | 12.5% | 13.1% |
| Transport Equipment Manufacturing | 10.0% | 9.9% | 4.3% | 3.9% | 6.1% | 7.5% | 7.3% | 7.2% | 7.0% |
| Machinery and Equipment Manufacturing | 14.0% | 21.4% | 20.4% | 20.3% | 20.1% | 19.6% | 16.6% | 16.5% | 18.4% |
| Furniture and Other Manufacturing | 14.5% | 10.4% | 9.8% | 10.8% | 10.9% | 9.7% | 11.7% | 10.0% | 11.0% |
| Total Manufacturing Sector | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

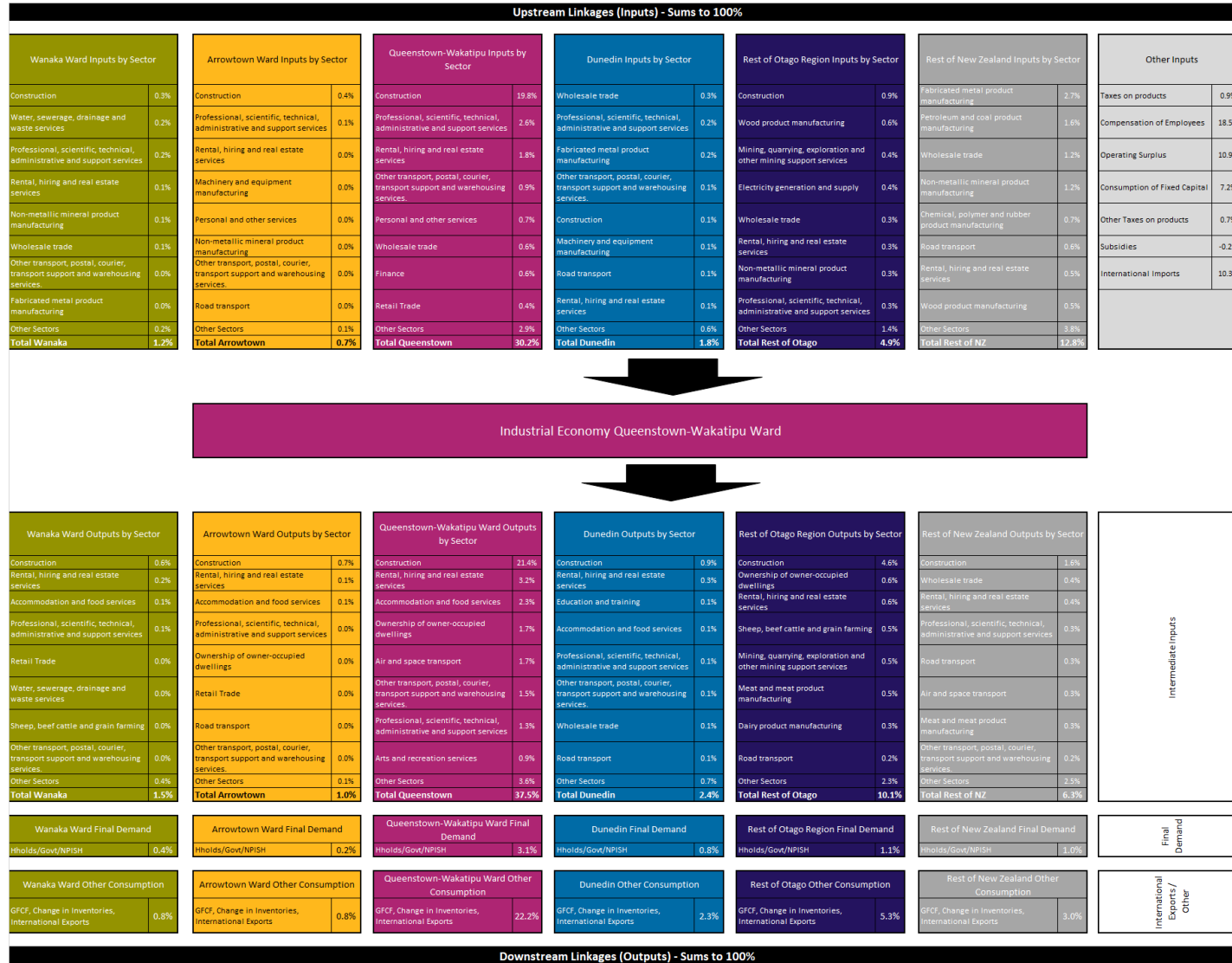
Source: M.E, Statistics NZ Business Frame 2017.

Employment 2017 – According to Manufacturing Sector Sub-Divisions

| Manufacturing Sub-Division | Queenstown-Lakes District | Taupo District | Upper Hutt City | Wanganui District | Whakatane District | Dunedin City | Auckland Region | Otago Region | New Zealand |
|---|---------------------------|----------------|-----------------|-------------------|--------------------|---------------|-----------------|---------------|----------------|
| Food Product Manufacturing | 228 | 191 | 83 | 1,168 | 326 | 1,058 | 16,341 | 4,434 | 75,873 |
| Beverage and Tobacco Product Manufacturing | 80 | 2 | 29 | 3 | 38 | 112 | 3,064 | 413 | 7,311 |
| Textile, Leather, Clothing and Footwear Manufacturing | 34 | 31 | 19 | 434 | 16 | 196 | 4,565 | 383 | 10,693 |
| Wood Product Manufacturing | 45 | 477 | 86 | 166 | 58 | 254 | 3,119 | 617 | 18,292 |
| Pulp, Paper and Converted Paper Product Manufacturing | - | - | - | - | 215 | 32 | 1,846 | 33 | 4,817 |
| Printing | 48 | 18 | 11 | 58 | 69 | 144 | 4,232 | 369 | 8,543 |
| Petroleum and Coal Product Manufacturing | - | - | - | - | - | 13 | 116 | 13 | 1,043 |
| Basic Chemical and Chemical Product Manufacturing | 23 | 5 | 111 | 28 | 1 | 131 | 3,775 | 173 | 7,491 |
| Polymer Product and Rubber Product Manufacturing | - | 3 | 94 | 112 | 5 | 101 | 6,131 | 123 | 11,696 |
| Non-Metallic Mineral Product Manufacturing | 52 | 36 | 16 | 69 | 34 | 119 | 3,452 | 293 | 8,821 |
| Primary Metal and Metal Product Manufacturing | 13 | 3 | 7 | 8 | 1 | 67 | 1,911 | 83 | 4,213 |
| Fabricated Metal Product Manufacturing | 88 | 181 | 156 | 276 | 111 | 663 | 10,080 | 1,030 | 26,645 |
| Transport Equipment Manufacturing | 81 | 61 | 13 | 103 | 103 | 278 | 4,783 | 413 | 13,079 |
| Machinery and Equipment Manufacturing | 100 | 165 | 297 | 187 | 92 | 619 | 12,603 | 920 | 30,646 |
| Furniture and Other Manufacturing | 70 | 55 | 43 | 195 | 33 | 233 | 4,583 | 351 | 10,416 |
| Total Manufacturing Sector | 862 | 1,226 | 964 | 2,805 | 1,101 | 4,020 | 80,603 | 9,649 | 239,580 |
| Sub-Division Share of Each Area | | | | | | | | | |
| Food Product Manufacturing | 26.5% | 15.6% | 8.6% | 41.6% | 29.6% | 26.3% | 20.3% | 45.9% | 31.7% |
| Beverage and Tobacco Product Manufacturing | 9.3% | 0.1% | 3.0% | 0.1% | 3.5% | 2.8% | 3.8% | 4.3% | 3.1% |
| Textile, Leather, Clothing and Footwear Manufacturing | 3.9% | 2.5% | 1.9% | 15.5% | 1.4% | 4.9% | 5.7% | 4.0% | 4.5% |
| Wood Product Manufacturing | 5.2% | 38.9% | 8.9% | 5.9% | 5.3% | 6.3% | 3.9% | 6.4% | 7.6% |
| Pulp, Paper and Converted Paper Product Manufacturing | 0.0% | 0.0% | 0.0% | 0.0% | 19.5% | 0.8% | 2.3% | 0.3% | 2.0% |
| Printing | 5.6% | 1.4% | 1.2% | 2.1% | 6.2% | 3.6% | 5.3% | 3.8% | 3.6% |
| Petroleum and Coal Product Manufacturing | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.3% | 0.1% | 0.1% | 0.4% |
| Basic Chemical and Chemical Product Manufacturing | 2.6% | 0.4% | 11.5% | 1.0% | 0.1% | 3.3% | 4.7% | 1.8% | 3.1% |
| Polymer Product and Rubber Product Manufacturing | 0.0% | 0.2% | 9.8% | 4.0% | 0.4% | 2.5% | 7.6% | 1.3% | 4.9% |
| Non-Metallic Mineral Product Manufacturing | 6.0% | 2.9% | 1.7% | 2.5% | 3.1% | 3.0% | 4.3% | 3.0% | 3.7% |
| Primary Metal and Metal Product Manufacturing | 1.5% | 0.2% | 0.7% | 0.3% | 0.1% | 1.7% | 2.4% | 0.9% | 1.8% |
| Fabricated Metal Product Manufacturing | 10.2% | 14.8% | 16.1% | 9.8% | 10.1% | 16.5% | 12.5% | 10.7% | 11.1% |
| Transport Equipment Manufacturing | 9.4% | 5.0% | 1.4% | 3.7% | 9.3% | 6.9% | 5.9% | 4.3% | 5.5% |
| Machinery and Equipment Manufacturing | 11.6% | 13.5% | 30.8% | 6.7% | 8.4% | 15.4% | 15.6% | 9.5% | 12.8% |
| Furniture and Other Manufacturing | 8.1% | 4.5% | 4.4% | 6.9% | 3.0% | 5.8% | 5.7% | 3.6% | 4.3% |
| Total Manufacturing Sector | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Average Business Size (MECs) | | | | | | | | | |
| Food Product Manufacturing | 7 | 9 | 7 | 40 | 14 | 15 | 14 | 31 | 23 |
| Beverage and Tobacco Product Manufacturing | 3 | 2 | 6 | 3 | 10 | 11 | 15 | 5 | 10 |
| Textile, Leather, Clothing and Footwear Manufacturing | 2 | 2 | 3 | 31 | 2 | 7 | 7 | 6 | 7 |
| Wood Product Manufacturing | 5 | 21 | 4 | 6 | 4 | 8 | 7 | 7 | 10 |
| Pulp, Paper and Converted Paper Product Manufacturing | - | - | - | - | 215 | 14 | 36 | 10 | 40 |
| Printing | 6 | 5 | 2 | 5 | 11 | 6 | 6 | 10 | 7 |
| Petroleum and Coal Product Manufacturing | - | - | - | - | - | 5 | 7 | 5 | 18 |
| Basic Chemical and Chemical Product Manufacturing | 3 | 2 | 56 | 6 | 1 | 8 | 15 | 5 | 12 |
| Polymer Product and Rubber Product Manufacturing | - | 1 | 8 | 18 | 2 | 5 | 19 | 5 | 16 |
| Non-Metallic Mineral Product Manufacturing | 4 | 4 | 4 | 8 | 7 | 7 | 12 | 5 | 9 |
| Primary Metal and Metal Product Manufacturing | 2 | 3 | 3 | 3 | 1 | 11 | 22 | 6 | 18 |
| Fabricated Metal Product Manufacturing | 6 | 5 | 6 | 10 | 5 | 10 | 10 | 8 | 9 |
| Transport Equipment Manufacturing | 4 | 3 | 2 | 13 | 12 | 8 | 8 | 6 | 8 |
| Machinery and Equipment Manufacturing | 3 | 4 | 10 | 5 | 3 | 7 | 9 | 6 | 7 |
| Furniture and Other Manufacturing | 2 | 3 | 3 | 9 | 2 | 5 | 5 | 4 | 4 |
| Total Manufacturing Sector | 4 | 6 | 7 | 14 | 8 | 8 | 10 | 10 | 11 |

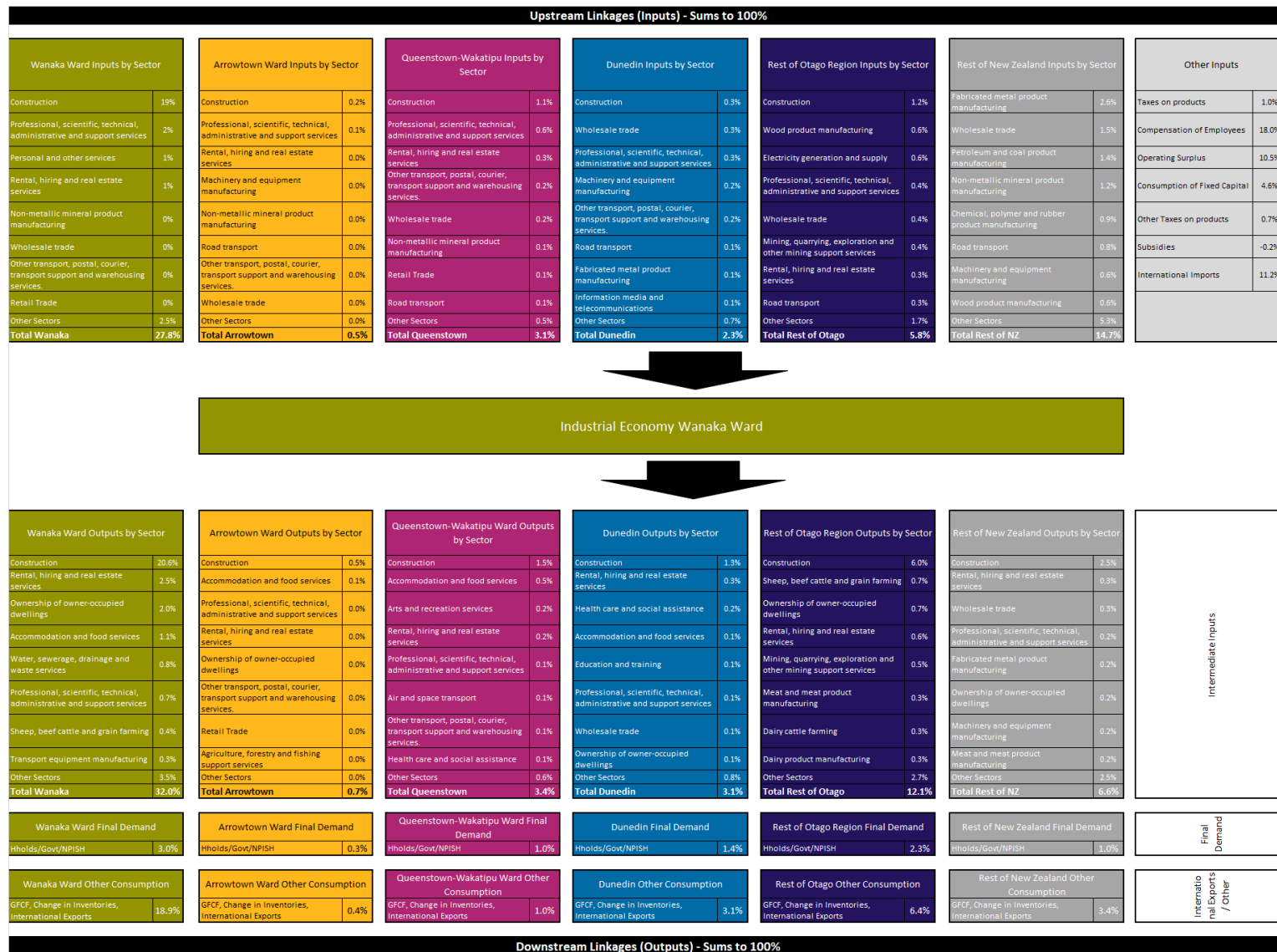
Source: M.E. Statistics NZ Business Frame 2017.

Appendix 5 – Economic Linkages Queenstown Ward

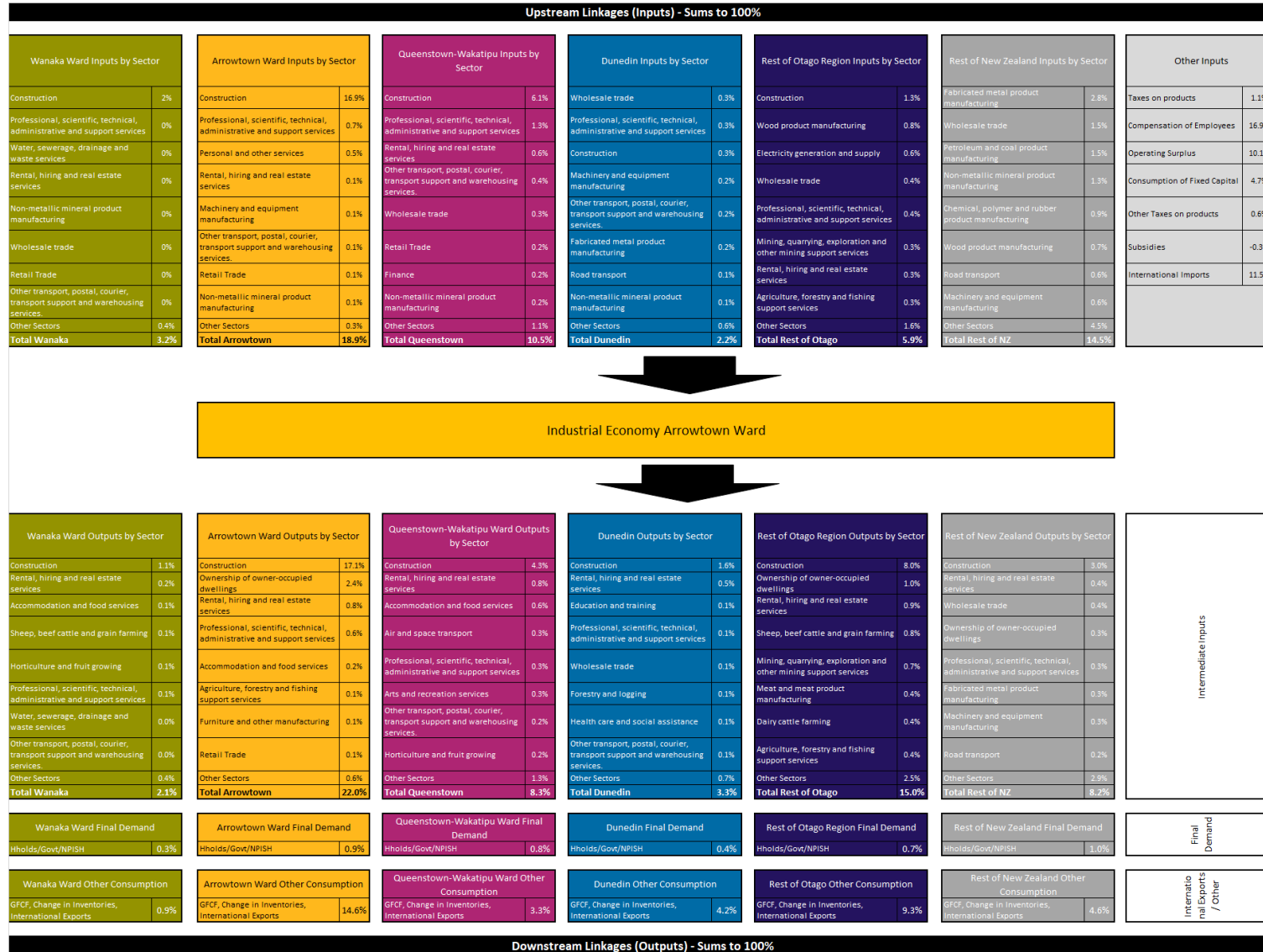


Source: M E (Queenstown EFM Multi-Regional Input-Output Table)

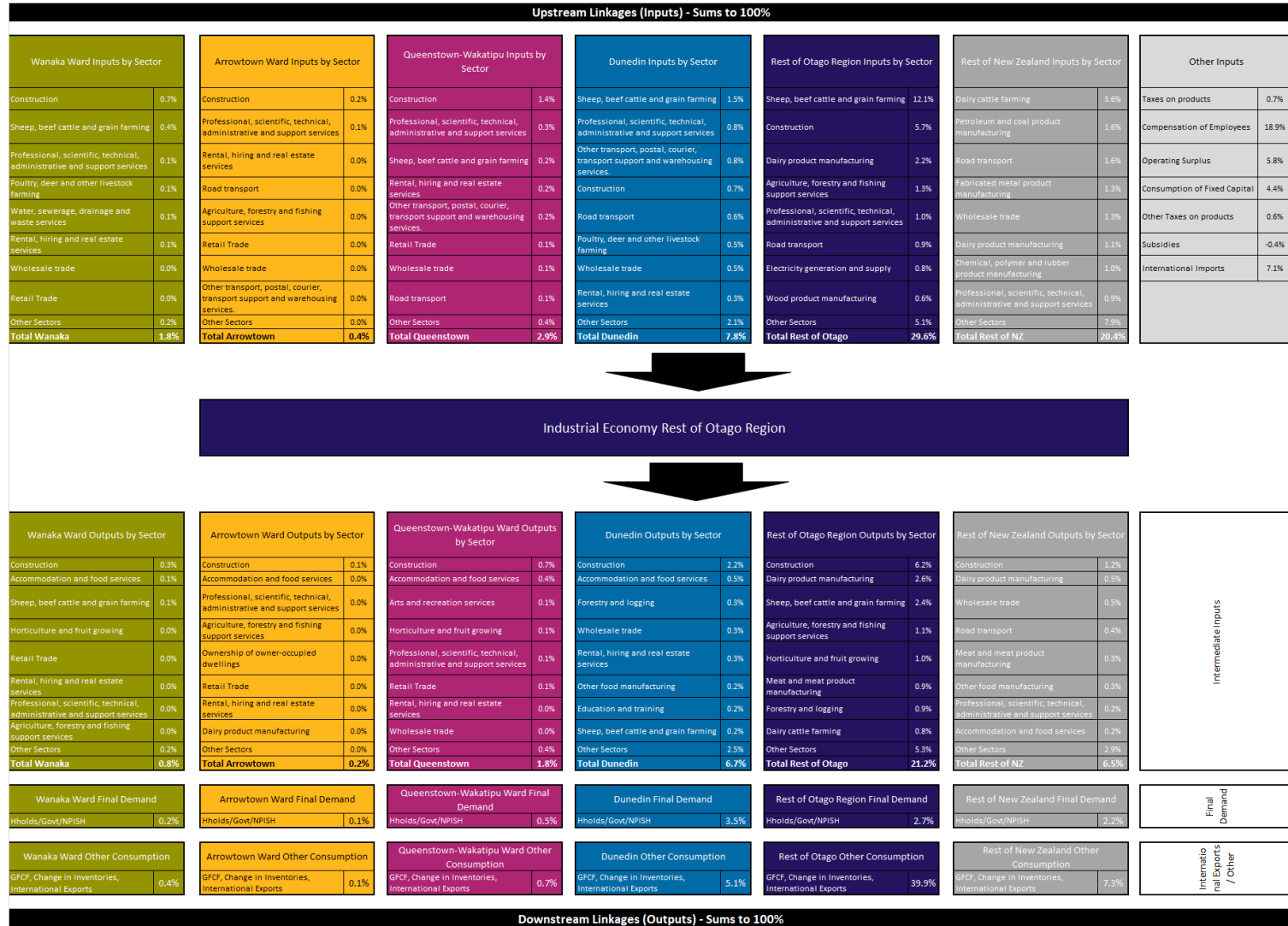
Appendix 6 – Economic Linkages Wanaka Ward



Appendix 7 – Economic Linkages Arrowtown Ward



Appendix 8 - Economic Linkages Rest of Otago



Source: M.E (Queenstown EFM Multi-Regional Input-Output Table)

Appendix 9 – Rural-Urban Industrial Economy

Businesses 2017

| Industry | ANZSIC06 | Division | Urban Environment Business Count | Rural Environment Business Count | Total QLD Business Count (2017) | Urban Share of QLD (%) | Rural Share of QLD (%) | Total QLD |
|---|----------|----------|----------------------------------|----------------------------------|---------------------------------|------------------------|------------------------|-----------|
| Industrial - House Construction | E301100 | E | 330 | 62 | 392 | 84.1% | 15.9% | 100.0% |
| Industrial - Electrical Services | E323200 | E | 70 | 7 | 78 | 90.5% | 9.5% | 100.0% |
| Industrial - Painting and Decorating Services | E324400 | E | 68 | 8 | 76 | 89.2% | 10.8% | 100.0% |
| Industrial - Other Residential Building Construction | E301900 | E | 54 | 14 | 68 | 79.6% | 20.4% | 100.0% |
| Industrial - Other Goods and Equipment Rental and Hiring n.e.c. | L663900 | L | 54 | 10 | 64 | 83.9% | 16.1% | 100.0% |
| Industrial - Land Development and Subdivision | E321100 | E | 44 | 17 | 61 | 71.7% | 28.3% | 100.0% |
| Industrial - Plastering and Ceiling Services | E324100 | E | 43 | 10 | 54 | 80.7% | 19.3% | 100.0% |
| Industrial - Other Automotive Repair and Maintenance | S941900 | S | 44 | 8 | 52 | 85.0% | 15.0% | 100.0% |
| Industrial - Other Agriculture and Fishing Support Services | A052900 | A | 27 | 24 | 50 | 52.8% | 47.2% | 100.0% |
| Industrial - Plumbing Services | E323100 | E | 39 | 11 | 50 | 78.6% | 21.4% | 100.0% |
| Industrial - Landscape Construction Services | E329100 | E | 30 | 17 | 47 | 63.9% | 36.1% | 100.0% |
| Industrial - Tiling and Carpeting Services | E324300 | E | 41 | 5 | 46 | 89.1% | 10.9% | 100.0% |
| Industrial - Site Preparation Services | E321200 | E | 32 | 14 | 46 | 70.2% | 29.8% | 100.0% |
| Industrial - Bricklaying Services | E322200 | E | 32 | 8 | 40 | 80.8% | 19.3% | 100.0% |
| Industrial - Passenger Car Rental and Hiring | L661100 | L | 32 | 8 | 39 | 80.2% | 19.8% | 100.0% |
| Industrial - Carpentry Services | E324200 | E | 32 | 3 | 35 | 91.4% | 8.6% | 100.0% |
| Industrial - Other Construction Services n.e.c. | E329900 | E | 28 | 6 | 33 | 82.9% | 17.1% | 100.0% |
| Industrial - Road Freight Transport | I461000 | I | 26 | 4 | 30 | 86.5% | 13.5% | 100.0% |
| Industrial - Other Heavy and Civil Engineering Construction | E310900 | E | 19 | 7 | 26 | 74.1% | 25.9% | 100.0% |
| Industrial - Non-Residential Building Construction | E302000 | E | 21 | 4 | 25 | 83.5% | 16.5% | 100.0% |
| Industrial - Courier Pick-up and Delivery Services | I510200 | I | 19 | 3 | 22 | 86.2% | 13.8% | 100.0% |
| Industrial - Other Motor Vehicle and Transport Equipment Rental and Hiring | L661900 | L | 16 | 5 | 21 | 77.6% | 22.4% | 100.0% |
| Industrial - Wine and Other Alcoholic Beverage Manufacturing | C121400 | C | 10 | 10 | 20 | 51.5% | 48.5% | 100.0% |
| Industrial - Wooden Furniture and Upholstered Seat Manufacturing | C251100 | C | 17 | 3 | 20 | 84.8% | 15.2% | 100.0% |
| Industrial - Other Machinery and Equipment Manufacturing n.e.c. | C249900 | C | 13 | 7 | 20 | 67.0% | 33.0% | 100.0% |
| Industrial - Automotive Body, Paint and Interior Repair | S941200 | S | 18 | 1 | 19 | 94.8% | 5.2% | 100.0% |
| Industrial - Roofing Services | E322300 | E | 17 | - | 17 | 100.0% | 0.0% | 100.0% |
| Industrial - Concreting Services | E322100 | E | 16 | 1 | 17 | 94.2% | 5.8% | 100.0% |
| Industrial - Other Electrical and Electronic Goods Wholesaling | F349400 | F | 15 | 2 | 17 | 86.0% | 14.0% | 100.0% |
| Industrial - Air Conditioning and Heating Services | E323300 | E | 14 | 3 | 17 | 80.8% | 19.2% | 100.0% |
| Industrial - Aircraft Manufacturing and Repair Services | C239400 | C | 15 | 1 | 16 | 93.8% | 6.2% | 100.0% |
| Industrial - Road and Bridge Construction | E310100 | E | 11 | 4 | 15 | 72.2% | 27.8% | 100.0% |
| Industrial - Commission Based Wholesaling | F380000 | F | 14 | - | 14 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Grocery Wholesaling | F360900 | F | 12 | 2 | 14 | 88.6% | 11.4% | 100.0% |
| Industrial - Other Goods Wholesaling n.e.c. | F373900 | F | 12 | 2 | 14 | 88.1% | 11.9% | 100.0% |
| Industrial - Liquor and Tobacco Product Wholesaling | F360600 | F | 9 | 2 | 11 | 82.1% | 17.9% | 100.0% |
| Industrial - Bakery Product Manufacturing (Non-factory-based) | C117400 | C | 10 | - | 10 | 100.0% | 0.0% | 100.0% |
| Industrial - Laundry and Dry-Cleaning Services | S953100 | S | 10 | - | 10 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Agricultural Product Wholesaling | F331900 | F | 7 | 3 | 9 | 72.8% | 27.2% | 100.0% |
| Industrial - Urban Bus Transport (Including Tramway) | I462200 | I | 7 | 2 | 9 | 78.3% | 21.7% | 100.0% |
| Industrial - Other Building Installation Services | E323900 | E | 8 | 1 | 9 | 88.9% | 11.1% | 100.0% |
| Industrial - Other Hardware Goods Wholesaling | F333900 | F | 9 | - | 9 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Warehousing and Storage Services | I530900 | I | 7 | 2 | 9 | 82.4% | 17.6% | 100.0% |
| Industrial - Electronic (except Domestic Appliance) and Precision Equipment | S942200 | S | 7 | 1 | 8 | 87.8% | 12.2% | 100.0% |
| Industrial - Clothing and Footwear Wholesaling | F371200 | F | 6 | 2 | 8 | 81.0% | 19.0% | 100.0% |
| Industrial - Other Manufacturing n.e.c. | C259900 | C | 5 | 2 | 8 | 68.0% | 32.0% | 100.0% |
| Industrial - Clothing Manufacturing | C135100 | C | 3 | 4 | 7 | 43.7% | 56.3% | 100.0% |
| Industrial - Beer Manufacturing | C121200 | C | 5 | 2 | 7 | 71.4% | 28.6% | 100.0% |
| Industrial - Solid Waste Collection Services | D291100 | D | 7 | - | 7 | 100.0% | 0.0% | 100.0% |
| Industrial - Printing | C161100 | C | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Cut and Sewn Textile Product Manufacturing | C133300 | C | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Fabricated Metal Product Manufacturing n.e.c. | C229900 | C | 5 | 1 | 6 | 83.3% | 16.7% | 100.0% |
| Industrial - Other Transport Support Services n.e.c. | I529900 | I | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Glazing Services | E324500 | E | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Medical and Surgical Equipment Manufacturing | C241200 | C | 3 | 2 | 5 | 61.5% | 38.5% | 100.0% |
| Industrial - Confectionery Manufacturing | C118200 | C | 4 | 1 | 5 | 80.4% | 19.6% | 100.0% |
| Industrial - Iron Smelting and Steel Manufacturing | C211000 | C | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Non-Metallic Mineral Product Manufacturing | C209000 | C | 4 | 1 | 5 | 80.0% | 20.0% | 100.0% |
| Industrial - Fire and Security Alarm Installation Services | E323400 | E | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Hire of Construction Machinery with Operator | E329200 | E | 4 | 1 | 5 | 80.0% | 20.0% | 100.0% |
| Industrial - Other Machinery and Equipment Repair and Maintenance | S942900 | S | 4 | 1 | 5 | 80.0% | 20.0% | 100.0% |
| Industrial - Petroleum Product Wholesaling | F332100 | F | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Toy and Sporting Goods Wholesaling | F373400 | F | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Waste Treatment and Disposal Services | D292100 | D | 3 | 2 | 5 | 68.1% | 31.9% | 100.0% |
| Industrial - Wooden Structural Fittings and Components Manufacturing | C149200 | C | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Motor Vehicle Body and Trailer Manufacturing | C231200 | C | 3 | 1 | 4 | 77.3% | 22.7% | 100.0% |
| Industrial - Dairy Produce Wholesaling | F360300 | F | 2 | 2 | 4 | 47.7% | 52.3% | 100.0% |
| Industrial - Other Wood Product Manufacturing n.e.c. | C149900 | C | 3 | 1 | 4 | 76.7% | 23.3% | 100.0% |
| Industrial - Heavy Machinery and Scaffolding Rental and Hiring | L663100 | L | 2 | 2 | 4 | 48.8% | 51.2% | 100.0% |
| Industrial - Motor Vehicle New Part Wholesaling | F350400 | F | 3 | 1 | 4 | 75.6% | 24.4% | 100.0% |
| Industrial - Automotive Electrical Services | S941100 | S | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Cake and Pastry Manufacturing (Factory-based) | C117200 | C | 3 | 1 | 4 | 75.0% | 25.0% | 100.0% |
| Industrial - Other Food Products Manufacturing n.e.c. | C119900 | C | 4 | - | 4 | 100.0% | 0.0% | 100.0% |

Businesses 2017 cont...

| Industry | ANZSIC06 | Division | Urban Environment Business Count | Rural Environment Business Count | Total QLD Business Count (2017) | Urban Share of QLD (%) | Rural Share of QLD (%) | Total QLD |
|---|----------|----------|----------------------------------|----------------------------------|---------------------------------|------------------------|------------------------|---------------|
| Industrial - Pharmaceutical and Toiletry Goods Wholesaling | F372000 | F | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Interurban and Rural Bus Transport | I462100 | I | 2 | 2 | 4 | 50.0% | 50.0% | 100.0% |
| Industrial - Other Water Transport Support Services | I521900 | I | 3 | 1 | 4 | 75.0% | 25.0% | 100.0% |
| Industrial - Domestic Appliance Repair and Maintenance | S942100 | S | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Metal Roof and Guttering Manufacturing (except Aluminium) | C222400 | C | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Agricultural and Construction Machinery Wholesaling | F341100 | F | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Concrete Product Manufacturing | C203400 | C | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Jewellery and Silverware Manufacturing | C259100 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Cosmetic and Toiletry Preparation Manufacturing | C185200 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Ready-Mixed Concrete Manufacturing | C203300 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Fish and Seafood Wholesaling | F360400 | F | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Furniture and Floor Coverings Wholesaling | F373100 | F | 2 | 1 | 3 | 66.7% | 33.3% | 100.0% |
| Industrial - Timber Wholesaling | F333100 | F | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Computer and Computer Peripherals Wholesaling | F349200 | F | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Fruit and Vegetable Processing | C114000 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Structural Steel Fabricating | C222100 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Specialised Industrial Machinery and Equipment Wholesaling | F341900 | F | 1 | 1 | 2 | 58.3% | 41.7% | 100.0% |
| Industrial - Other Machinery and Equipment Wholesaling n | F349900 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Boatbuilding and Repair Services | C239200 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Industrial and Agricultural Chemical Product Wholesaling | F332300 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Human Pharmaceutical and Medicinal Product Manufacturing | C184100 | C | 1 | 1 | 2 | 50.0% | 50.0% | 100.0% |
| Industrial - Ice Cream Manufacturing | C113200 | C | 1 | 1 | 2 | 50.0% | 50.0% | 100.0% |
| Industrial - Other Furniture Manufacturing | C251900 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Soft Drink, Cordial and Syrup Manufacturing | C121100 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Spirit Manufacturing | C121300 | C | 1 | 1 | 2 | 50.0% | 50.0% | 100.0% |
| Industrial - Textile Finishing and Other Textile Product Manufacturing | C133400 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Waste Remediation and Materials Recovery Services | D292200 | D | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Structural Steel Erection Services | E322400 | E | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Book and Magazine Wholesaling | F373500 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Car Wholesaling | F350100 | F | 1 | 1 | 2 | 50.0% | 50.0% | 100.0% |
| Industrial - Kitchen and Dining Ware Wholesaling | F373300 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Textile Product Wholesaling | F371100 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Metal and Mineral Wholesaling | F332200 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Photographic, Optical and Ophthalmic Equipment Manufacturing | C241100 | C | - | 2 | 2 | 0.0% | 100.0% | 100.0% |
| Industrial - Motor Vehicle Dismantling and Used Part Wholesaling | F350500 | F | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Prepared Animal and Bird Feed Manufacturing | C119200 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Fruit and Vegetable Wholesaling | F360500 | F | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Agricultural Machinery and Equipment Manufacturing | C246100 | C | - | 1 | 1 | 0.0% | 100.0% | 100.0% |
| Industrial - Aluminium Rolling, Drawing, Extruding | C214200 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Architectural Aluminium Product Manufacturing | C222300 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Basic Inorganic Chemical Manufacturing | C181300 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Bread Manufacturing (Factory-based) | C117100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Cereal, Pasta and Baking Mix Manufacturing | C116200 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Cleaning Compound Manufacturing | C185100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Cured Meat and Smallgoods Manufacturing | C111300 | C | - | 1 | 1 | 0.0% | 100.0% | 100.0% |
| Industrial - Electric Cable and Wire Manufacturing | C243100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Milk and Cream Processing | C113100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Mining and Construction Machinery Manufacturing | C246200 | C | - | 1 | 1 | 0.0% | 100.0% | 100.0% |
| Industrial - Oil and Fat Manufacturing | C115000 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Ceramic Product Manufacturing | C202900 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Electrical Equipment Manufacturing | C243900 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Sheet Metal Product Manufacturing | C224000 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Specialised Machinery and Equipment Manufacturing | C246900 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Structural Metal Product Manufacturing | C222900 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Prefabricated Wooden Building Manufacturing | C149100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Printing Support Services | C161200 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Steel Pipe and Tube Manufacturing | C212200 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Waste Collection Services | D291900 | D | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Jewellery and Watch Wholesaling | F373200 | F | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Meat, Poultry and Smallgoods Wholesaling | F360200 | F | - | 1 | 1 | 0.0% | 100.0% | 100.0% |
| Industrial - Freight Forwarding Services | I529200 | I | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Rest of Manufacturing | multiple | C | - | - | - | na | na | na |
| Rest of Wholesale Trade | multiple | F | - | - | - | na | na | na |
| Total QLD Industrial Economy | | | 1,587 | 341 | 1,928 | 82.3% | 17.7% | 100.0% |

Source: M.E. Statistics NZ Business Frame 2017, QLD amalgamated district plan zones. Urban Environment includes zones within urban limits plus Luggate, Luggate Rural Industrial Subzone, LDR adjacent to Lake Hayes (as per QLDC BDCA 2017). The Rural Environment includes special zone and townships that are urban in nature and includes Wanaka Airport Zone.

Employment 2017

| Industry | ANZSIC06 | Division | Urban | Rural | Total QLD | Urban Share of QLD (%) | Rural Share of QLD (%) | Total QLD |
|---|----------|----------|------------------------------|------------------------------|----------------------------|------------------------|------------------------|-----------|
| | | | Environment Employment Count | Environment Employment Count | Business Employment (2017) | | | |
| Industrial - House Construction | E301100 | E | 857 | 173 | 1,030 | 83.2% | 16.8% | 100.0% |
| Industrial - Electrical Services | E323200 | E | 257 | 22 | 279 | 92.0% | 8.0% | 100.0% |
| Industrial - Painting and Decorating Services | E324400 | E | 165 | 35 | 200 | 82.6% | 17.4% | 100.0% |
| Industrial - Other Residential Building Construction | E301900 | E | 67 | 16 | 83 | 80.8% | 19.2% | 100.0% |
| Industrial - Other Goods and Equipment Rental and Hiring n.e.c. | L663900 | L | 135 | 12 | 147 | 91.6% | 8.4% | 100.0% |
| Industrial - Land Development and Subdivision | E321100 | E | 24 | 7 | 31 | 77.0% | 23.0% | 100.0% |
| Industrial - Plastering and Ceiling Services | E324100 | E | 139 | 24 | 163 | 85.2% | 14.8% | 100.0% |
| Industrial - Other Automotive Repair and Maintenance | S941900 | S | 181 | 10 | 191 | 94.9% | 5.1% | 100.0% |
| Industrial - Other Agriculture and Fishing Support Services | A052900 | A | 66 | 64 | 130 | 51.0% | 49.0% | 100.0% |
| Industrial - Plumbing Services | E323100 | E | 160 | 21 | 181 | 88.4% | 11.6% | 100.0% |
| Industrial - Landscape Construction Services | E329100 | E | 91 | 46 | 136 | 66.4% | 33.6% | 100.0% |
| Industrial - Tiling and Carpeting Services | E324300 | E | 90 | 8 | 99 | 91.6% | 8.4% | 100.0% |
| Industrial - Site Preparation Services | E321200 | E | 153 | 142 | 295 | 52.0% | 48.0% | 100.0% |
| Industrial - Bricklaying Services | E322200 | E | 77 | 10 | 88 | 88.1% | 11.9% | 100.0% |
| Industrial - Passenger Car Rental and Hiring | L661100 | L | 194 | 7 | 200 | 96.6% | 3.4% | 100.0% |
| Industrial - Carpentry Services | E324200 | E | 51 | 6 | 58 | 89.1% | 10.9% | 100.0% |
| Industrial - Other Construction Services n.e.c. | E329900 | E | 125 | 9 | 134 | 93.1% | 6.9% | 100.0% |
| Industrial - Road Freight Transport | I461000 | I | 77 | 6 | 83 | 93.3% | 6.7% | 100.0% |
| Industrial - Other Heavy and Civil Engineering Construction | E310900 | E | 120 | 15 | 136 | 88.6% | 11.4% | 100.0% |
| Industrial - Non-Residential Building Construction | E302000 | E | 163 | 11 | 174 | 93.7% | 6.3% | 100.0% |
| Industrial - Courier Pick-up and Delivery Services | I510200 | I | 33 | 7 | 40 | 81.6% | 18.4% | 100.0% |
| Industrial - Other Motor Vehicle and Transport Equipment Rental and Hiring | L661900 | L | 18 | 3 | 21 | 85.6% | 14.4% | 100.0% |
| Industrial - Wine and Other Alcoholic Beverage Manufacturing | C121400 | C | 13 | 46 | 58 | 21.6% | 78.4% | 100.0% |
| Industrial - Wooden Furniture and Upholstered Seat Manufacturing | C251100 | C | 36 | 4 | 41 | 89.9% | 10.1% | 100.0% |
| Industrial - Other Machinery and Equipment Manufacturing n.e.c. | C249900 | C | 51 | 9 | 60 | 85.4% | 14.6% | 100.0% |
| Industrial - Automotive Body, Paint and Interior Repair | S941200 | S | 104 | 4 | 108 | 96.1% | 3.9% | 100.0% |
| Industrial - Roofing Services | E322300 | E | 64 | - | 64 | 100.0% | 0.0% | 100.0% |
| Industrial - Concreting Services | E322100 | E | 50 | 1 | 51 | 97.4% | 2.6% | 100.0% |
| Industrial - Other Electrical and Electronic Goods Wholesaling | F349400 | F | 72 | 3 | 74 | 96.6% | 3.4% | 100.0% |
| Industrial - Air Conditioning and Heating Services | E323300 | E | 60 | 15 | 75 | 80.5% | 19.5% | 100.0% |
| Industrial - Aircraft Manufacturing and Repair Services | C239400 | C | 46 | 27 | 73 | 62.8% | 37.2% | 100.0% |
| Industrial - Road and Bridge Construction | E310100 | E | 90 | 29 | 119 | 75.5% | 24.5% | 100.0% |
| Industrial - Commission Based Wholesaling | F380000 | F | 15 | - | 15 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Grocery Wholesaling | F360900 | F | 167 | 1 | 169 | 99.2% | 0.8% | 100.0% |
| Industrial - Other Goods Wholesaling n.e.c. | F373900 | F | 19 | 3 | 22 | 86.0% | 14.0% | 100.0% |
| Industrial - Liquor and Tobacco Product Wholesaling | F360600 | F | 20 | 2 | 22 | 91.6% | 8.4% | 100.0% |
| Industrial - Bakery Product Manufacturing (Non-factory-based) | C117400 | C | 119 | - | 119 | 100.0% | 0.0% | 100.0% |
| Industrial - Laundry and Dry-Cleaning Services | S953100 | S | 92 | - | 92 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Agricultural Product Wholesaling | F331900 | F | 7 | 14 | 21 | 34.3% | 65.7% | 100.0% |
| Industrial - Urban Bus Transport (Including Tramway) | I462200 | I | 123 | 3 | 126 | 97.5% | 2.5% | 100.0% |
| Industrial - Other Building Installation Services | E323900 | E | 11 | 1 | 12 | 89.3% | 10.7% | 100.0% |
| Industrial - Other Hardware Goods Wholesaling | F333900 | F | 35 | - | 35 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Warehousing and Storage Services | I530900 | I | 6 | 1 | 7 | 85.5% | 14.5% | 100.0% |
| Industrial - Electronic (except Domestic Appliance) and Precision Equipment | S942200 | S | 11 | 1 | 13 | 89.7% | 10.3% | 100.0% |
| Industrial - Clothing and Footwear Wholesaling | F371200 | F | 33 | 9 | 42 | 79.3% | 20.7% | 100.0% |
| Industrial - Other Manufacturing n.e.c. | C259900 | C | 18 | 2 | 20 | 88.2% | 11.8% | 100.0% |
| Industrial - Clothing Manufacturing | C135100 | C | 9 | 8 | 17 | 53.5% | 46.5% | 100.0% |
| Industrial - Beer Manufacturing | C121200 | C | 5 | 3 | 8 | 61.7% | 38.3% | 100.0% |
| Industrial - Solid Waste Collection Services | D291100 | D | 63 | - | 63 | 100.0% | 0.0% | 100.0% |
| Industrial - Printing | C161100 | C | 47 | - | 47 | 100.0% | 0.0% | 100.0% |
| Industrial - Cut and Sewn Textile Product Manufacturing | C133300 | C | 14 | - | 14 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Fabricated Metal Product Manufacturing n.e.c. | C229900 | C | 12 | 1 | 14 | 91.1% | 8.9% | 100.0% |
| Industrial - Other Transport Support Services n.e.c. | I529900 | I | 9 | - | 9 | 100.0% | 0.0% | 100.0% |
| Industrial - Glazing Services | E324500 | E | 23 | - | 23 | 100.0% | 0.0% | 100.0% |
| Industrial - Medical and Surgical Equipment Manufacturing | C241200 | C | 5 | 3 | 8 | 66.7% | 33.3% | 100.0% |
| Industrial - Confectionery Manufacturing | C118200 | C | 71 | 1 | 73 | 98.1% | 1.9% | 100.0% |
| Industrial - Iron Smelting and Steel Manufacturing | C211000 | C | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Non-Metallic Mineral Product Manufacturing | C209000 | C | 12 | 1 | 13 | 91.8% | 8.2% | 100.0% |
| Industrial - Fire and Security Alarm Installation Services | E323400 | E | 13 | - | 13 | 100.0% | 0.0% | 100.0% |
| Industrial - Hire of Construction Machinery with Operator | E329200 | E | 16 | 1 | 17 | 92.9% | 7.1% | 100.0% |
| Industrial - Other Machinery and Equipment Repair and Maintenance | S942900 | S | 12 | 2 | 14 | 88.9% | 11.1% | 100.0% |
| Industrial - Petroleum Product Wholesaling | F332100 | F | 18 | - | 18 | 100.0% | 0.0% | 100.0% |
| Industrial - Toy and Sporting Goods Wholesaling | F373400 | F | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Waste Treatment and Disposal Services | D292100 | D | 26 | 2 | 27 | 94.2% | 5.8% | 100.0% |
| Industrial - Wooden Structural Fittings and Components Manufacturing | C149200 | C | 29 | - | 29 | 100.0% | 0.0% | 100.0% |
| Industrial - Motor Vehicle Body and Trailer Manufacturing | C231200 | C | 3 | 1 | 4 | 73.8% | 26.2% | 100.0% |
| Industrial - Dairy Produce Wholesaling | F360300 | F | 12 | 2 | 15 | 84.4% | 15.6% | 100.0% |
| Industrial - Other Wood Product Manufacturing n.e.c. | C149900 | C | 11 | 2 | 13 | 86.6% | 13.4% | 100.0% |
| Industrial - Heavy Machinery and Scaffolding Rental and Hiring | L663100 | L | 2 | 1 | 3 | 57.7% | 42.3% | 100.0% |
| Industrial - Motor Vehicle New Part Wholesaling | F350400 | F | 10 | 1 | 11 | 90.3% | 9.7% | 100.0% |
| Industrial - Automotive Electrical Services | S941100 | S | 11 | - | 11 | 100.0% | 0.0% | 100.0% |
| Industrial - Cake and Pastry Manufacturing (Factory-based) | C117200 | C | 5 | 1 | 6 | 82.5% | 17.5% | 100.0% |
| Industrial - Other Food Products Manufacturing n.e.c. | C119900 | C | 4 | - | 4 | 100.0% | 0.0% | 100.0% |

Employment 2017 cont...

| Industry | ANZSIC06 | Division | Urban Environment Employment Count | Rural Environment Employment Count | Total QLD Business Employment (2017) | Urban Share of QLD (%) | Rural Share of QLD (%) | Total QLD |
|---|----------|----------|------------------------------------|------------------------------------|--------------------------------------|------------------------|------------------------|---------------|
| Industrial - Pharmaceutical and Toiletry Goods Wholesaling | F372000 | F | 11 | - | 11 | 100.0% | 0.0% | 100.0% |
| Industrial - Interurban and Rural Bus Transport | I462100 | I | 21 | 20 | 41 | 50.5% | 49.5% | 100.0% |
| Industrial - Other Water Transport Support Services | I521900 | I | 3 | 1 | 4 | 72.1% | 27.9% | 100.0% |
| Industrial - Domestic Appliance Repair and Maintenance | S942100 | S | 7 | - | 7 | 100.0% | 0.0% | 100.0% |
| Industrial - Metal Roof and Guttering Manufacturing (except Aluminium) | C222400 | C | 47 | - | 47 | 100.0% | 0.0% | 100.0% |
| Industrial - Agricultural and Construction Machinery Wholesaling | F341100 | F | 8 | - | 8 | 100.0% | 0.0% | 100.0% |
| Industrial - Concrete Product Manufacturing | C203400 | C | 8 | - | 8 | 100.0% | 0.0% | 100.0% |
| Industrial - Jewellery and Silverware Manufacturing | C259100 | C | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Cosmetic and Toiletry Preparation Manufacturing | C185200 | C | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Ready-Mixed Concrete Manufacturing | C203300 | C | 27 | - | 27 | 100.0% | 0.0% | 100.0% |
| Industrial - Fish and Seafood Wholesaling | F360400 | F | 13 | - | 13 | 100.0% | 0.0% | 100.0% |
| Industrial - Furniture and Floor Coverings Wholesaling | F373100 | F | 3 | 1 | 4 | 77.3% | 22.7% | 100.0% |
| Industrial - Timber Wholesaling | F333100 | F | 4 | - | 4 | 100.0% | 0.0% | 100.0% |
| Industrial - Computer and Computer Peripherals Wholesaling | F349200 | F | 18 | - | 18 | 100.0% | 0.0% | 100.0% |
| Industrial - Fruit and Vegetable Processing | C114000 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Structural Steel Fabricating | C222100 | C | 19 | - | 19 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Specialised Industrial Machinery and Equipment Wholesaling | F341900 | F | 6 | 2 | 8 | 76.5% | 23.5% | 100.0% |
| Industrial - Other Machinery and Equipment Wholesaling n | F349900 | F | 7 | - | 7 | 100.0% | 0.0% | 100.0% |
| Industrial - Boatbuilding and Repair Services | C239200 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Industrial and Agricultural Chemical Product Wholesaling | F332300 | F | 9 | - | 9 | 100.0% | 0.0% | 100.0% |
| Industrial - Human Pharmaceutical and Medicinal Product Manufacturing | C184100 | C | 1 | 15 | 16 | 5.6% | 94.4% | 100.0% |
| Industrial - Ice Cream Manufacturing | C113200 | C | 1 | 13 | 14 | 5.8% | 94.2% | 100.0% |
| Industrial - Other Furniture Manufacturing | C251900 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Soft Drink, Cordial and Syrup Manufacturing | C121100 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Spirit Manufacturing | C121300 | C | 11 | 1 | 12 | 92.5% | 7.5% | 100.0% |
| Industrial - Textile Finishing and Other Textile Product Manufacturing | C133400 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Waste Remediation and Materials Recovery Services | D292200 | D | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Structural Steel Erection Services | E322400 | E | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Book and Magazine Wholesaling | F373500 | F | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Car Wholesaling | F350100 | F | 1 | 1 | 2 | 57.1% | 42.9% | 100.0% |
| Industrial - Kitchen and Dining Ware Wholesaling | F373300 | F | 12 | - | 12 | 100.0% | 0.0% | 100.0% |
| Industrial - Textile Product Wholesaling | F371100 | F | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Metal and Mineral Wholesaling | F332200 | F | 18 | - | 18 | 100.0% | 0.0% | 100.0% |
| Industrial - Photographic, Optical and Ophthalmic Equipment Manufacturing | C241100 | C | - | 27 | 27 | 0.0% | 100.0% | 100.0% |
| Industrial - Motor Vehicle Dismantling and Used Part Wholesaling | F350500 | F | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Prepared Animal and Bird Feed Manufacturing | C119200 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Fruit and Vegetable Wholesaling | F360500 | F | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Agricultural Machinery and Equipment Manufacturing | C246100 | C | - | 1 | 1 | 0.0% | 100.0% | 100.0% |
| Industrial - Aluminium Rolling, Drawing, Extruding | C214200 | C | 7 | - | 7 | 100.0% | 0.0% | 100.0% |
| Industrial - Architectural Aluminium Product Manufacturing | C222300 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Basic Inorganic Chemical Manufacturing | C181300 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Bread Manufacturing (Factory-based) | C117100 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Cereal, Pasta and Baking Mix Manufacturing | C116200 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Cleaning Compound Manufacturing | C185100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Cured Meat and Smallgoods Manufacturing | C111300 | C | - | 2 | 2 | 0.0% | 100.0% | 100.0% |
| Industrial - Electric Cable and Wire Manufacturing | C243100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Milk and Cream Processing | C113100 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Mining and Construction Machinery Manufacturing | C246200 | C | - | 1 | 1 | 0.0% | 100.0% | 100.0% |
| Industrial - Oil and Fat Manufacturing | C115000 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Ceramic Product Manufacturing | C202900 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Electrical Equipment Manufacturing | C243900 | C | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Sheet Metal Product Manufacturing | C224000 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Specialised Machinery and Equipment Manufacturing | C246900 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Structural Metal Product Manufacturing | C222900 | C | 5 | - | 5 | 100.0% | 0.0% | 100.0% |
| Industrial - Prefabricated Wooden Building Manufacturing | C149100 | C | 3 | - | 3 | 100.0% | 0.0% | 100.0% |
| Industrial - Printing Support Services | C161200 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Steel Pipe and Tube Manufacturing | C212200 | C | 2 | - | 2 | 100.0% | 0.0% | 100.0% |
| Industrial - Other Waste Collection Services | D291900 | D | 6 | - | 6 | 100.0% | 0.0% | 100.0% |
| Industrial - Jewellery and Watch Wholesaling | F373200 | F | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Industrial - Meat, Poultry and Smallgoods Wholesaling | F360200 | F | - | 3 | 3 | 0.0% | 100.0% | 100.0% |
| Industrial - Freight Forwarding Services | I529200 | I | 1 | - | 1 | 100.0% | 0.0% | 100.0% |
| Rest of Manufacturing | multiple | C | - | - | - | na | na | na |
| Rest of Wholesale Trade | multiple | F | - | - | - | na | na | na |
| Total QLD Industrial Economy | | | 5,300 | 948 | 6,249 | 84.8% | 15.2% | 100.0% |

Source: M.E. Statistics NZ Business Frame 2017, QLD amalgamated district plan zones. Urban Environment includes zones within urban limits plus Luggate, Luggate Rural Industrial Subzone, LDR adjacent to Lake Hayes (as per QLDC BDCA 2017). The Rural Environment includes special zone and townships that are urban in nature and includes Wanaka Airport Zone.

Appendix 10 – Meshblock Zone Maps

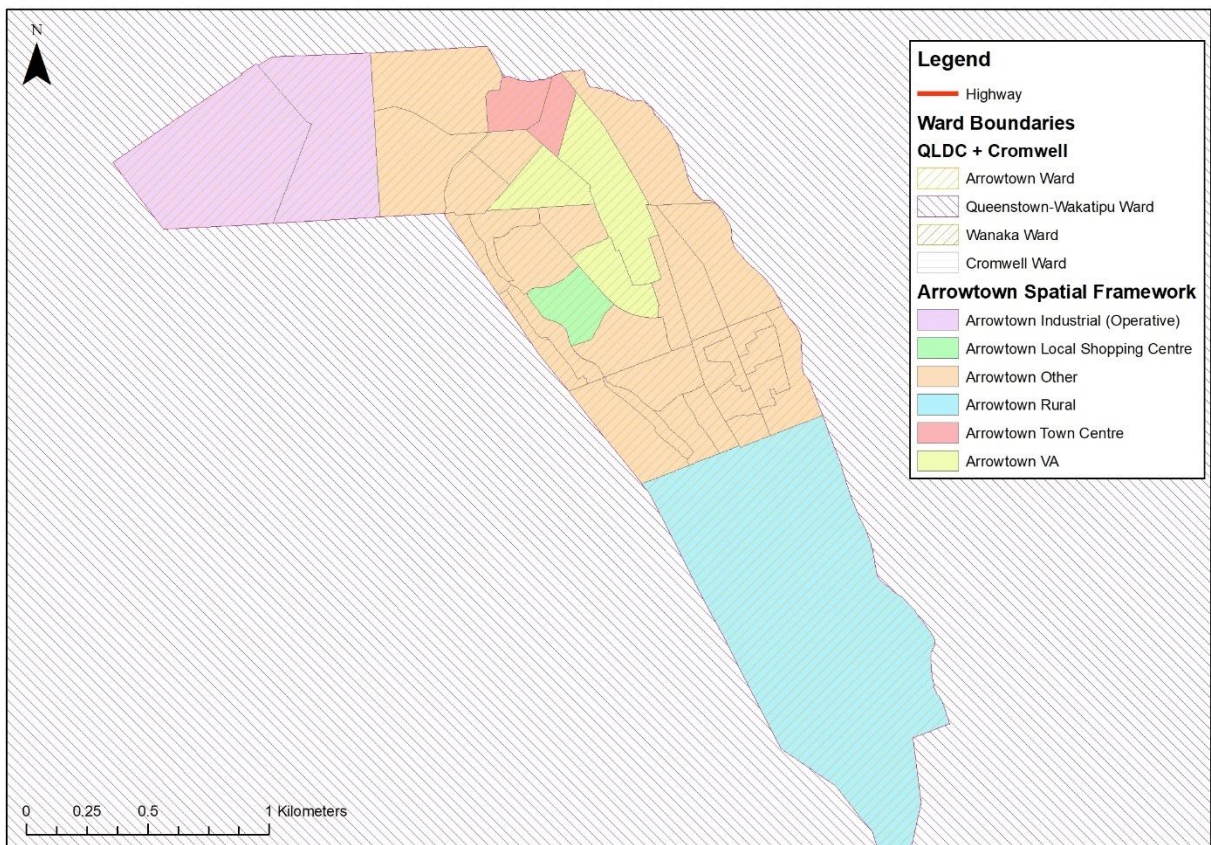
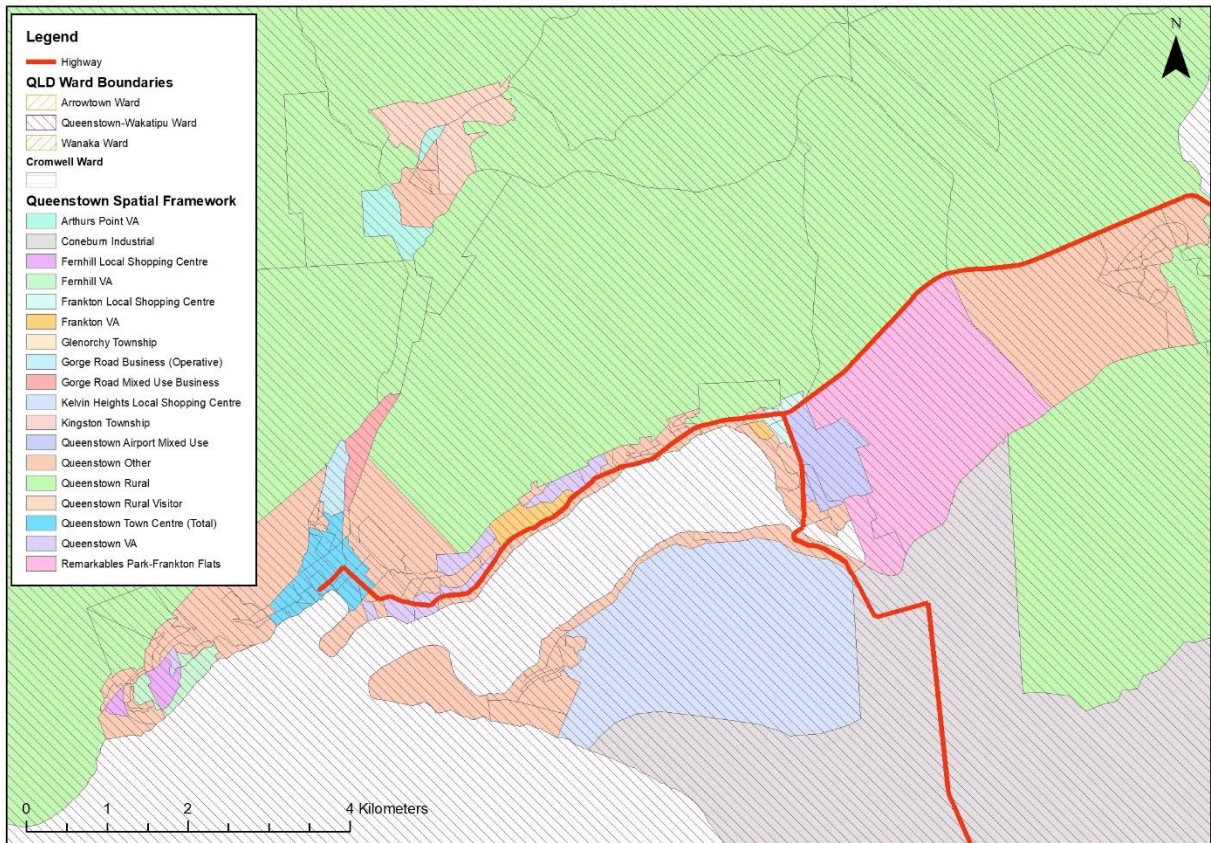
List of zones able to be included in analysis:

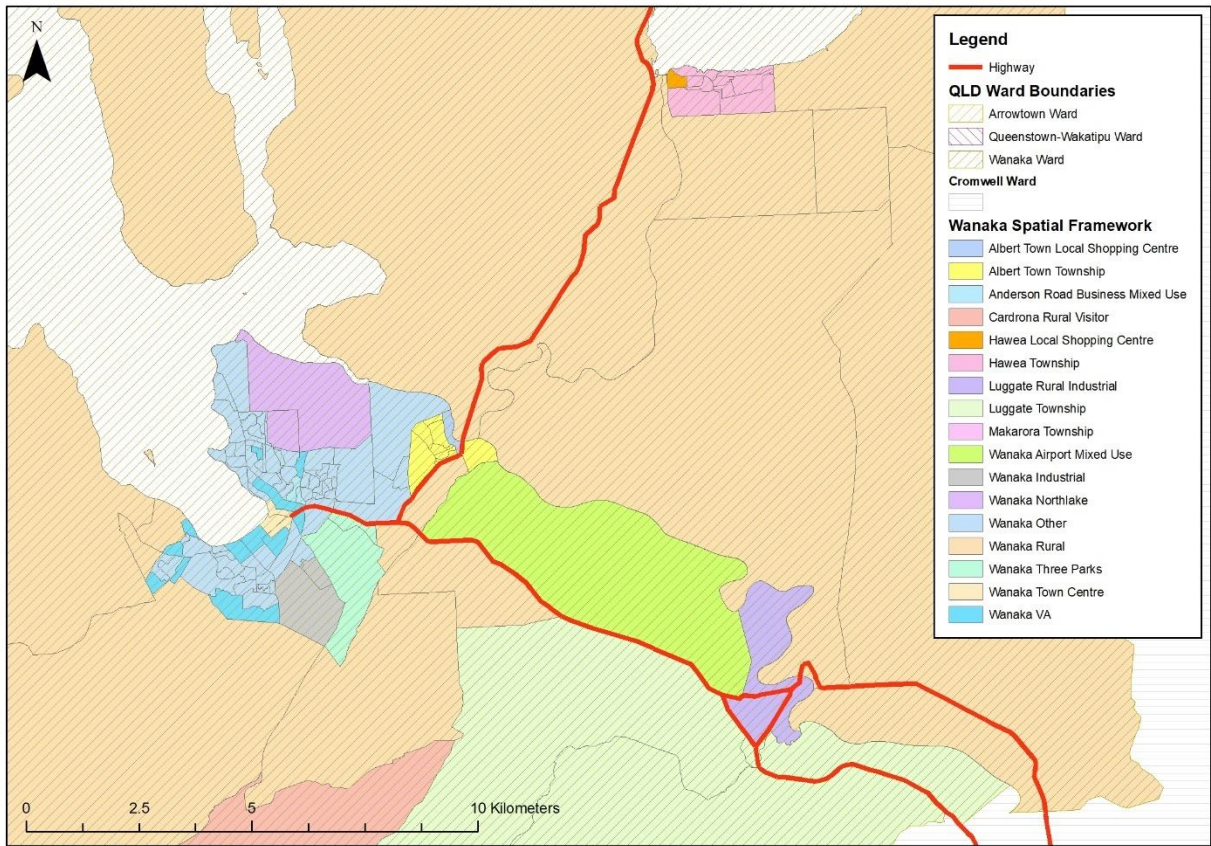
| District | Urban / Rural | Ward | Zone - Group | Zone - Detail * |
|----------|---------------|------------|-------------------------------|--------------------------------------|
| QLD | Urban | Queenstown | Airport | Queenstown Airport Mixed Use |
| QLD | Urban | Queenstown | Business | Gorge Road Mixed Use Business |
| QLD | Urban | Queenstown | Business | Gorge Road Business (Operative) |
| QLD | Urban | Wanaka | Business | Anderson Road Business Mixed Use |
| QLD | Urban | Arrowtown | Industrial | Arrowtown Industrial (Operative) |
| QLD | Urban | Wanaka | Industrial | Luggate Rural Industrial |
| QLD | Urban | Wanaka | Industrial | Wanaka Industrial ** |
| QLD | Urban | Arrowtown | Other (incl VA) | Arrowtown Other |
| QLD | Urban | Arrowtown | Other (incl VA) | Arrowtown VA |
| QLD | Urban | Queenstown | Other (incl VA) | Arthurs Point VA |
| QLD | Urban | Queenstown | Other (incl VA) | Fernhill VA |
| QLD | Urban | Queenstown | Other (incl VA) | Frankton VA |
| QLD | Urban | Queenstown | Other (incl VA) | Queenstown Other |
| QLD | Urban | Queenstown | Other (incl VA) | Queenstown VA |
| QLD | Urban | Wanaka | Other (incl VA) | Wanaka Northlake |
| QLD | Urban | Wanaka | Other (incl VA) | Wanaka Other |
| QLD | Urban | Wanaka | Other (incl VA) | Wanaka VA |
| QLD | Urban | Arrowtown | Other Commercial | Arrowtown Local Shopping Centre |
| QLD | Urban | Arrowtown | Other Commercial | Arrowtown Town Centre |
| QLD | Urban | Queenstown | Other Commercial | Fernhill Local Shopping Centre |
| QLD | Urban | Queenstown | Other Commercial | Frankton Local Shopping Centre |
| QLD | Urban | Queenstown | Other Commercial | Kelvin Heights Local Shopping Centre |
| QLD | Urban | Queenstown | Other Commercial | Queenstown Town Centre (Total) |
| QLD | Urban | Wanaka | Other Commercial | Albert Town Local Shopping Centre |
| QLD | Urban | Wanaka | Other Commercial | Hawea Local Shopping Centre |
| QLD | Urban | Wanaka | Other Commercial | Wanaka Three Parks |
| QLD | Urban | Wanaka | Other Commercial | Wanaka Town Centre |
| QLD | Urban | Queenstown | Other Commercial & Industrial | Remarkables Park-Frankton Flats |
| QLD | Urban | Wanaka | Township | Albert Town Township |
| QLD | Urban | Wanaka | Township | Hawea Township |
| QLD | Urban | Wanaka | Township | Luggate Township |
| QLD | Rural | Wanaka | Airport | Wanaka Airport Mixed Use |
| QLD | Rural | Arrowtown | Other (incl VA) | Arrowtown Rural |
| QLD | Rural | Queenstown | Other (incl VA) | Queenstown Rural |
| QLD | Rural | Queenstown | Other (incl VA) | Queenstown Rural Visitor |
| QLD | Rural | Wanaka | Other (incl VA) | Cardrona Rural Visitor |
| QLD | Rural | Wanaka | Other (incl VA) | Wanaka Rural |
| QLD | Rural | Queenstown | Township | Glenorchy Township |
| QLD | Rural | Queenstown | Township | Kingston Township |
| QLD | Rural | Wanaka | Township | Makarora Township |

Source: M.E QLD Spatial Framework - 2013 Meshblock Resolution, QLDD District Plan Zones

* Level of detail limited to ability to differential zones with meshblock boundaries.

** Includes both Industrial and Industrial B within meshblocks.





Appendix 11 – Zone Propensity 2017

| QLD Industrial Economy | ANZSIC | Division | Urban Industrial Zone Propensity 2017 | Count of Urban Businesses | Share of Urban Businesses |
|---|---------|----------|---------------------------------------|---------------------------|---------------------------|
| Industrial - Bakery Product Manufacturing (Non-factory-based) | C117400 | C | Low-Moderate | 10 | 1% |
| Industrial - Beer Manufacturing | C121200 | C | Low-Moderate | 5 | 0% |
| Industrial - Confectionery Manufacturing | C118200 | C | Low-Moderate | 4 | 0% |
| Industrial - Iron Smelting and Steel Manufacturing | C211000 | C | Low-Moderate | 5 | 0% |
| Industrial - Medical and Surgical Equipment Manufacturing | C241200 | C | Low-Moderate | 3 | 0% |
| Industrial - Other Machinery and Equipment Manufacturing n.e.c. | C249900 | C | Low-Moderate | 13 | 1% |
| Industrial - Other Manufacturing n.e.c. | C259900 | C | Low-Moderate | 5 | 0% |
| Industrial - Printing | C161100 | C | Low-Moderate | 6 | 0% |
| Industrial - Ready-Mixed Concrete Manufacturing | C203300 | C | Low-Moderate | 3 | 0% |
| Industrial - Wine and Other Alcoholic Beverage Manufacturing | C121400 | C | Low-Moderate | 10 | 1% |
| Industrial - Wooden Furniture and Upholstered Seat Manufacturing | C251100 | C | Low-Moderate | 17 | 1% |
| Industrial - Waste Treatment and Disposal Services | D292100 | D | Low-Moderate | 3 | 0% |
| Industrial - Non-Residential Building Construction | E302000 | E | Low-Moderate | 21 | 1% |
| Industrial - Road and Bridge Construction | E310100 | E | Low-Moderate | 11 | 1% |
| Industrial - Other Heavy and Civil Engineering Construction | E310900 | E | Low-Moderate | 19 | 1% |
| Industrial - Fire and Security Alarm Installation Services | E323400 | E | Low-Moderate | 5 | 0% |
| Industrial - Glazing Services | E324500 | E | Low-Moderate | 6 | 0% |
| Industrial - Hire of Construction Machinery with Operator | E329200 | E | Low-Moderate | 4 | 0% |
| Industrial - Agricultural and Construction Machinery Wholesaling | F341100 | F | Low-Moderate | 4 | 0% |
| Industrial - Computer and Computer Peripherals Wholesaling | F349200 | F | Low-Moderate | 3 | 0% |
| Industrial - Other Electrical and Electronic Goods Wholesaling | F349400 | F | Low-Moderate | 15 | 1% |
| Industrial - Other Grocery Wholesaling | F360900 | F | Low-Moderate | 12 | 1% |
| Industrial - Other Hardware Goods Wholesaling | F333900 | F | Low-Moderate | 9 | 1% |
| Industrial - Courier Pick-up and Delivery Services | I510200 | I | Low-Moderate | 19 | 1% |
| Industrial - Other Warehousing and Storage Services | I530900 | I | Low-Moderate | 7 | 0% |
| Industrial - Other Water Transport Support Services | I521900 | I | Low-Moderate | 3 | 0% |
| Industrial - Automotive Body, Paint and Interior Repair | S941200 | S | Low-Moderate | 18 | 1% |
| Industrial - Domestic Appliance Repair and Maintenance | S942100 | S | Low-Moderate | 4 | 0% |
| Industrial - Laundry and Dry-Cleaning Services | S953100 | S | Low-Moderate | 10 | 1% |
| Industrial - Other Automotive Repair and Maintenance | S941900 | S | Low-Moderate | 44 | 3% |
| Industrial - Other Machinery and Equipment Repair and Maintenance | S942900 | S | Low-Moderate | 4 | 0% |
| Sub-Total | | | | 302 | 19% |

Source: M.E, Statistics NZ Business Directory.

| QLD Industrial Economy | ANZSIC | Division | Urban Industrial Zone Propensity 2017 | Count of Urban Businesses | Share of Urban Businesses |
|--|---------|----------|---------------------------------------|---------------------------|---------------------------|
| Industrial - Other Agriculture and Fishing Support Services | A052900 | A | Low | 27 | 2% |
| Industrial - Cut and Sewn Textile Product Manufacturing | C133300 | C | Low | 6 | 0% |
| Industrial - House Construction | E301100 | E | Low | 330 | 21% |
| Industrial - Other Residential Building Construction | E301900 | E | Low | 54 | 3% |
| Industrial - Land Development and Subdivision | E321100 | E | Low | 44 | 3% |
| Industrial - Site Preparation Services | E321200 | E | Low | 32 | 2% |
| Industrial - Concreting Services | E322100 | E | Low | 16 | 1% |
| Industrial - Bricklaying Services | E322200 | E | Low | 32 | 2% |
| Industrial - Roofing Services | E322300 | E | Low | 17 | 1% |
| Industrial - Plumbing Services | E323100 | E | Low | 39 | 2% |
| Industrial - Electrical Services | E323200 | E | Low | 70 | 4% |
| Industrial - Air Conditioning and Heating Services | E323300 | E | Low | 14 | 1% |
| Industrial - Plastering and Ceiling Services | E324100 | E | Low | 43 | 3% |
| Industrial - Carpentry Services | E324200 | E | Low | 32 | 2% |
| Industrial - Tiling and Carpeting Services | E324300 | E | Low | 41 | 3% |
| Industrial - Painting and Decorating Services | E324400 | E | Low | 68 | 4% |
| Industrial - Landscape Construction Services | E329100 | E | Low | 30 | 2% |
| Industrial - Other Construction Services n.e.c. | E329900 | E | Low | 28 | 2% |
| Industrial - Commission Based Wholesaling | F380000 | F | Low | 14 | 1% |
| Industrial - Other Goods Wholesaling n.e.c. | F373900 | F | Low | 12 | 1% |
| Industrial - Road Freight Transport | I461000 | I | Low | 26 | 2% |
| Industrial - Urban Bus Transport (Including Tramway) | I462200 | I | Low | 7 | 0% |
| Industrial - Other Goods and Equipment Rental and Hiring n.e.c. | L663900 | L | Low | 54 | 3% |
| Industrial - Other Motor Vehicle and Transport Equipment Rental and Hiring | L661900 | L | Low | 16 | 1% |
| Industrial - Passenger Car Rental and Hiring | L661100 | L | Low | 32 | 2% |
| Industrial - Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance | S942200 | S | Low | 7 | 0% |
| Sub-Total | | | | 1,090 | 69% |

Source: M.E, Statistics NZ Business Directory.

| QLD Industrial Economy | ANZSIC | Division | Urban Industrial Zone Propensity 2017 | Count of Urban Businesses | Share of Urban Businesses |
|---|---------|----------|---------------------------------------|---------------------------|---------------------------|
| Industrial - Agricultural Machinery and Equipment Manufacturing | C246100 | C | None | - | 0% |
| Industrial - Aircraft Manufacturing and Repair Services | C239400 | C | None | 15 | 1% |
| Industrial - Architectural Aluminium Product Manufacturing | C222300 | C | None | 1 | 0% |
| Industrial - Basic Inorganic Chemical Manufacturing | C181300 | C | None | 1 | 0% |
| Industrial - Bread Manufacturing (Factory-based) | C117100 | C | None | 1 | 0% |
| Industrial - Cake and Pastry Manufacturing (Factory-based) | C117200 | C | None | 3 | 0% |
| Industrial - Cereal, Pasta and Baking Mix Manufacturing | C116200 | C | None | 1 | 0% |
| Industrial - Cleaning Compound Manufacturing | C185100 | C | None | 1 | 0% |
| Industrial - Cosmetic and Toiletry Preparation Manufacturing | C185200 | C | None | 3 | 0% |
| Industrial - Cured Meat and Smallgoods Manufacturing | C111300 | C | None | - | 0% |
| Industrial - Electric Cable and Wire Manufacturing | C243100 | C | None | 1 | 0% |
| Industrial - Fruit and Vegetable Processing | C114000 | C | None | 3 | 0% |
| Industrial - Human Pharmaceutical and Medicinal Product Manufacturing | C184100 | C | None | 1 | 0% |
| Industrial - Ice Cream Manufacturing | C113200 | C | None | 1 | 0% |
| Industrial - Jewellery and Silverware Manufacturing | C259100 | C | None | 3 | 0% |
| Industrial - Milk and Cream Processing | C113100 | C | None | 1 | 0% |
| Industrial - Mining and Construction Machinery Manufacturing | C246200 | C | None | - | 0% |
| Industrial - Motor Vehicle Body and Trailer Manufacturing | C231200 | C | None | 3 | 0% |
| Industrial - Oil and Fat Manufacturing | C115000 | C | None | 1 | 0% |
| Industrial - Other Ceramic Product Manufacturing | C202900 | C | None | 1 | 0% |
| Industrial - Other Electrical Equipment Manufacturing | C243900 | C | None | 1 | 0% |
| Industrial - Other Food Products Manufacturing n.e.c. | C119900 | C | None | 4 | 0% |
| Industrial - Other Non-Metallic Mineral Product Manufacturing | C209000 | C | None | 4 | 0% |
| Industrial - Other Structural Metal Product Manufacturing | C222900 | C | None | 1 | 0% |
| Industrial - Photographic, Optical and Ophthalmic Equipment Manufacturing | C241100 | C | None | - | 0% |
| Industrial - Prefabricated Wooden Building Manufacturing | C149100 | C | None | 1 | 0% |
| Industrial - Prepared Animal and Bird Feed Manufacturing | C119200 | C | None | 1 | 0% |
| Industrial - Printing Support Services | C161200 | C | None | 1 | 0% |
| Industrial - Soft Drink, Cordial and Syrup Manufacturing | C121100 | C | None | 2 | 0% |
| Industrial - Spirit Manufacturing | C121300 | C | None | 1 | 0% |
| Industrial - Steel Pipe and Tube Manufacturing | C212200 | C | None | 1 | 0% |
| Industrial - Other Waste Collection Services | D291900 | D | None | 1 | 0% |
| Industrial - Solid Waste Collection Services | D291100 | D | None | 7 | 0% |
| Industrial - Waste Remediation and Materials Recovery Services | D292200 | D | None | 2 | 0% |
| Industrial - Structural Steel Erection Services | E322400 | E | None | 2 | 0% |
| Industrial - Other Building Installation Services | E323900 | E | None | 8 | 1% |
| Industrial - Book and Magazine Wholesaling | F373500 | F | None | 2 | 0% |
| Industrial - Clothing and Footwear Wholesaling | F371200 | F | None | 6 | 0% |
| Industrial - Fish and Seafood Wholesaling | F360400 | F | None | 3 | 0% |
| Industrial - Fruit and Vegetable Wholesaling | F360500 | F | None | 1 | 0% |
| Industrial - Furniture and Floor Coverings Wholesaling | F373100 | F | None | 2 | 0% |
| Industrial - Jewellery and Watch Wholesaling | F373200 | F | None | 1 | 0% |
| Industrial - Kitchen and Dining Ware Wholesaling | F373300 | F | None | 2 | 0% |
| Industrial - Liquor and Tobacco Product Wholesaling | F360600 | F | None | 9 | 1% |
| Industrial - Meat, Poultry and Smallgoods Wholesaling | F360200 | F | None | - | 0% |
| Industrial - Other Agricultural Product Wholesaling | F331900 | F | None | 7 | 0% |
| Industrial - Other Machinery and Equipment Wholesaling n | F349900 | F | None | 2 | 0% |
| Industrial - Petroleum Product Wholesaling | F332100 | F | None | 5 | 0% |
| Industrial - Pharmaceutical and Toiletry Goods Wholesaling | F372000 | F | None | 4 | 0% |
| Industrial - Textile Product Wholesaling | F371100 | F | None | 2 | 0% |
| Industrial - Timber Wholesaling | F333100 | F | None | 3 | 0% |
| Industrial - Toy and Sporting Goods Wholesaling | F373400 | F | None | 5 | 0% |
| Industrial - Freight Forwarding Services | I529200 | I | None | 1 | 0% |
| Industrial - Other Transport Support Services n.e.c | I529900 | I | None | 6 | 0% |
| Rest of Manufacturing | | C | None | - | 0% |
| Sub-Total | | | | 140 | 9% |

Source: M.E, Statistics NZ Business Directory.

Business Development Capacity Assessment 2017

Queenstown Lakes District

15 March 2018 – draft final

m.e
consulting



Business Development Capacity Assessment 2017

Queenstown Lakes District

Prepared for

Queenstown Lakes District Council

Document reference: e.g. QLDC002.17 – Business Capacity Assessment 2017 DRAFT v9 DRAFT FINAL.docs

Date of this version: 15th March 2018

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Executive Summary

Urban economies accommodate the vast majority of population and business activity and capture the majority of growth. Providing for that growth in an efficient manner is vital for the national economy. To this end central government has released the National Policy Statement – Urban Development Capacity (NPS-UDC) that requires high growth Councils (in the first instance) to assess their growth futures and the commercially feasible capacity enabled under their District Plans to ensure that future growth can be provided for.

Local authorities have an important role to play in the operation of their economy, primarily through planning for growth. Ensuring that there are sufficient opportunities for development means that businesses and households can be accommodated in appropriate locations without undue constraint. The NPS-UDC contains a number of objectives and policies that aim to achieve that outcome. This report helps fulfil Objective Group B; Evidence and monitoring to support planning decisions. Under Policy B1, Councils are required to, *“on at least a three-yearly basis, carry out a housing and business development capacity assessment that;*

- a)
- b) *Estimates the demand for the different types and locations of business land and floor area for business, and the supply of development capacity to meet that demand, in the short, medium and long terms, and*
- c) *Assess the interaction between housing and business activities, and their impacts on each other.”*

The business development capacity assessment (BDCA) needs to contain information on; the current economy and likely future economic growth by sector, the amount of capacity enabled under the current planning provisions plus any other strategic planning documents by type and location, an assessment of the feasibility or developability of that capacity and finally an assessment of the sufficiency of capacity to meet the foreseeable demands arising in the urban area in the short, medium and long-terms. This is summarised in Figure 0.1 below.

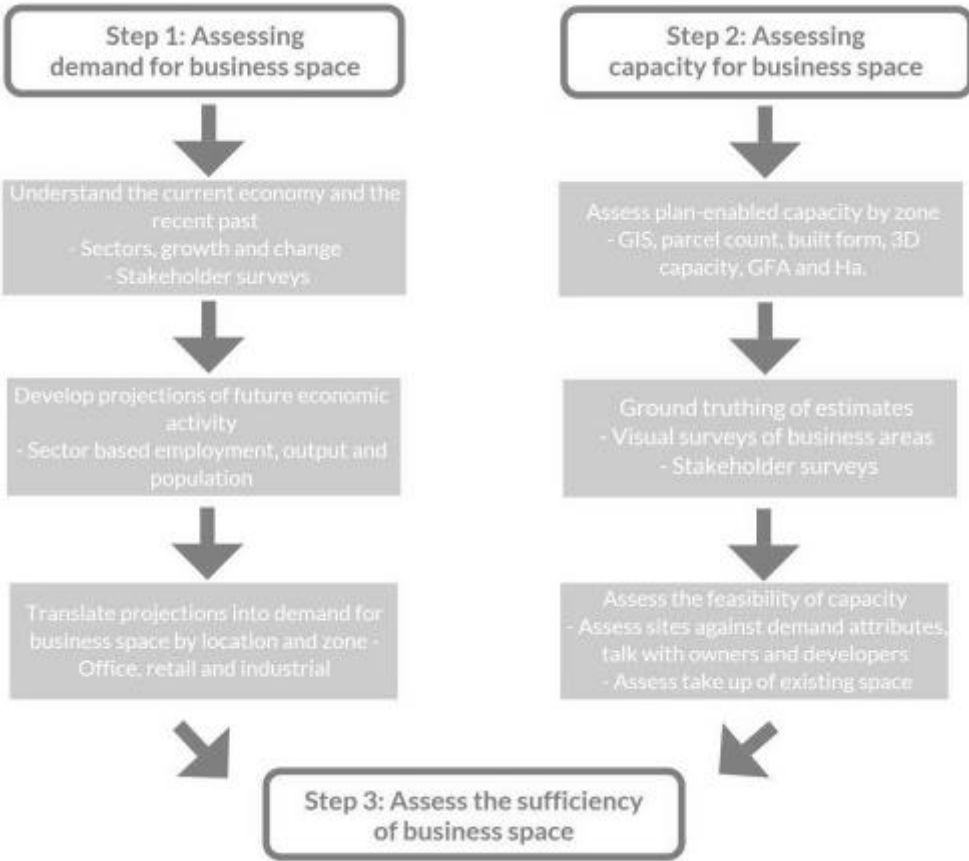
Queenstown Lakes District (QLD) has been identified as a high growth Council. As a result, all the objectives and policies of the NPS-UDC apply to the QLDC. This report is QLDCs first assessment under the NPS-UDC of urban business land and floorspace demand in the short, medium and long-term and current business zone capacity provided for in their proposed and operative district plans.

The QLD Urban Environment

The NPS-UDC defines two concepts, "urban environment" and "urban area" which are different in meaning and application. The NPS-UDC applies to any "urban environment" that is expected to experience growth. The objectives and policies are structured around "urban environments", and therefore the need to assess demand and provide sufficient development capacity (under Policies A1 to A4) applies to land within that urban environment.



Figure 0.1 - Business Development Capacity Approach Overview




The urban environment of QLD has been defined for the purpose of this BDCA. In the Wanaka Ward, it encompasses the area within the Wanaka urban growth boundary (UGB), as well as the Hawea and Luggate townships, and the Rural Industrial sub-zone in Luggate. In the south of the district (referred to here as the Wakatipu Ward, which combines both the Queenstown and Arrowtown Wards), the urban environment includes the area within the Queenstown and Arrowtown urban growth boundaries plus the small area of Low Density Residential zone adjacent to Lake Hayes. These urban growth boundaries are discussed further in the Proposed District Plan.

The rest of the district – the rural environment – therefore captures the rural zone, Wakatipu Basin, Gibbston Valley, Cardrona, Hawea Flat and the more remote townships of Makarora, Glenorchy and Kingston. Several of the District’s special zones sit within the rural environment as does the Wanaka Airport. Within the rural environment there are some development areas that are urban in nature and it can be assumed that in future, those areas may be included in the defined urban environment.

The QLD Economy

QLD is a four-season resort town economy with characteristics broadly similar to comparable places around the world: outstanding natural environment, remote location, high degree of business concentration in tourism activities and allied services, high living costs and a population that comprises a large proportion



of visitors on any given day. The QLD economy is very concentrated in and reliant on relatively few industries, more so than any other district in New Zealand. These are industries that are servicing visitors and the growing population. Construction, accommodation and food services represent a significant share of the District's gross domestic product (GDP).

QLD has experienced very strong economic (GDP) growth over the last decade (over double the New Zealand average), with population and visitor growth providing the main stimulus. Visitor and lifestyle-related industries (accommodation, food services, rental services and recreation services) and property and service industries (construction and construction services, general professional services, health services, real estate) have grown strongly. GDP per capita has not grown as fast. Employment has grown very strongly but estimated labour productivity in the District is well below the national level and median earnings from salaries and wages are relatively low, reflective of lower value and seasonal employment in accommodation and hospitality services. Median income from all sources is, however, relatively high, likely reflecting that there are many people (likely wealthy) residing in the district and receiving investment and income from outside the District.

This District has several sources of current and potential economic advantage, that are unique in New Zealand. Key strengths include its natural amenity, visitor economy and entrepreneurial culture. It also faces a number of challenges to improving its economic performance. Some of these are shared with other small districts in New Zealand. Others are specific to the District and reflect its resort town characteristics. Key challenges include its small sized market and distance from other urban centres, an economy that is not very diverse and concentrated on the visitor economy, housing affordability and high costs of living, and the pressures placed on resident households to cover the costs of infrastructure that serves both residents and the visitor population.


Queenstown functions as the central business district of the district and is the primary focus of visitor accommodation, hospitality and many tourism services. For a long time, Frankton Flats role was focussed on the Airport, Glenda Drive industrial/mixed-business area and recreational facilities. Significant growth in recent years has seen two large retail centres develop (Remarkables Park and Five Mile), which play a complementary role to Queenstown Town Centre by focussing primarily on resident household demand. Growth in this area is continuing, and further retail, commercial and industrial development is underway alongside planned residential development.

Arrowtown is a key tourist destination and this has shaped the mix of retail and hospitality activities in the town centre. There is however a sizeable resident community in the Arrowtown locality. A significant share of their needs is met in Frankton and Queenstown Town Centre, which are located within a relatively easy commute.

In the north of the district, Wanaka is the largest centre and it plays a key service role for surrounding smaller townships. Wanaka is also a key tourist destination, and this sustains a vibrant town centre. The Three Parks Special Zone is in the early stages of development, and this is expected to help cater for the strong growth in resident demand, and the growth in commercial and service activity that flows from that.

Employment Growth Projections

In 2016, the district comprised of almost 7,460 business and just over 25,750 workers (as measured in the Statistics New Zealand (SNZ) Business Directory). The three largest sectors in terms of business counts are



Rental, Hiring and Real Estate, Construction and Professional, Scientific, Technical, Administrative and Support Services. The Accommodation and Food Services, Professional, Scientific, Technical, Administrative and Support Services, and Construction sectors are the three largest when measured in terms of workers.

Employment projections by 48 economic sectors have been produced for QLD (and each Ward) using the Economic Futures Model¹. The core employment projection relied upon in this BDCA is based on Council's own medium-high projections of population and average day visitors (supplied by Rationale Limited), as well as other economic data. It is referred to as the QDLC Recommended growth projection. Other higher and lower employment projections have also been considered.

Under the Recommended employment projections, little growth is anticipated in the primary sector – this remains only a small component of the QLD economy in the long-term. Industrial sectors have the fastest growth rate (72% compared to an average of 55% for all sectors) and employment in this category is expected to increase by a further 4,220 workers. Retail sectors (which includes Accommodation and Food Services for the purpose of this summary) remain the largest share of business employment and are projected to grow by 62% above 2016 employment counts (growth of 6,060 workers by 2046). Last, commercial sectors have a combined long-term growth rate of 38% by 2046 (an increase of 3,570 workers).

These employment growth projections relate to the total QLD. This growth will drive demand for land and floorspace in a range of locations – both urban and rural, and in a range of zones. In 2016, approximately 88% of all employment in QLD was located within the urban environment (an estimated 22,760 workers) and 12% of district employment (2,990 workers) was located in the rural environment (as defined for the purpose of this BDCA). For the purpose of this first BDCA, it is assumed that the urban share of total district employment will remain constant over the long-term (to 2046). In future updates of this assessment, this assumption will be examined more closely. The sectors that are more concentrated in the urban environment (in 2016) include (but are not limited to):

- Construction (88% urban)
- Retail (92% urban)
- Wholesale (90% urban)
- Accommodation and Food Services (90% urban)
- Personal and Other Services (93% urban), and
- Most Manufacturing sectors

These patterns reflect the concentration of households (and therefore workforce), commercial centres and business zones (and their inter-relationships) within urban areas.

¹ A proprietary model of Market Economics Limited.



Employment Growth in Business Enabled Urban Zones

The primary focus of this first BDCA is to model future demand for land and floor space within the district's business enabled zones in the urban environment. Within the urban environment, the zones that enable business activities include:


- Queenstown, Wanaka and Arrowtown Town Centres (PDP);
- Town Centre Sub-zone (applies to Queenstown only) (PDP);
- Town Centre Transition Zones (applies to Arrowtown and Wanaka) (PDP);
- Business Mixed Use Zones (PDP);
- Local Shopping Centres (PDP);
- Business (ODP);
- Industrial A and B (ODP);
- Rural Industrial Sub-zone (applies in Luggate only) (PDP);
- Albert Town, Hawea and Luggate Townships (ODP);
- Commercial Precinct Overlay (applies in Luggate only) (ODP);
- Rural Visitor (applies to Arthurs Point only), (ODP);
- Visitor Accommodation Sub-zones (Stage 2 - PDP);
- Queenstown Airport Mixed Use (PDP)²;
- Plan Change 50 (Queenstown) (ODP); and
- Specific structure plan precincts³ within Special Zones Jacks Point, Remarkables Park, Frankton Flats (also referred to as Frankton Flats A⁴ in this report), Frankton Flats B, Northlake, Shotover Country, Three Parks and Ballantyne Road Mixed Use Zone. (ODP)

In 2016, approximately 72% of all QLD urban environment employment was located within the core business enabled zones (an estimated 16,290 workers) and 28% (6,470 workers) were located in the non-business (residential and other) zones. For the purpose of this first BDCA, it is assumed that the business zone share of total urban employment will remain constant over the long-term (to 2046). In future updates of this assessment, this assumption of location preferences will also be examined more closely. The sectors

² The Wanaka Airport falls outside of the urban environment. A proposed chapter that included both the Queenstown and Wanaka Airports were created in the right of reply for the PDP hearings.

³ Precincts within Special Zones that have been excluded for the purpose of the BDCA include those focussed on residential, landscape, open space, screening, protection and reserve activities and specified no-build areas.

⁴ Known locally as Five Mile.



that are more concentrated in the business enabled zones in 2016 (relative to the total urban environment) include:

- Printing (100% business zones)
- Local Government Administration (100% business zones)
- Finance (96% business zones)
- Retail (92% business zones)
- Wholesale Trade (87% business zones)
- Central Government and Public Safety (93% business zones).

Business Land and Floorspace Demand

M.E has taken projected employment growth anticipated to occur or be directed to urban business enabled zones in QLD and translated it into additional demand for land and floorspace in the short, medium and long-term, as required by the NPS-UDC. The translation considers the different land use and building typologies required to put employment growth in each sector 'on the ground'. Employment is translated into likely floorspace and land use requirements using average floorspace per worker and land area per worker ratios.

These averages are derived from current data relating to employment and land use/space types. Given the similarity of activities carried out by employees across a range of sectors, there are a smaller number of space types than there are activity types or economic sectors. For the purposes of the NPS-UDC, all space and land types have been condensed into 3 broad categories – retail, commercial and industrial (which includes light industrial activities).

The results indicate that the greatest demand for land in the short, medium and long-term across the business enabled zones, is for commercial land (predominantly visitor accommodation) and industrial warehouse, factory and yard space. The land extensive nature of industrial demand puts it on par with commercial land demand despite lower projected employment growth.

This result does not apply evenly across QLD urban business zones. Figure 0.2 shows land demand projections within Wanaka Ward's business zones under the Recommended growth projection. It is estimated that 4.6 ha of business land is required to accommodate employment growth between 2016 and 2019. A further 6.8 ha is required to accommodate growth in the medium term and a further 10.5 ha is required to meet long-term growth. Cumulative demand for business land over the long-term is estimated at 22.0 ha. In the Wanaka ward, demand is greatest for commercial land capacity - it accounts for a 46% share of total Wanaka ward land demand over the long-term (with industrial land demand making up a 38% share).

In contrast, demand in the Wakatipu Ward business zones is slightly greater for industrial land capacity in the long-term – it accounts for a 43% share of total Wakatipu ward land demand (with commercial land demand making up 42%) (Figure 0.3). The modelling shows that land demand within Wakatipu Ward's business zones under the Recommended growth projection are estimated at 15.5 ha to accommodate employment growth between 2016 and 2019. A further 21.7 ha is required to accommodate growth in the

medium term and a further 36.4 ha is required to meet long-term growth. Cumulative demand for business land over the long-term is estimated at 73.7 ha.

Figure 0.2 - Wanaka Ward Land Demand in Business Enabled Zones by Land Use (Ha)

| Category | Land Use / Building Type | Land Demand (Ha) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 0.1 | 0.1 | 0.1 | 0.3 |
| | Office---Retail | 0.0 | 0.0 | 0.1 | 0.1 |
| | Accommodation | 1.3 | 1.7 | 1.9 | 4.8 |
| | Yard---Commercial | 0.5 | 0.7 | 1.3 | 2.5 |
| | Other Built---Commercial | 0.3 | 0.5 | 0.9 | 1.8 |
| | Education | 0.1 | 0.1 | 0.2 | 0.4 |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.0 | 0.0 |
| Industrial | Warehouse | 0.6 | 1.0 | 1.8 | 3.4 |
| | Factory | 0.3 | 0.5 | 0.9 | 1.8 |
| | Yard---Industrial | 0.4 | 0.6 | 1.2 | 2.2 |
| | Other Built---Industrial | 0.1 | 0.2 | 0.6 | 0.9 |
| Retail | Shops---Commercial | 0.3 | 0.5 | 0.8 | 1.6 |
| | Shops---Food and Beverage | 0.6 | 0.7 | 0.8 | 2.1 |
| TOTAL | | 4.6 | 6.8 | 10.5 | 22.0 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Figure 0.3 - Wakatipu Ward Land Demand in Business Enabled Zones by Land Use (Ha)

| Category | Land Use / Building Type | Land Demand (Ha) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 0.3 | 0.4 | 0.6 | 1.2 |
| | Office---Retail | 0.1 | 0.1 | 0.2 | 0.4 |
| | Accommodation | 3.8 | 4.7 | 7.5 | 16.0 |
| | Yard---Commercial | 1.2 | 1.7 | 3.2 | 6.1 |
| | Other Built---Commercial | 1.1 | 1.7 | 3.0 | 5.8 |
| | Education | 0.3 | 0.4 | 0.6 | 1.3 |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.1 | 0.1 |
| Industrial | Warehouse | 2.6 | 4.0 | 6.8 | 13.4 |
| | Factory | 1.6 | 2.1 | 3.1 | 6.9 |
| | Yard---Industrial | 1.5 | 2.4 | 4.3 | 8.2 |
| | Other Built---Industrial | 0.5 | 0.9 | 2.0 | 3.5 |
| Retail | Shops---Commercial | 0.8 | 1.2 | 1.9 | 4.0 |
| | Shops---Food and Beverage | 1.6 | 2.0 | 3.2 | 6.8 |
| TOTAL | | 15.5 | 21.7 | 36.4 | 73.7 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

In the Wanaka Ward, the combined commercial and industrial sectors make up 83% of the total urban business land demand over the long-term. Similarly, in the Wakatipu Ward, these sectors make up 85% of the total urban business land demand. However, the business land demand across all sectors in the Wanaka ward makes up only 23% of the district-wide land demand; with the Wakatipu remaining the dominant commercial area with 77% of the district wide land demand – reflecting its larger economic and population base.

The modelling also generates estimates of future floorspace demand in urban business enabled zones, measured in square meters of gross floor area (sqm GFA). The results indicate that the greatest floorspace demand in the short, medium and long-term across the District business enable zones, is for commercial space (predominantly visitor accommodation), followed by industrial space (predominantly warehouse) and then retail space (predominantly food and beverage).

This result holds true across both wards of the district, but the difference between total commercial floorspace demand and industrial floorspace demand in Wakatipu is only small while in Wanaka it is more pronounced.

In the Wanaka Ward business zones (Figure 0.4), an estimated 22,800sqm GFA of business space is required to accommodate employment growth in the short-term. A further 33,500sqm GFA is required in the medium-term and a further 51,000sqm GFA is required in the long-term. This is a total cumulative demand of just over 100,000sqm of business floorspace by 2046. The combined commercial and industrial sectors make up 81% of this total urban business floorspace demand (Recommended growth projection).

Figure 0.4 - Wanaka Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

| Category | Land Use / Building Type | GFA Demand (sqm) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 500 | 700 | 1,000 | 2,200 |
| | Office---Retail | 100 | 200 | 400 | 700 |
| | Accommodation | 6,500 | 8,300 | 9,300 | 24,100 |
| | Yard---Commercial | 2,200 | 3,300 | 5,800 | 11,300 |
| | Other Built---Commercial | 1,700 | 2,600 | 4,600 | 8,900 |
| | Education | 300 | 400 | 600 | 1,300 |
| | Outdoor---Commercial | - | - | 100 | 100 |
| Industrial | Warehouse | 3,000 | 4,900 | 8,500 | 16,400 |
| | Factory | 1,700 | 2,900 | 4,800 | 9,400 |
| | Yard---Industrial | 1,300 | 2,400 | 4,500 | 8,200 |
| | Other Built---Industrial | 600 | 1,200 | 2,800 | 4,600 |
| Retail | Shops---Commercial | 1,800 | 2,700 | 4,200 | 8,700 |
| | Shops---Food and Beverage | 3,100 | 3,900 | 4,400 | 11,400 |
| TOTAL | | 22,800 | 33,500 | 51,000 | 107,300 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Wakatipu Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

| Category | Land Use / Building Type | GFA Demand (sqm) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 2,000 | 2,600 | 3,700 | 8,300 |
| | Office---Retail | 400 | 600 | 1,200 | 2,200 |
| | Accommodation | 19,200 | 23,500 | 37,400 | 80,100 |
| | Yard---Commercial | 5,100 | 7,700 | 14,300 | 27,100 |
| | Other Built---Commercial | 5,600 | 8,400 | 15,000 | 29,000 |
| | Education | 1,100 | 1,500 | 2,100 | 4,700 |
| | Outdoor---Commercial | 100 | 100 | 200 | 400 |
| Industrial | Warehouse | 12,500 | 19,100 | 32,500 | 64,100 |
| | Factory | 8,500 | 11,100 | 16,200 | 35,800 |
| | Yard---Industrial | 5,800 | 9,200 | 16,300 | 31,300 |
| | Other Built---Industrial | 2,700 | 4,700 | 9,900 | 17,300 |
| Retail | Shops---Commercial | 4,500 | 6,400 | 10,500 | 21,400 |
| | Shops---Food and Beverage | 9,000 | 11,100 | 17,600 | 37,700 |
| TOTAL | | 76,500 | 106,000 | 176,900 | 359,400 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.
 Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Similarly, in the Wakatipu Ward (Figure 0.5), these sectors make up 84% of the total urban business floorspace demand. The modelling shows that floorspace demand within Wakatipu Ward's business zones under the QLDC Recommended growth projection are estimated at 76,500sqm GFA to accommodate employment growth between 2016 and 2019. A further 106,000sqm GFA is required to accommodate growth in the medium-term and just under 177,000sqm of additional GFA is required to meet long-term growth. Cumulative demand for business floorspace over the long-term is estimated at approximately 360,000sqm GFA.


Discussion of Business Land and Floorspace Demand

The estimates of future urban business land and floorspace demand are based on a number of averages and assumptions which may have a compounding effect on final outputs. Replacing these averages and/or assumptions with local level data will increase the accuracy of the BDCA over time (and in future updates). In the meantime, the approach is considered consistent with NPS-UDC guidelines.

The demands for additional business land area should be considered in terms of developable zone area and not gross zone area as the ratios applied relate to site coverage and exclude public land (roads and landscape/reserve areas).

The measure of additional land is considered more relevant for future planning for industrial growth as industrial activities are more land extensive and not easily accommodated in mixed-use buildings. As such, the analysis suggests a requirement for 3.9 ha of additional industrial activity in the Wanaka Ward by 2026 and 8.3 ha by 2046.

In the Wakatipu Ward, the analysis suggests a requirement for 15.8 ha of additional industrial activity by 2026 and 32.0 ha by 2046 in the urban environment. This includes demand within the Air Transport



Services sector which is likely to require a location within the Airport Mixed Use Zone. Excluding likely airport demand, medium-term demand for additional industrial activity would equate to an estimated 13.9 ha and total long-term demand would equate to an estimated 28.9 ha.

The measure of additional land is also likely to be more relevant for future planning for retail growth as retail activities are generally limited to the ground floor. However, the measure of additional floorspace is perhaps more relevant for future planning for commercial growth (particularly commercial office and accommodation) as commercial activities are more easily located above ground and in conjunction with retail activities

Total Business Land and Floorspace Capacity

The NPS-UDC requires that vacant land and floorspace capacity (to cater for growth in business activities identified above) is identified. Vacant land parcels⁵ in urban business enabled zones were identified using a combination of existing built floor area metrics and improvement values, derived from the Council's rating database. These vacant land parcels were then extensively ground-truthed by Council to ensure an accurate stock-take of remaining vacant business capacity.

A number of assumptions were applied to classify parcels as vacant. For example, un-formed carparks were treated as vacant, while formed (sealed) carparks were not. Sites currently undergoing construction were treated as vacant (but it is recognised that they will not be in the short-term - as soon as they are occupied by businesses). Both the old Wakatipu High School site and the Lakeview precinct of the Plan Change 50 area were identified as vacant despite existing buildings, given the considerable redevelopment potential of these two unique sites.

The total current area of vacant business land was 410 ha across QLD. However, some vacant parcels in greenfield areas (within selected structure plans) had few or no roads identified meaning that the vacant parcel area over-estimates the likely developable area (once the land is fully subdivided). In order to bring all vacant parcels to a consistent net developable area, QLDC and M.E agreed on percentage shares that took account of (and removed) the area required to accommodate likely final road and open space areas.

Table 0.1 shows the final estimates of developable vacant land capacity in QLD by ward and zone, having applied these percentage shares to applicable parcels. In total, the district's urban business zones have remaining (developable) capacity for 252.5 ha of business development. A significant 182.2 ha (72%) is contained within Special Zones, particularly Remarkables Park (75.8 ha or 30% of the district total), Frankton Flats B (36.2 ha or 14% of the total) and Three Parks (33 ha or 13% of the total).

The non-Special Zones account for 70.3 ha of vacant business land capacity (28% of the district total). The largest share of this (13.8 ha) falls within the Visitor Accommodation Sub Zone of the Low Density Residential Zone (particularly in Fernhill which makes up 6.5 ha). The next largest area of vacant capacity is the Rural Visitor zone in Arthurs Point (12.5 ha vacant) and the Queenstown Airport Mixed Use Zone (10.6 ha estimated to be vacant).

Overall, 71% (180.5 ha) of total vacant business capacity is located within the Wakatipu Ward and the balance (29% or 72.0 ha) is in the Wanaka Ward. Generally, the Town Centre Zones have very little vacant

⁵ Not to be confused with unoccupied (vacant) premises.

capacity, although Plan Change 50 has created an estimated 3.9ha of vacant business land attributable to the Queenstown Town Centre zone. Vacant capacity in the Local Shopping Centres is spread between Hawea, Albert Town, Wanaka (Cardrona Valley Road) and Frankton. Vacant Industrial B land is only available in the Wanaka Ward.

Table 0.1 - QLD Total Vacant Business Land Capacity by Ward and Zone, 2017 (ha)

| Zone | Area of Vacant Land Parcels (ha) * | | | Estimated Developable Vacant Area (ha) ** | | |
|--|------------------------------------|-------------|--------------|---|-------------|--------------|
| | Wakatipu Ward *** | Wanaka Ward | Total | Wakatipu Ward *** | Wanaka Ward | Total |
| Airport Mixed Use Zone | 10.6 | - | 10.6 | 10.6 | - | 10.6 |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | 0.4 | - | 0.4 | 0.4 | - | 0.4 |
| Business Mixed Use | 4.2 | 0.5 | 4.7 | 4.2 | 0.5 | 4.7 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | 1.2 | 1.7 | 2.9 | 1.2 | 1.7 | 2.9 |
| Industrial B (Operative) | - | 13.2 | 13.2 | - | 12.5 | 12.5 |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 1.9 | 3.6 | 5.5 | 1.9 | 3.6 | 5.5 |
| Low Density Residential | 12.2 | 1.6 | 13.8 | 12.2 | 1.6 | 13.8 |
| Medium Density Residential | - | 0.1 | 0.1 | - | 0.1 | 0.1 |
| Rural Visitor | 12.5 | - | 12.5 | 12.5 | - | 12.5 |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | 5.3 | - | 5.3 | 5.3 | - | 5.3 |
| Town Centre Wanaka | - | 0.9 | 0.9 | - | 0.9 | 0.9 |
| Township (Operative) | - | 1.0 | 1.0 | - | 1.0 | 1.0 |
| Sub-Total Non-Special Zones | 48.2 | 22.7 | 70.9 | 48.2 | 22.1 | 70.3 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | - | 19.9 | 19.9 | - | 14.9 | 14.9 |
| Special Zone - Northlake | - | 13.1 | 13.1 | - | 2.1 | 2.1 |
| Special Zone - Frankton Flats A | 0.3 | - | 0.3 | 0.3 | - | 0.3 |
| Special Zone - Frankton Flats B | 41.1 | - | 41.1 | 36.2 | - | 36.2 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | 97.7 | - | 97.7 | 75.8 | - | 75.8 |
| Special Zone - Shotover Country | 0.2 | - | 0.2 | 0.2 | - | 0.2 |
| Special Zone - Three Parks | - | 33.0 | 33.0 | - | 33.0 | 33.0 |
| Special Zone - Jacks Point | 134.3 | - | 134.3 | 19.9 | - | 19.9 |
| Sub-Total Special Zones | 273.6 | 65.9 | 339.5 | 132.3 | 49.9 | 182.2 |
| Total Urban Business Enabled Zones | 321.8 | 88.6 | 410.4 | 180.5 | 72.0 | 252.5 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.


Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

* Contains a mixture of net, partial and gross parcel areas depending on the degree to which roads had been identified and excluded.

** Estimates applied to convert partial and gross parcel area to net developable area where applicable.

*** Wakatipu Ward includes Arrowtown Ward.



The NPS-UDC requires that vacant business capacity also be expressed in floorspace terms. To calculate the building envelope on each vacant business site, Council provided data from the district plan on permitted or controlled site coverages and building heights. These two parameters were applied to the developable vacant site area to estimate the ground floor GFA and the number of storeys (upper floor GFA⁶) enabled by the plan. A number of exceptions applied and were taken account of in the modelling. The share of capacity that was anticipated to be occupied by residential apartments in the business enabled zones was estimated and subtracted from the floorspace capacity calculations to avoid double counting capacity captured in the Housing Development Capacity Assessment (HDCA).

The final estimates of maximum building floorspace on developable vacant land in QLD by ward and zone, having applied the relevant development parameters and residential exclusions are;

- A maximum of 3,166,300sqm GFA of business development.
- A significant 1,863,400sqm GFA (59%) is contained within Special Zones, particularly Remarkables Park (22% of the district total) and Frankton Flats B (15% of the total).
- The non-Special Zones account for 1,302,900sqm GFA of vacant business floorspace (41% of the district total).
- The majority of non-special zone capacity falls within the Queenstown Airport Mixed Use Zone (396,600sqm GFA theoretically enabled, 13% of the total), Rural Visitor Zone in Arthurs Point (9%) and the Queenstown Town Centre (5%).
- Overall, 78% of total vacant business floorspace capacity is located within the Wakatipu Ward and the balance (22%) is in the Wanaka Ward.


Capacity by Category and Building Typology

Using the same land uses / building typologies identified to place business demand 'on the ground', a matrix that aligns these space types with the planning zones that facilitate the space types has been developed by M.E and Council. This concordance matrix has been developed based on the activity status tables within the District Plans. Activities that have a designation of Permitted, Controlled, or Restricted Discretionary have been assumed to provide capacity for those activities within a given zone.

A loose coupling exists between the described activities (within the District Plans) and the defined land use / building typologies as the definitions of activity in the Operative and Proposed Plan are often more general or have slightly different meanings. Some exceptions were applied for practical reasons in the modelling.

At a parcel level, the vacant developable land area identified and calculated ground floor and upper floor GFA capacity is attributed to each land use / building typology that is positively identified in the matrix according to the zone or structure plan precinct it is located within. Vacant ground floor business space is attributed to enabled building typologies in the same manner as vacant land area. However, an additional

⁶ An average of 3m was applied to calculate storeys from building height provisions unless otherwise specified. Upper floor GFA was calculated as ground floor area multiplied by the number of above ground storeys.



step was included in the model before vacant upper floorspace is attributed to relevant space types, as follows:

- M.E has assumed that there is no potential for retailing⁷ to locate above ground floor (i.e. they are constrained to ground floor capacity only). This is to reflect their strong location preference for ground floor premises (with the exception of malls, which are less common in QLD than in many other cities). M.E is aware that in Queenstown Town Centre, there are examples of restaurants operating in second floor premises, however, to be conservative, this is not assumed to apply for remaining vacant capacity.
- M.E has also assumed that sites enabled for Warehouses, Factories, Yards – Commercial, Yards – Industrial and Other Build – Industrial are constrained to ground floor development (i.e. have no upper floorspace capacity). Generally, warehouses and factories are single use buildings and are unlikely to have other land use activities developing above them (i.e. they are the single occupant of the site).
- Yards also, by nature, do not have floorspace ‘above them’.
- These assumptions take a conservative approach to estimating Industrial capacity.

The results (discussed below) are vacant land and GFA area by enabled space types – an output compatible with the demand modelling outputs.

Importantly, because there are many cases where multiple uses are allowed on one piece of land, vacant land and floorspace capacities are not additive. The allocation of land/GFA to commercial land uses may mean that the land cannot be used for opposing/different land use types. For example, allocating land for the development of an office block would remove the land as a potential warehousing site, and vice versa. Therefore, the vacant land and GFA capacity in the following sections should not simply be summed (and totals are not shown accordingly across the space types). They represent ‘maximum potential’ capacity for each land-use or category.

Table 0.2 shows that in the Wanaka Ward, there is a maximum potential for 56.4 ha of Commercial land use, 37.8 ha of Industrial land use and 35.2 ha of Retail land use. More than a third (44%) of potential Commercial capacity and 77% of potential Retail capacity in the ward falls within the Three Parks Special Zone.

In the Wakatipu Ward, there is a maximum potential for 151.2 ha of Commercial land use, 43.6 ha of Industrial land use and 43.5 ha of Retail land use. A significant portion of the potential Industrial capacity (62%) falls within the Frankton Flats B Special Zone and the Queenstown Airport Mixed Use zone (24%). The majority of Wakatipu ward Retail capacity is within Franktown Flats B (27%) and Remarkables Park (31%) zones. Remarkables Park also potentially provides for 50% of the ward’s vacant Commercial capacity.

⁷ In this assessment includes the categories; Office – Retail (Real Estate Agencies and Optometrists), Shops – Commercial and Shops – Food and Beverage

Table 0.2 – Vacant Business Land Capacity by Category, Zone and Ward (ha)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|-------------|-------------|-------------|---------------|---------------|---------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 10.6 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 0.4 | 0.4 | - |
| Business Mixed Use | 0.5 | 0.5 | 0.5 | 4.2 | 4.2 | 4.2 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | 1.7 | 1.7 | - | 1.2 | 1.2 | - |
| Industrial B (Operative) | 12.5 | 12.5 | 0.2 | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 3.6 | - | 3.6 | 1.9 | - | 1.9 |
| Low Density Residential | 1.6 | - | - | 12.2 | - | - |
| Medium Density Residential | 0.1 | - | 0.1 | - | - | - |
| Rural Visitor | - | - | - | 12.5 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 5.3 | - | 5.3 |
| Town Centre Wanaka | 0.9 | - | 0.9 | - | - | - |
| Township (Operative) | 1.0 | - | 0.5 | - | - | - |
| Sub-Total Non-Special Zones | 22.1 | 14.7 | 5.9 | 37.6 | 16.4 | 11.4 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 7.5 | 14.9 | - | - | - | - |
| Special Zone - Northlake | 2.1 | - | 2.1 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 0.3 | - | 0.3 |
| Special Zone - Frankton Flats B | - | - | - | 24.3 | 27.2 | 11.9 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 75.8 | - | 13.5 |
| Special Zone - Shotover Country | - | - | - | 0.2 | - | 0.2 |
| Special Zone - Three Parks | 24.8 | 8.2 | 27.2 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 13.0 | - | 6.2 |
| Sub-Total Special Zones | 34.4 | 23.1 | 29.3 | 113.5 | 27.2 | 32.1 |
| Total Urban Business Enabled Zones | 56.4 | 37.8 | 35.2 | 151.2 | 43.6 | 43.5 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Table 0.3 shows that in the Wanaka Ward, there is a maximum potential for 553,400sqm GFA of additional Commercial floorspace, 147,600sqm GFA of Industrial floorspace and 107,600sqm GFA of Retail floorspace. More than half (59%)⁸ of potential Retail capacity falls within the Three Parks Special Zone.

In the Wakatipu Ward, there is a maximum potential for 1,730,000sqm GFA of additional Commercial floorspace, 253,700sqm GFA of Industrial floorspace and 241,600sqm GFA of Retail floorspace. Just under

⁸ This includes the potential retail capacity across the entire zone, noting that caps have been used in the model for the Commercial Core and Deferred Commercial Core of the Three Parks Special Zone

a third (32%) of the Retail capacity is within Remarkables Park, and 25% of this capacity is in Frankton Flats (B).

Table 0.3 – Vacant Business Floorspace Capacity by Category, Zone and Ward (GFA)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 79,300 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 5,500 | 2,700 | - |
| Business Mixed Use | 11,400 | 3,600 | 3,600 | 76,000 | 31,700 | 31,700 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | 25,600 | 12,800 | - | 18,200 | 9,000 | - |
| Industrial B (Operative) | 99,300 | 49,900 | 500 | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 50,100 | - | 27,300 | 28,000 | - | 14,000 |
| Low Density Residential | 13,100 | - | - | 97,400 | - | - |
| Medium Density Residential | 800 | - | 500 | - | - | - |
| Rural Visitor | - | - | - | 279,200 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 165,900 | - | 20,400 |
| Town Centre Wanaka | 20,400 | - | 7,600 | - | - | - |
| Township (Operative) | 15,400 | - | 4,000 | - | - | - |
| Sub-Total Non-Special Zones | 236,100 | 66,300 | 43,500 | 670,200 | 122,700 | 66,100 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 63,600 | 54,300 | - | - | - | - |
| Special Zone - Northlake | 26,900 | - | 1,000 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 2,400 | - | 800 |
| Special Zone - Frankton Flats B | - | - | - | 166,000 | 131,000 | 60,400 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 704,400 | - | 76,700 |
| Special Zone - Shotover Country | - | - | - | 1,100 | - | 1,100 |
| Special Zone - Three Parks | 226,800 | 27,000 | 63,100 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 185,900 | - | 36,500 |
| Sub-Total Special Zones | 317,300 | 81,300 | 64,100 | 1,059,800 | 131,000 | 175,500 |
| Total Urban Business Enabled Zones | 553,400 | 147,600 | 107,600 | 1,730,000 | 253,700 | 241,600 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.


Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Discussion of Business Land and Floorspace Capacity

Redevelopment Capacity

There will be some capacity available through the redevelopment process that is not captured in the results above (as they relate only to vacant land capacity). Redevelopment occurs when a piece of already occupied land is purchased and additional development occurs to either change its usage, or to increase the amount of use that is made of it currently.



One way to estimate the amount of additional capacity potentially available in an area is to look at the average level of development intensity (number of storeys or floor area ratios) achieved across the entire area, then look at the level of intensity on sites that are significantly lower than the average. These may be sites that have redevelopment potential to bring them closer to the revealed development intensity of the balance of the area.

This can be done across commercial centres and industrial areas. However, there are issues with redevelopment capacity that arise when the type and nature of business land use is not taken into consideration. For example, it may be that through an analysis of an industrial area, a number of seemingly under-utilised sites are identified that may represent capacity. However, they may exist as important parts of the production process either as turning bays for trucks or as storage areas for completed or partially completed goods.

In this study a conservative stance has been adopted and it has been assumed that the only capacity that is truly available is **vacant capacity**. This is an area that could be investigated further by QLDC if they wished to understand the depth of true capacity within the district's business zones. A good example of this is the proposed Business Mixed Use Zone along Gorge Road, Queenstown whereby a mix of business and residential uses are anticipated in the PDP. There is currently not a lot of vacant capacity but lots of potential for redevelopment. The proposed PDP rules are more enabling with substantial increases in height promoted.

As a general guide, if the existing business zones prove to have provided for sufficient capacity by simply providing for vacant capacity, then redevelopment capacity is not required. Also, the amount of redevelopment capacity that is taken up over the short, medium and long-term will obviously have an effect on the take-up of vacant capacity. It is recommended that Council monitor this.

Business Capacity in Special Housing Areas

The approved SHAs in the Wakatipu Basin offer limited business capacity in addition to that calculated above. It is however net additional to M.E's estimates.

Business Capacity in the Rural Environment

There are business enabled zones outside the defined urban environment. Vacant capacity has not been modelled or identified in those zones. It is assumed that any vacant capacity in those locations will be utilised for demand attributed to the rural environment.

Alternative Vacant Capacity Outcomes – Removing the Overlap

The approach adopted by M.E to demonstrate vacant land (and GFA) capacity for future business development in QLD reflects the flexibility of some district plan zones to enable a range of potential land uses. Hence the overlap of capacity. The approach does not assume a development outcome on any particular vacant parcel as this is unknown. However, it is possible to develop a potential "scenario" of development that reflects potential market pressures, including maximising investment returns in particular parts of the district.



A single, alternate scenario has been developed that removes the overlap of capacity in those zones where flexibility is enabled between Retail, Commercial and/or Industrial activity. The scenario is **indicative only** – monitoring of vacant land uptake will indicate how relevant this scenario may or may not be.

The scenario is based on a series of allocation rules which apply to all vacant parcels in each zone (and do not allow for different parcels to develop according a different mix of activities. This is a limitation of this scenario). The assumptions take account of current development patterns and also the feasibility (attractiveness) of different zones for different types of activity (discussed further below).

Table 0.4 presents the results of the alternate scenario for vacant land area capacity by ward and zone. Under these allocation assumptions, in the Wanaka Ward, there would be capacity for 42.9 ha of Commercial land use, 28.8 ha of Industrial land use and 34.9 ha of Retail land use (all mutually exclusive). Commercial and Retail capacity is dominated by the Three Parks Special Zone (70% and 78% respectively).

Table 0.4 – Alternate Scenario Vacant Business Land Capacity by Category (ha)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|-------------|-------------|-------------|---------------|---------------|---------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 10.6 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 0.4 | - | - |
| Business Mixed Use | 0.5 | - | 0.5 | 4.2 | - | 4.2 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | - | 1.7 | - | 1.2 | - | - |
| Industrial B (Operative) | 0.2 | 12.3 | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 3.3 | - | 3.6 | 1.9 | - | 1.9 |
| Low Density Residential | 1.6 | - | - | 12.2 | - | - |
| Medium Density Residential | 0.1 | - | - | - | - | - |
| Rural Visitor | - | - | - | 12.5 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 5.3 | - | 5.3 |
| Town Centre Wanaka | 0.9 | - | 0.9 | - | - | - |
| Township (Operative) | 1.0 | - | 0.5 | - | - | - |
| Sub-Total Non-Special Zones | 7.7 | 14.0 | 5.6 | 37.6 | 10.6 | 11.4 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 3.0 | 11.9 | - | - | - | - |
| Special Zone - Northlake | 2.1 | - | 2.1 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 0.3 | - | 0.3 |
| Special Zone - Frankton Flats B | - | - | - | 18.7 | 17.5 | 6.5 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 75.8 | - | 13.5 |
| Special Zone - Shotover Country | - | - | - | - | - | 0.2 |
| Special Zone - Three Parks | 30.1 | 2.9 | 27.2 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 19.7 | - | 6.2 |
| Sub-Total Special Zones | 35.2 | 14.8 | 29.3 | 114.4 | 17.5 | 26.6 |
| Total Urban Business Enabled Zones | 42.9 | 28.8 | 34.9 | 152.1 | 28.1 | 38.1 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

In the Wakatipu Ward, there would be potential capacity for 152.1 ha of Commercial land use, 28.1 ha of Industrial land use and 38.1 ha of Retail land use. Excluding the potential Industrial capacity within the Airport Mixed Use zone, this would leave 17.5 ha of industrial capacity in Frankton Flats B. The single largest volume of Retail capacity is within Remarkables Park (35%).

Table 0.5 shows that under these allocation assumptions, in the Wanaka Ward, there would potentially be 342,400sqm GFA of additional Commercial floorspace capacity, 110,900sqm GFA of Industrial floorspace capacity and 106,600sqm GFA of Retail floorspace capacity. In the Wakatipu Ward, there would be potential capacity for 1,550,600sqm GFA of additional Commercial floorspace, 156,100sqm GFA of Industrial floorspace (inclusive of the Airport) and 234,000sqm GFA of additional Retail floorspace.

Table 0.5 – Alternate Scenario Vacant Business Floorspace Capacity by Category (GFA)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 79,300 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 5,500 | - | - |
| Business Mixed Use | 7,900 | - | 3,600 | 44,400 | - | 31,700 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | - | 12,800 | - | 18,200 | - | - |
| Industrial B (Operative) | 500 | 49,400 | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 22,800 | - | 27,300 | 14,000 | - | 14,000 |
| Low Density Residential | 13,100 | - | - | 97,400 | - | - |
| Medium Density Residential | 800 | - | - | - | - | - |
| Rural Visitor | - | - | - | 279,200 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 145,500 | - | 20,400 |
| Town Centre Wanaka | 12,900 | - | 7,600 | - | - | - |
| Township (Operative) | 11,300 | - | 4,000 | - | - | - |
| Sub-Total Non-Special Zones | 69,300 | 62,200 | 42,500 | 604,200 | 79,300 | 66,100 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 28,300 | 40,100 | - | - | - | - |
| Special Zone - Northlake | 25,900 | - | 1,000 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 1,600 | - | 800 |
| Special Zone - Frankton Flats B | - | - | - | 147,200 | 76,800 | 52,800 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 627,700 | - | 76,700 |
| Special Zone - Shotover Country | - | - | - | - | - | 1,100 |
| Special Zone - Three Parks | 218,900 | 8,600 | 63,100 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 169,900 | - | 36,500 |
| Sub-Total Special Zones | 273,100 | 48,700 | 64,100 | 946,400 | 76,800 | 167,900 |
| Total Urban Business Enabled Zones | 342,400 | 110,900 | 106,600 | 1,550,600 | 156,100 | 234,000 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).


Wakatipu Ward includes Arrowtown Ward.

Development Feasibility and Infrastructure

The approach described above focuses on establishing plan-enabled capacity. That is, the amount of theoretical capacity that arises by way of the Proposed and Operative District Plan zoning and other provisions. This volume of capacity may not translate to actual business properties available to accommodate growth unless it is “feasible” to develop.

The NPS-UDC defines “feasible” as follows:

Feasible means that development is commercially viable, taking into account the current likely costs, revenue and yield of developing; and feasibility has a corresponding meaning.



Feasible means commercially viable for a developer to develop given current costs, revenues and yield. A cost and revenue-based approach for residential development is relatively simple, in that the numbers of development options for a residential developer are usually relatively small – as are the ownership options. This means development feasibility can usually be determined with a simple residual value type development model. This type of model starts with the anticipated final sale price and deducts all the costs associated with development – including a developer’s margin. The difference then between the final sale price and all of the developer’s costs is the amount the developer can pay for the land and remain viable. If the land is priced higher than that, then the development is not feasible and won’t be developed – regardless of the zoning.

For business land, the situation is more complex. The type and nature of business development is far more varied than residential – retail and commercial clients have a wide range of development types that might be suitable for a piece of land, each with different build costs, ownership types and developer margins. Industrial land may be developed in a bespoke manner by a particular manufacturer that may wish a purpose-built plant and plan to operate it for as long as the business is viable. This type of developer may be able to amortise costs across a very long timeframe, so is motivated very differently from a developer looking to build more generic tilt slab industrial units for rapid sale.

Because of these complexities a residual land value type model is not appropriate for business land assessments. Multi-Criteria Analysis (MCA) provides a way for Councils to frame the development opportunities within their district by scoring them against a set of agreed criteria. Each criterion plays a large or small role in the development and locational decision, so is given a large or small share of the total area score.

Each broad area (which is based on Statistics New Zealand boundaries) is then scored against the criteria and the rating is added up to provide an overall score (and ranking). The scoring is a snap-shot in time and in future updates, the relative scores for each area may change as areas become more or less attractive. Comparisons can be made between where the plan enabled capacity resides and the total MCA score for those areas, highlighting any mismatches between plan enabled capacity and the areas that are most desirable to be developed. If capacity is provided in the areas that score highly in the MCA, Council can be confident that development will proceed. However, if capacity is clustered in areas that score poorly on the MCA process, they may find businesses do not develop that land, and pressure will be brought to bear on other land. This may lead to unintended consequences.

An MCA has been built for QLD to inform the BDCA. It defines the district into broad locations. A separate model has been built for Commercial Visitor Accommodation, Industrial and Retail development. The latter is also broadly applicable to Commercial Office development as they are often compatible on the same site. Criteria have been defined for each and local stakeholder feedback contributed to the agreed set of criteria and their weighting. The scoring of each location against the criteria was carried out jointly by QLDC and M.E. The following graphs compare maximum potential plan enabled capacity against the results of the MCA – the ranking of locations – for each land use. M.E notes that the MCA is not able to take account of market specialisation (i.e. operators looking for specific locations for reasons outside those identified in the MCA, including price, or who have different priorities (weightings) than those applied). Some operators may also limit their options to just the Wakatipu Ward or just the Wanaka Ward – in such cases the relative ranking of locations within these catchments still applies.

Figure 0.5 – MCA Results by QLD Area and Commercial Visitor Accommodation Capacity



Figure 0.5 shows that the majority of vacant capacity for commercial visitor accommodation sits within the Frankton area, which ranks highly in terms of its location attributes (4th). A large portion of capacity is in Wanaka Central (which includes Three Parks) which is less desirable relative to some other areas where there is some vacant capacity, although is ranked equal with Arthurs Point and is the highest ranked location within the Wanaka Ward. This suggests that hotel developers (for example) might be more likely to seek vacant capacity in Queenstown, Frankton, Warren Park, Frankton Arm or Sunshine Bay before choosing Wanaka Central, all else being equal. Uptake of vacant capacity Jack’s Point may also be a longer-term prospect based on this approach.

Industrial Capacity Feasibility

Figure 0.6 – MCA Results by QLD Area and Industrial Capacity

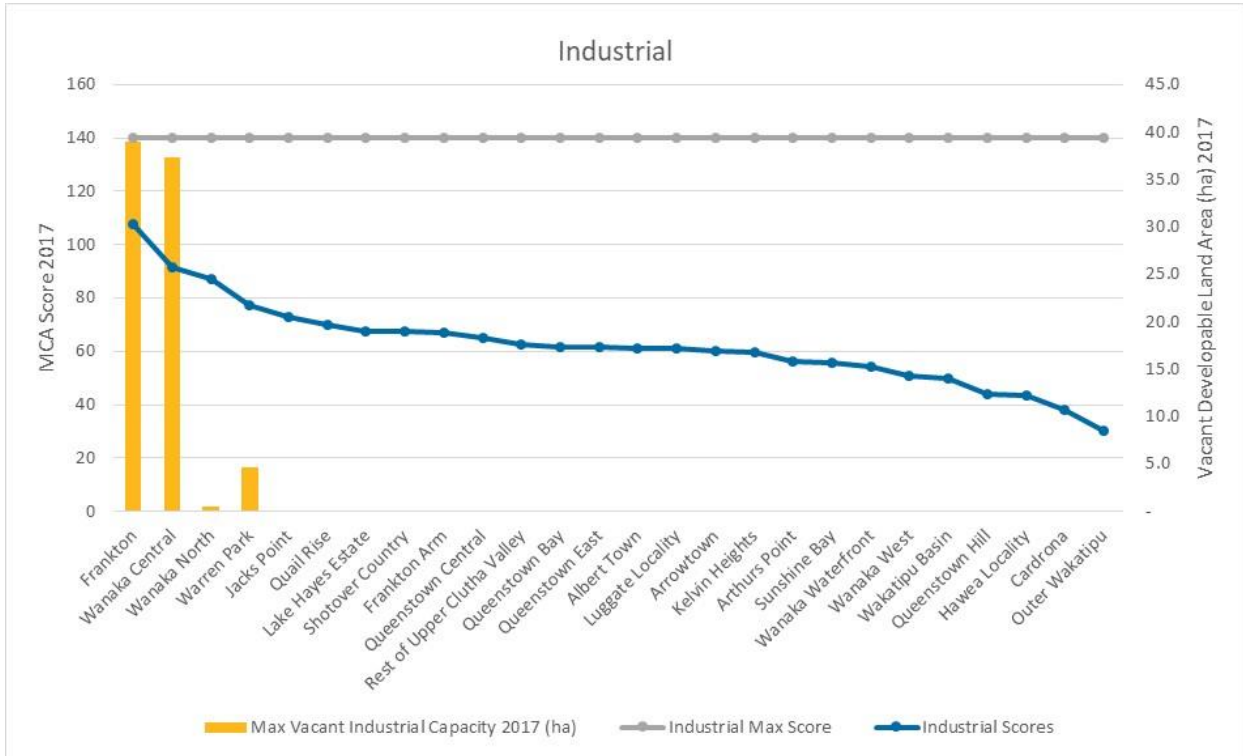
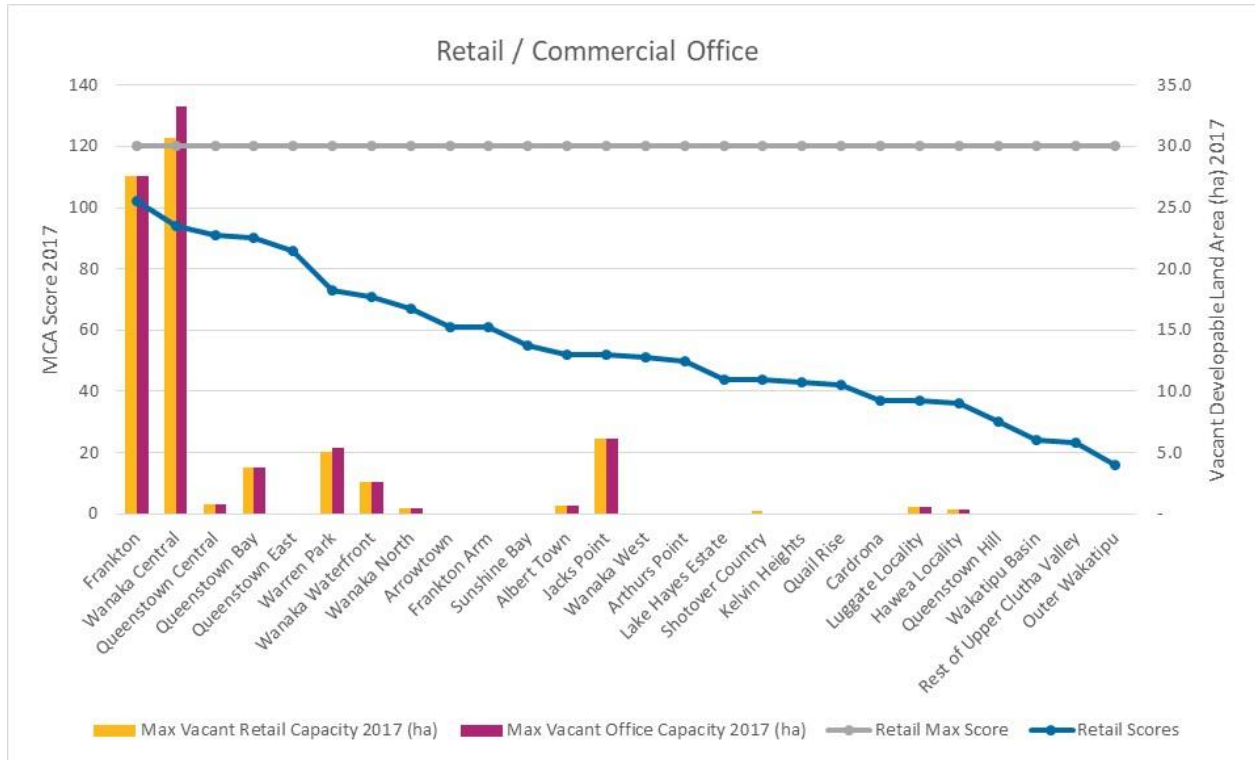


Figure 0.6 shows that a significant amount of potential vacant Industrial capacity is located in the most desirable location for industrial development – Frankton. This includes the airport and Frankton Flats B. This is followed by capacity in Wanaka Central (areas around Ballantyne Road), the second most desirable location. This suggests a high level of certainty that this capacity will be developed (although the rate of take up is not able to be determined from this part of the analysis and will depend on the rate of demand growth). It also indicates that potential for redevelopment of existing sites elsewhere (other existing industrial zones) to provide industrial capacity is unlikely given the abundance of vacant capacity in more optimal locations.

Retail and Commercial Office Capacity Feasibility

The MCA analysis shows that a significant amount of potential vacant Retail or Commercial Office capacity is also located in the most desirable locations for retail and office development – Frankton and Wanaka Central. This includes Frankton Flats A and B, Remarkables Park, Frankton Local Shopping Centre, Wanaka Town Centre and Three Parks. This suggests a high level of certainty that this capacity will be developed (although the rate of take-up will be driven by demand).

Figure 0.7 – MCA Results by QLD Area and Retail and Commercial Office Capacity




The next largest area of vacant capacity is in Jacks Point (the two village precincts), the 12th equal most desirable location. All else being equal, demand is likely to focus on remaining capacity in Queenstown Central, then Queenstown Bay and then Warren Park (all areas than span Plan Change 50) in advance of Jacks Point (Figure 0.7). But even development of Retail and Commercial Office space in the Plan Change 50 area might be delayed while growth is focussed on Frankton and Three Parks in the first instance.

Infrastructure and Feasibility

Development infrastructure (or network infrastructure) capacity is a key factor in determining if development capacity is feasible under the NPS-UDC.

“Development infrastructure” as defined in the NPS-UDC refers to the water supply, wastewater, storm water, and land transport networks (as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities) that are ‘critical’ for urban development; and “other infrastructure” refers to other ‘softer’ or non-critical infrastructure such as open space, social infrastructure, telecommunications and energy. Local authorities are required to ensure (under Policy A1) that the development capacity identified in this report is, or can be, serviced by “development infrastructure”. However, the “other infrastructure” necessary to support urban growth is also important for the creation of effective and efficient urban environments, and together supports the achievement of social, economic, and cultural wellbeing.

Infrastructure service levels for water and waste water are included as criteria for both Commercial Visitor Accommodation and Industrial development in the MCA structure. The feasibility of roading infrastructure is captured indirectly through criteria addressing traffic congestion and accessibility to major roads.



The high growth rates that QLD is experiencing require massive commitments to new development infrastructure and upgrading and the consolidation of existing infrastructure. New or upgraded infrastructure can take a long time to plan and fund and implement. Intensification of existing urban areas has implications for the capacity, functioning and maintenance of existing networks; whereas areas of new greenfield growth require careful planning to ensure that infrastructure can be provided in an efficient manner and with regard to impacts on already planned infrastructure and long-term opportunities.

Infrastructure networks and growth need to be planned in an integrated manner to realise a range of long term benefits over a wider area than the development site. Integration of urban development and infrastructure is central to the objectives of the NPS-UDC, and importantly, is a requisite for the development capacity identified in this assessment under Policy A1.

Policy PA1 provides some scope for managing the risks associated with the oversupply of capacity by only requiring infrastructure to be in place in the short term, to have funding identified in the medium term and to be included in the Infrastructure Strategy in the long-term.

QLDC planning and Infrastructure departments have worked closely together and are satisfied that all proposed zoned land can be serviced in the short, medium and long-term. Relevant considerations include:

- Throughout the PDP stage 1 hearings process it has been confirmed that the water supply and wastewater network can accommodate the additional growth proposed through the notified PDP. More specifically, the effect of wastewater and water demand from the increased densities in the PDP has been assessed against the Council's wastewater modelling capacity for both current day and future growth, 2025 and 2055. This assessment included consideration to the currently available capacity to cater for the expected level of intensification, as well as any upgrades that may become necessary over time.
- The key areas identified for business growth are all within the Queenstown and Wanaka 'urban environment', UGB, and the water supply and wastewater scheme boundaries; and are therefore serviced, or planned to be serviced, with development infrastructure in the context of Policy A1.
- A number of key business growth are within 'Special Zones' of the District Plan, including Remarkables Park, Frankton Flats, Ballantyne Road Industrial and Three Parks. These special zones have defined capacities and associated parameters for the provision of servicing and transport infrastructure. Private infrastructure within these zones, such as internal road networks, provision of reserves and open space (if deemed necessary) and service connections are the responsibility of the developers. In terms of the Jacks Point Special Zone this is serviced by a combination of QLDC services and private schemes.
- The Queenstown and Wanaka Town Centres are currently projected to have capacity for growth in the water supply, storm water and wastewater networks. Both wastewater networks have a diminishing level of redundancy in some critical assets and a programme of capital projects to improve the level of service in terms of redundancy is planned within the first five years of the proposed LTP.

- Council have imposed an area specific development contributions to developments in Frankton Flats and Remarkables Park to fund the provision of stormwater. Frankton Flats area currently has marginal capacity in the water supply. A project to develop a new water source adjoining the Shotover River is underway and is planned to be supplying water to this growth area in 2019.
- South and East Wanaka have sufficient water supply and wastewater capacity in place for the current zoning and growth rate. It is expected that this will be further improved by the implementation of Master Plan projects that will come out of the Wanaka Masterplan process.
- Council are proposing significant investment in water quality projects throughout the 2018-2028 LTP in addition to localised water supply capacity issues identified. These water quality projects also require significant network reconfiguration and in some cases these capacity and quality projects are inter-related.
- A number of servicing constraints exist within the Albert Town, Luggate and Hawea Township zones. Funding for all three locations has been allocated in the proposed 2018-2028 Long Term Plan and the work will take place in the next few years. As such, these issues should not be significant enough to delay development to the zoned capacity.
- In general, the QLDC is satisfied that other infrastructure required to support urban development is likely to be available.

Sufficiency of Plan Enabled Capacity

The results of the demand and capacity assessments are brought together to provide a quantitative comparison between them to determine the sufficiency of capacity provided for in the QLD urban business zones. The NPS-UDC Policy A1 requires local authorities to ensure that *“at any one time there is sufficient development capacity”*. That means that the land is zoned and feasible for the next 10 years and has been identified in the various plans and strategic documents over the next 30 years.

The results below aggregate demand and plan enabled capacity according to Commercial, Industrial and Retail categories. Wanaka and Wakatipu Ward results are shown side-by-side as well as the total across all urban business enabled zones. Each category is examined individually and according to the Council’s Recommended growth projection.

When interpreting the results below, it is important to remember that there is considerable overlap in plan enabled land use in some business zones throughout the urban environment (refer section 5.3). This means that the capacity figures are necessarily reported as maximums. They are not additive and utilisation of capacity for one use will reduce the available capacity for other uses. The results are presented with demand estimates increased by a margin of 20% in the short and medium terms and by 15% in the long-term to meet the requirements of Policy C1, which states;

“To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least;

- 20% in the short and medium terms, and
- 15% in the long term.”

Commercial Business Land and Floorspace Sufficiency

Figures 0.8 and 0.9 compare cumulative demand for commercial business land anticipated within urban business enabled zones with maximum potential vacant commercial land capacity. The analysis shows that the District Plan provides sufficient capacity for all commercial land uses in the short, medium and long-term, including with a margin on top of demand, in both the Wanaka and Wakatipu Ward business zones. This is based on the Recommended growth projection (but equally applies under a higher growth outlook).

Whilst acknowledging that a portion of the ‘maximum potential’ capacity (green line) could alternatively be utilised for Retail or Industrial activities, the surpluses are significant. The yellow line shows the alternate capacity scenario, where the overlap with other potential land-uses has been removed. In terms of commercial floorspace demand and capacity (not graphed below but discussed within the report), the same sufficiency is evident (and significant) over all time periods.

Figure 0.8 – Commercial Land Demand and Capacity – Wanaka Ward Business Zones

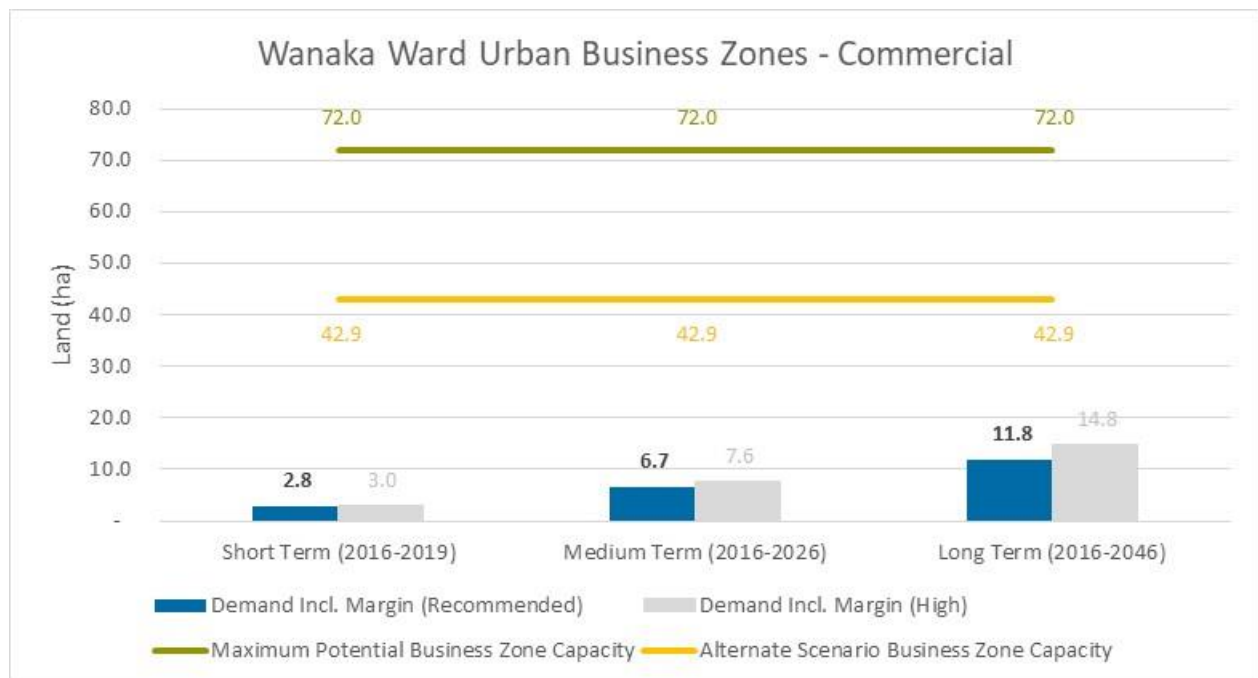
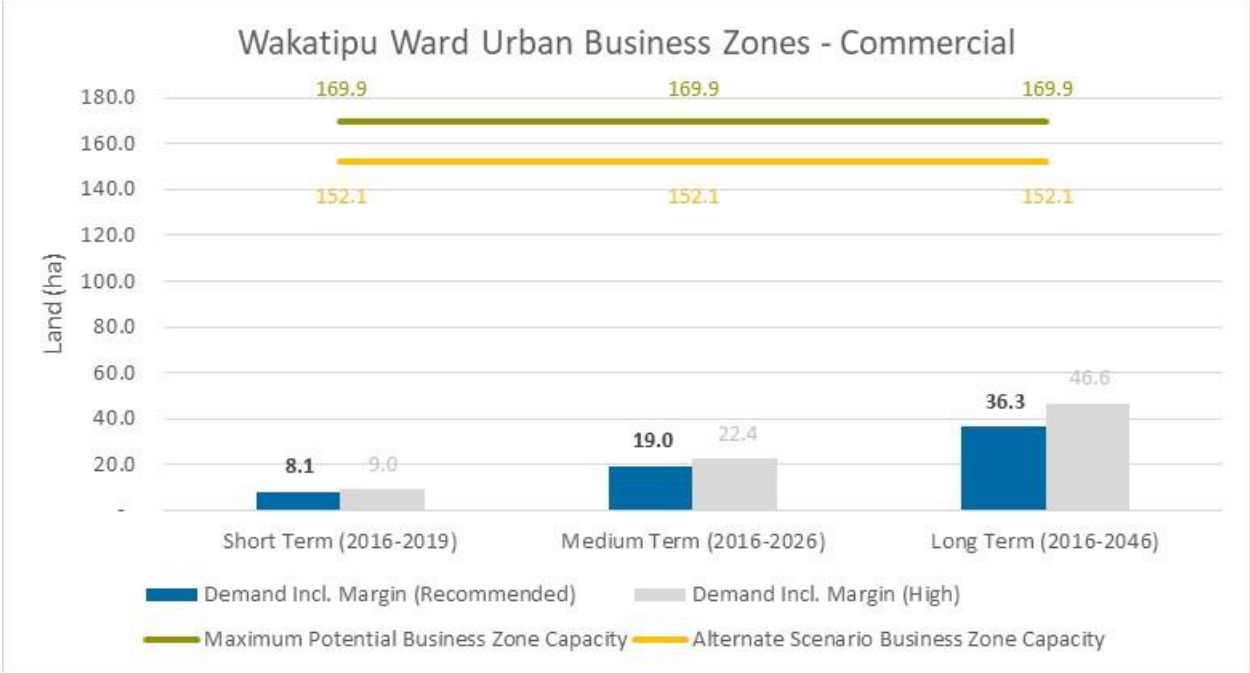


Figure 0.9 – Commercial Land Demand and Capacity – Wakatipu Ward Business Zones



Retail Business Land and Floorspace Sufficiency

Figures 0.10 and 0.11 compare cumulative demand for retail business land anticipated within urban business enabled zones with vacant retail land developed to its maximum potential capacity and the alternate capacity scenario. The analysis shows that the District Plan provides sufficient capacity for all retail land uses in the short, medium and long-term, including with a margin on top of demand, in both Wards. This is based on the QLDC Recommended growth projection (but equally applies under a higher growth outlook).

The surpluses are significant, particularly in the Wanaka Ward due largely to the yet to be developed Three Parks area. This includes an area that is located in the Deferred Commercial Core that provides for an area that can be rezoned for commercial development in the future, once the rest of the Three Parks Special Zone has been largely developed.

Retail land use offers higher returns on development and so will often take precedent over industrial and commercial land use on the ground floor. This is reflected in the allocation assumptions made for the alternate capacity scenario, hence a very similar outcome to maximum plan enabled capacity, particularly in the Wanaka business zones. In terms of retail floorspace demand and capacity (not shown here), the same sufficiency is evident over all time periods and the same level of certainty in these results applies.

Figure 0.10 – Retail Land Demand and Capacity – Wanaka Ward Business Zones

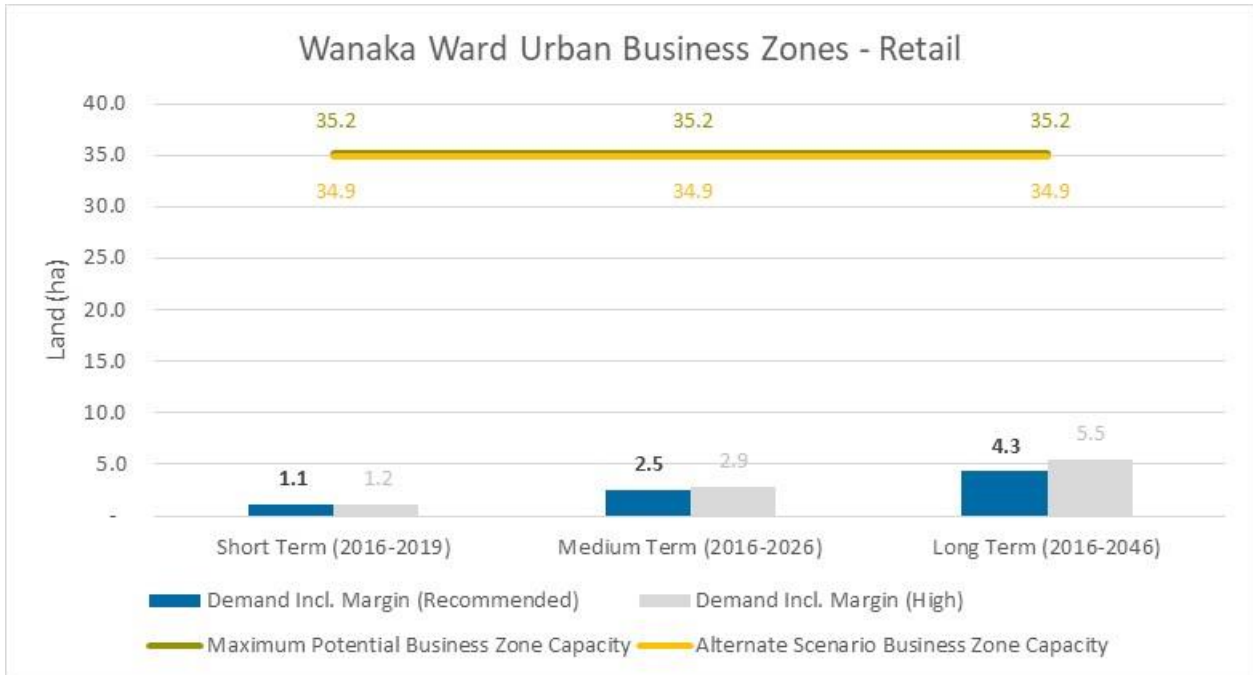
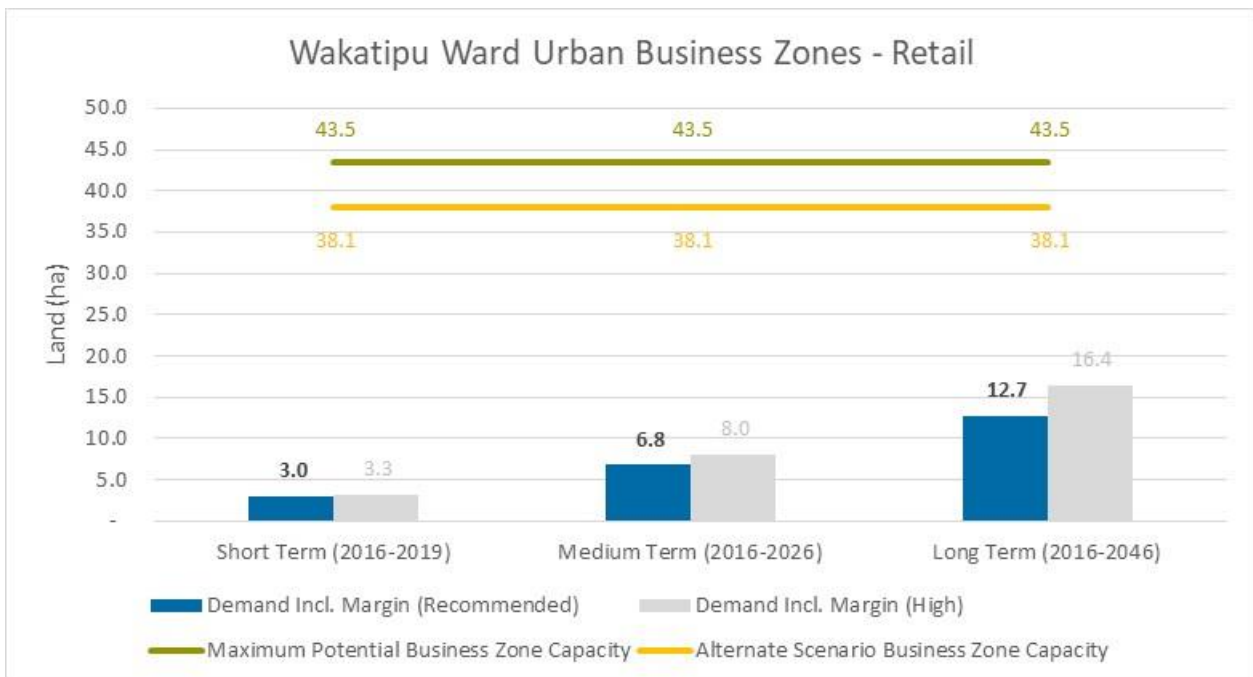


Figure 0.11 – Retail Land Demand and Capacity – Wakatipu Ward Business Zones

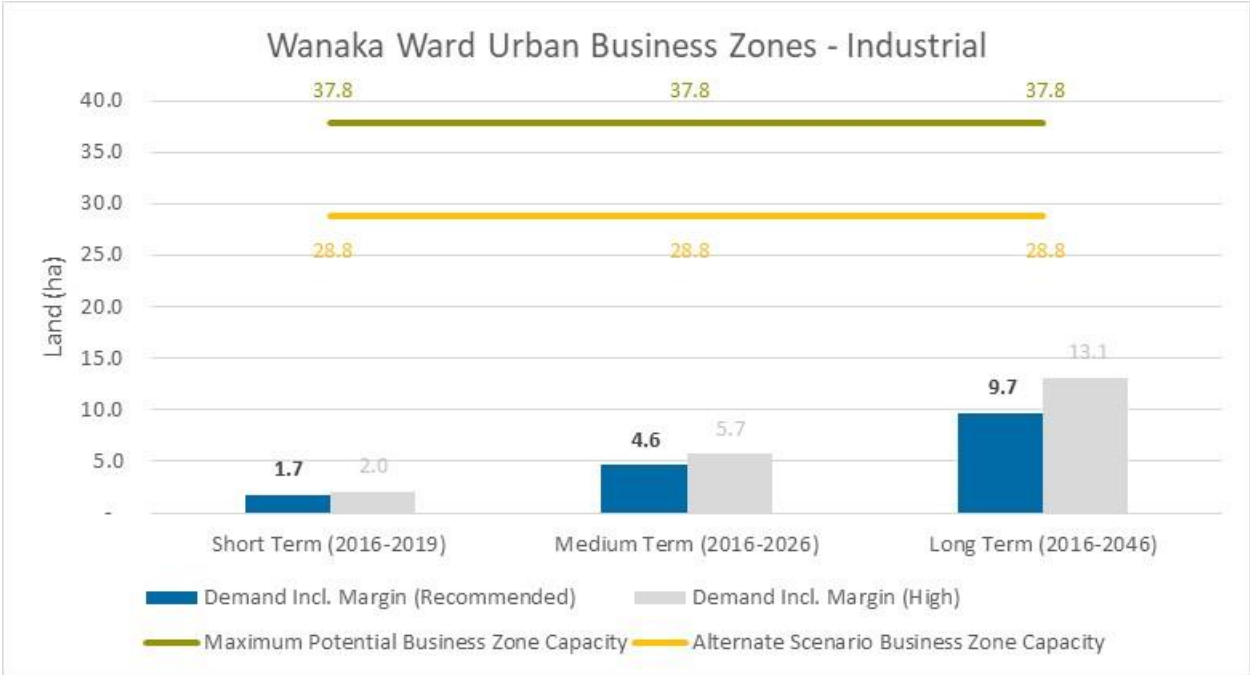


Industrial Business Land and Floorspace Sufficiency

Figures 0.12 and 0.13 compare cumulative demand for industrial business land anticipated within urban business enabled zones with vacant industrial land developed to its maximum potential capacity and the alternate capacity scenario. A third comparison is provided which is the alternate capacity scenario excluding the capacity provided in the Queenstown Airport Mixed Use Zone (and the associated exclusion of Air Transport Services demand from the Wakatipu Ward).

The analysis shows that the District Plan provides sufficient plan enabled capacity for all industrial land uses in the short and medium-term, including with a margin on top of demand, under the Recommended growth projection (and also under a higher growth outlook) in both the Wanaka and Wakatipu Wards.

Figure 0.12 – Industrial Land Demand and Capacity – Wanaka Ward Business Zones

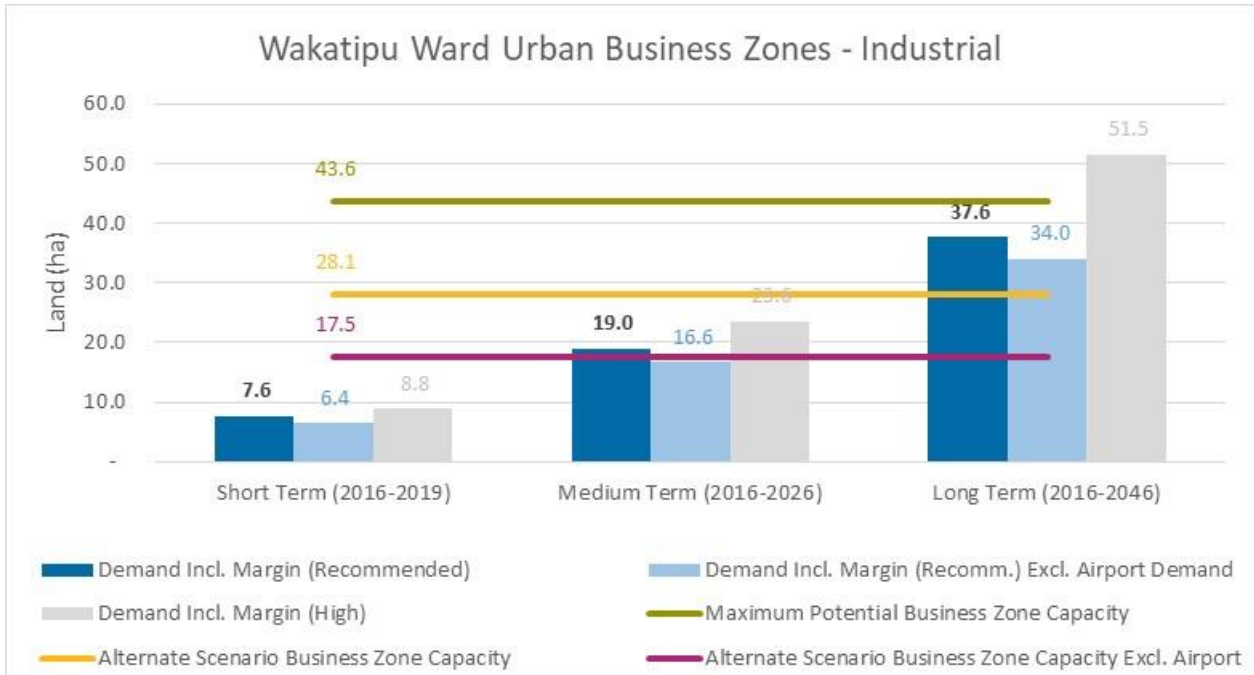


It is important to acknowledge that that a portion of industrial capacity could alternatively be utilised for commercial or retail activities, more so in the Wakatipu Ward due to flexibility in some Frankton Flats B precincts, but in both wards due to the flexibility provided in the Business Mixed Use zone for light industrial/service activities (noting that warehousing and storage and lock-up facilities (including vehicle storage) are considered to be a Restricted Discretionary Activity in this zone).

While Frankton is a desirable place for industrial development (due to good access to key transport routes and large flat sites), it is also desirable (highly feasible) as a retail or commercial development area (due to its proximity to the market, profile, parking and public transport access (among other attributes – see the MCA discussion and appendices). Hence the potential for industrial capacity (green line) is likely to be overstated due to a large amount of this capacity being located in prime locations for commercial/retail use. This is reflected in the significant decrease in industrial capacity in the alternate capacity scenario (yellow line).

In the long-term, the District Plans provide sufficient capacity to cater for projected industrial land demand (and allowing for a margin on top of demand), but only if developed to its maximum potential – which is highly unlikely. M.E note that this outcome applies to the Recommended growth projection but would not apply under a higher growth outlook. Under the alternate capacity scenario, there is a long-term shortfall of industrial capacity (37.6 ha of demand relative to 28.1 ha of capacity by 2046).

Figure 0.13 – Industrial Land Demand and Capacity – Wakatipu Ward Business Zones



The situation is more concerning when demand and capacity for the Queenstown Airport Mixed Use Zone is excluded (light blue bars for demand and pink line for capacity). When evaluated in this way, the alternate capacity scenario indicates that there is almost a shortfall of (non-airport) industrial capacity in the medium-term. A shortfall would be expected very shortly after 2026 given the rate of demand growth.

Across the total district, there would be sufficient industrial capacity in the long-term under the QLDC Recommended growth projection and alternate capacity scenario. In the long-term, the surplus in the Wanaka Ward would not offset the shortfall in the Wakatipu Ward during that period.

Care is however needed when considering the ability of demand in one ward to be serviced by capacity in the other ward in any time period and the district level outcomes. QLD differs to many other high growth areas because the Queenstown and Wanaka urban areas are geographically separate and operate in distinct industrial catchments because of the distance and topography between the two main towns. Heavy vehicles are unable to use the Crown Range Road and need to access Wanaka via Cromwell, which is an approximately 75 minute car drive. In this regard, Cromwell is likely to be more feasible location for industrial activities that need to service both QLD wards and may become more relevant if a shortage occurs at this timeframe. For this reason, the district level outcomes should not be relied upon and are reported for completeness only. It is important in QLD that sufficient industrial land is provided in both wards.

Conclusions and Future Updates

The up-shot of this analysis of sufficiency is that the District Plan provides a significant surplus of capacity for projected growth in demand for both retail and commercial sectors for the next 30 years. There is also reasonably strong alignment between results of the MCA framework and plan enabled capacity, indicating that Council has zoned land that is appropriately located and is likely to meet developer requirements.



The Wanaka Ward is well served with industrial capacity for the foreseeable future, thanks to new zones created in the Ballantyne Road area, including the presence of the Industrial B zone. The objective of this zone is to provide a mix of business, industrial, service and trade related activities and avoid residential, office (non-ancillary) and most retail uses.

Conservatively, the Wakatipu Ward could have 28.1 ha of vacant industrial capacity (based on the alternate scenario discussed above). This is out of a potential maximum capacity of 43.6 ha if none is taken up by retail or commercial activity (which seems unlikely). This capacity (28.1 ha) does include significant vacant capacity in the Queenstown Airport Mixed Use zone (an estimated 10.6 ha). Excluding that, the remaining 17.5 ha (a more conservative estimate) is all that is left to cater for industrial land demand in the Wakatipu Ward (excluding Air Transport Services) of around 34.0 ha over the long term.

Under the alternate capacity scenario, this industrial land is located entirely within Frankton Flats B Precincts D (10.7 estimated developable ha) and E1 (6.8 estimated developable ha). This will not be sufficient beyond 2026 (the medium term) according to the Council's Recommended growth projection.

In light of the pressures facing business zones enabling industrial land use, Council will need to be vigilant in monitoring the up-take of vacant sites, particularly in the Frankton Flats. Monitoring will allow QLDC to regularly update the stock-take of vacant business sites in light of current construction and approved building consents. It will also inform what land uses are being developed on sites potentially available for industrial activities.

In terms of the Future Development Strategy and future development responses, M.E recommend that attention be given to the provision of additional industrial zoned land in the Wakatipu Ward to meet medium-long term demand (or medium-term demand to take a more conservative approach).



1 Introduction and Approach

The National Policy Statement on Urban Capacity⁹ (NPS-UDC) came into effect on 1 December 2016 and requires local authorities to ensure there is enough¹⁰ housing and business land to meet expected demands over a 30-year period.

Under the Resource Management Act 1991 (RMA) and regional policy statements, regional plans and district plans must give effect to the objectives and policies of the NPS-UDC. This means that the results of this assessment will inform targets for housing and business land to be included in the District Plan, and any zoning and provisions required to achieve them.

Queenstown Lakes District (QLD) is identified as a “high growth urban area”¹¹ under the NPS-UDC and is subject to the full suite of provisions of the NPS-UDC. Queenstown Lakes District Council (QLDC) must complete a comprehensive assessment of demand and capacity in the district plan for both housing and business activities at least every three years, starting from 31 December 2017.

This report, prepared by Market Economics Limited (M.E) in collaboration with QLDC, delivers the first Business Development Capacity Assessment (BDCA). A separate Housing Development Capacity Assessment (HDCA) has also been undertaken and is detailed in a separate report¹². This report briefly touches on the interaction between the two markets.

This BDCA provides detailed analysis of the QLD business market, including drivers and influences on demand and supply, and the sufficiency of capacity provided within the district plan. As a simple summary, the approach taken in the assessment, and detailed in this report, is:

- **Demand Assessment (Section 4):** an assessment of demand for business land and floor space over the short-term 2016-2019, medium-term 2019-2026 and long-term 2026-2046.
- **Capacity Assessment (Section 5):** an assessment of vacant land and plan enabled (zoned) capacity for business land and floor space over the short-term, medium-term and long-term.
- **Feasibility assessment (Section 6):** the portion of business land capacity which is “feasible”
- **Sufficiency assessment (Section 7):** the results of the demand and capacity assessments are brought together to determine the sufficiency of capacity provided for in the QLD urban business zones.

⁹

http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/National_Policy_Statement_on_Urban_Development_Capacity_2016-final.pdf

¹⁰ Housing and business land capacity must be “sufficient” and “feasible” in accordance with the NPS-UDC

¹¹ “High-growth urban area” is defined in the NPS-UDC. Queenstown is defined as a high growth urban area due to having a combined resident population and visitor population of over 30,000 people, and the resident population is projected to grow by more than 10% between 2013 to 2023.

¹² Housing Development Capacity Assessment 2017 – Queenstown Lakes District, xxx 2018.



These results will be a key part of Council’s evidence base to inform future planning and infrastructure decisions, in particular the development of a ‘Future Development Strategy’¹³ (FDS) which is also required under the NPS-UDC by December 2018. The results will also inform the setting of targets in the District Plan, and the Proposed Regional Policy Statement for Otago, to ensure that sufficient business capacity is provided in the medium (to 2026) and long-term (to 2046).

This BDCA focuses on the development *capacity* of the Queenstown and Wanaka urban environments¹⁴ which have each been defined and discussed further in section 1.2. Areas outside the urban environment have been included in the *demand* assessment, which includes the District as a whole, but these areas have not been modelled specifically in terms of land requirements and sufficiency of capacity. Business demand for space, in particular from tourism related activities arises outside of the urban environment yet plays a very important role to the local economy. It is acknowledged that the responsive planning policies of the NPS-UDC can be applied outside the boundaries of the urban environment, however this is the second phase of the NPS-UDC implementation that follows from the results of this assessment and will be considered in the FDS.

QLDC also recognise that there is anecdotal evidence that drivers of demand in Queenstown and Wanaka also affect the business and housing markets in other smaller nearby centres, particularly Cromwell, and in areas that are located outside the QLD urban environment. This assessment briefly discusses the interrelationship of the Queenstown and Wanaka markets to Cromwell and the rural environment. QLDC acknowledge that more collaboration will be required with the Central Otago District Council (CODC), in particular investigating the demand and supply of business land that services both Queenstown and Wanaka; and to what extent demand for space at particular price points that cannot be met locally transfers to Cromwell. CODC is currently not defined as a medium or high growth urban area, and although the NPS-UDC still applies to the district, CODC is not currently required to prepare a BDCA or HDCA. Therefore, the CODC has limited quantitative data that could be utilised for QLD’s current assessment.

The NPS-UDC seeks to achieve better integration across local and regional markets through collaboration across administrative boundaries. QLDC has been working alongside the Otago Regional Council (ORC) in the development of this assessment and has involved them in all workshops.

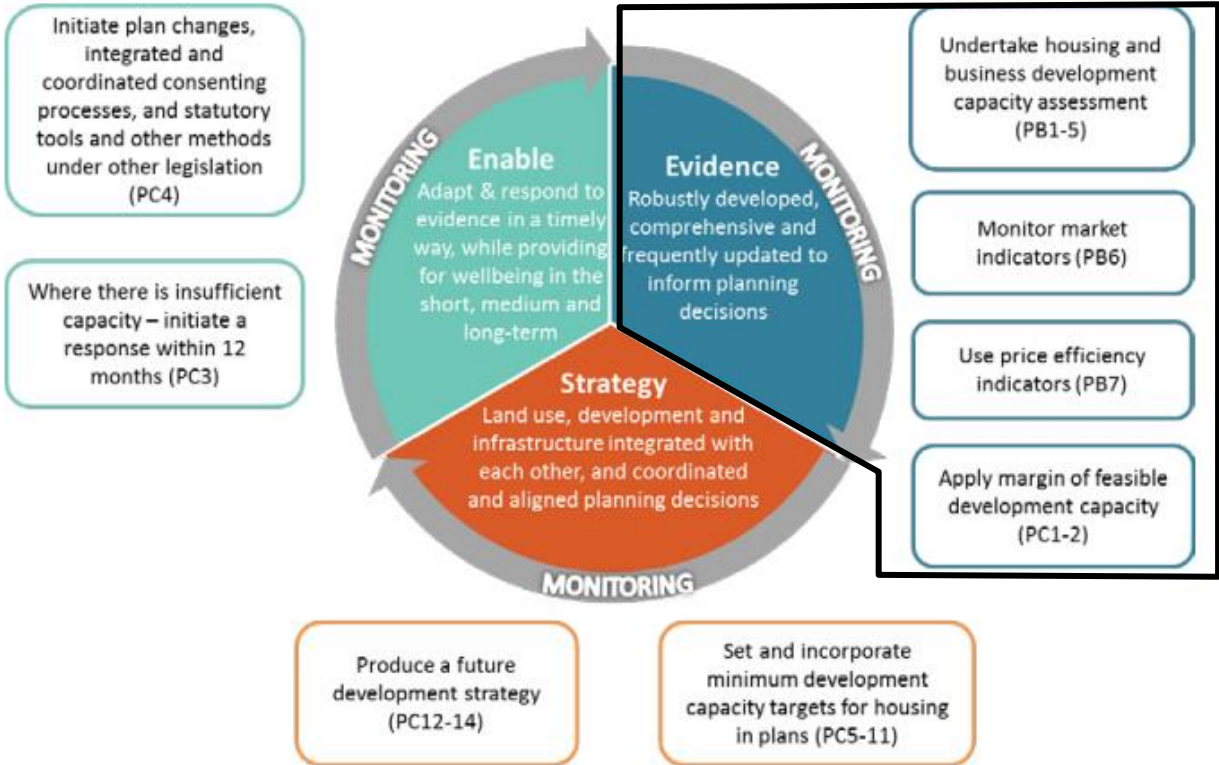
1.1 Purpose of the NPS-UDC

The NPS-UDC requires local authorities to ensure that there is sufficient housing and business land to meet expected demand over the short (3 years), medium (10 years) and long-term (30 years). To do so, it establishes a comprehensive staged assessment process to ensure local authorities gain a fine-grained understanding of the economic influences on capacity and demand to better plan for growth. Figure 1.1 illustrates the various stages and deliverables of the NPS-UDC. The BDCA and HDCA fall within the Evidence portion of the NPS-UDC.

¹³ The Future Development Strategy is detailed in Policy C12 to C14 of the NPS-UDC and is required to demonstrate that there will be sufficient, feasible development capacity in the medium and long term and set out how the minimum targets under policies C5 and C9 will be met.

¹⁴ ‘Urban Environment’ is defined in the NPS-UDC and discussed later in this report

Figure 1.1 – Summary of NPS-UDC Polices, Stages and Deliverables¹⁵




The NPS-UDC identifies that urban environments are areas where population and economic activities are in close proximity, and that they are often growing at significantly higher rates than in rural or provincial settings. This dynamism leads to unique and challenging conditions that require particular policy responses to manage effects and ensure that growth is managed in a manner that is both efficient and ensures that communities continue to be able to provide for their social, cultural, environmental and economic wellbeing.

To effectively plan for and manage population and economic growth in the urban environment, it is important to understand the key influences on growth. Local authorities can make well informed decisions if they have access to consistent and robust estimates of growth. Understanding key drivers or constraints on growth and the land use implications of change will assist authorities when assessing the effects of alternative policy options. In addition, greater understanding of the timeframe in which business land capacity is either developing, or is required over time, can better enable forward infrastructure planning and financing and will also help inform decisions on resource consent applications. To achieve this the NPS-UDC requires regular monitoring of a range of market indicators.

In the context of business land, decision making based on greater understanding of factors affecting growth will also improve efforts to promote thriving town centres, efficient transport and infrastructure planning, and to foster the sustainable growth of the district. This information will also provide greater understanding

¹⁵Source:<http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/FINAL-NPS-DC%20Evidence%20and%20Monitoring%20guide.pdf>



of industries that may change over time and enable the management of possible negative effects of business activities, such as reverse sensitivity or high vacancy rates.

A key outcome of the NPS-UDC is the integration of land use and infrastructure planning. This recognises that development is dependent on the availability of infrastructure, so decisions about infrastructure must be made with reference to decisions made as to the shape, form and scale of the urban area. There are obvious benefits with this, particularly in terms of efficiencies, more predictable outcomes and cost savings to the wider community from ensuring consistency between all of these processes. Accordingly, the NPS-UDC requires (under Policy A1) that development capacity considered in these assessments is either serviced with development infrastructure¹⁶ or identified in a Long Term Plan (LTP) or Strategy. Local authorities must also be satisfied that ‘other infrastructure’ (such as parks, schools and community services) required to support urban development and place making is likely to be available. Development and other infrastructure are discussed in sections 6.1.2 and 6.1.3.

The Local Government Act (LGA) provides the framework and requirements for the operation and strategic planning of local governments. This includes the requirement for local governments to operate in democratic and cost-effective ways and to provide good quality local infrastructure, both now and in the future.


Under the LGA, local governments are required to prepare LTP, Annual Plans (AP) and 30 year Infrastructure Strategy. The LTP sets the strategic direction and budget for future development of infrastructure, services and assets, and also for the replacement and upgrade of existing infrastructure. The PDP sets the zoning in the QLD, but is limited by infrastructure constraints, which are programmed in the 30-year Infrastructure Strategy and LTP under the LGA. The 30-year Infrastructure Strategy relies on the capacities stipulated in the PDP to better understand the servicing needs of the community. Thus highlighting the strong links that are required between planning and infrastructure to ensure the strategic and integrated management of urban growth.

1.2 Objectives and Policies

As a ‘high growth’ urban area, QLD is subject to the full suite of objectives and policies under the NPS-UDC. The objectives (detailed in Appendix 1) and policies are structured into four key themes, summarised below:

- *Outcomes for planning decisions* – these provisions establish the requirement to ensure sufficient housing and business capacity to meet demand, provide for choices, and urban environments that develop and change over time.
- *Evidence and monitoring to support planning decisions* - these provisions specify the reporting requirements, the need to monitor market indicators, and consider influences on capacity such as rate of take-up and feasibility.

¹⁶ ‘Development infrastructure’ and ‘other infrastructure’ are defined in the NPS-UDC

- 
- *Responsive planning* – requires a response to be initiated if the evidence base suggests there is insufficient development capacity, establishes the requirement for Councils to prepare a FDS and the setting of ‘minimum targets’ in regional and district plans.
 - *Coordinated planning evidence and decision-making* – encourages collaboration between authorities that share jurisdiction over an urban area, and between regional and local councils.

1.3 The Business Development Capacity Assessment (BDCA)

The NPS-UDC specifies the overall requirement for the BDCA, together with a range of requirements in the Policies¹⁷. Each Policy assessment needs a sound analytical/technical base and good supporting information, and most need quantification to demonstrate compliance. There are many inter-linkages and inter-dependencies among the policies, which make it important to understand the NPS-UDC both holistically, and as to the specific requirements for each Policy. The individual policies cannot be satisfied if treated in isolation.

Figure 1.2 sets out the overall policy structure of the NPC-UDC and shows the relationship of each policy to the overall requirement to produce Business (and Housing) Development Capacity Assessments (Policy B1). A key feature of the flow chart is that while there are significant cross-flows between Policies (these are not shown in the figure to maintain some clarity), the main focus of all Policies from Policy A1 to C3 is on the capacity assessments.

Subsequent to the completion of the BDCA (and HDCA), Policies C4 to C11 are oriented to setting and achieving Minimum Targets for growth and capacity, and these essentially provide a statutory mechanism to require that the necessary quantum of capacity is provided to meet the estimated demand. Policies C12, C13a-c, and C14 are geared toward the third of the major reporting documents, the FDS. The remaining policies D1 through D4 are to ensure co-ordination among councils and between councils and infrastructure providers.

Within this wide suite of policies, the major part of the technical analysis and monitoring is set out in Policies A1 through C3, which contribute most directly to the BDCA (and HDCA). These are addressed throughout this report.

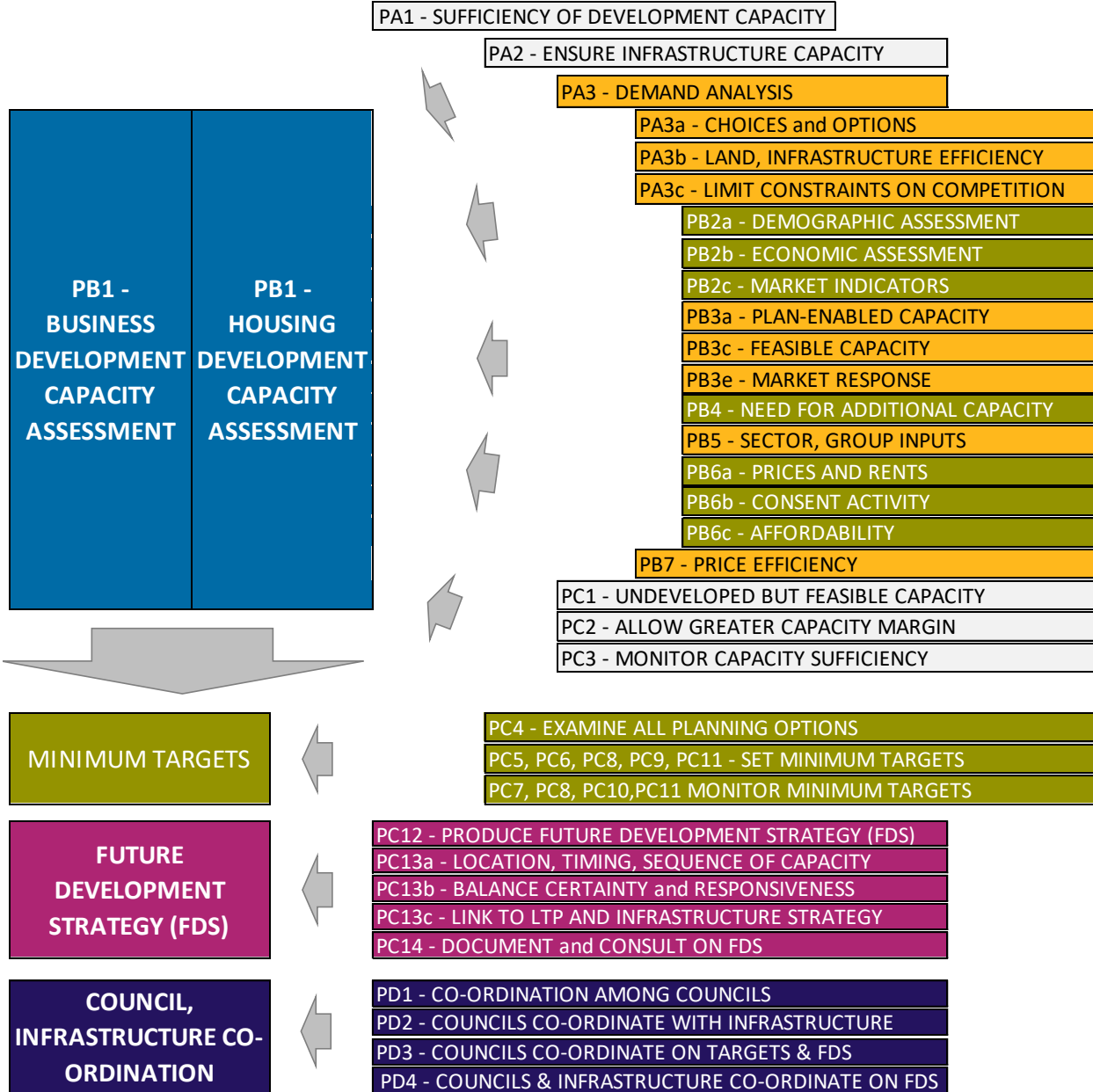
The two (housing and business) assessments will help local authorities to quantify in broad terms how much development capacity is, or should be, provided in resource management plans and supported with development infrastructure, to enable the supply of business (and housing) space that meets demand. Policy B3 requires that this assessment include how much capacity is “feasible” to develop in the current market and expected to be taken up over time. In addition, to account for a portion of feasible development capacity that may not be developed, the calculation of the required total feasible capacity to meet demand needs to include margins over and above the projected demand, to inform Policies C1 and C2.

The assessments should also include information about the interactions between housing and business activities, such as how these drive demand for each other in particular locations or industries; and whether

¹⁷ <http://www.mfe.govt.nz/publications/towns-and-cities/national-policy-statement-urban-development-capacity-guide-evidence>

the location of activities provides for accessibility and the efficient use of land and infrastructure. Double counting of capacity is to be avoided.

Figure 1.2 – Relationship of NPS-UDC Policies with Capacity Assessments



1.4 Approach Overview

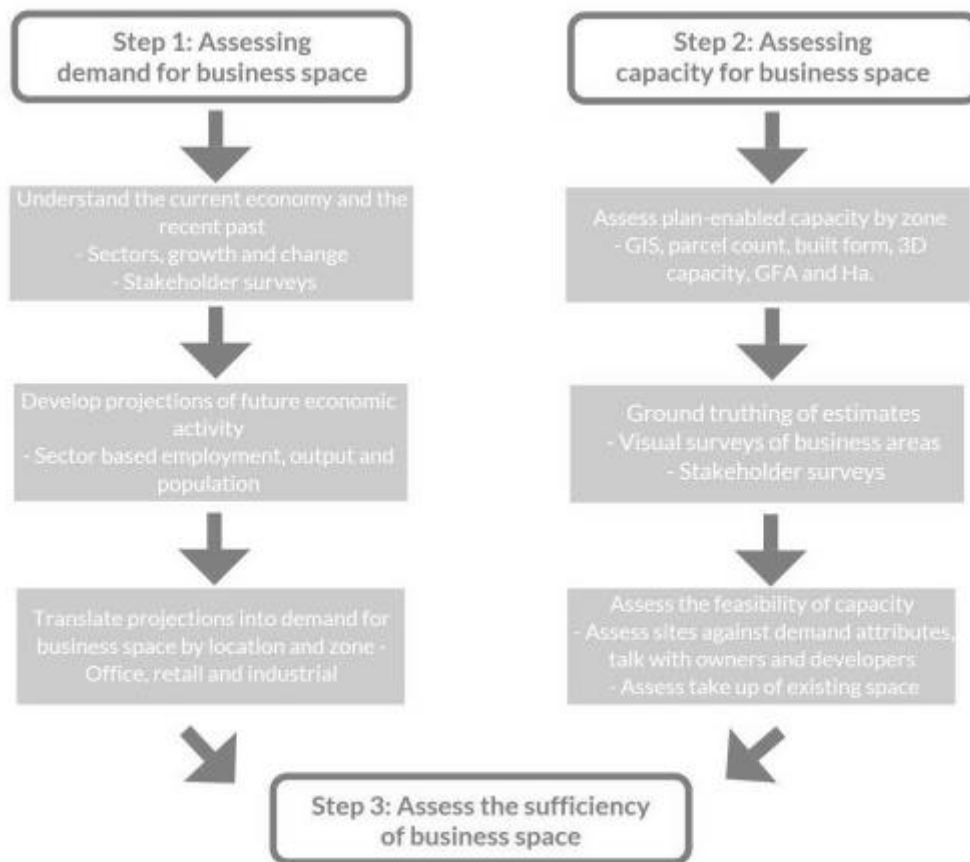
Based on the requirements set out in the NPS-UDC policies, this report focuses on projected economic and population growth and how it translates into business land and space requirements within the QLD urban environment. Economic growth is a key driver of development markets and is important to understand in terms of absolute scale, composition and timing. With this information, QLDC can make more informed decisions that:

- provide sufficient capacity and choices for all business uses, in appropriate locations, and an efficient allocation of capacity between them;
- support thriving town centres, efficient transport, and management of the negative effects of business activities and reverse sensitivity;
- enable constant spatial change to support economic growth and change, particularly, a greater understanding of how the role and function of the district’s centres may change over time;
- understand the influences of business growth on associated demands and locations for visitor accommodation, housing and social and development infrastructure.

These outcomes would contribute to effective and efficient urban environments that enable people and communities and future generations to provide for their social, economic, cultural and environmental well-being. This information also supports informed investment and funding decisions.

The BDCA has three main stages or components of analysis for both demand and supply. The broad approach is presented in Figure 1.3. The following sections contain a narrative that addresses each stage in detail.

Figure 1.3 – Business Development Capacity Approach Overview



1.5 Data Sources

This assessment draws on data supplied by QLDC including a 30 June 2017 extract of parcel boundaries and the rating database. This approach is consistent with Statistics New Zealand (SNZ) methodology where a 30 June resident population estimate is derived using the census usually resident population count and aligns with QLDC's financial year. Files were also provided in GIS format of relevant District Plan zones, sub-zones, overlays and designations, along with associated planning rules and site standards for development.

Time series data from the Statistics New Zealand (SNZ) Business Directory has also been utilised, as well as some of M.E's proprietary datasets relating to the distribution of economic activity across land use or building typology and average employment to land/GFA ratios. These are discussed further in sections 4.1 and 4.3.

1.5.1 Population and Visitor Projections

Population and visitor projections are important for the assessment of business demand and are used as a basis to estimate the likely demand for various employment sectors required to service each.

In August 2016 QLDC contracted Rationale Limited to produce population and visitor growth projections for the next 40 years (to 2058) to use in its 10 Year LTP, 30 Year Infrastructure Strategy and other strategic planning work. For consistency, this assessment utilises the results of these projections and are referred to as QDLC Recommended growth projections.

Rationale utilise a revised growth projection derived from the published SNZ projections¹⁸, and have recommended a 'medium-high' growth scenario for planning purposes as being a reasonable projection of the likely rate of future growth which is not too conservative, nor too ambitious. This 'Recommended Scenario' is slightly below the latest SNZ 'high population growth' scenario (Appendix 2). The results are presented in Table 1.1 below.


Table 1.1 - Queenstown Lakes District Council Recommended Population and Visitor Projections

| | Actuals | | | Projections | | | | | | | | |
|------------------------------------|---------|--------|--------|-------------|--------|--------|---------|---------|---------|---------|---------|---------|
| | 2001 | 2006 | 2013 | 2018 | 2023 | 2028 | 2033 | 2038 | 2043 | 2048 | 2053 | 2058 |
| Usually Resident Population | | | | | | | | | | | | |
| Wanaka Ward | 4,850 | 7,350 | 9,500 | 12,491 | 15,007 | 16,650 | 18,236 | 19,736 | 21,085 | 22,509 | 23,933 | 25,357 |
| Wakatipu Ward | 12,990 | 16,770 | 20,230 | 25,557 | 29,651 | 32,627 | 35,551 | 38,330 | 41,082 | 43,846 | 46,610 | 49,374 |
| District | 17,840 | 24,120 | 29,730 | 38,048 | 44,658 | 49,277 | 53,787 | 58,066 | 62,167 | 66,355 | 70,543 | 74,731 |
| Average Day Visitors | | | | | | | | | | | | |
| Wanaka Ward | 4,333 | 5,391 | 5,746 | 7,945 | 9,443 | 10,129 | 10,656 | 11,105 | 11,482 | 11,809 | 12,094 | 12,325 |
| Wakatipu Ward | 10,358 | 12,258 | 12,236 | 16,915 | 19,760 | 21,360 | 22,942 | 24,444 | 25,876 | 27,229 | 28,506 | 29,729 |
| District | 14,691 | 17,649 | 17,982 | 24,861 | 29,203 | 31,488 | 33,598 | 35,549 | 37,358 | 39,037 | 40,600 | 42,055 |
| Peak Day Visitors | | | | | | | | | | | | |
| Wanaka Ward | 16,584 | 21,966 | 27,389 | 34,448 | 40,010 | 42,988 | 45,714 | 48,155 | 50,250 | 52,428 | 54,576 | 56,712 |
| Wakatipu Ward | 26,254 | 31,065 | 36,491 | 44,854 | 52,031 | 56,759 | 61,327 | 65,650 | 69,849 | 73,946 | 77,964 | 81,946 |
| District | 42,838 | 53,031 | 63,879 | 79,301 | 92,041 | 99,747 | 107,041 | 113,805 | 120,099 | 126,374 | 132,540 | 138,658 |

Source: Rationale Limited, QLDC (reproduced by M.E). Recommended Growth Scenario. Wakatipu Ward incorporates Arrowtown Ward.

These population projections have been developed and enhanced by Rationale on behalf of the QLDC over the past 13 years and are a result of a detailed process, factoring in significant data inputs and trends that

¹⁸ QLDC projections are based on SNZ sub-national projections released in December 2016 (2013 base to 2043). M.E note that the SNZ population projections relied on in this report (i.e. SNZ Medium and High) are more recent (December 2017)



take account of the QLD's unique and ever-changing growth drivers. These projections are utilised QLDC wide¹⁹.

The QLDC Recommended population projections show a district-wide usually resident population growth rate of 2.6% per annum to 2028 (representing a projected increase of 11,230 people from a base of 38,050 in 2018 to reach 49,280). By 2048, the population is projected to reach 66,360. By 2058, the district population will have almost doubled. The projections are anticipating that the Wanaka Ward will grow at a slightly higher annual average rate; 2.9% per annum increase to 2028, compared to the 2.5% increase across the Wakatipu Ward.

Tourism is critical to the economic success of QLD. The ratio of annual visitors to residents is currently 34 visitors to one resident, whereas the ratio in Auckland is one to one, and Christchurch is three to one. Visitor growth projections indicate that average day visitors across the district are projected to increase by 57% by 2048. This is an average increase of approximately 470 visitors per annum. As with projected population growth, average day visitors are expected to grow a slightly faster rate in the Wanaka Ward; 2.5% per annum compared to 2.4% per annum in the Wakatipu Ward over the next ten years.

The QLDC projections highlight that QLD faces unique challenges in providing for a sizeable visitor population that often (on peak days) exceeds the local resident population. In a business context, it also indicates the business and employment sectors that are likely to face even stronger demand in future years. In particular, the need for additional accommodation capacity, both commercial and residential forms, and tourism and recreation services to serve increasing visitor numbers. It also potentially highlights complexities in providing for business capacity (and supporting infrastructure) which may serve average day visitors, but not meet the demands experienced on a peak day (which can be more than double average day visitors).

The QLDC projections have a 2013 base year and provide projections in five-year increments as shown in Table 1.1 above. The base year for this assessment is 2016, and the reason for this is discussed in Section 1.7 (Terminology). Therefore, for the purpose of the BDCA, M.E has interpolated a 2016 figure from the QLDC projections to align with the adopted base year of the analysis (i.e. between 2013 and 2018). Similarly, a 2046 end year has been interpolated for the long-term horizon (between 2043 and 2048). For a more detailed analysis of past, present and future population, households and visitors, refer Rationale's report²⁰ and the QLD HDCA report.

1.5.2 Economic Futures Model – Economic Projections

The Economic Futures Model (EFM) has been developed by M.E for QLDC to generate estimates of future economic activity across the District²¹ for the purposes of the BDCA. The EFM generates estimates of output, employment and value added (synonymous with GDP) at the 48 sector level across the entire

¹⁹ Due to long term nature of growth projections and the broad range of influencing factors there is some uncertainty with the findings. For this reason, the QLDC updates these annually and the projections consider multiple scenarios to ensure the QLDC is adapting to any change.

²⁰<http://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan/Hearings-Page/Hearing-Stream-13/Section-42A-Reports-and-Council-Expert-Evidence/Dwelling-Capacity-Evidence-received-19-June-2017/QLDC-13-Queenstown-Mapping-Walter-Clarke-Evidence-Dwelling-Capacity-29408194-v-1.pdf>

²¹ Queenstown Lakes District Economic Futures Model – Technical Report, 3 October 2017. Market Economics Limited.



district, at the ward level and also provides estimates for the rest of Otago Region and the Rest of New Zealand.

The EFM generates estimates of future economic activity based on projections of population and households at the local, regional and national level and estimates of growth in export performance of all sectors of the economy, average levels of gross fixed capital formation by sector and the manner in which structural change in the population impacts of purchasing behaviour. Appendix 3 provides a more detail description of these growth drivers.

The EFM is a multi-regional model in the sense that cross border flows of economic activity are accounted for. This can have significant effects on rural economies – especially those surrounding large metropolitan centres. In addition, the centres themselves respond to growth and change occurring in the rural areas. Such transactions are often not accounted for in economic models that treat a region or a district in isolation.

In order to develop a scenario of future growth and change in QLD, M.E have worked with QLDC to set appropriate growth drivers in the model. As discussed above, in August 2016 QLDC commissioned Rationale to generate projections of both population and tourism flows into the future (referred to as QLDC projections). M.E have utilised QLDC ‘Recommended’ projections in the EFM to generate a scenario of future growth²². Economic projections generated by the EFM are discussed further section 3.3.

1.6 Stakeholder Engagement

The NPS-UDC requires local authorities to seek and use the input of particular local groups with relevant expertise. This helps develop a high-quality evidence base. QLDC coordinated a stakeholder workshop to inform the feasibility aspect of the BDCA. This workshop, facilitated by M.E, was well attended by a mix of Wanaka and Wakatipu stakeholders from a range of sectors (land owners/developers, real estate and economic development agencies). Appendix 4 contains a copy of the workshop agenda and attendee list. Outcomes of the workshop are discussed further in section 6.1.

1.7 Terminology and Definitions

There are some key terms used in this report. Definitions are provided below:


- Base year: the base year of this assessment is 2016. This is driven by the availability of demand side data, namely the SNZ Business Directory and the EFM (and underlying data). It is acknowledged that capacity estimates are based on a 2017 snap-shot. Back-casting capacity to 2016 was not considered appropriate due to the difficulty in validating this through site visits/ground truthing. The slight difference in time periods, considered preferable to using a projected base year for demand, will persist in future updates of the BDCA also.

²² M.E have also sourced Rationale projections for the other TAs in Otago Region as inputs to population and tourism growth in the Rest of Otago Region in the EFM.

- Short-term: up to three years (2016 to 2019, measured from the base year)
- Medium-term: 3-10 years (2019 to 2026), measured from the base year)
- Long-term: 10-30 years (2026 to 2046, measured from the base year).
- Economic growth: Employment or GDP growth over time.
- Urban environment: as defined in the NPS-UDC, “means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries”. The QLD urban environment adopted for the purpose of this assessment is outlined in Section 2.
- Business Land: land that is zoned for business uses in urban environments. Also referred to business enabled zones. Determined by the policies, rules and activity tables for each zone in the District Plan. These zones may therefore include a portion of residential zones, if the zone provisions allow for a degree of business use (such as the Medium Density Residential Transition Area Overlay, and residential Visitor Accommodation Overlays).
- Business Demand: The demand businesses place on the land or commercial property market for space. This is initially defined in terms of additional employment or turnover, translated into appropriately zoned land and ultimately gross floor area (GFA).
- Feasible: As defined in the NPS-UDC. Development that is commercially viable to a developer, considering the current likely costs, revenues and yield of developing. Feasibility has a corresponding meaning. Note that feasibility assumes that the land is enabled for development by the plan and is, or is planned to be, supported by public infrastructure.
- Industrial: Land use or activity that is industrial in nature. Can include heavy or light industrial activity. This land use is generally associated with manufacturing, processing, packing, or associated storage of goods. As well as service industries like panel beaters and mechanics, wholesaling, logistics and distribution, warehousing, storage and lock up facilities, utilities, air services etc. Activities may be carried out predominantly within buildings or in open yards, or a combination of both. Typically, industrial activities are the sole occupants of a site (i.e. are not combined with other types of activities on upper floors).²³
- Commercial: Land use or activity that is commercial in nature. Can include office based and other commercial activity. This land use is generally associated with business and household services, commercial recreation activities/attractions, commercial visitor accommodation, education²⁴ (pre-school, primary, secondary and tertiary), vehicle and other hire, vehicle sales yards, community services (police, fire, health), local government etc. Activities may be carried out predominantly within buildings or in outdoor areas or formed yards, or a combination of each. Typically, commercial activities (particularly office based) are shared occupants of a site

²³ For the purpose of this reporting an industrial activity is considered to be both an Industrial and Service Activity as defined by the PDP.

²⁴ Education is considered Commercial for the purposes of the NPS-UDC. This differs from the PDP where it is classified as a Community Activity.



(i.e. are often combined with other commercial activities or co-located with retail activities). Commercial office-based activity is commonly found above ground floor.

- Retail: Land use or activity that is retail trade in nature and occurs in shop spaces open to the public. This land use is generally associated with the sale of food, apparel, accessories, hardware, plants, flowers, sporting goods, stationery, books, homewares, furniture, appliances, second hand goods, fuel, cafes, restaurants, takeaways and bars. Typically, retail activities are shared occupants of a site (i.e. are often combined with other commercial activities) and are centre-based. Retail activity is generally found on the ground floor to maximise street frontage/window displays and customer access. Automotive retail such as vehicle showrooms, vehicle parts and fuel have similar locational attributes as industrial activities and warehousing and locate accordingly.
- Take-up: Is the actual development and consumption of business land over time. This includes the establishment of a business on a parcel of land and often involves building works.

Other terms used throughout this report draw on commonly used zoning terminology. A list of acronyms used throughout this report is contained at the end of the document.

1.8 Report Outline

Section 2 describes the geographic context of QLD and defines the urban environment which sets the scope of detailed modelling of demand and capacity. The district is then discussed in terms of broad localities and the business zones are identified (both urban and rural).

Section 3 of the report provides an overview of the QLD economy in terms of key strengths, weaknesses and sectors. Analysis is provided on the current (2016) economy by sector as well as past trends and further economic projections.

Section 4 works through the modelling steps applied to estimate business land and floorspace demand. This is followed by section 5 which works through the modelling steps applied to estimate vacant business land and floorspace capacity.

Section 6 reports on the multi criteria analysis used to assess development feasibility and section 7 presents the results of land and floorspace sufficiency. It also includes a discussion section, reviews market indicators and discusses future monitoring requirements. Section 8 reflects on key issues and learnings for future updates. A series of appendices are included which contain more detailed data and information described throughout the report.

An Evaluation Index is included at the end of the document. This provided a checklist to M.E and Council and may assist with MBIE's evaluation. It identifies the report sections that relate to each evaluation criteria.

2 Study Area

This section discusses the approach taken to define the QLD urban environment and identifies the business zones within the urban environment and in the rest of the district. It provides a description of key locations of business zones (with zoning maps included).


2.1 Geographic context

The QLD has a land area of approximately 8,722km² not counting the main inland lakes (Lake Hawea, Lake Wanaka and Lake Wakatipu). The total area including lakes is roughly 9,375km². Approximately 97% of this area is considered to be located within an Outstanding Natural Landscape (ONL) or an Outstanding Natural Feature (ONF) - the protection of which is a matter of national importance under the RMA (Figure 2.1).

Figure 2.1 – Queenstown Lakes District Settlement Pattern



Queenstown is the largest centre in Central Otago and second behind Dunedin within the Otago region. The two key urban environments of the district are Queenstown and Wanaka. Wanaka is situated



approximately 50km north of Queenstown, but is connected to Queenstown via a 1 hour drive via the Crown Range Road or an 1 ½ hour drive via Cromwell.

Other smaller townships in the District include Arrowtown, Kingston, Glenorchy, Hawea, Cardrona, Makarora and Luggate. Business land in each of these areas is small scale and primarily caters for local residents and tourism activities.

Cromwell is located approximately 60km east of Queenstown, and a 30-45min commute to either Queenstown or Wanaka. At this distance Cromwell may present a convenient alternative for some businesses, being located centrally to the two centres, less constrained by mountainous terrain, and having comparatively cheaper land and rental prices. There is anecdotal evidence to suggest that Cromwell is currently experiencing the spill over of demand from Queenstown and Wanaka. However, further work and collaboration is required to take place with the Central Otago District Council (CODC), Otago Regional Council (ORC) and New Zealand Transport Agency (NZTA).

2.2 Urban Environments and the NPS-UDC

2.2.1 Context

The NPS-UDC defines two concepts; "urban environment" and "urban area" which are different in meaning and application. The NPS-UDC applies to any "urban environment" that is expected to experience growth. The objectives and policies are structured around "urban environments", and therefore the need to assess demand and provide sufficient development capacity (under Policy A1 to A4) applies to land within that urban environment.

A local authority must have part, or all, of either a medium or high-growth "urban area" (as defined under the NPS-UDC) within their district/region, before Policies B1 to B7 (*evidence and monitoring*), C1 to C4 (*responsive planning*), and D1 to D4 (*Coordinated planning evidence and decision-making*) apply; and a high-growth area in their district/region before Policies C5 to C14 (*minimum targets and future development strategy*) apply.


Once triggered as being a high or medium-growth "urban area" within a district, the application of these policies is not restricted to the boundaries of the urban area itself, and therefore can apply district-wide. This reflects for example, the scenario in which new greenfield land may be identified as a future growth area in order to provide additional development capacity outside the boundaries of the current "urban environment".

The QLD is considered a 'high growth urban area' under the NPS-UDC. The NPS-UDC therefore applies to the district as a whole.

2.2.2 Key Urban Environments in Queenstown Lakes District

"Urban environment" is defined in the NPS-UDC as:

"means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries".



The geographic scope of the detailed modelling and analysis of business demand and capacity in QLD, identified in this report, is limited to the defined urban environment²⁵.

In Council's view, there are two 'urban environments' in the QLD that are made up of the following sub-areas:

- **Queenstown Urban Environment:** Sunshine Bay, Queenstown Bay, Queenstown Hill, Frankton, Frankton East, Arthurs Point, Kelvin Heights, Lake Hayes South, Arrowtown and Jacks Point (includes Jacks Point, Hanley Downs and Homestead Bay); and
- **Wanaka Urban Environment:** Wanaka, Albert Town, Luggate and Hāwea.

In the Wakatipu Basin the pattern of urban settlement is dominated by large mountains, lakes and rivers with significant landscape values, making it complex to apply the NPS-UDC. Although not a 'concentrated settlement' in the phrase's ordinary dictionary meaning, the urban environment of Queenstown is grouped around and interrupted by these natural features. Council considers that the most practical approach to the anomaly presented by how Queenstown has developed in its particular physical geography and landscape, is to treat the collection of areas that together function as a single urban environment as a 'concentrated settlement' for the purposes of the NPS-UDC definition of 'urban environment'. This includes Arrowtown given its location within the Wakatipu Basin and that practically it functions as part of this same Queenstown 'urban environment'. This urban environment falls within the extent of the Queenstown-Wakatipu and Arrowtown Wards (SNZ), which are collectively referred to as the Wakatipu Ward for this report.

To a lesser extent compared to Queenstown, the pattern of urban settlement in the Upper Clutha Basin is also dominated by large mountains, lakes and rivers, again making the application of the NPS-UDC to the local geography, difficult. The urban area at the southern extent of Lake Hāwea and in Luggate function as part of Wanaka, and in the Council's view form part of the Wanaka urban environment. However, Makarora does not function as part of Wanaka and is excluded. Kingston and Glenorchy are similarly distant from the Queenstown urban environment and are excluded on the same basis.

The above approach helps define the urban environment for the purpose of the BDCA (and HDCA) (Figure 2.2). The first principal for defining the urban environment was the land within the notified UGB defined in the Proposed District Plan (PDP). Zones outside these boundaries were then included on the basis of their economic and social relationships with the UGB areas; whether they contained urban-like densities; their proximity to existing urban areas; or levels of existing or planned servicing. These zones include the non-rural zones in Hawea (but excluding Hawea Flat), Luggate (including a small area located in the Rural Industrial Sub Zone) and also the Low Density Residential (LDR) zone adjacent to Lake Hayes.

Other areas that are outside of the 'urban environment' do not contribute to the *modelled* demand and capacity of this assessment, but are reported on at a high-level in section 2.4, include the following:

- Rural (including Wakatipu Basin Rural Amenity Zone and Gibbston Character Zone) (PDP);
- Rural Living zones (Rural Lifestyle and Rural Residential Zones) (PDP);

²⁵ Capacity outside of the urban environment has not been modelled in any detail but is discussed at a high level.

- Rural Visitor Zones (Cardrona, Arcadia, Blanket Bay, Walter Peak, Cecil Peak and Windermere) (ODP);
- Kingston and Glenorchy Township Zones (ODP);
- Millbrook, Waterfall Park, Kingston Village and Mount Cardrona Special Zones (ODP);
- Commercial capacities within the approved Special Housing Areas (SHAs): Bridesdale, Queenstown Country Club and Arrowtown Retirement Village.

These are discussed further in sections 2.4 and 2.5. Council acknowledge that although not technically falling within the definition of “urban environment” these areas have a zoning which is anticipated to result in development of an urban nature. QLDC also acknowledge that some of these areas in the future may form part of the urban environment.

2.3 Business Areas in the QLD Urban Environment

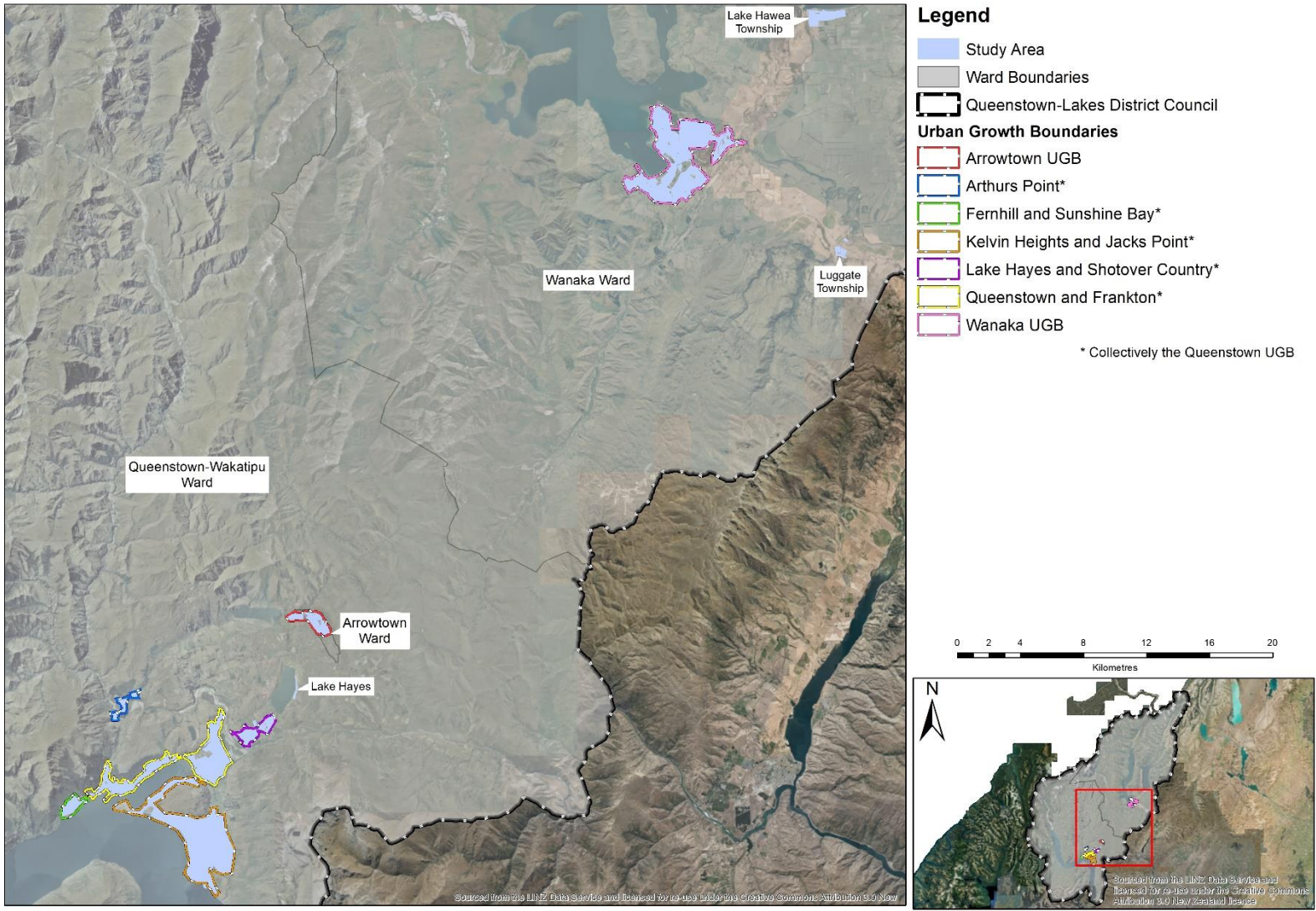
2.3.1 Regional Policy Statement for Otago and Proposed Regional Policy Statement

The Operative Regional Policy Statement 1998 (ORPS) focuses on the impact of developments on natural resources, promoting sustainable land use and minimising the effects of development on water and land. The promotion of sustainable management of the built environment and infrastructure, as well as avoiding or mitigating against adverse effects on the natural and physical resources is incorporated into Objectives 9.4.1, 9.4.2 and 9.4.3; as well as Policies 9.5.1 to 9.5.5. Whilst, Objectives 11.4.1 and 11.4.2 seek to manage risks from natural hazards identifying and then avoiding or mitigating the risks.

By comparison the Proposed Regional Policy Statement for Otago 2015 (PRPS) has a more directive approach regarding integrating urban development and infrastructure, and managing residential, commercial and industrial growth in line with the requirements of the NPS-UDC. The provisions of the PRPS identify a direction in ensuring that plans provide for sufficient urban land capacity and provides good urban design. The PRPS also seeks to avoid development beyond urban growth boundaries (Policy 4.5.2 of the Decision Version of the PRPS). The PRPS decision was released in October 2016 and is currently under appeal. Accordingly, limited weight can be provided to the Decisions Version of the PRPS.

What makes the Otago region unique from other regions throughout the country is the main centres are geographically dispersed. As a result, the management of urban growth has historically been reserved to the respective local authority, due to the limited amount of historical cross boundary issues. Therefore, the provisions of both the PDP and ODP (where relevant) form the basis of strategic urban growth and this assessment.

Figure 2.2 – QLD NPS-UDC Urban Environment Study Area





2.3.2 Application of Zones Under the Operative and Proposed District Plans

The review of the Operative District Plan (ODP) is proceeding via a staged review process. Stage 1 of the PDP was publicly notified on 26 August 2015, and hearings were held from March 2016 to September 2017²⁶. Decisions on Stage 1 are anticipated in the first quarter of 2018.

The PDP review preceded the NPS-UDC, and this has resulted in some misalignment and inaccuracy in the current assessment. The BDCA capacity assessment has been based on a combination of the notified PDP zoning and provisions; and the ODP provisions for zones which have not yet been reviewed. Stage 1 included the higher order strategic provisions of the plan and included most of the district's residential and town centre zones. These stage 1 chapters were based on the premise of promoting a compact urban form, based around urban growth boundaries and enabling increased intensification within the district's existing urban zones. New zones were created - the Medium Density Residential, Large Lot Residential and the BMU zones, with the latter providing for a mix of business and residential activity. Additionally, stage 1 included a significant 'mapping' component, and analysed significant numbers of rezoning requests throughout the district.


The new or amended provisions of stage 1 had the effect of increasing plan enabled capacity and are therefore relevant to this BDCA. It is noted that a number of changes to chapter provisions were supported by council officers in evidence to hearings which may change capacities. However, due to the uncertainty over the outcome of final decisions, this assessment uses the *notified* PDP zones and provisions only and cannot consider any capacity which may be added as a result of revised chapters or rezoning submissions. These will be captured in future updates of the BDCA and any differences reported on.

Stage 2 of the PDP was publicly notified on 23 November 2017, and hearings are anticipated to take place June to September 2018. Decisions on stage 2 are targeted to be released in the first quarter of 2019.

Stage 2 included the chapters on Transport, Earthworks, Signs, Visitor Accommodation, Wakatipu Basin Land-use and Open Space and Recreation. The new or amended provisions of stage 2 that are applicable to this assessment promote a generally more restrictive approach to residential forms of short-term visitor accommodation within the Low and Medium Residential Zones, the Arrowtown Residential Historic Management Zone and the Large Lot Residential Zone. A less restrictive approach is proposed for the High Density Residential Zone and within Visitor Accommodation Sub-Zones. It is noted that the less restrictive provision in the High Density Residential Zone has not been incorporated into this assessment due to timings of Stage 2 of the PDP. This will need to be monitored and taken into consideration when interpreting the results and future iterations of both the capacity reports.

In terms of car parking, the proposed Transport Chapter promotes a reduction of onsite parking in most of the High and Medium Density Residential and Business Mix Use Zones, and greater flexibility surrounding public transport and their associated facilities. The BDCA only accounts for the provisions of stage 2 as they relate to commercial forms of visitor accommodation within the notified VA subzones. Residential forms of visitor accommodation are discussed in the HDCA.

²⁶ Ski Area Sub Zones, Upper Clutha Area and the Queenstown Area (excluding the Wakatipu Basin)



All other land is subject to the ODP provisions. This includes zones that have not yet been reviewed and notified (i.e. Township Zones, Rural Visitor Zones and Special Zones (excluding Jacks Point), land that has been withdrawn from the District Plan review (i.e. the land subject to Plan Changes 19 – Frankton Flats B, 34 – Remarkables Park, 41 – Shotover Country, 45 – Northlake, 46 - Ballantyne Road Mixed Use, 50 - Queenstown Town Centre extension, 51 – Peninsula Bay North and 52 – Mount Cardrona Station). These zones are subject to the ODP at this point in time, and therefore the HDCA has been based on the plan enabled capacity of the ODP provisions. Some of these zones are scheduled to be reviewed in 2019 and will be informed by the results of this assessment. In particular, the Community and Affordable Housing Chapter will be considered as part of Stage 3 of the PDP review.

Business Enabled Zones

Historically, the Queenstown and Wanaka Town Centres have been the primary hubs of the District. They have been the dominant commercial centres, but have also fulfilled important civic, administrative and entertainment functions. These centres contain a strong concentration of tourism-orientated shops and services. Over the past 15 years new commercial centres have arisen and developed, such as Remarkables Park and Glenda Drive/Frankton Flats/Five Mile in Frankton. In the near future, Three Parks in Wanaka will start to have an important role in the Wanaka economy.

The business areas in the district that have been considered in this BDCA include the following zones of both the PDP (Stage 1 and 2, as notified) and ODP (where not reviewed in stage 1 or 2, as discussed above)²⁷. They are collectively referred to as “business enabled zones” whereby ‘business’ includes retail, commercial (including commercial visitor accommodation premises (as opposed to dwelling-based visitor accommodation which is captured in the HDCA), community and education) and industrial activities:

- Queenstown, Wanaka and Arrowtown Town Centres (PDP);
- Town Centre Sub-zone (applies to Queenstown only) (PDP);
- Town Centre Transition Zones (applies to Arrowtown and Wanaka) (PDP);
- Business Mixed Use Zones (PDP);
- Local Shopping Centres (PDP);
- Business (ODP);
- Industrial A and B (ODP);
- Rural Industrial Sub-zone (applies in Luggate only) (PDP);
- Albert Town, Hawea and Luggate Townships (ODP);

²⁷ Urban environment zones excluded for the purpose of the BDCA include low, medium and high density residential zones, High Density Sub-zones A and B, Large Lot Residential (including Wanaka A and B), Arrowtown Residential Historic Management Zone, Special Zones Quail Rise, Penrith Park, Meadow Park, Arrowtown South and other Special Zone areas excluding precincts listed. It is acknowledged that some business activities are enabled in these zones (such as visitor accommodation or child care centres/education) – this is discussed in terms of ‘other capacity not modelled’.

- Commercial Precinct Overlay (applies in Luggate only) (ODP);
- Rural Visitor (applies to Arthurs Point only), (ODP);
- Visitor Accommodation Sub-zones (Stage 2 - PDP);
- Queenstown Airport Mixed Use (PDP)²⁸;
- Plan Change 50 (Queenstown) (ODP); and
- Specific structure plan precincts²⁹ within Special Zones Jacks Point (PDP), Remarkables Park, Frankton Flats (also referred to as Frankton Flats A³⁰ in this report), Frankton Flats B, Northlake, Shotover Country, Three Parks and Ballantyne Road Mixed Use Zone. (ODP)

While the High Density Residential Zone enables commercial visitor accommodation, demand and capacity in this zone has been excluded for the purpose of this BDCA. The local context and extent of these zones within the specified areas are discussed in detail below. In total, these zones cover approximately 748 ha (excluding most roads) out of a total urban environment zone area of approximately 4,463 ha (excluding open space, reserves and most roads). Business enabled land area makes up approximately 17% of the urban environment and approximately 0.5% of the total district.

2.3.3 Queenstown and Surrounds

There are a number of business areas within the Queenstown and surrounding locality. They can be broadly grouped into Queenstown Town Centre and surrounds; Frankton, Remarkables Park and the Queenstown Airport; Five Mile, Frankton Flats and Glenda Drive; Shotover Country and Lake Hayes, Jacks Point (including Hanley Downs and Homestead Bay); and Arthurs Point. Each of these are broadly described below and are shown in Figure 2.3 with more detailed maps provided in Appendix 5.


Queenstown Town Centre and Surrounds

The Queenstown Town Centre is the historical core of commercial and retail activities within the Wakatipu Basin. Much of the CBD area is contained within the Queenstown Town Centre Zone and Sub-zone. High Density Residential zoned land borders the town centre to the north, east and west. This area affords residents and visitors with a focus for community life, visitor accommodation, retail, entertainment, business and administrative services, and offers the greatest variety of activities. Recent high levels of economic growth and exponential increases in visitor arrivals to the district make the Queenstown Town Centre a dynamic and vibrant location. A strong feature of the Queenstown Town Centre is the concentration of tourism-oriented shops and services. These include cafes and restaurants, specialist retailing (souvenirs, galleries, specialist clothing), and booking and transport operations for visitor attractions.

²⁸ The Wanaka Airport falls outside of the urban environment. A proposed chapter that included both the Queenstown and Wanaka Airports were created in the right of reply for the PDP hearings.

²⁹ Precincts within Special Zones that have been excluded for the purpose of the BCDA include those focussed on residential, landscape, open space, screening, protection and reserve activities and specified no-build areas.

³⁰ Known locally as Five Mile.



Traditionally, the bulk of Queenstown’s visitor accommodation was located within short, walkable distances from the town centre, with only a small number of residential units.

Plan Change 50 significantly expanded the area covered by the Queenstown Town Centre Zone. Approximately 12.4 ha of land previously zoned High Density Residential located to the immediate north of the previous zone boundary was considered as part of Plan Change 50³¹ and is now added to the Queenstown Town Centre Zone. This land may potentially provide for a mix of residential, visitor accommodation and tourism facilities, including a possible convention centre and hot pools complex.

Within walking distance from the Queenstown Town Centre is a proposed BMU Zone, which is an area earmarked in the PDP for urban regeneration through accommodating a mix of high density residential and business activities. The PDP encourages a mix of uses within this zone but requires retail/commercial spaces to be on the ground floor fronting Gorge Road. The Wakatipu High School was also located within this zone but has relocated to its new premises at Remarkables Park, leaving a large parcel with significant redevelopment potential.

There are two Local Shopping Centre Zones located at Fernhill and Sunshine Bay which enable small scale commercial business activities in discrete pockets of land that are accessible to the surrounding residential areas. Existing businesses include dairies, restaurants and a fish and chip shop. A number of Visitor Accommodation Sub-Zones exist in Fernhill, Sunshine Bay and Queenstown Hill.

Frankton, Remarkables Park and Queenstown Airport

Frankton, Remarkables Park and Queenstown Airport are located approximately 7 km to the east of the Queenstown Town Centre. It is an area of significant land use diversity, containing commercial, retail and residential uses as well as the District’s international airport, all within close proximity to each other.

The Frankton area is located on the easternmost shore of the Frankton Arm of Lake Wakatipu to the west of Kawarau Road. It is predominantly zoned Low Density Residential and contains a large number of dwellings. A number of designated parks and reserves area also present in the area. A small area zoned Local Shopping Centre with the purpose of serving surrounding residents with fast food outlets, local convenience stores and offices³² is sited on both sides of the intersection of Frankton Road, the Frankton – Ladies Mile Highway and Kawarau Road. This particular road juncture is a major arterial route which has seen substantial road improvements in recent months.

The Remarkables Park Special Zone aims to provide a comprehensively managed and integrated high-density development containing opportunities for a range of supporting and complementary activities. These include open space, residential, conference facilities, visitor accommodation, transport, health, educational, recreational and commercial facilities³³. Retail and commercial outlets within the zone range from smaller scale niche operators to big box type retailing. The zone is subject to a structure plan which identifies activity areas. It is noted that a part of the Remarkables Park Special Zone near the Queenstown Airport, (referred to as ‘Lot 6’) is the subject of a legal dispute between Remarkables Park and the

³¹ Decision No. [2016] NZEnvC99

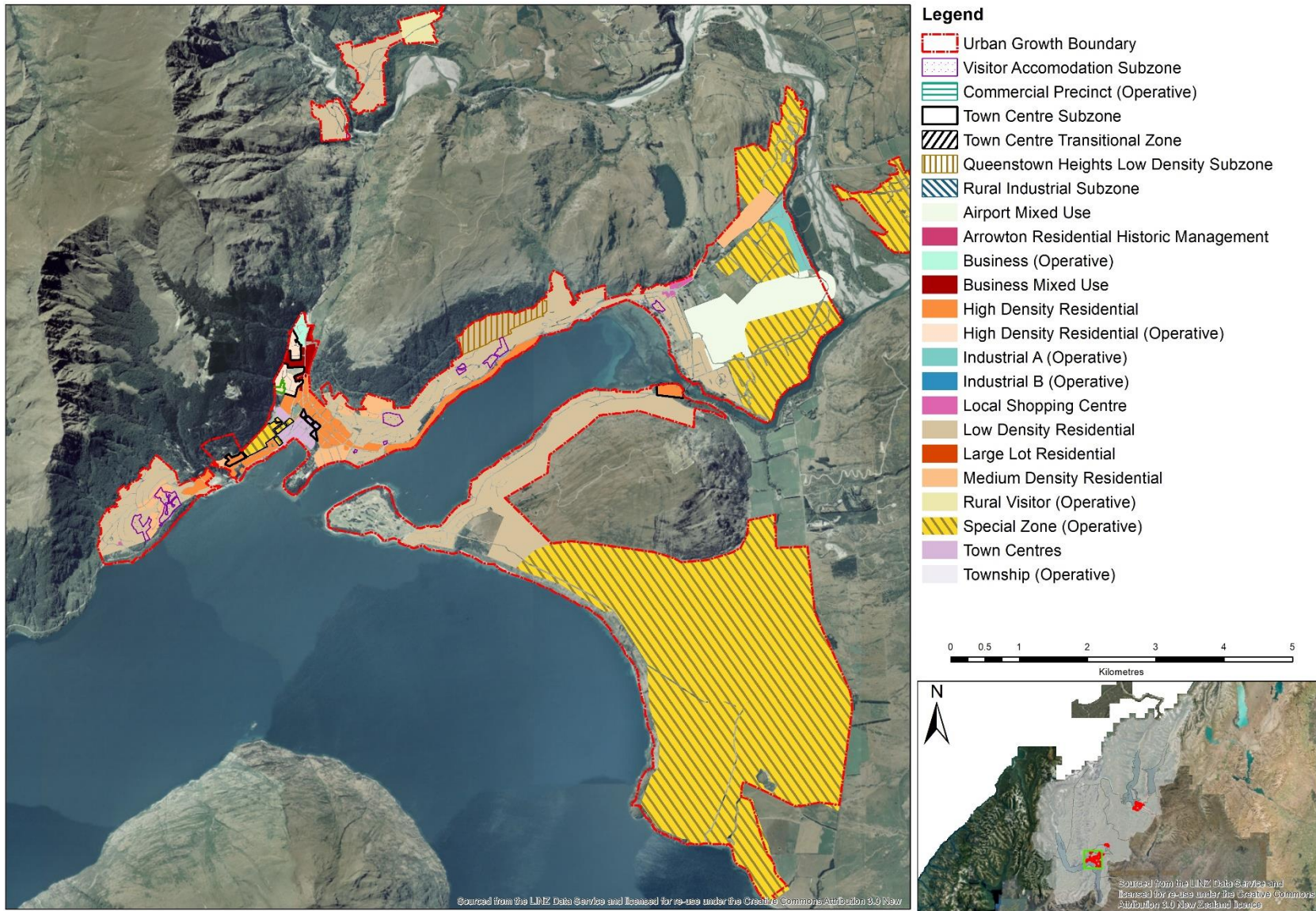
³² Chapter 10, Town Centres, Queenstown Lakes District Council Operative District Plan 2016


³³ Chapter 12, Remarkables Park Zone Rules, Queenstown Lakes District Council Operative District Plan 2012



Queenstown Airport. For the purpose of this assessment, the Remarkables Park zoning of Lot 6 has been utilised within the BDCA. This may need to be updated in future assessments.

Figure 2.3 – Land Use Zones in Queenstown and Surrounds





The Queenstown Airport is designated under the District Plan (designation ref 2) and is proposed to be located within the proposed Queenstown Airport Mixed Use Zone of the PDP. Tourism growth within the District has been both significant and sustained. This is reflected in the total number of passenger movements (which includes an arrival and departure) through Queenstown Airport which increased by 8% in 2014, 14% in 2015 and 18% in 2016 equating to approximately 900,000 visitor arrivals in one year³⁴. A ‘Master Plan Options’ summary document was released by the airport in 2017 which indicates that the trend is anticipated to continue with predictions³⁵ of 3.2 million visitor movements through Queenstown’s airport annually by 2025, and up to 7.1 million by 2045³⁶. The Master Plan also presents options to reconfigure the airport terminal and associated commercial facilities to accommodate predicted levels of growth and manage associated traffic and parking effects. Future growth of the airport will have a significant flow on effect to housing and business demand.

The Frankton Marina is located west of Frankton and contains a mix of commercial, industrial and recreational uses. It is currently being redeveloped as a marina. It is currently zoned Low Density Residential in both the PDP and ODP.

Five Mile, Frankton Flats and Glenda Drive

Five Mile and Frankton Flats are located approximately 7.8 km to the east of the Queenstown Town Centre. This wider area is highly accessible due to its proximity to the Frankton – Ladies Mile Highway and the recent construction of Hawthorne Drive, being a main diversion corridor for vehicle traffic moving between the Arrowtown/Lake Hayes/Shotover Country areas to Frankton and Jacks Point, and vice versa.

Hawthorne Drive has also enabled greater through movement between Five Mile/Frankton Flats to Remarkables Park and Frankton commercial areas; and significantly improved the accessibility of the surrounding road network through the reduction in traffic congestion along Kawarau Road. Together this wider ‘Frankton’ area is the first major commercial centre for visitors arriving by road and air, and for the majority of the district’s permanent residents living in Arrowtown, Frankton, Jacks Point, Shotover Country and Lake Hayes.


The Five Mile and Frankton Flats areas fall within the Frankton Flats and Frankton Flat B Special Zones under the ODP. The purpose of the Frankton Flats Zones is to enable development of a new shopping centre, which also incorporates opportunities for retailing, office, educational, visitor and residential accommodation and leisure activities³⁷. The Frankton Flats B Zone has the potential to accommodate a broad range of activities including residential, education, industrial, commercial, and retail. High density residential apartments 3-4 storeys in height (the Remarkables Residences) are currently under construction within this area and will integrate with the commercial area. A number of vacant sites remain within this

³⁴ Queenstown Airport Corporation Master Plan Options summary document (2017)

³⁵ This report relies on the total visitor counts projected by QLDC. The growth projections included in the Airports Master Plan relate only to those that arrive and depart by air which is one sector of the visitor market and increased levels of domestic travel. Realising the Airport’s projections is contingent of significant redevelopment options. More information is likely in future when the preferred options are refined. These will be reported in future iterations of this report.

³⁶ <http://www.queenstownairport.co.nz/assets/masterplan/Queenstown-Airport-Master-Plan-Options.pdf>

³⁷ Chapter 12, Frankton Flats Rules, Queenstown Lakes District Plan 2009



zone at the time of writing this report although significant construction works can be observed across the wider area.

Glenda Drive is accessed off Frankton-Ladies Mile Highway and has road linkages with the wider Five Mile/Frankton Flats Special Zones. Much of Glenda Drive is located within the Industrial A Zone under the Operative District Plan. The purpose of the Industrial Zone is to provide for the continued viability of industrial activities and the services they provide for the social and economic wellbeing of the community. The Glenda Drive Industrial A Zone contains a number of established industrial, service and commercial activities, including auto-mechanics and panel beaters, as well as a number of commercial/retail activities and some residential.

A review of these areas highlights there has been a significant amount of bulk retail and commercial development within the Frankton Flats and Glenda Drive commercial areas. A significant portion of the Frankton Flats (E1) zone is occupied by Mitre 10 Mega and Pak'n Save stores, which combined occupy approximately 3.8 ha of land that was zoned for industrial purposes. Rental car companies have also located in these areas and trade retail, such as Bunnings Warehouse is also competing for these spaces.

In summary, this area contains a range of light manufacturing and workshop-based services and building supplies and builders' yards. Much of the manufacturing activity comprises joinery, engineering, and assembly operations, particularly activities supporting the strong building sector in the region. Builders' and contractors' yards are important, while Frankton Flats also dominates distribution – transport, storage, and warehousing

Shotover Country and Lake Hayes Estate


Much of the land located within the Shotover Country Special Zone and Lake Hayes Estate is zoned for residential purposes. However, there is some limited provision for retail and commercial activities within these locations.

The purpose of the Shotover Country Special Zone is to establish a comprehensively designed and integrated residential living environment that provides opportunities for predominantly low density living accommodation with a smaller mixture of medium density living, community and educational activities. Area 3 of the overarching Shotover Country Special Zone structure plan provides land for education and community purposes only. There is a small node of approximately 2.27ha (net) that provides for small scale commercial activities to service the local community. While 'Area 3' has been developed and accommodates Shotover Primary and a child care centre; the commercial node is vacant and undeveloped.

Lake Hayes Estate is predominately comprised of residentially zoned land. An area of land located at the core of Lake Hayes Estate is currently used for commercial/retail activities however, the underlying zoning in this locality is Low Density Residential thereby limiting any larger scale non-residential activities.

Jacks Point (including Hanley Downs and Homestead Bay)

The Jacks Point Special Zone is located approximately 15.8 km from the Queenstown Town Centre. The purpose of the Jacks Point Zone is to provide for residential and visitor accommodation in a high quality sustainable environment comprising of two villages, a variety of recreation opportunities and community benefits, including access to public open space and amenities. The structure plan for this zone sets out a number of activity areas. Commercial and retail activities are limited to those 'village' and 'lodge' areas



identified within the Jacks Point structure plan (with a small amount of retail activity allowed within some residential precincts) and these are currently only partially developed.

Arthurs Point

Arthurs Point is a village located approximately 5.5 km from the Queenstown Town Centre. It is predominantly zoned Low Density Residential and bounded by Rural zoned land. A small area of commercial/office/retail activity is currently situated on the lower banks of the Shotover River adjoining the Edith Cavell Bridge.

An area of land in the northeast of Arthurs Point village is zoned Rural Visitor. The purpose of the Rural Visitor Zone is to complement the existing range of visitor accommodation opportunities in the District and provide for increased opportunity for people to experience the rural character, heritage and amenity of the rural area. The zone provides for a range of accommodation, entertainment, cultural and recreational activities. This part of Arthurs Point currently contains a range of visitor accommodation providers and associated commercial/retail activities such as cafes and restaurants.

2.3.4 Arrowtown and Surrounds

Arrowtown is located approximately 20.5 km from the Queenstown Town Centre. It contains small scale retailing, with the centre of town being dominated by hospitality alongside a small number of retail shops that are predominantly orientated towards tourists (including souvenir and art shops and specialist clothing stores). It's Town Centre zoned area is located across a small stretch of Buckingham Street, which comprises the historic civic centre that emerged in the early 1860s following the Arrow gold rush.

The town centre is bounded by residentially zoned land to the south, east and west, while the Bush Creek and its associated reserve land, borders the town to the north. The proposed Arrowtown Town Centre Zone rules in this location make provision for a wide range of activities necessary to retain Arrowtown's role as a major visitor attraction and boutique scale centre capable of servicing those day to day needs of the resident population. The Arrowtown Town Centre does not currently contain any vacant retail or commercially zoned land but does contain approximately 1 ha of occupied retail and commercially zoned land with office development located behind the main street. There is also a small site zoned Local Shopping Centre (containing the Four Square grocery store) which serves the convenience retail needs of surrounding residential land. Some existing commercial visitor accommodation businesses are captured in the Arrowtown Visitor Accommodation Sub-zones. A small industrial zoned area lies to the west of Arrowtown and contains a mix of light industrial and yard activities.

Meadow Park Special Zone is a mixed-use zone located on the corner of Manse and Malaghan Roads, to west of the Arrowtown Town Centre and south of the existing industrial zone land. The dominant land use to date within this zone has been residential activity. The Arrowtown South Special Zone applies to 30 hectares of land that adjoins the established southern residential area of Arrowtown. This zone seeks to provide for limited residential and rural living expansion of Arrowtown. Both of these zones are within the urban environment (or partially) but excluded from the business capacity modelling due to their predominant residential land uses.



2.3.5 Wanaka and Surrounds

There are a number of business areas within the Wanaka and surrounding locality. They can be broadly grouped into Wanaka Town Centre and surrounds and Luggate, Hawea and Albert Town Townships. Each of these are broadly described below and are shown in Figures 2.5 to 2.7.

Wanaka Town Centre and Surrounds

The Wanaka Town Centre is the principle focus of commercial and retail activities within the Wanaka Ward. It is sited on the south-eastern most shore of Lake Wanaka and is zoned Wanaka Town Centre under the PDP. A mix of zones bound the town centre, including high and low density residential land, as well as Open Space and Recreation zoned land that is also designated for reserve purposes. The zone makes provision for a wide range of activities necessary to retain the importance of Wanaka's role as the dominant service centre for the wider Wanaka Ward³⁸ (Figure 2.5).

The town centre is supported by the Three Parks Special Zone, the Ballantyne Road Mixed Use Zone, the Industrial A and B Zones, which are both located to the south east of the town centre. The business precincts in Three Parks are currently under development and will be utilised for a range of business activities including retail, commercial, tourism, trade, service, light industry and distribution. While the Industrial A and B zones and the Ballantyne Road Mixed Use Zone provide for a range of business, industrial, service and trade-related activities.

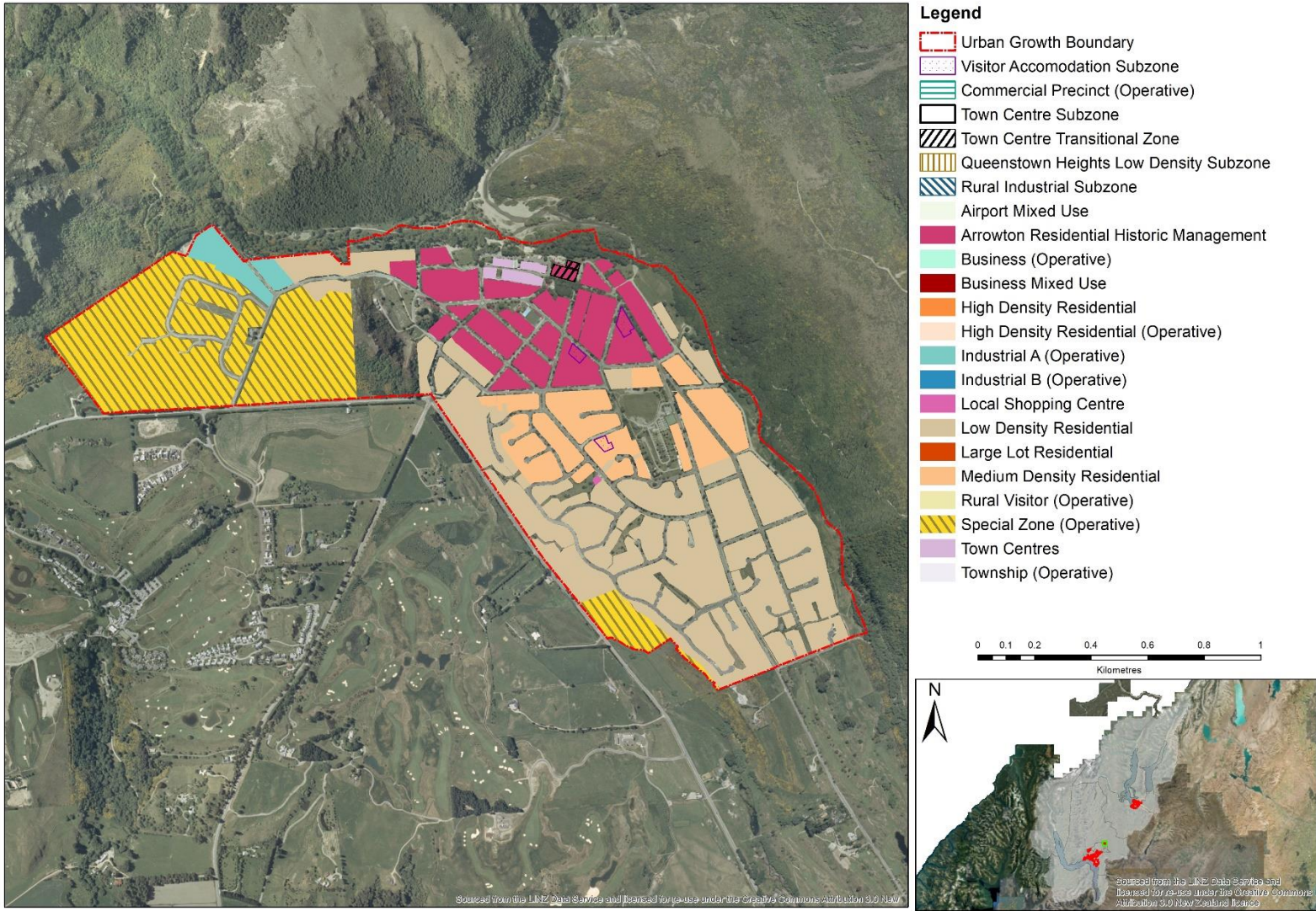
The proposed BMU Zone in Anderson Heights is also within walking distance from the Wanaka Town Centre. This is an area that currently accommodates office, retail and light industrial uses but has been earmarked in the PDP for urban regeneration by enabling higher intensity and compatible land uses, whilst enabling services that complement, enable and support the Wanaka Town Centre. There is limited existing vacant capacity in this zone.

There are two proposed Local Shopping Centre Zones located along Cardrona Valley Road (new proposed area) and Albert Town which enable small scale commercial business activities in discrete pockets of land that are accessible to the surrounding residential areas. Existing businesses in the Albert Town Local Shopping Centre include a café and restaurant. A number of Visitor Accommodation Sub-Zones exist throughout Wanaka and are mainly situated over existing hotels/motels.

The Northlake Special Zone is located between Wanaka and Albert Town, with its primary intention of enabling approximately 1,500 residential homes. The zone includes a small commercial and community facilities node that is located alongside Northlake Drive (the main street of the development). A private plan change request has been received by Council that proposes to increase the size of Activity Area D1 where retirement villages and commercial activities are provided for and facilitate a supermarket, while retaining the 200m² cap for other commercial and retail activities. The proposed plan change has not been taken into consideration as part of this assessment, as it had only just been received by QLDC at the time of analysis.

³⁸ Chapter 10, Town Centres, Queenstown Lakes District Plan 2016

Figure 2.4 – Land Use Zones in Arrowtown and Surrounds





Luggate, Hawea and Albert Town Townships

The purpose of the Township Zone is to enable the continued function of Townships as rural service centres. Different activities occur within these zones and it is not unusual to find commercial or industrial activities, such as transport yards, hotels and small businesses to be interspersed with housing. Historically commercial and visitor accommodation precincts were an accepted method in the ODP of promoting and providing for commercial (including visitor accommodation) activities within these areas. Commercial and visitor accommodation activities are controlled activities within each of the precincts, incentivising commercial based activities within these precincts, rather than in the residential areas where such activities would otherwise be discretionary. This method will be reviewed in Stage 3 of the PDP process.

Albert Town (including Riverside Stage 6) is located to the east of Wanaka, where State Highway 6 crosses the Clutha River. Due to its proximity to the Wanaka Town Centre and established residential development it is considered to form part of the Wanaka urban environment. It is located within Wanaka UGB, Figure 2.5 below. It is predominantly a residential settlement with a small area zoned Local Shopping Centre, which has some vacant capacity. A café/restaurant/bar and small shop currently service the existing community.

Hawea is located approximately 17.1 km from the Wanaka Town Centre (Figure 2.6). It is positioned on the southern shore of Lake Hawea. Much of Hawea is located within the Township Zone under the District Plan. However, a large area of Rural Residential zoned land is sited immediately to the south of the primary Township Zone (excluded from the scope of the urban environment). Hawea contains 0.3 ha of vacant retail and commercially zoned land (Local Shopping Centre Zone) and some vacant capacity within the Visitor Accommodation Sub-zone.

Luggate is located approximately 14.4 km from the Wanaka Town Centre (Figure 2.7). Much of Luggate is located within the Township Zone under the District Plan. However, a large area of Rural Residential zoned land is sited immediately to the north and east of the primary Township Zone (outside the defined urban environment). Luggate contains approximately 0.5 ha of vacant retail and commercially zoned land within the Commercial Precinct Overlay area. A small area (2.63 ha) of Rural Industrial zoned land lies to the north of the township. This area of land is currently occupied but under-utilised.



Figure 2.5 – Land Use Zones in Wanaka and Surrounds

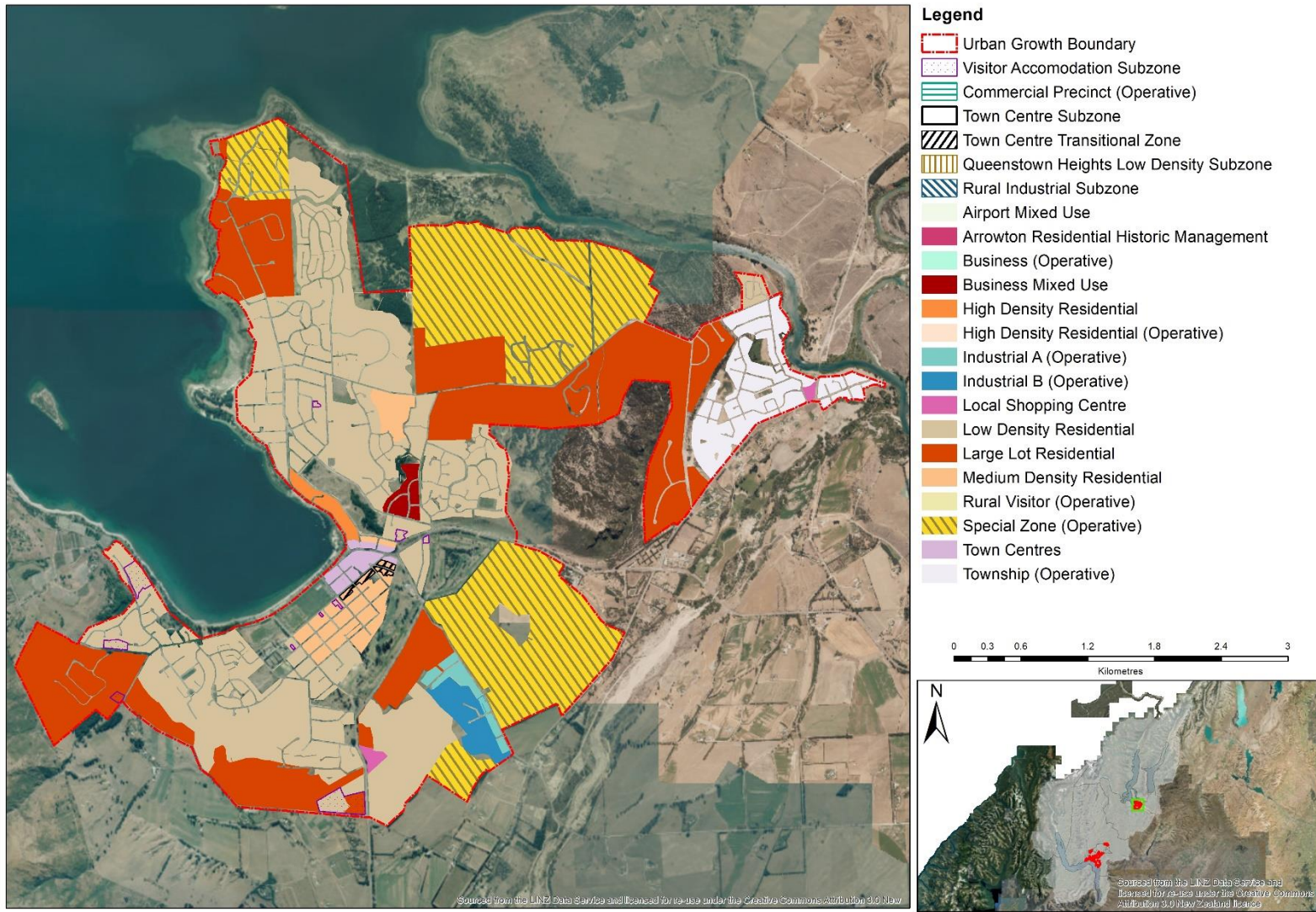




Figure 2.6 – Land Use Zones in Hawea

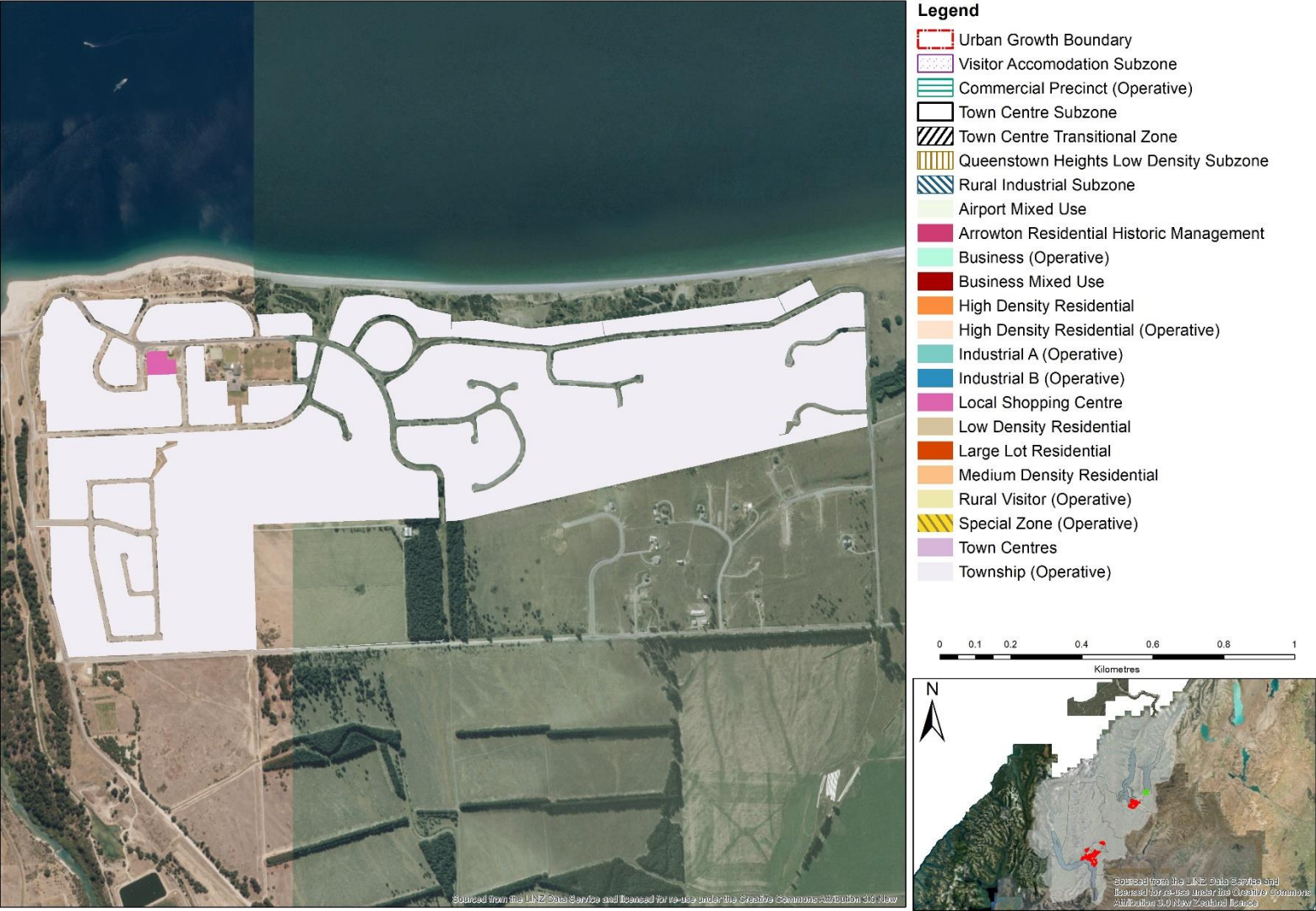
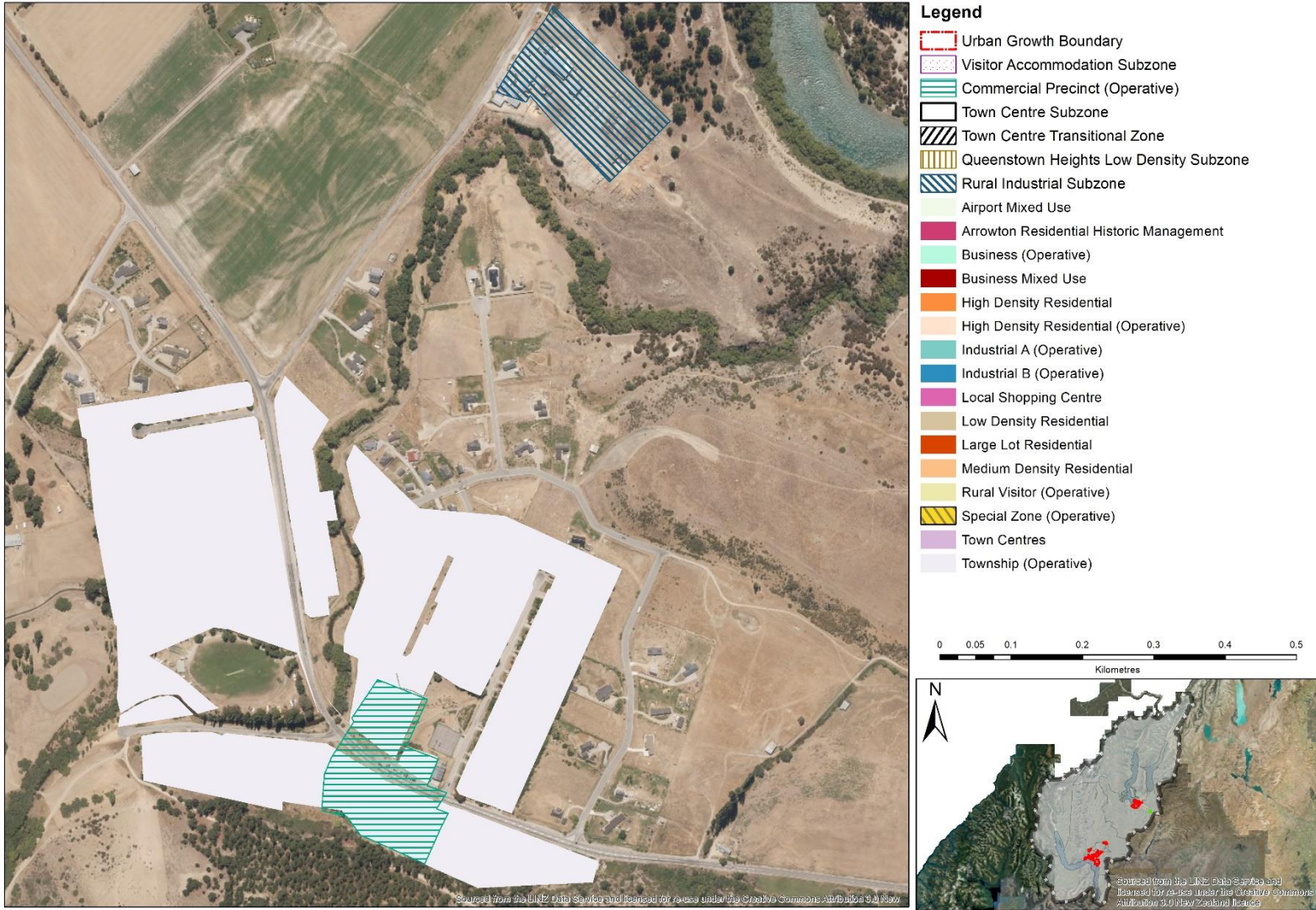


Figure 2.7 – Land Use Zones in Luggate





2.4 Business Areas in the Rural Environment

The business capacity outside of the urban environment is complex. These areas have not been modelled for feasibility³⁹ but have been modelled through the Council's development capacity investigations for the PDP.

The rural environment is made up of rural and rural living and small townships. These areas play an important role in the local economy as they play a complementary role to the Queenstown and Wanaka Town Centres, support local communities and are areas where a high proportion of tourist activities are located. They are therefore relevant to discuss in the context of this assessment and are summarised below:

Rural Zone and Wakatipu Basin Rural Amenity Zone

The purpose of the Rural zone is to enable farming activities while protecting, maintaining and enhancing landscape values, nature conservation values, the soil and water resource and rural amenity. The purpose of the Wakatipu Basin Rural Amenity Zone is to protect, maintain and enhance the particular character and amenity of the rural landscape which distinguishes the Wakatipu Basin from other parts of the QLD that are zoned Rural. In the Wakatipu Basin Lifestyle Precinct controls on location, nature, visual effects of buildings are used to provide flexible and design led response to the landscape character as well as managing the effects on landscape character and visual amenity values.

A wide range of productive activities occur in these zones. The majority of the District's distinctive landscapes comprising open spaces, lakes and rivers with high visual quality and cultural value are located in the Rural Zone, there also exists the desire for rural living, recreation, commercial (including commercial recreation) and tourism activities.

The Ski Area Sub Zone (SASZ) is a sub zone of the Rural Zone and includes Treble Cone, Cardrona, Waioarau, Coronet Peak and the Remarkables ski fields. A broad range of commercial and recreation activities are provided for within the SASZ and are very important to the local economy. The Mount Cardrona Special Zone (discussed below) is situated at the base of the Cardrona SASZ within the Cardrona Valley and includes a large extent of zoned but undeveloped residential and commercial land.

Wanaka Airport is located approximately 10km from the Wanaka Town Centre. The Queenstown Airport Corporation lease the airport from the QLDC and investigated it as part of their masterplan process as being an alternative or dual airport in the future. The Wanaka Airport was originally zoned Rural in the PDP (but with specific provisions), but through the hearings process has been incorporated into a proposed Airport Zone, with the potential for limited commercial activities. Core aviation activities carried out include; aircraft, helicopters and aviation. Other activities include veteran, vintage and classic aircraft operations, aviation museum, aero recreation, terminal building, cafeteria, hangars, fuel storage and offices.

³⁹ The Council's MCA framework does cover these locations, but the MCA results reported in this BDCA do not include the plan enabled capacity outside of urban business zones. This will be captured in future updates.



Gibbston Character Zone

The purpose of the Gibbston Character Zone is to provide primarily for viticulture and commercial activities with an affiliation to viticulture. The zone is recognised as having a distinctive character and sense of place. It incorporates terraced areas above the Kawarau River. The microclimate within this area and availability of water have enabled development for viticulture to the extent that this is an acclaimed wine producing area. Visitor accommodation is scattered throughout the area and there is also a local tavern and several wineries. The zone is also connected to Queenstown via the cycle trails and wine tasting throughout the zone is a popular tourist activity.

Rural Residential and Rural Lifestyle Zones

The Rural Residential and Rural Lifestyle Zones provide residential living opportunities on the periphery of urban areas within specific locations amidst the Rural Zone. In both areas a minimum allotment size is necessary to maintain the character and qualities anticipated and, where applicable, a buffer edge between urban areas, or the open space, rural and natural landscape values of the surrounding Rural Zone.

Millbrook and Waterfall Park Special Zones

Millbrook is located approximately 18.8 km from the Queenstown Town Centre. The area is contained within the Resort Zone. It provides a visitor resort over an area of approximately 200 ha which offers recreational, commercial, residential and visitor activities. The general amenity of the zone is one of higher density development enclaves within the context of an open rural countryside and well landscaped grounds. Golf courses and a range of other outdoor and indoor sporting and recreational activities are provided for as well as hotel and residential accommodation, together with associated support facilities and services. Waterfall Park is located to the south of the Millbrook and promotes a similar resort style development, but at a reduced density. This zone is largely undeveloped.


Kingston

The settlement of Kingston is the southern entry point to the District. The community is made up of both permanent and holiday residents. The settlement pattern is dominated by the lakeshore and the separation of the town from the highway. Kingston's character is further enhanced by narrow roads, low height buildings and surrounding vegetation. Existing commercial activities are limited in this zone and include a camping ground, retail shops and a tavern.

Due to geographic constraints, Kingston is effectively the next area available for development south of the existing Queenstown Urban Area development fronts, Hanley Downs and Jack's Point. Approximately 88 hectares of land has been rezoned to the Kingston Special Zone and remains largely undeveloped. This zone provides for predominantly residential zoning, but also includes provision for visitor accommodation, an area of employment and education and recreation. To enable the plan enabled level of residential and business development, three waters infrastructure and roading is required, without this development it is unlikely to proceed in the short to medium term.

Glenorchy & Kinloch

Glenorchy is situated at the northern end of Lake Wakatipu between the mouth of the Rees River and the mouth of Buckler Burn, and services both tourism and farming activities. The layout of the town is a



reflection of the early subdivision pattern and is characterised by wide streets, few footpaths and large rectangular sections. Glenorchy is an important base for visitor activity.

Kinloch is situated at the northern end of Lake Wakatipu, on its western shore.

Makarora

Makarora is the District's northern most community and consists of three separate townships. It is an important local base for visitor activity. While development is anticipated in these areas, the zones are subject to natural hazards and it is anticipated that development will recognise and manage the risks of natural hazards at the time of subdivision or the identification of building platforms.

Rural Visitor Zones

The Rural Visitor Zone is a diverse zone that is located at Cardrona Village (near Mount Cardrona Station), Windermere (next to the Wanaka airport), Cecil Peak, Walter Peak, Blanket Bay and Arcadia Station near Paradise. It is noted that the Arthurs Point Rural Visitor Zone has been included within the urban environment.

Most of these areas (with the exception of Arthurs Point) have had little development, even though the zone is very enabling. A broad review of these areas indicates that the majority of the development in these zones (where they have been developed) has been visitor accommodation and small scale commercial activities (such as dairies and taverns) with a very small portion of residential activity.


Cardrona and Mount Cardrona Station Special Zone

The Mount Cardrona Station Special Zone is located to the north of the Cardrona Township and covers approximately 130 hectares of land. The purpose of this zone is to create a village that accommodates permanent residents, visitor accommodation, seasonal & migrant workers, with supporting commercial, community and educational activities. Recent changes to this plan change have promoted a golf course, a more centrally located 'village square', and to provide gondola access to the Cardrona Ski Area. This area remains undeveloped. Evidence submitted as part of the hearings process for Plan Change 52 indicates that there are plans to diversify the tourism offering in this location, including a possible new Gondola linking from the special zone to the Cardrona Ski Field and golf course. This area may therefore play an increasing role in the tourism offering in future and has a large area of plan enabled residential capacity.

2.4.1 Infrastructure in the Rural Environment

The land contained in the Rural, Rural Lifestyle, Rural Residential Zones and the Wakatipu Basin are outside the Council's scheme boundaries and are not anticipated to connect to the Council network but be privately serviced onsite at the developer's cost.

The lack of Council servicing or limited of servicing in areas such as Kingston, Glenorchy, Kinloch, Gibbston, Makarora and Cardrona restricts the overall 'feasible' business capacity outside of the urban environment because the NPS-UDC requires capacity to be serviced, or planned to be serviced. For example, in Glenorchy there is an existing Council water supply scheme, which is being placed under considerable pressure from increased levels of development and the aging infrastructure. A hydraulic model is currently being developed to confirm if any network constraints exist. In terms of wastewater there is no Council



scheme and following initial community consultation plans to service Glenorchy this has been pushed out beyond the proposed 10 year LTP (2018 – 2028) to be notified early 2018.

Therefore, as these areas are outside of the ‘urban environment’ and are not currently planned to be serviced in the LTP; they cannot be counted as feasible capacity in this assessment.

Housing Infrastructure Fund (HIF)

The Housing Infrastructure Fund was established by the Government in 2017 to assist high growth councils to advance infrastructure projects important to increasing housing supply. The Council was successful in three growth areas applied for (Kingston, Quail Rise south and the Ladies Mile) and based on an indicative business case, has provisionally been allocated up to \$50 million dollars as part of the HIF.

For Kingston, the proposed new infrastructure will include new water supply and wastewater treatment plants along with the reticulation network infrastructure for three waters and a connection to the state highway. As discussed above, the infrastructure requirements and investments represent a major obstacle to realising the scale of plan enabled development capacity of both the Kingston Township and Kingston Village Special Zone; and for this reason, Kingston is not currently identified as part of the Queenstown urban environment.

The Quail Rise south area potentially includes the provision of roading, water, wastewater and stormwater. It is the only area that falls within the Queenstown urban environment. This area was subject to rezoning proposals through stage 1 of the PDP, from the notified Medium Density Zone, to High Density, and BMU zones. Subject to the commissioner’s recommendations, this land may therefore accommodate a portion of plan enabled business capacity. It is noted that no major infrastructure issues were raised in the PDP hearings, as it was considered efficient to connect this land to nearby reticulated networks. However, it is considered the HIF will contribute to the construction of services and bringing forward this development and connections with adjoining areas.

The area referred to as ‘Ladies Mile’ area is a large corridor of flat land fronting SH6 located between the Shotover Bridge and Lake Hayes, and north of the Shotover Country and Lake Hayes residential areas. The land is currently zoned as Rural however has been included in Category 2 of the Council’s Housing Accords and Special Housing Areas Act 2013 Implementation Policy, meaning it has been identified as a site that may be suitable for the establishment of SHAs. The proposed new infrastructure will include three waters and a new roundabout.

Overall, the infrastructure delivered through the HIF will provide for approximately 3,200 homes and some form of business capacity. All of these areas are the subject of detailed business cases and an update will be provided in the next BCDA.

2.5 Special Housing Areas

In total eight special housing areas (SHAs) have been approved within the Wakatipu Basin (Figure 2.8). This includes establishing a new SHA over the proposed Business Mixed Use (Gorge Road) Zone of the PDP. The majority of SHAs have been approved outside of the urban environment, which have been serviced at the developers cost (with the exception of the Business Mixed Use (Gorge Road SHA)).

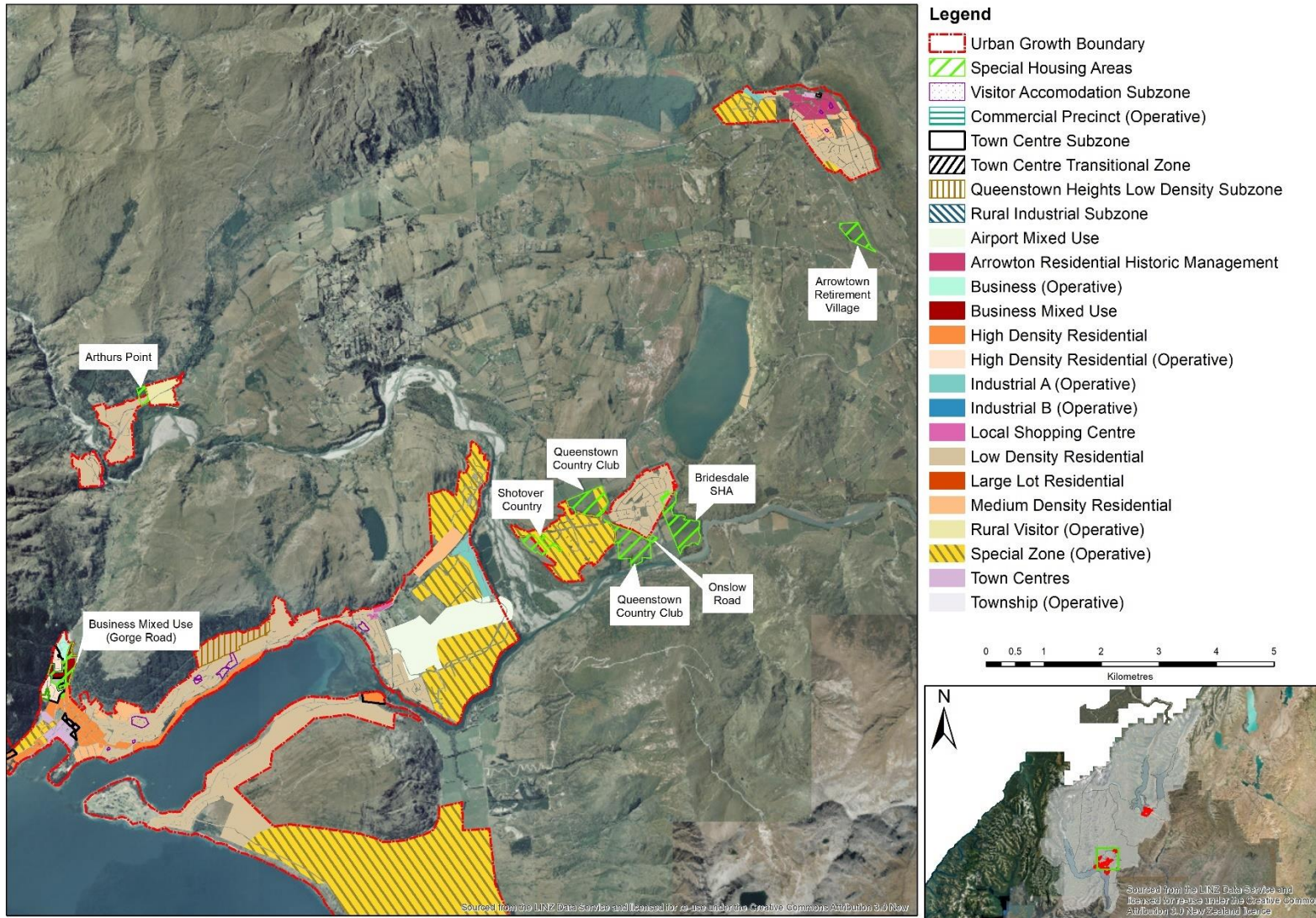
SHAs have the potential to make only a small contribution to business capacity in the Wakatipu Basin as any development approved under the Housing Accords and Special Housing Areas Act 2013 (HASHAA) needs to be ‘predominantly residential’. The primary purpose of any development within a SHA is to supply dwellings and any non-residential activities provided for are ancillary to the quality residential development (such as recreational, mixed use, retail, or town centre land uses). The business uses that have been approved are summarised in Table 2.1 below.

Table 2.1 – Business Capacity in Approved QLD Special Housing Areas

| SHA | Commercial Breakdown |
|------------------------------|---|
| Bridesdale | Café - Ground floor area is approx. 134m2 RM160066 approved the use of the café and additional buildings as a function centre RM170862 approved the construction of two new buildings comprising of nine units for visitor accommodation and the use of McBride Cottage as a café. |
| Arrowtown Retirement Village | Community Centre (hub, reception, gym, pool and other amenities for residents) all ancillary commercial activities to a retirement village |
| Queenstown Country Club | Total commercial GFA approx.: 5475m2 (consisting 3,600m2 public GFA + 1, 875m2 private GFA (clubhouse)). Broken down into the following: North block Commercial: 3,100m2 South block Commercial (boat shed café): 500m2 North Block clubhouse (private): 1,875m2 Activities consented include: medical centre, child care centre, gym/pool, retail, café, boatshed café/restaurant, clubhouse (residents only), hospital, aged care and dementia care, and recreational activities such as a small movie theatre and lawn bowling facility. |

Of particular relevance to the consideration of the acceptability of a site as an SHA is section 16(3)(a) of HASHAA, which states the Minister must not recommend the making of an Order in Council establishing a SHA unless the Minister is satisfied that adequate infrastructure to service qualifying developments in the proposed SHA either exists or is likely to exist. For those SHAs that have been located outside the urban environment (on portions of land zoned Rural, Rural Residential and Rural Lifestyle) or have promoted densities above those anticipated in the ODP and PDP the provision of adequate infrastructure is at the developers cost. QLDC has entered into agreements with the developers to ensure that these are constructed to Council standards, and in some instances have entered into developer agreements to rectify known servicing issues in the local area or inbuilt more capacity to enable future growth.

Figure 2.8 – Map of QLD Approved Special Housing Areas





3 The District Economy

This section provides an overview of the QLD economy in terms of its drivers, strengths and challenges. This is followed by a discussion of the current (2016 base year) economy, recent growth (2000-2016) and projected future growth (2016-2046), including growth anticipated in the urban business zones in the short, medium and long-term.

3.1 Overview of the QLD Economy

This section provides an overview of the QLD economy, summarised from the QLDC Economic Development Strategy 2015⁴⁰. As discussed in Section 1, 2016 has been applied as the base year of this assessment and this is the reason for reference back to 2015. The context remains relevant to future economic predictions, discussed further below.

Overall, QLD is a four-season resort town economy with characteristics broadly similar to comparable places around the world: outstanding natural environment, remote location, high degree of business concentration in tourism activities and allied services, high living costs and a population that comprises a large proportion of visitors on any given day. The QLD economy is very concentrated in and reliant on relatively few industries, more so than any other district in New Zealand. These are industries that are servicing visitors and the growing population. Construction, accommodation and food services represent an estimated 43% of the District's GDP⁴⁰.


QLD has experienced very strong economic (GDP) growth over the last decade (over double the New Zealand average), with population and visitor growth providing the main stimulus. Visitor and lifestyle-related industries (accommodation, food services, rental services and recreation services) and property and service industries (construction and construction services, general professional services, health services, real estate) have grown strongly. GDP per capita has not grown as fast. Employment has grown very strongly but estimated labour productivity in the District is well below the national level and median earnings from salaries and wages are relatively low, reflective of lower value and seasonal employment in accommodation and hospitality services. Median income from all sources is, however, relatively high, likely reflecting that there are many people (likely wealthy) residing in the district and receiving investment and income from outside the District.

This District has several sources of current and potential economic advantage, that are unique in New Zealand. Key strengths include:

Natural Amenities

The environment is revered nationally and internationally and is considered by residents as the area's single biggest asset. Key features include the three major lakes; mountain areas including the Remarkables, Coronet Peak, Snow Farm, Treble Cone and Cardrona; the Kawarau, Shotover

⁴⁰ <http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Strategies-and-Publications/Queenstown-Lakes-Economic-Development-Strategy-Consultation-Document.pdf>



and Clutha rivers; and Mount Aspiring National Park. The District is also a gateway to Fiordland National Park. These natural amenities underpin tourism industries and enable a raft of recreation activities, such as skiing, jet-boating, rafting, tramping and nature walks, cruises, fishing and golf, to name a few. The outstanding scenery makes the District a highly sought-after location as a place to live and visit.

The Visitor Economy

Tourism underpins the District's economy, based on the outstanding natural amenities, and supports a range of industries including accommodation and food services, arts and recreation services, retail trade and rental services. Queenstown Lakes is a premier visitor location and accounted for 9.4 percent of national visitor expenditure in 2013/14 (year ended March). The District is a global destination, with a high proportion of international visitors. The District has achieved enviable long-term growth in measures of visitor attraction. Visitor nights have grown at rates well above national levels over the last decade and the District has a high average length of visitor stays.

Entrepreneurial Culture

The District is well known for its history of innovative tourism developments, with the likes of bungy jumping, jet-boating, river surfing and tandem paragliding pioneered on a commercial basis in Queenstown Lakes. The District has a high proportion of working age people who derive personal income from self-employment or business at 28 percent, compared to the New Zealand average of 16 percent. The District also has a higher than average business entry rate (proportion of new businesses to existing businesses), higher than several cities in New Zealand, suggesting that a relatively high level of business opportunities are available and taken up.

The District faces a number of challenges to improving its economic performance. Some of these are shared with other small districts in New Zealand. Several others are specific to the District and reflect its resort town characteristics. Key challenges include:

Size and Location

The District is distant from markets for goods and services and other urban centres. Distance increases transport and trade costs. When combined with the small local market, local businesses can struggle to achieve the same economies of scale as those in the same industries in larger markets, which constrains their productivity performance (and hence constrains profitability and incomes). This means that having high quality connections, via air, road and telecommunications infrastructure, is vitally important for the District.

Concentration of Industry

While the visitor economy is a strength, its dominance means that the District is one of the least diversified economies in New Zealand. Industrial diversity allows for a greater variety of interactions between businesses of different types and can result in more radical innovation. A lack of diversity can also make the local economy vulnerable to shocks that impact on key sectors.



Housing Affordability and Cost of Living

The District has relatively high house prices. This is due to a combination of population growth and the second home market that have pushed up demand; and higher building costs (due to location related higher transport cost for materials, as well as high demand for a limited supply of local construction labour) and higher land costs⁴¹. Although the median household income is high, the high median house price means the District rates as having some of the least affordable housing in the country. Affordability is a particular problem for those working in labour intensive tourism and related industries, as these industries have relatively low productivity and low earnings and are reflected in the districts low median salaries. Other living costs are also comparatively high due to location related transport costs for goods and a lack of business competition due to the small population size.

Pressure on Infrastructure

Although the local population is forecast to grow relatively strongly, visitor numbers are forecast to grow strongly too and the proportion of residents to visitors may decline over time. Hence parts of the rating base will continue to get stretched to cover infrastructure costs for the combined resident and visitor population.

3.2 The Current Economy (2016 base year)

This section provides a detailed 2016 snap-shot of the QLD economy from an employment and business count perspective from the SNZ Business Directory 2016. The economy has been summarised according to 48 economic sectors. These sectors are an aggregation of more detailed industrial classifications (ANZSICs).

3.2.1 Sector Level – Total District

Table 3.1 and Appendix 6 summarise employment (measured in terms of an employee count modified to include estimated working proprietors (MEC)) and business counts (geographic units).

In total the district has approximately 7,460 businesses employing approximately 25,754 workers. It is important to note that the Business Directory counts only businesses and their staff registered to a QLD address and does not include those workers who carry out their job in the district but are usually based at a company located outside the district. Similarly, some workers of QLD businesses may carry out their job beyond the district. This means that on any particular day, there may be a greater or lesser workforce present in the district than shown in the data. The Business Directory is also a snap shot as at February each year. This falls within the peak summer season (from a tourism perspective) but will not capture short term staff employed during other times in the year, such as for the winter season, or grape picking period for example – when seasonal workers are common in both Queenstown and Wanaka. These limitations need to be taken in mind.

⁴¹ Refer to the QLD Housing Development Capacity Assessment, [xx 2018](#) for further detail on this issue.

Table 3.1: QLD Employment and Businesses 2016 by Ward

| 48 Sector Description | Employment (MECs) | | | Businesses (Gus) | | |
|---|-------------------|---------------|---------------|------------------|---------------|--------------|
| | Wanaka Ward | Wakatipu Ward | District | Wanaka Ward | Wakatipu Ward | District |
| Horticulture and fruit growing | 67 | 121 | 188 | 33 | 39 | 73 |
| Sheep, beef cattle and grain farming | 158 | 90 | 248 | 76 | 43 | 119 |
| Dairy cattle farming | 44 | 5 | 49 | 5 | 3 | 8 |
| Poultry, deer and other livestock farming | 68 | 21 | 89 | 25 | 27 | 51 |
| Forestry and logging | 3 | 3 | 6 | 10 | 11 | 21 |
| Fishing and aquaculture | 10 | 9 | 20 | 6 | 5 | 11 |
| Agriculture, forestry and fishing support services | 54 | 74 | 129 | 25 | 30 | 55 |
| Mining, quarrying, exploration and other mining support services | 8 | 9 | 17 | 5 | 9 | 14 |
| Oil and gas extraction | - | - | - | - | - | - |
| Meat and meat product manufacturing | - | - | 1 | - | 1 | 1 |
| Dairy product manufacturing | 14 | 1 | 15 | 2 | 3 | 5 |
| Other food manufacturing | 66 | 138 | 204 | 15 | 17 | 32 |
| Beverage and tobacco product manufacturing | 15 | 55 | 70 | 12 | 21 | 33 |
| Textile, leather, clothing and footwear manufacturing | 11 | 13 | 24 | 5 | 7 | 13 |
| Wood product manufacturing | 20 | 27 | 47 | 4 | 6 | 10 |
| Pulp, paper and converted paper product manufacturing | - | - | - | - | - | - |
| Printing | - | 38 | 38 | - | 8 | 8 |
| Petroleum and coal product manufacturing | - | - | - | - | - | - |
| Chemical, polymer and rubber product manufacturing | 20 | 0 | 20 | 5 | 1 | 6 |
| Non-metallic mineral product manufacturing | 17 | 32 | 49 | 4 | 8 | 12 |
| Primary metal and metal product manufacturing | 8 | 3 | 11 | 3 | 3 | 6 |
| Fabricated metal product manufacturing | 26 | 42 | 68 | 10 | 6 | 16 |
| Transport equipment manufacturing | 51 | 26 | 77 | 8 | 6 | 14 |
| Machinery and equipment manufacturing | 20 | 64 | 84 | 9 | 21 | 29 |
| Furniture and other manufacturing | 9 | 40 | 50 | 7 | 20 | 27 |
| Electricity generation and supply | 0 | - | 0 | 2 | - | 2 |
| Gas supply | - | - | - | 2 | - | 2 |
| Water, sewerage, drainage and waste services | 64 | 25 | 89 | 9 | 12 | 21 |
| Construction | 999 | 2,303 | 3,302 | 456 | 725 | 1,182 |
| Wholesale trade | 136 | 334 | 470 | 56 | 79 | 135 |
| Retail Trade | 800 | 2,125 | 2,925 | 132 | 340 | 472 |
| Accommodation and food services | 1,410 | 5,427 | 6,837 | 168 | 448 | 616 |
| Road transport | 55 | 280 | 335 | 15 | 99 | 114 |
| Other transport, postal, courier, transport support and warehousing services. | 57 | 536 | 592 | 33 | 74 | 107 |
| Air and space transport | 17 | 288 | 305 | 9 | 16 | 25 |
| Information media and telecommunications | 108 | 282 | 390 | 29 | 90 | 120 |
| Finance | 55 | 186 | 241 | 152 | 365 | 517 |
| Insurance and superannuation funds | - | 0 | 0 | - | 4 | 4 |
| Auxiliary finance and insurance services | 15 | 85 | 99 | 14 | 44 | 57 |
| Rental, hiring and real estate services | 313 | 806 | 1,120 | 464 | 1,294 | 1,758 |
| Owner Occupied Dwellings | - | - | - | - | - | - |
| Professional, scientific, technical, administrative and support services | 736 | 2,591 | 3,327 | 303 | 696 | 999 |
| Central government administration, defence and public safety | 16 | 243 | 258 | 6 | 30 | 36 |
| Local government administration | 13 | 176 | 190 | 2 | 2 | 3 |
| Education and training | 325 | 600 | 925 | 29 | 53 | 82 |
| Health care and social assistance | 231 | 518 | 749 | 65 | 108 | 172 |
| Arts and recreation services | 275 | 1,260 | 1,535 | 78 | 178 | 256 |
| Personal and other services | 132 | 430 | 562 | 72 | 145 | 216 |
| Total | 6,445 | 19,308 | 25,754 | 2,364 | 5,094 | 7,458 |

Source: SNZ Business Directory, M.E.

The major share of employment and businesses is based in the Wakatipu Ward (75% and 68% respectively). In the Wakatipu area there are approximately 5,090 businesses employing 19,308 workers. The largest sector in terms of numbers of businesses is the Rental, Hiring and Real Estate Services with 25% of the ward total (1,290 businesses). However, this sector employs just 4% of the ward's workforce. This is because many of the businesses are likely to be single holiday homes or groups of holiday homes set up as individual

businesses for rental purposes. These businesses do not employ people hence the mismatch. Included in this sector are; passenger vehicle rental, equipment hire, scaffolding services, residential and non-residential property operators and real estate agents.

The second largest count of businesses is the construction sector; 14% of the ward total (725 businesses) construction also accounts for 12% of ward workers (2,300). This is followed by the Professional, Scientific, Technical, Administrative and Support Services sector with just under 14% of ward businesses (700) and 13% of the workers (2,590).

Accommodation and Food services sector dominates in terms of employment in the Wakatipu ward, but accounts for a more modest share of businesses. Almost a third of all employment (28% or 5,430) yet only 9% of businesses. The retail sector makes up a further 11% of ward employment (2,125) and 7% of businesses.

The Wanaka Ward accounts for the balance of economic activity – 32% of district businesses and 25% of district workers. The same three sectors dominate Wanaka ward business counts. Rental, Hiring and Real Estate businesses account for 20% of the ward total (and 5% of ward workers). Construction ranks second with 19% of businesses (460) and 15% of employment (1,000). The Professional and Administrative Support sector makes up 13% of businesses (300) and 11% of local employment (740). Accommodation and Food Services and the Retail sector are also dominant in employment terms with a 22% and 12% share of the ward total respectively.

The Wakatipu Ward is a significantly larger economy than Wanaka Ward. In total Wakatipu Ward is 3 times larger in employment terms than Wanaka (Table 3.2). The difference is greater in the Transport sector (8.5 times) the Recreational and Personal Services sector (4.15 times) the Hospitality and Trade sectors (3.36 times) and Business Services (3.22 times).

Only in the Primary sector and Utilities sector does Wanaka Ward employ more people. In a relative since there is more concentration on Industry and Construction in Wanaka than Wakatipu, that is the ratios are lower than the overall (1.73 and 2.31 respectively compared with 3.0 overall).

Table 3.2: 2016 Employment Comparison Wanaka and Wakatipu Wards, (MECs)

| Broad Sector | Wanaka Ward | Wakatipu Ward | Wakatipu / Wanaka |
|---------------------------------------|--------------|---------------|-------------------|
| Primary | 412 | 333 | 0.81 |
| Industry | 277 | 480 | 1.73 |
| Utilities | 64 | 25 | 0.39 |
| Construction | 999 | 2,303 | 2.31 |
| Hospitality and Trade | 2,346 | 7,886 | 3.36 |
| Transport | 129 | 1,103 | 8.55 |
| Business Services | 1,227 | 3,950 | 3.22 |
| Government, Education and Health | 584 | 1,537 | 2.63 |
| Arts Recreation and Personal Services | 407 | 1,690 | 4.15 |
| TOTAL | 6,445 | 19,307 | 3.00 |

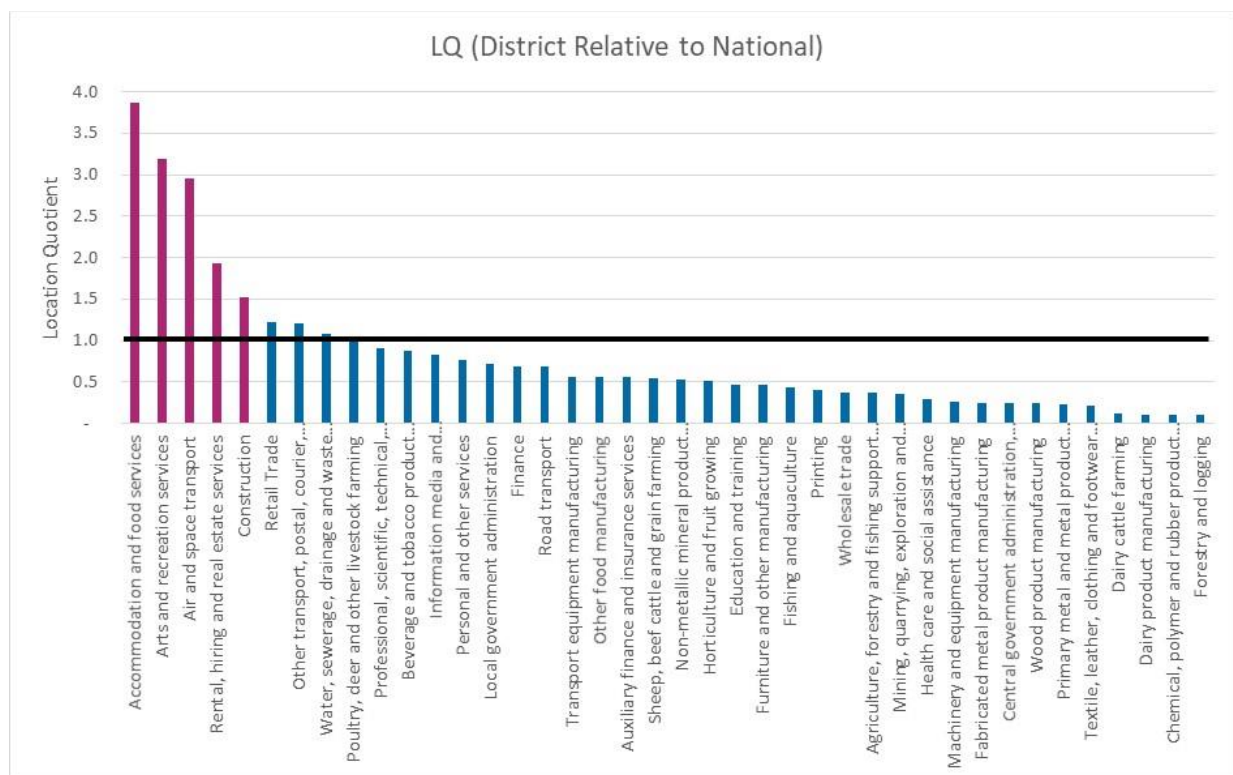
3.2.2 Key Economic Sectors

As identified above, the QLD economy is dominated by a few key sectors, being: Accommodation and food services, Retail, Business and Professional Services, Construction and Recreational, Personal and Arts Services. These are patterns that are entirely consistent with Queenstown’s role as New Zealand’s premier tourist destination (Accommodation and Retail) and its rapid household growth (Construction).


Expressing employment shares for each sector within the district and comparing those shares with employment shares for the country overall provides insights into relative concentrations of activity which in turn point to comparative advantages or competitive advantages held by the district. These are termed Location Quotients (LQs).

When QLD’s employment shares are expressed as location quotients relative to the share of national employment in 2016, five key sectors emerge as important to QLD (Figure 3.1), as shown in the figure below. Not surprisingly, these are the sectors most highly engaged in the tourism markets. Accommodation and food services, Arts and Recreational services, and transport are all high employment number sectors while rentals and real estate agents captured the high numbers of holiday homes within the District. Finally, the rapid growth of QLD is reflected in the high relative concentration of construction sector employment.

Figure 3.1 – Location Quotient of QLD Employment 2016 by Sector



Retail, Other Transport, Postal and Courier Services, Water and Sewerage, Deer and Other Livestock Farming and Professional Services account for a similar share of employment as the national average. Mostly this reflects their more direct links to population numbers (except other livestock farming). QLD



residents shop, require water services and professional services at the same rate as the rest of New Zealand.

The balance of sectors account for a lower share. These are goods and services that need to be brought into the district to meet household and business needs (Figure 3.1).

3.2.3 Spatial Distribution of Employment (2016)

Using an approximate concordance⁴² of 2013 meshblocks with the defined urban environment area (Figure 2.2), 2016 employment activity in each economic sector has been split between an urban and rural environment location (Table 3.3). Approximately 88% of all employment (MECs) in 2016 in QLD are located within the urban environment (an estimated 22,760 MECs) and 12% of district employment (2,990 MECs) is located in the rural environment (as defined for the purpose of this BDCA).

Sectors where the urban share is highest include (but are not limited to):

- Construction (88%)
- Retail (92%)
- Wholesale (90%)
- Accommodation and Food Services (90%)
- Personal and Other Services (93%), and
- Most Manufacturing sectors

These patterns reflect the concentration of households (and therefore workforce), commercial centres and business zones (and their inter-relationships) within urban areas.

Sectors where the urban share is relatively lower include (but are not limited to):

- Arts and Recreation Services (73%)
- Transport Equipment Manufacturing (64%)
- Machinery and Equipment Manufacturing (65%)
- Chemical/Polymer Manufacturing (11% - although only a small sized sector overall)
- Beverage Manufacturing (23% - although this includes wine production linked to vineyards), and
- Most of the Primary Sectors, which are generally rural as expected.


⁴² Meshblock boundaries do not always match zone boundaries. As such, M.E included all meshblocks that had all or some of their area within the urban environment boundary. This (unavoidably) includes some rural based activity within the urban environment totals.

Table 3.3 – 2016 QLD Employment by Urban and Rural Environment

| 48 Sector Description | Total District MECs | Urban Env. MECs | Rural Env. MECs | Urban Env. Share of District | Rural Env. Share of District |
|---|---------------------|-----------------|-----------------|------------------------------|------------------------------|
| Horticulture and fruit growing | 188 | 54 | 134 | 29% | 71% |
| Sheep, beef cattle and grain farming | 248 | 22 | 226 | 9% | 91% |
| Dairy cattle farming | 49 | 6 | 42 | 13% | 87% |
| Poultry, deer and other livestock farming | 89 | 30 | 59 | 34% | 66% |
| Forestry and logging | 6 | 4 | 2 | 64% | 36% |
| Fishing and aquaculture | 20 | 12 | 8 | 58% | 42% |
| Agriculture, forestry and fishing support services | 129 | 60 | 69 | 47% | 53% |
| Mining, quarrying, exploration and other mining support services | 17 | 16 | 1 | 94% | 6% |
| Oil and gas extraction | - | - | - | 0% | 0% |
| Meat and meat product manufacturing | 1 | - | 1 | 0% | 0% |
| Dairy product manufacturing | 15 | 1 | 14 | 6% | 94% |
| Other food manufacturing | 204 | 203 | 0 | 100% | 0% |
| Beverage and tobacco product manufacturing | 70 | 16 | 54 | 23% | 77% |
| Textile, leather, clothing and footwear manufacturing | 24 | 21 | 3 | 87% | 13% |
| Wood product manufacturing | 47 | 47 | 0 | 99% | 1% |
| Pulp, paper and converted paper product manufacturing | - | - | - | 0% | 0% |
| Printing | 38 | 38 | - | 100% | 0% |
| Petroleum and coal product manufacturing | - | - | - | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | 20 | 2 | 18 | 11% | 89% |
| Non-metallic mineral product manufacturing | 49 | 49 | - | 100% | 0% |
| Primary metal and metal product manufacturing | 11 | 11 | - | 100% | 0% |
| Fabricated metal product manufacturing | 68 | 67 | 0 | 99% | 1% |
| Transport equipment manufacturing | 77 | 49 | 28 | 64% | 36% |
| Machinery and equipment manufacturing | 84 | 55 | 29 | 65% | 35% |
| Furniture and other manufacturing | 50 | 47 | 2 | 95% | 5% |
| Electricity generation and supply | 0 | - | 0 | 0% | 100% |
| Gas supply | - | - | - | 0% | 0% |
| Water, sewerage, drainage and waste services | 89 | 88 | 1 | 99% | 1% |
| Construction | 3,302 | 2,772 | 529 | 84% | 16% |
| Wholesale trade | 470 | 423 | 47 | 90% | 10% |
| Retail Trade | 2,925 | 2,868 | 57 | 98% | 2% |
| Accommodation and food services | 6,837 | 6,187 | 650 | 90% | 10% |
| Road transport | 335 | 323 | 12 | 96% | 4% |
| Other transport, postal, courier, transport support and warehousing services. | 592 | 545 | 47 | 92% | 8% |
| Air and space transport | 305 | 298 | 8 | 98% | 2% |
| Information media and telecommunications | 390 | 363 | 27 | 93% | 7% |
| Finance | 241 | 235 | 6 | 98% | 2% |
| Insurance and superannuation funds | 0 | 0 | - | 100% | 0% |
| Auxiliary finance and insurance services | 99 | 96 | 3 | 97% | 3% |
| Rental, hiring and real estate services | 1,120 | 1,034 | 85 | 92% | 8% |
| Owner Occupied Dwellings | - | - | - | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 3,327 | 3,041 | 286 | 91% | 9% |
| Central government administration, defence and public safety | 258 | 256 | 2 | 99% | 1% |
| Local government administration | 190 | 190 | - | 100% | 0% |
| Education and training | 925 | 851 | 74 | 92% | 8% |
| Health care and social assistance | 749 | 720 | 29 | 96% | 4% |
| Arts and recreation services | 1,535 | 1,123 | 412 | 73% | 27% |
| Personal and other services | 562 | 524 | 38 | 93% | 7% |
| Total | 25,754 | 22,760 | 2,994 | 88% | 12% |

Source: SNZ Business Directory 2016, M.E. Urban Environment and Core Business Enabled Zones defined by 2013 Meshblock.

Meshblock boundaries capture an area greater than the zone boundaries.



With the exception of the primary sector (and related) employment in the rural area, these relatively lower shares reflect the activity sustained in the small townships excluded from the defined urban environment; and commercial operations like the ski fields and the small number of ad-hoc industrial sites (including water treatment and other utilities). These activities have less reliance on urban areas for business locations. Businesses either run from or registered to the home, located in rural residential and rural general dwellings will also account for a share of rural employment activity.

Table 3.4 examines the share of urban employment that falls within the defined business enabled zones (section 2.3.2) as opposed to the balance of urban environment zones (which includes mainly residential and open space areas). Again, an approximate concordance⁴³ of 2013 meshblocks with the defined business enabled zones within the urban environment area was used.

Approximately 72% of all QLD urban environment employment (MECs) in 2016 is located within the core business enabled zones (an estimated 16,290 MECs) and 28% (6,470 MECs) are located in the non-business (residential and other) zones (as defined for the purpose of this BDCA).

Sectors where the business enabled zone share is highest (i.e. businesses locating in business zones) include (but are not limited to):

- Printing (100%)
- Local Government Administration (100%)
- Finance (96%)
- Retail (92%)
- Wholesale Trade (87%)
- Central Government and Public Safety (93%).

Sectors where the business enabled zone share (i.e. businesses locating in business zones) is relatively lower, reflecting a portion of these activities locating in non-business zones include (but are not limited to):

- Professional, Scientific, Technical, Administration and Support Services (72%)
- Healthcare and Social Assistance (71%)
- Rental, Hiring, Real Estate Services (69%)
- Road Transport (67%)
- Accommodation and Food Services (69%)
- Construction (48%)
- Transport Equipment Manufacturing (36%)


⁴³ M.E included all meshblocks that had all or some of their area within the business enabled urban zone boundaries. This (unavoidably) includes some non-business zone based activity within the business zone totals.

Table 3.4 – 2016 QLD Urban Environment Employment by Business and Non-Business Zones

| 48 Sector Description | Urban Env. MECs | Approx. Core Business Zone MECs | Approx. Non-Business Zone MECs | Approx. Core Business Zone Share of Urban | Approx. Non-Business Zone Share of Urban | Approx. Core Business Zone Share of District* |
|---|-----------------|---------------------------------|--------------------------------|---|--|---|
| Horticulture and fruit growing | 54 | 19 | 35 | 35% | 65% | 10% |
| Sheep, beef cattle and grain farming | 22 | 10 | 13 | 44% | 56% | 4% |
| Dairy cattle farming | 6 | 1 | 5 | 21% | 79% | 3% |
| Poultry, deer and other livestock farming | 30 | 28 | 2 | 93% | 7% | 31% |
| Forestry and logging | 4 | 2 | 1 | 65% | 35% | 42% |
| Fishing and aquaculture | 12 | 9 | 3 | 74% | 26% | 43% |
| Agriculture, forestry and fishing support services | 60 | 26 | 34 | 44% | 56% | 20% |
| Mining, quarrying, exploration and other mining support services | 16 | 8 | 8 | 51% | 49% | 48% |
| Oil and gas extraction | - | - | - | 0% | 0% | 0% |
| Meat and meat product manufacturing | - | - | - | 0% | 0% | 0% |
| Dairy product manufacturing | 1 | - | 1 | 0% | 100% | 0% |
| Other food manufacturing | 203 | 177 | 27 | 87% | 13% | 87% |
| Beverage and tobacco product manufacturing | 16 | 14 | 2 | 89% | 11% | 20% |
| Textile, leather, clothing and footwear manufacturing | 21 | 15 | 6 | 73% | 27% | 63% |
| Wood product manufacturing | 47 | 39 | 8 | 83% | 17% | 82% |
| Pulp, paper and converted paper product manufacturing | - | - | - | 0% | 0% | 0% |
| Printing | 38 | 38 | - | 100% | 0% | 100% |
| Petroleum and coal product manufacturing | - | - | - | 0% | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | 2 | 2 | 0 | 87% | 13% | 10% |
| Non-metallic mineral product manufacturing | 49 | 41 | 8 | 83% | 17% | 83% |
| Primary metal and metal product manufacturing | 11 | 7 | 3 | 68% | 32% | 68% |
| Fabricated metal product manufacturing | 67 | 48 | 20 | 71% | 29% | 70% |
| Transport equipment manufacturing | 49 | 18 | 32 | 36% | 64% | 23% |
| Machinery and equipment manufacturing | 55 | 43 | 11 | 79% | 21% | 51% |
| Furniture and other manufacturing | 47 | 35 | 12 | 74% | 26% | 70% |
| Electricity generation and supply | - | - | - | 0% | 0% | 0% |
| Gas supply | - | - | - | 0% | 0% | 0% |
| Water, sewerage, drainage and waste services | 88 | 21 | 67 | 24% | 76% | 23% |
| Construction | 2,772 | 1,334 | 1,439 | 48% | 52% | 40% |
| Wholesale trade | 423 | 369 | 55 | 87% | 13% | 78% |
| Retail Trade | 2,868 | 2,639 | 229 | 92% | 8% | 90% |
| Accommodation and food services | 6,187 | 4,268 | 1,918 | 69% | 31% | 62% |
| Road transport | 323 | 215 | 108 | 67% | 33% | 64% |
| Other transport, postal, courier, transport support and warehousing services. | 545 | 431 | 114 | 79% | 21% | 73% |
| Air and space transport | 298 | 274 | 24 | 92% | 8% | 90% |
| Information media and telecommunications | 363 | 286 | 77 | 79% | 21% | 73% |
| Finance | 235 | 227 | 8 | 96% | 4% | 94% |
| Insurance and superannuation funds | 0 | 0 | - | 100% | 0% | 100% |
| Auxiliary finance and insurance services | 96 | 74 | 23 | 77% | 23% | 74% |
| Rental, hiring and real estate services | 1,034 | 673 | 361 | 65% | 35% | 60% |
| Owner Occupied Dwellings | - | - | - | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 3,041 | 2,178 | 863 | 72% | 28% | 65% |
| Central government administration, defence and public safety | 256 | 239 | 17 | 93% | 7% | 92% |
| Local government administration | 190 | 190 | - | 100% | 0% | 100% |
| Education and training | 851 | 525 | 326 | 62% | 38% | 57% |
| Health care and social assistance | 720 | 514 | 206 | 71% | 29% | 69% |
| Arts and recreation services | 1,123 | 859 | 263 | 77% | 23% | 56% |
| Personal and other services | 524 | 393 | 131 | 75% | 25% | 70% |
| Total | 22,760 | 16,292 | 6,468 | 72% | 28% | 63% |

Source: SNZ Business Directory 2016, M.E. Urban Environment and Core Business Enabled Zones (* Shares applied to total District EFM employment projections, held constant. Meshblock boundaries capture an area greater than the zone boundaries.

These lower shares can generally be explained and do not necessarily represent a planning framework that is ineffective in containing economic activities within business enabled zones – some dispersal of activity is to be expected. For example:

- 
1. Many small-scale trade service businesses in the Construction Sector and courier drivers/truck drivers in the Road Transport Sector are self-employed individuals who register their business to their home address.
 2. Many self-employed consultants or professional service providers like architects and accountants also work from home.
 3. Small on-line businesses can easily be operated from a residential address.
 4. Doctors surgeries and dentists are commonly located in residential zones (often re-purposing residential dwellings).
 5. Community services such as child care centres and schools are also commonly enabled in residential zones.
 6. Each real estate agent is a separate registered business (often to their home address) even if they operate out of centre-based agency.
 7. Visitor Accommodation is enabled in some residential zones (and falls outside of the PDP Visitor Accommodation Sub-zones). For example, visitor accommodation is provided for as a Restricted Discretionary Activity within the High Density Residential Zones of the PDP).
 8. The PDP also enables home based businesses that meet prescribed rules, and these are rated accordingly.

What is not known is the degree to which a perceived or actual shortage of capacity (including suitably sized and/or priced premises) may have led to the current patterns of economic activity in non-business zones in some sectors. Or, whether the development of more office space, for example, including shared office facilities like 'The Cell' in Wanaka and 'The Hangar' in Queenstown, would result in more home-based businesses moving into the business zones over time. Such patterns may also result due to the spatial distribution of customers, such as child care centres or doctors and dentists being located near to the residential areas they service, or with convenient access and parking for customers who now struggle to find parking in the Queenstown Town Centre.

There is however a known historical pattern of retail/commercial development on land that is primarily zoned for industrial purposes. This includes, for example, the Mitre 10 Mega and Pak'n'Save in the Frankton Flats Special Zone locating within an activity area intended for industrial use; as well as the establishment of small scale retail/office activities along Glenda Drive, and within the Low Density Residential Zone at Frankton. A 'Bunnings' retail store is also proposed within the Frankton Flats industrial area and was considered at a hearing in January 2018.

This pattern of commercial creep was acknowledged by Councils economic experts⁴⁴ during the mapping hearings on Stage 1 of the PDP. It was noted that the significant growth experienced in the District has pushed up rental prices for commercial and industrial land and resulted in competition between businesses seeking to locate on the relatively 'cheaper' industrial land. In the past 5 years, 40% of the Districts'

⁴⁴ <http://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan/Hearings-Page/Hearing-Stream-13/Section-42A-Reports-and-Council-Expert-Evidence/Council-Evidence/QLDC-13-Queenstown-Philip-Osborne-Evidence-29310928-v-1.pdf>



commercial office consents have occurred in industrial zones, resulting in artificial increases to the price of industrial land and, in some places, rental prices increasing to levels which are unaffordable for industrial uses.

Such trends can be monitored over time, including in monitoring reports and future updates of the BDCA, to gain further understanding of the spatial location of demand, as required by the definition of “demand” and PB1 of the NPS-UDC.

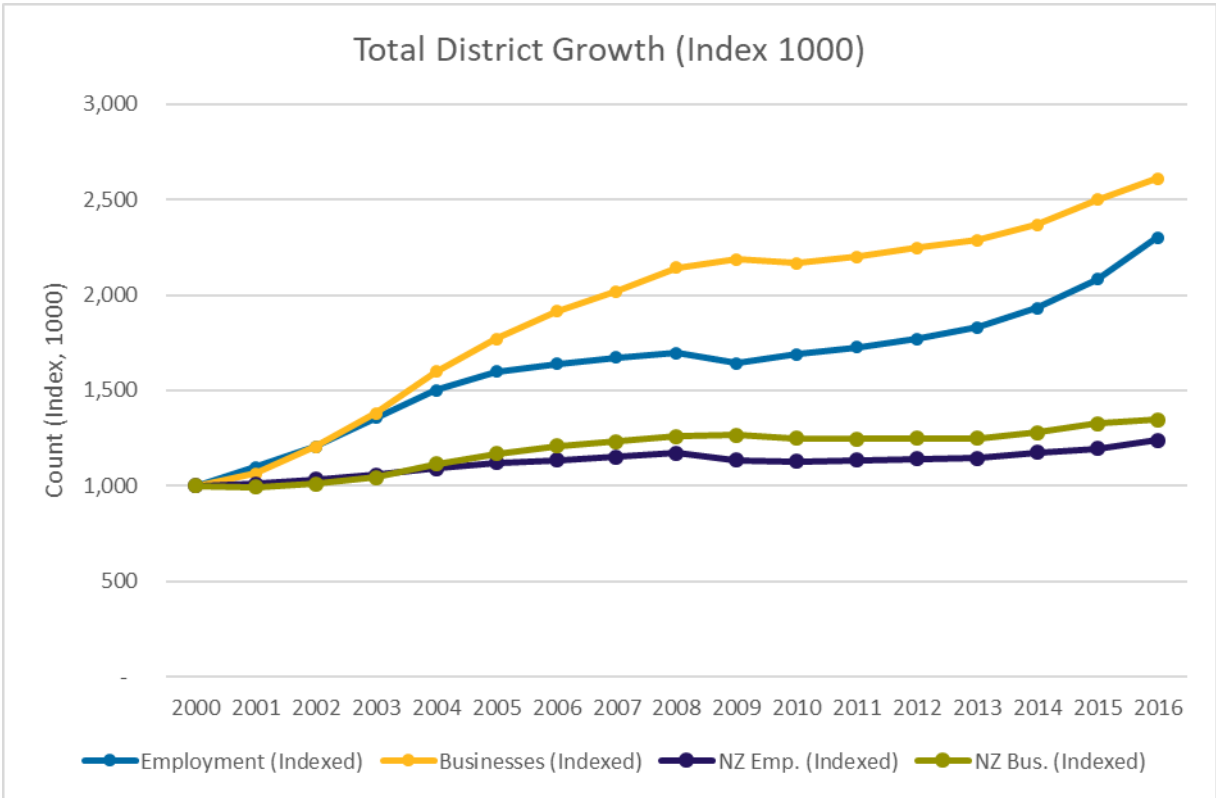
3.3 Historical Changes in the Economy

This section looks briefly at past trends that have led to QLD’s current (2016 base year) economy. Historical data on employment and business counts is presented for the period 2000 to 2016.

3.3.1 Total District Activity

According to the SNZ Business Directory total employment (MEC’s) in the district grew from 11,200 to 25,750 between 2000 and 2016. This is total growth of 14,550 jobs (130%) or an average annual increase of 910 MECs/year. Over that period, the count of businesses grew from 2,860 to 7,460. This represents total growth of 4,600 business (161%) or an annual average increase of 290 businesses/year.

Figure 3.2 – Indexed Employment and Business Growth 2000-2016 – Total District vs NZ



As shown in Figure 3.2, QLD growth in both employment and number of businesses terms has greatly exceeded the national growth rates over the past 16 years (2000 – 2016). Differences in growth rate



evened out immediately following the GFC (2008 – 2011) with both the national and district employment falling in number. In recent times QLD growth has accelerated away from the national average (indexed).

Average business size across the district (all sectors) was close to 4.0 MECs/business during the years 2000-2003. This then decreased steadily down to 2.9 MECs/business by 2009 when it stabilised at about 3.1 MECs/business through to 2013. The period from 2013-2016 has seen business size increase again (to reach 3.5 MECs/business to-date). Figure 3.2 shows the relative growth rates of both businesses and employment (indexed to the 2000 base year). The period where businesses were growing more rapidly than employment (i.e. growth of smaller businesses) from 2003 to 2009 is evident. This is followed by a period of very little growth (even decline) as the effects of the Global Financial Crisis (GFC) play out across the district.

Growth began to re-emerge from around 2013 onwards. Interesting to note that the upturn in employment growth occurred ahead of the upturn in number of businesses. Growth in business numbers began to pull ahead of employment growth in the early 2000s, up until the GFC in 2008. However, this was driven by an increase in the number of Rental, Hiring and Real Estate businesses (primarily secondary houses set up as businesses). People from across New Zealand and around the world purchased secondary dwellings in QLD and set them up as rental businesses to take advantage of the mostly tax free capital gains accruing during this period of high house price growth. Set up as businesses allowed investors to offset tax against losses incurred from these ‘businesses’. Overall growth in this sector made up more than 30% of total business number growth from 2001 – 2008. In total this sector made up only 18% of the total number of businesses in 2000, while it makes up 24% today.

In more recent times business numbers have grown at a slower rate than employment.

Historical counts of population and visitors⁴⁵ can be contrasted with business and employment growth for the period 2001 to 2013. During these years:

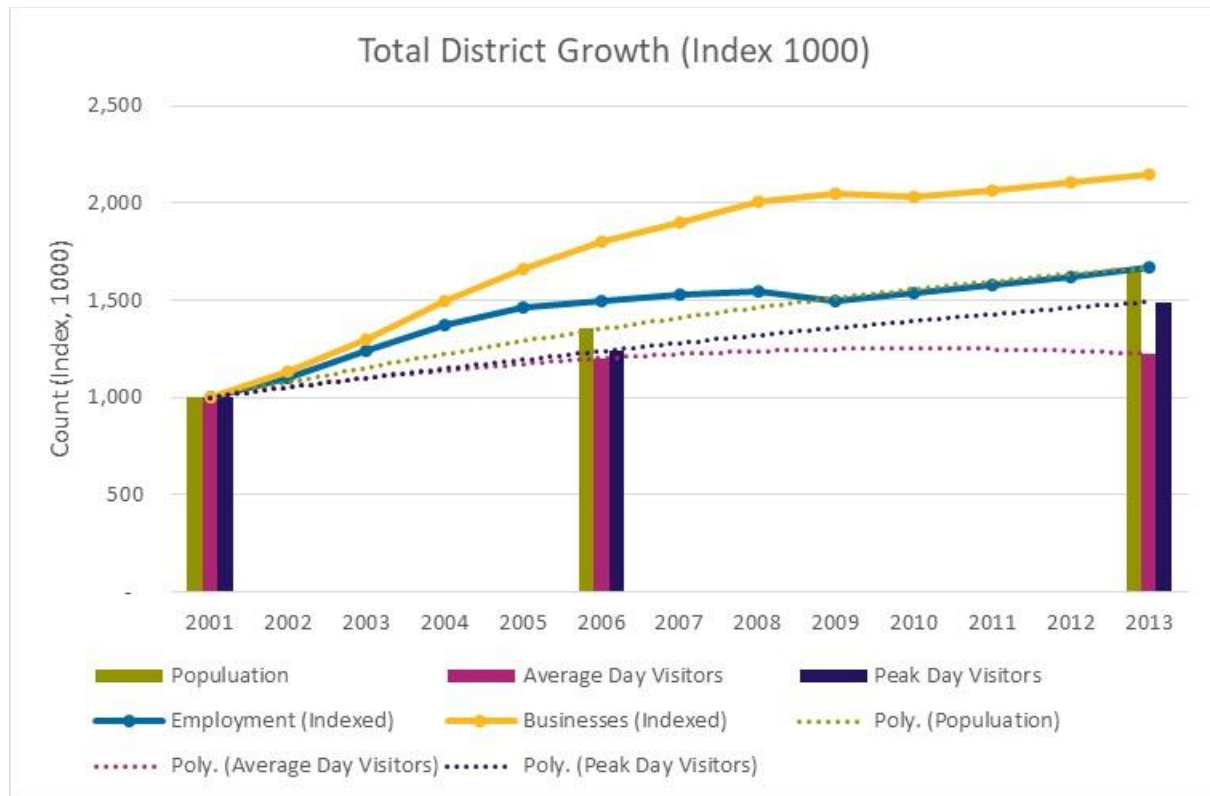
- the usually resident population increased by 11,890 (an annual average increase of 990 and total growth of 67%),
- average day visitors increased by 3,290 (an annual average increase of 270 and total growth of 22%), and
- peak day visitors increased by 21,040 (an annual average increase of 1,750 and total growth of 49%) between 2001 and 2013.

Figure 3.33 provides an index of growth for all five variables between 2001 and 2013. It shows that between 2001 and 2008, employment and businesses were growing at a faster rate than both population and tourism – a time of real expansion in the business sector. Between 2009 and 2013, the rate of growth in businesses, employment, population and peak-day visitor counts has been aligned. Overall, this analysis suggests that in the recent past, economic growth in QLD has been in response to meeting the demands of the residents and peak season(s) tourism activity, and less about the average day tourism – which showed

⁴⁵ Refer Table 1.1.

little change between 2006 and 2013, most likely influenced to a greater extent by the global financial crisis⁴⁶.

Figure 3.3 - Indexed Growth Indicators 2001-2013 – Total District



3.3.2 Sector Level – by Ward

Table 3.5 and Appendix 7 show change in employment and business counts in the Wakatipu Ward between 2000 and 2016. According to the SNZ Business Directory total employment (MECs) in the ward grew from 8,840 to 19,310 between 2000 and 2016. This is total growth of 10,471 jobs (118%) or an average annual increase of 655 MECs/year. Over that period, the count of businesses grew from 2,070 to 5,090. This represents total growth of 3,025 business (146%) or an annual average increase of 190 businesses/year.

Overall, the Wakatipu Ward accounted for 72% of employment growth in the District since 2000 and 66% of business growth in the District. This shows that the demand for additional business land and floorspace has been largely focussed on Wakatipu Ward. Sectors which have shown strong growth since 2000 (in real and/or percentage terms) in the Wakatipu Ward include:

- Other Food Manufacturing: growth of 100 MECs or 268%. The growth of this sector has largely occurred since 2009, with little or no change prior. This growth is small in absolute terms and is probably made up of niche food product manufacturing for the tourism sector. Locationally, probably a mix of industrial and commercial space.

⁴⁶ Table 1.1 shows a return to steady growth for average day visitor counts from 2018 into the long-term.


- Construction: growth of 1,620 MECs or 236%. Growth was strongest between 2000 and 2005, followed by a very slow growth period (just 7%) from 2005 to 2009 and strong growth again between 2009 to 2016. This level of growth is significant in absolute terms. A large portion of this growth occurs in residential areas (approximately 50%). The balance would have occurred across a mix of areas including industrial land and potentially some in commercial space.

Table 3.5: Wakatipu Ward Employment Change (MECs), 2000 - 2016

| 48 Sector Description | Growth in Employment (MECs) | | | | Growth (%) | | | |
|---|-----------------------------|-----------|--------------|---------------|------------|-----------|------------|-------------|
| | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 |
| Horticulture and fruit growing | - 12 | - 73 | 70 | - 14 | -8% | -59% | 136% | -11% |
| Sheep, beef cattle and grain farming | - 31 | - 28 | 1 | - 58 | -21% | -24% | 2% | -39% |
| Dairy cattle farming | 1 | 0 | 4 | 5 | 0% | -25% | 739% | 0% |
| Poultry, deer and other livestock farming | 7 | 1 | 13 | 5 | 27% | 3% | -37% | -18% |
| Forestry and logging | - 2 | 0 | 1 | - 1 | -43% | 14% | 21% | -21% |
| Fishing and aquaculture | - 2 | 1 | 9 | 8 | -100% | 0% | 949% | 397% |
| Agriculture, forestry and fishing support services | 142 | 81 | 6 | 67 | 1969% | -54% | 9% | 932% |
| Mining, quarrying, exploration and other mining support services | - 5 | - 17 | 6 | - 16 | -21% | -85% | 211% | -64% |
| Oil and gas extraction | - | - | - | - | 0% | 0% | 0% | 0% |
| Meat and meat product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Dairy product manufacturing | 12 | 12 | 1 | 1 | 0% | -100% | 0% | 0% |
| Other food manufacturing | - 1 | 15 | 86 | 100 | -2% | 40% | 168% | 268% |
| Beverage and tobacco product manufacturing | 31 | 2 | 67 | 34 | 34% | 2% | -55% | -38% |
| Textile, leather, clothing and footwear manufacturing | 6 | 13 | 1 | 6 | 28% | -52% | 12% | -31% |
| Wood product manufacturing | 17 | 23 | 4 | 1 | 61% | -50% | 19% | -5% |
| Pulp, paper and converted paper product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Printing | 11 | 19 | 13 | 17 | 49% | 59% | -25% | 78% |
| Petroleum and coal product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | 4 | 3 | 1 | 0 | 0% | -67% | -72% | 0% |
| Non-metallic mineral product manufacturing | 9 | 0 | 8 | 18 | 64% | 2% | 34% | 124% |
| Primary metal and metal product manufacturing | - | 7 | 4 | 3 | 0% | 0% | -58% | 0% |
| Fabricated metal product manufacturing | 22 | - | 15 | 38 | 544% | 0% | 58% | 916% |
| Transport equipment manufacturing | 10 | 15 | 8 | 4 | 47% | -46% | 49% | 18% |
| Machinery and equipment manufacturing | 3 | 3 | 36 | 42 | 11% | 13% | 127% | 186% |
| Furniture and other manufacturing | - 4 | - 8 | 17 | 5 | -11% | -25% | 70% | 13% |
| Electricity generation and supply | - | 3 | 3 | - | 0% | 0% | -100% | 0% |
| Gas supply | - | - | - | - | 0% | 0% | 0% | 0% |
| Water, sewerage, drainage and waste services | 18 | 9 | 11 | 3 | 63% | -20% | -30% | -10% |
| Construction | 863 | 101 | 654 | 1,618 | 126% | 7% | 40% | 236% |
| Wholesale trade | 42 | 44 | 120 | 206 | 33% | 26% | 56% | 161% |
| Retail Trade | 612 | 14 | 514 | 1,139 | 62% | 1% | 32% | 116% |
| Accommodation and food services | 735 | 206 | 1,948 | 2,478 | 25% | -6% | 56% | 84% |
| Road transport | 52 | 29 | 104 | 126 | 34% | -14% | 59% | 83% |
| Other transport, postal, courier, transport support and warehousing services. | 161 | 8 | 178 | 330 | 78% | -2% | 50% | 161% |
| Air and space transport | 11 | 8 | 155 | 173 | 9% | 6% | 116% | 150% |
| Information media and telecommunications | 70 | 85 | 73 | 57 | 31% | -29% | 35% | 26% |
| Finance | 44 | 49 | 11 | 104 | 54% | 39% | 6% | 127% |
| Insurance and superannuation funds | - 3 | 3 | 6 | 6 | -52% | 97% | -97% | -97% |
| Auxiliary finance and insurance services | 17 | 24 | 18 | 58 | 62% | 55% | 26% | 217% |
| Rental, hiring and real estate services | 256 | 46 | 222 | 431 | 68% | -7% | 38% | 115% |
| Owner Occupied Dwellings | - | - | - | - | 0% | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 855 | 91 | 791 | 1,737 | 100% | 5% | 44% | 203% |
| Central government administration, defence and public safety | 14 | 36 | 115 | 164 | 18% | 39% | 90% | 210% |
| Local government administration | 8 | 117 | 28 | 153 | 33% | 372% | 19% | 644% |
| Education and training | 106 | 73 | 203 | 383 | 49% | 23% | 51% | 176% |
| Health care and social assistance | 104 | 29 | 198 | 331 | 56% | 10% | 62% | 177% |
| Arts and recreation services | 246 | 112 | 286 | 644 | 40% | 13% | 29% | 104% |
| Personal and other services | 42 | 1 | 135 | 175 | 16% | 0% | 46% | 69% |
| Total | 4,468 | 95 | 5,907 | 10,471 | 51% | 1% | 44% | 118% |

Source: SNZ Business Directory, M.E.

- Retail: growth of 1,140 MECs or 116%. The growth pattern over time is similar to construction but with almost no growth (1%) between 2005 to 2009 as the effects of the GFC impacted on



the District. This sector will have increased demand for commercial centre land. Both Remarkables Park and more recently Five Mile retail centres have developed in this time period. In addition, large retail employers (Pak n'Save and Mitre 10 Mega in particular) have sought industrial zoned land to locate on due to its low cost. Therefore, a portion of retail demand growth puts pressure of industrial land capacity.

- Accommodation and Food Services: growth of 2,480 MECs or 84%. Growth has been concentrated in the period since 2009 (the sector contracted in employment terms between 2005 and 2009 during the GFC). This recent growth will have put pressure on commercial land in or near to Queenstown in particular. Visitor accommodation on Frankton Road has expanded since 2000.
- Professional Services: growth of 1,740 MECs or 203%. The growth pattern for this sector is similar to the above, with strong growth up to the GFC, then a period of contraction, followed by strong recent growth (2013 – 2016). Typically, this sector locates in commercial space thereby putting pressure on commercial office areas.

Table 3.6 and Appendix 7 show change in employment and business counts in the Wanaka Ward between 2000 and 2016. According to the Business Directory total employment (MECs) in the ward grew from 2,360 to 6,445 between 2000 and 2016. This is total growth of 4,080 jobs (173%) – faster than the district average, yet only accounted for 28% of the total district growth. Over that period, the count of businesses grew from 790 to 2,360. This represents total growth of 1,580 business (200%) – of these some 344 were rentals, hiring or real estate (which are likely to be high numbers of holiday home businesses as evidenced by the 0.58 employees for every new business in this sector).

Overall, the Wanaka Ward accounted for 28% of employment growth in the District since 2000 and 34% of business growth in the District. Sectors which have shown strong growth since 2000 (in real and/or percentage terms) in the Wanaka ward include:

- Water, Sewerage, Drainage and Waste Services: growth of just 55 MECs but a 657% increase, with associated demand for industrial/yard land. This sector showed rapid growth between 2005 and 2009 (when many other sectors slowed or declined due to the GFC) and growth has continued into the 2009 to 2016 period.
- Construction: growth of 780 MECs or 357%. Growth was strongest between 2000 and 2005, followed by a very slow growth period (just 5%) from 2005 to 2009 and moderate growth again since 2009.
- Wholesale Trade: growth of 100 MECs or 283%. Growth was negligible between 2005 and 2009, otherwise has been steady. Typically, this growth would have put pressure on warehouse space (industrial) and commercial office space.
- Retail Trade: growth of 450 MECs or 126%. While growth was well down between 2005 and 2009, it performed relatively better than the retail sector in Wakatipu (5% growth compared to 1% across the GFC). Growth here drives demand for commercial centre land and also with the rise of big box LFR retailers, pressure is brought to bear on industrial land.

- Accommodation and Food Services: growth of 830 MECs or 142%. Growth has been concentrated in the period since 2009. While Wakatipu saw a decrease in employment between 2005 and 2009 in this sector, Wanaka experienced a 22% increase.
- Professional Services: growth of 610 MECs or 485%. The pattern is similar to the Construction sector over time. Typically, this sector would have been putting pressure on commercial office space in Wanaka as well as home-based business.

Table 3.6: Wanaka Ward Employment Recent Change (MECs), 2000 - 2016

| 48 Sector Description | Growth in Employment (MECs) | | | | Growth (%) | | | | |
|---|-----------------------------|------------|--------------|--------------|------------|-----------|------------|-------------|-------|
| | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 | |
| Horticulture and fruit growing | 3 | -4 | 38 | 37 | 10% | -13% | 131% | 121% | |
| Sheep, beef cattle and grain farming | 5 | -6 | 35 | 36 | 2% | -3% | -18% | -19% | |
| Dairy cattle farming | - | 0 | 43 | 42 | -33% | -25% | 7180% | 3540% | |
| Poultry, deer and other livestock farming | - | 7 | 11 | 23 | 26 | -17% | 32% | 50% | 64% |
| Forestry and logging | 0 | -2 | 1 | 1 | 3% | -58% | 74% | -25% | |
| Fishing and aquaculture | 4 | -0 | 6 | 10 | 683% | -4% | 132% | 1638% | |
| Agriculture, forestry and fishing support services | 39 | -36 | 16 | 19 | 110% | -49% | 42% | 53% | |
| Mining, quarrying, exploration and other mining support services | 2 | 4 | 0 | 7 | 220% | 131% | 5% | 675% | |
| Oil and gas extraction | - | - | - | - | 0% | 0% | 0% | 0% | |
| Meat and meat product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% | |
| Dairy product manufacturing | - | - | 14 | 14 | 0% | 0% | 0% | 0% | |
| Other food manufacturing | 13 | 4 | 37 | 54 | 106% | 17% | 125% | 440% | |
| Beverage and tobacco product manufacturing | - | 2 | 3 | 14 | 9 | -32% | -76% | 1401% | 150% |
| Textile, leather, clothing and footwear manufacturing | 4 | -0 | 5 | 9 | 391% | -6% | 106% | 855% | |
| Wood product manufacturing | - | 6 | 8 | 0 | 14 | -18% | -28% | 2% | -40% |
| Pulp, paper and converted paper product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% | |
| Printing | - | 4 | 3 | 3 | 4 | -100% | 0% | -100% | -100% |
| Petroleum and coal product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% | |
| Chemical, polymer and rubber product manufacturing | - | 3 | 7 | 10 | 0% | 31% | 55% | 102% | |
| Non-metallic mineral product manufacturing | 6 | 2 | 4 | 12 | 106% | 21% | 32% | 228% | |
| Primary metal and metal product manufacturing | 1 | 3 | 0 | 4 | 25% | 83% | 5% | 138% | |
| Fabricated metal product manufacturing | - | 11 | 7 | 14 | 10 | -66% | 132% | 111% | 64% |
| Transport equipment manufacturing | - | 7 | 31 | 14 | 38 | -51% | 457% | 38% | 275% |
| Machinery and equipment manufacturing | 17 | -11 | 1 | 6 | 125% | -37% | 5% | 47% | |
| Furniture and other manufacturing | 5 | -4 | 3 | 4 | 84% | -41% | 49% | 62% | |
| Electricity generation and supply | - | 3 | - | 0 | 3 | -100% | 0% | 0% | -93% |
| Gas supply | - | - | - | - | 0% | 0% | 0% | 0% | |
| Water, sewerage, drainage and waste services | 3 | 28 | 25 | 55 | 37% | 239% | 63% | 657% | |
| Construction | 552 | 38 | 189 | 780 | 252% | 5% | 23% | 357% | |
| Wholesale trade | 49 | 9 | 43 | 100 | 137% | 10% | 47% | 283% | |
| Retail Trade | 271 | 34 | 141 | 447 | 77% | 5% | 21% | 126% | |
| Accommodation and food services | 253 | 182 | 393 | 828 | 44% | 22% | 39% | 142% | |
| Road transport | 55 | 2 | 35 | 22 | 165% | 3% | -39% | 67% | |
| Other transport, postal, courier, transport support and warehousing services. | 43 | -19 | 7 | 31 | 167% | -27% | 15% | 123% | |
| Air and space transport | 5 | 7 | 4 | 7 | 56% | 43% | -21% | 76% | |
| Information media and telecommunications | 44 | 8 | 46 | 98 | 432% | 16% | 74% | 971% | |
| Finance | 12 | 61 | 37 | 36 | 65% | 202% | -40% | 198% | |
| Insurance and superannuation funds | - | - | - | - | 0% | 0% | 0% | 0% | |
| Auxiliary finance and insurance services | 9 | 4 | 1 | 13 | 650% | 34% | 5% | 961% | |
| Rental, hiring and real estate services | 210 | -48 | 39 | 201 | 187% | -15% | 14% | 180% | |
| Owner Occupied Dwellings | - | - | - | - | 0% | 0% | 0% | 0% | |
| Professional, scientific, technical, administrative and support services | 385 | -11 | 236 | 610 | 306% | -2% | 47% | 485% | |
| Central government administration, defence and public safety | 16 | 14 | 26 | 4 | 129% | 52% | -62% | 33% | |
| Local government administration | - | 3 | 15 | 5 | 7 | -50% | 500% | -27% | 119% |
| Education and training | 49 | 74 | 100 | 223 | 48% | 49% | 44% | 219% | |
| Health care and social assistance | 61 | 13 | 55 | 130 | 61% | 8% | 32% | 129% | |
| Arts and recreation services | 88 | -19 | 88 | 157 | 75% | -9% | 47% | 133% | |
| Personal and other services | 86 | -17 | 7 | 76 | 153% | -12% | 6% | 137% | |
| Total | 2,246 | 369 | 1,467 | 4,082 | 95% | 8% | 29% | 173% | |

Source: SNZ Business Directory, M.E.

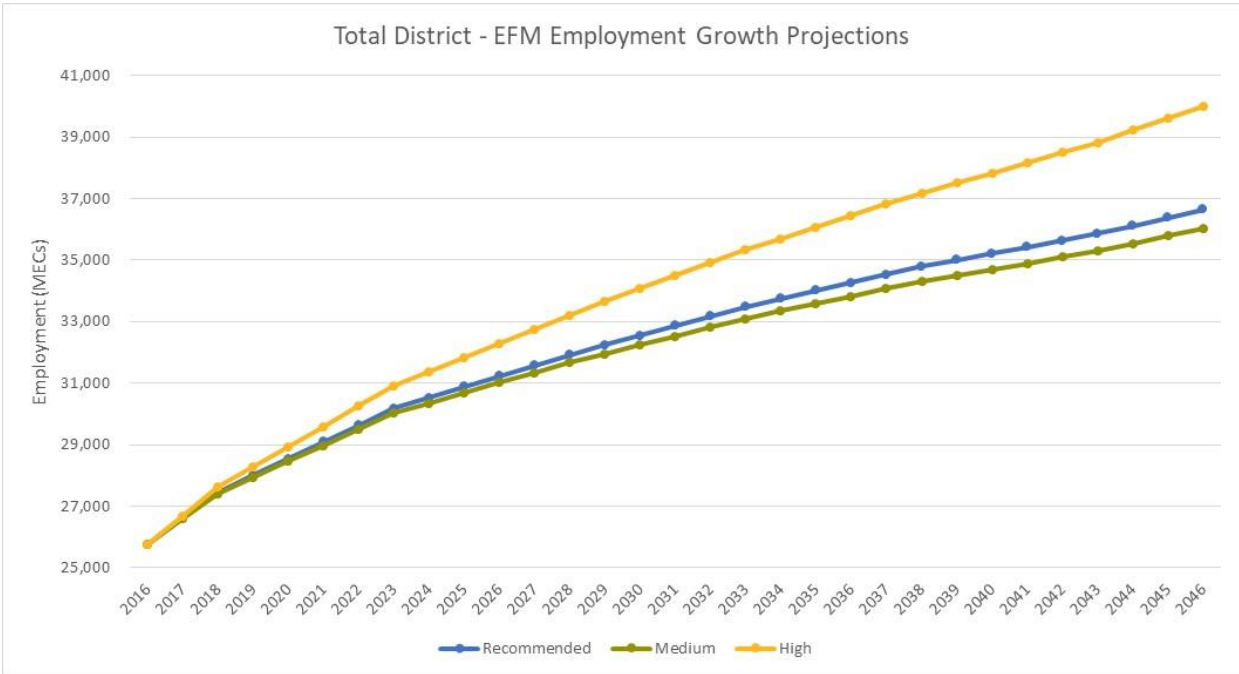


3.4 Future Economic Growth

This section presents the results of the economic growth projections from the EFM from the base year (2016) to 2048. The EFM provides a sound base to understand at the broad level required by the NPS-UDC, how the QLD economy will grow in response to the broad drivers (population, export performance and productivity change). Given that the BDCA will be repeated at a minimum of every 3 years, the medium and long-term figures will be constantly reassessed as part of the demand assessment. It is important to note that the EFM will produce accurate detailed projections of short-term changes and provide a robust guide to how the medium to long-term changes are likely to manifest without the levels of accuracy of the short-term.

Important also is the link between the HDCA and the BDCA. The same population and household projections drive both sets of models. This ensures consistency across the reports and ensures Council are fully informed of the effects of alternative growth futures. Core results are driven by QLDC preferred growth projections for population and tourism growth) and Medium growth for other inputs/drivers. This scenario is referred to as the ‘Recommended’ projection. To put this scenario in context, Figure 3.4 compares employment projections with a Medium and High growth series also modelled in QLDC’s EFM. These projections (detailed at the sector and ward level) form the basis of modelling business land and floor space demand.

Figure 3.4 – QLD Employment Projections by Scenario 2016-2046



3.4.1 Total District Growth by Ward

Economic activity in QLD is expected to grow strongly over the long-term (Figure 3.4 and Table 3.7), continuing the post global financial crisis growth trend discussed above. Table 3.7 provides a summary of projected growth for gross output, value added and employment (MECs). In all three indicators, growth in

the Wanaka Ward occurs at a slightly faster rate than in the Wakatipu Ward, and the district overall, as it has done in the recent past. In real terms however, Wakatipu is, and continues to be, the larger of the two economies.

The growth rates projected in QLD are significantly higher than in the rest of Otago Region and the rest of New Zealand – earning its place as one of the ‘high growth districts’ under the NPS-UDC. By 2048, total gross output (business turnover) is projected to increase by \$2,730 million (a 70% increase).

The real economic growth is calculated from changes in value added. Value added is broadly synonymous with Gross Domestic Product (GDP) and captures the value created by activity stimulated within the district. As the name suggests, it is a measure of the value added by businesses within the District. Value added captures wages and salaries, operating surplus, taxes paid to central government and subsidies.

Table 3.7: QLD, Otago Region and the Rest of NZ Economic Projections, 2016 – 2048

| Gross Output (\$million2016) | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|--------------------------|
| Region/Ward | Output 2016 | Output 2018 | Output 2023 | Output 2028 | Output 2033 | Output 2038 | Output 2043 | Output 2048 | Total Growth 2016-48 (n) | Total Growth 2016-48 (%) |
| Wakatipu | \$ 2,864 | \$ 3,085 | \$ 3,481 | \$ 3,786 | \$ 4,083 | \$ 4,362 | \$ 4,626 | \$ 4,870 | \$ 2,006 | 70% |
| Wanaka | \$ 1,013 | \$ 1,087 | \$ 1,232 | \$ 1,345 | \$ 1,452 | \$ 1,554 | \$ 1,650 | \$ 1,738 | \$ 725 | 72% |
| Total QLD | \$ 3,878 | \$ 4,172 | \$ 4,713 | \$ 5,131 | \$ 5,536 | \$ 5,916 | \$ 6,276 | \$ 6,608 | \$ 2,730 | 70% |
| Total Rest of Otago Region | \$ 17,365 | \$ 18,072 | \$ 19,638 | \$ 21,012 | \$ 22,332 | \$ 23,552 | \$ 24,716 | \$ 25,672 | \$ 8,306 | 48% |
| Rest of New Zealand | \$ 465,443 | \$ 486,143 | \$ 532,622 | \$ 576,135 | \$ 618,020 | \$ 657,055 | \$ 694,981 | \$ 727,372 | \$ 261,929 | 56% |
| Value Added (\$million2016) | | | | | | | | | | |
| Region/Ward | Value Added 2016 | Value Added 2018 | Value Added 2023 | Value Added 2028 | Value Added 2033 | Value Added 2038 | Value Added 2043 | Value Added 2048 | Total Growth 2016-48 (n) | Total Growth 2016-48 (%) |
| Wakatipu | \$ 1,338 | \$ 1,441 | \$ 1,624 | \$ 1,763 | \$ 1,897 | \$ 2,023 | \$ 2,141 | \$ 2,251 | \$ 913 | 68% |
| Wanaka | \$ 461 | \$ 496 | \$ 563 | \$ 613 | \$ 661 | \$ 705 | \$ 747 | \$ 786 | \$ 325 | 70% |
| Total QLD | \$ 1,799 | \$ 1,937 | \$ 2,187 | \$ 2,375 | \$ 2,558 | \$ 2,729 | \$ 2,888 | \$ 3,037 | \$ 1,238 | 69% |
| Total Rest of Otago Region | \$ 7,854 | \$ 8,154 | \$ 8,793 | \$ 9,340 | \$ 9,859 | \$ 10,331 | \$ 10,771 | \$ 11,138 | \$ 3,284 | 42% |
| Rest of New Zealand | \$ 216,911 | \$ 226,285 | \$ 246,724 | \$ 265,631 | \$ 283,699 | \$ 300,369 | \$ 316,385 | \$ 330,231 | \$ 113,320 | 52% |
| Employee Count (Modified to Include Working Proprietors) | | | | | | | | | | |
| Region/Ward | MECs 2016 | MECs 2018 | MECs 2023 | MECs 2028 | MECs 2033 | MECs 2038 | MECs 2043 | MECs 2048 | Total Growth 2016-48 (n) | Total Growth 2016-48 (%) |
| Wakatipu | 19,300 | 20,580 | 22,570 | 23,870 | 25,030 | 25,990 | 26,790 | 27,770 | 8,470 | 44% |
| Wanaka | 6,460 | 6,880 | 7,600 | 8,060 | 8,460 | 8,800 | 9,070 | 9,400 | 2,940 | 46% |
| Total QLD | 25,750 | 27,460 | 30,180 | 31,920 | 33,480 | 34,790 | 35,860 | 37,170 | 11,420 | 44% |
| Total Rest of Otago Region | 117,150 | 120,070 | 125,450 | 129,240 | 132,490 | 134,880 | 136,510 | 139,070 | 21,920 | 19% |
| Rest of New Zealand | 2,247,560 | 2,313,590 | 2,442,180 | 2,550,660 | 2,644,840 | 2,718,910 | 2,778,870 | 2,858,590 | 611,030 | 27% |

Source: QLD EFM (2018). Rationale Recommended Population and Average Day Visitor Growth with Medium Other Scenario.

Growth in value added mirrors growth in gross output, with QLD growing by approximately 69% by 2048 (an increase of \$1,238 million). This growth sees employment in the district grow from approximately 25,750 MECs in 2016 to nearly 37,200 MECs by 2048 (an additional 11,420 workers; with approximately 8,470 in the Wakatipu ward and 2,940 in the Wanaka ward⁴⁷). This equates to total growth of 44% - lower than gross output and value added due to increases in productivity over time. The growth is distributed relatively evenly across the two wards, with the current distribution of employment (75% in Wakatipu and

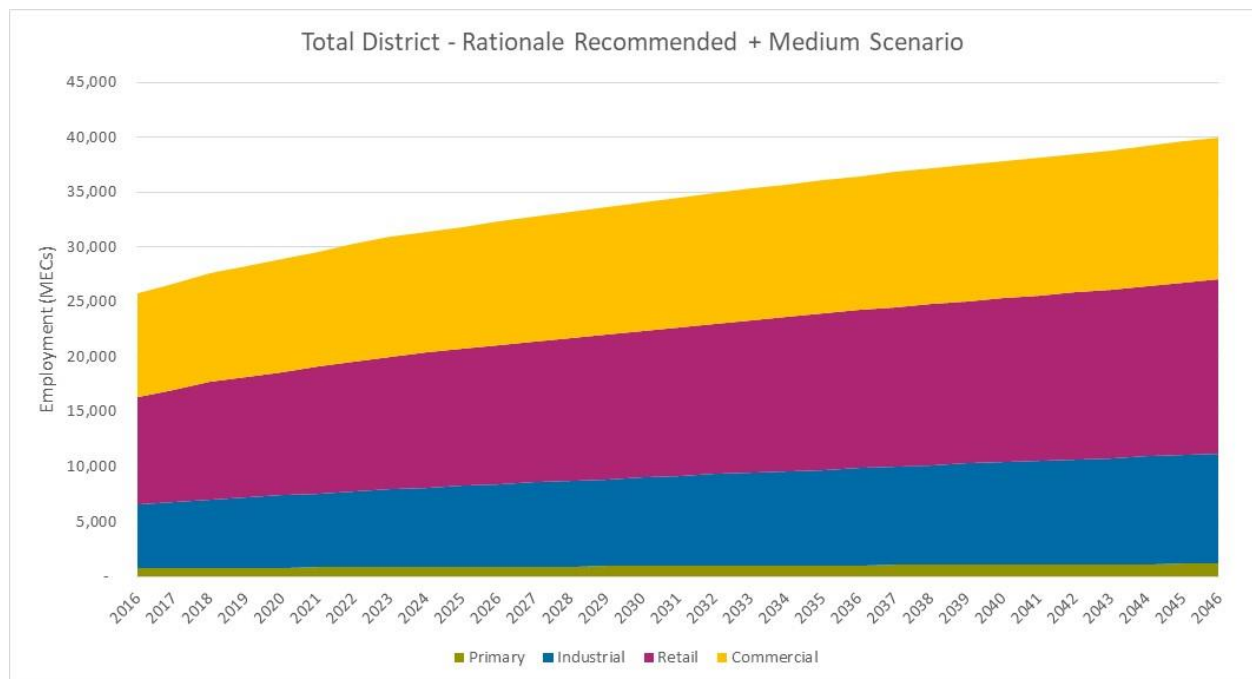
⁴⁷ Figures have been rounded.

25% in Wanaka Ward), changing very little over the next 30 years (and assuming growth is not constrained by capacity; or capacity is increased substantially more in one ward over the other).

3.4.2 District Growth by Broad Sector

Figure 3.5 summarises projected employment growth in QLD by the broad primary, industrial, retail and commercial sectors to 2046⁴⁸ (based on groupings of the 48 economic sectors). Little growth is projected in the primary sector – this remains only a small component of the QLD economy in the long-term. Industrial sectors have the fastest growth rate (72% compared to an average of 55% for all sectors) and employment in this category is expected to increase by a further 4,220 MECs. Retail sectors (which includes Accommodation and Food Services for the purpose of this summary) remain the largest share of business employment and are projected to grow by 62% above 2016 employment counts (growth of 6,060 MECs by 2046). Last, commercial sectors have a combined long-term growth rate of 38% by 2046 (an increase of 3,570 MECs).

Figure 3.5 – QLD Employment Projections (Recommended) by Broad Category 2016-2046



3.4.3 Employment Growth in Business Enabled Urban Zones

The employment growth projections above relate to the total QLD. This growth will drive demand for land and floorspace in a range of locations – both urban and rural, and in a range of zones.

The aim of this BDCA is to understand future demand for land and floor space within the district’s business enabled zones in the urban environment. Section 3.1.3 discussed the current (2016) shares of employment

⁴⁸ Note, projections have been interpolated from the EFM outputs to show annual employment counts. Only growth to 2046 is shown to align with the 2016 base year and long-term (30 year outlook) adopted for the purpose of this BDCA (and therefore differs from Table 3.6 which had a 2048 outlook).



by sector that have located in those zones (Table 3.4). It showed that overall, 63% of all employment in the district falls within operative and proposed business zones.

These sector shares (Table 3.3) have been applied to the QLDC Recommended employment projections for the total district to focus the demand analysis (discussed in section 4) on the relevant areas within the District Plan⁴⁹. This approach assumes that those shares (location preferences) hold constant over the long-term (to 2046). In future updates of the BDCA, further analysis (and monitoring) can be used to test the validity of this assumption (and identify alternatives such as an increasing share of activity in some sectors seeking a business zone premises).

Figure 3.6 summarises the final results for employment projected in urban business enabled zones within QLD in the short, medium and long-term.

Figure 3.6 – Total Projected Employment in Urban Business Enabled Zones 2016-2046



⁴⁹ It would not be appropriate to assume all district employment growth would be directed at business enabled zones. This would grossly overstate demand for business land and floor space.



4 Business Land and Floorspace Demand

This section takes projected employment growth anticipated to occur or be directed to urban business enabled zones in QLD (section 2.3.3) and translates it into additional demand for land and floorspace in the short, medium and long-term. The translation considers the different land use and building typologies required to put employment growth 'on the ground'.

4.1 Sector – Land Use / Building Typology Relationships

The NPS requires an assessment of the different types of business land and floor areas required to meet demand.

Given the similarity of activities carried out by employees across a range of sectors there are a smaller number of land use or building typologies than there are activity types. For example, commercial office space may be occupied by a wide range of businesses and organisations across a number of sectors. For the purposes of the NPS-UDC, all land use and building typologies have been condensed into three broad categories – Industrial, Commercial and Retail. However, to provide a degree of flexibility, employment has initially been distributed by 6 digit ANZSIC sectors across 15 different land use or building typologies.

By outlining the information in a matrix format (for ease of use, this has been aggregated to 48 sectors x 15 land use/building typologies), a single sector is allowed to split its activity between different land uses and building typologies. This is important as it is unlikely that all employment in any one industry occupies the exact same space type. A simple example is a large industrial business with a large industrial footprint, but also a warehouse area and a head office in commercial office space.

By utilising a matrix structure, employment growth is translated much more realistically to the type of land or building typology it generates. The matrix applied for this BDCA has been developed by M.E based on national averages. In future updates, a QLD specific matrix could be developed. This would establish a more accurate relationship between local business activity and development/land use patterns. A copy of the current matrix, showing the distribution of sector employment by land use or building typology is included in Appendix 8.

4.1.1 Exclusion

The framework also captures rural activity in the form of farms – this forms a separate Rural category. This category has been excluded as it is not relevant in an urban development capacity assessment. However, any employment growth that would normally be associated with farms has been allocated to farms – and excluded from the amount Council needs to zone space for in the urban environment.

4.2 Employment by Land Use / Building Typology

The result of distributing 48 sector employment projections for the urban business enabled zones by the land use / building typology matrix is summarised in Table 4.1. Results are broken down by Ward and total district and show, for example, that across all business enabled zones, employment in commercial office space is projected to increase by 120 MECs in the short-term (2019), 290 MECs in the medium-term (2026) and 520 MECs in the long-term (2046). The largest increases in demand, in both Wanaka and the Wakatipu Ward will be for accommodation, shops and food and beverage premises.

Table 4.1 – Urban Business Zone Employment Projections by Land Use/Building Typology

| Category | Land Use / Building Type | Count | | | | Growth (n) | | | Growth (%) | | |
|----------------------|---------------------------|---------------|---------------|---------------|---------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------------|-----------------------------------|---------------------------------|
| | | MECs 2016 | MECs 2019 | MECs 2026 | MECs 2046 | Short Term (2016- 2019) | Medium Term (2016- 2026) | Long Term (2016- 2046) | Short Term (2016- 2019) | Medium Term (2016- 2026) | Long Term (2016- 2046) |
| Wanaka Ward | | | | | | | | | | | |
| Commercial | Office---Commercial | 370 | 390 | 430 | 480 | 30 | 60 | 110 | 8% | 16% | 30% |
| | Office---Retail | 50 | 60 | 70 | 80 | 10 | 10 | 30 | 18% | 18% | 55% |
| | Accommodation | 530 | 590 | 680 | 770 | 70 | 150 | 240 | 13% | 28% | 45% |
| | Yard---Commercial | 270 | 300 | 340 | 410 | 30 | 70 | 130 | 11% | 25% | 47% |
| | Other Built---Commercial | 360 | 390 | 430 | 510 | 30 | 70 | 150 | 8% | 20% | 42% |
| | Education | 50 | 50 | 60 | 70 | 10 | 10 | 20 | 21% | 21% | 42% |
| | Outdoor---Commercial | 10 | 10 | 10 | 10 | - | - | 10 | 0% | 0% | 122% |
| Industrial | Warehouse | 270 | 290 | 320 | 370 | 20 | 50 | 100 | 7% | 19% | 37% |
| | Factory | 200 | 210 | 230 | 270 | 10 | 30 | 70 | 5% | 15% | 35% |
| | Yard---Industrial | 190 | 210 | 230 | 280 | 10 | 40 | 80 | 5% | 21% | 41% |
| | Other Built---Industrial | 120 | 130 | 150 | 200 | 10 | 30 | 80 | 8% | 25% | 66% |
| Retail | Shops---Commercial | 780 | 850 | 940 | 1,100 | 70 | 170 | 320 | 9% | 22% | 41% |
| | Shops---Food and Beverage | 530 | 590 | 680 | 770 | 70 | 150 | 240 | 13% | 28% | 45% |
| Total | | 3,730 | 4,070 | 4,560 | 5,300 | 340 | 840 | 1,580 | 9% | 23% | 42% |
| Wakatipu Ward | | | | | | | | | | | |
| Commercial | Office---Commercial | 1,410 | 1,510 | 1,640 | 1,830 | 100 | 230 | 410 | 7% | 16% | 29% |
| | Office---Retail | 160 | 170 | 190 | 240 | 10 | 40 | 80 | 6% | 25% | 51% |
| | Accommodation | 1,610 | 1,800 | 2,030 | 2,410 | 190 | 430 | 800 | 12% | 27% | 50% |
| | Yard---Commercial | 700 | 760 | 860 | 1,020 | 60 | 150 | 320 | 9% | 21% | 46% |
| | Other Built---Commercial | 1,250 | 1,340 | 1,480 | 1,730 | 90 | 230 | 480 | 7% | 18% | 39% |
| | Education | 240 | 260 | 280 | 320 | 20 | 40 | 80 | 8% | 17% | 34% |
| | Outdoor---Commercial | 30 | 30 | 40 | 50 | - | 10 | 20 | 0% | 32% | 65% |
| Industrial | Warehouse | 1,090 | 1,160 | 1,280 | 1,470 | 80 | 190 | 380 | 7% | 17% | 35% |
| | Factory | 750 | 810 | 900 | 1,010 | 60 | 140 | 260 | 8% | 19% | 35% |
| | Yard---Industrial | 780 | 840 | 930 | 1,090 | 60 | 150 | 310 | 8% | 19% | 40% |
| | Other Built---Industrial | 510 | 550 | 630 | 800 | 50 | 120 | 290 | 10% | 24% | 57% |
| Retail | Shops---Commercial | 2,190 | 2,360 | 2,590 | 2,980 | 170 | 400 | 790 | 8% | 18% | 36% |
| | Shops---Food and Beverage | 1,610 | 1,800 | 2,030 | 2,410 | 190 | 430 | 800 | 12% | 27% | 50% |
| Total | | 12,320 | 13,390 | 14,880 | 17,350 | 1,070 | 2,560 | 5,030 | 9% | 21% | 41% |
| Total QLD | | | | | | | | | | | |
| Commercial | Office---Commercial | 1,780 | 1,900 | 2,070 | 2,300 | 120 | 290 | 520 | 7% | 16% | 29% |
| | Office---Retail | 210 | 230 | 260 | 320 | 20 | 50 | 110 | 9% | 24% | 52% |
| | Accommodation | 2,130 | 2,390 | 2,710 | 3,180 | 260 | 580 | 1,040 | 12% | 27% | 49% |
| | Yard---Commercial | 980 | 1,060 | 1,200 | 1,430 | 90 | 220 | 450 | 9% | 22% | 46% |
| | Other Built---Commercial | 1,600 | 1,720 | 1,910 | 2,240 | 120 | 310 | 630 | 7% | 19% | 39% |
| | Education | 290 | 310 | 340 | 390 | 20 | 60 | 100 | 7% | 21% | 35% |
| | Outdoor---Commercial | 40 | 40 | 50 | 60 | - | 10 | 30 | 0% | 26% | 77% |
| Industrial | Warehouse | 1,360 | 1,450 | 1,590 | 1,840 | 90 | 240 | 480 | 7% | 18% | 35% |
| | Factory | 950 | 1,030 | 1,130 | 1,280 | 70 | 170 | 330 | 7% | 18% | 35% |
| | Yard---Industrial | 970 | 1,040 | 1,160 | 1,370 | 70 | 190 | 390 | 7% | 20% | 40% |
| | Other Built---Industrial | 630 | 680 | 780 | 990 | 60 | 150 | 360 | 10% | 24% | 57% |
| Retail | Shops---Commercial | 2,970 | 3,200 | 3,540 | 4,080 | 230 | 570 | 1,110 | 8% | 19% | 37% |
| | Shops---Food and Beverage | 2,130 | 2,390 | 2,710 | 3,180 | 260 | 580 | 1,040 | 12% | 27% | 49% |
| Total | | 16,050 | 17,460 | 19,440 | 22,650 | 1,420 | 3,400 | 6,610 | 9% | 21% | 41% |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Wakatipu Ward includes both Queenstown and Arrowtown Wards, figures rounded to nearest 10. Excludes any employment attributed to rural land use.

4.3 Employment GFA and Land Conversions

Some businesses will require more land area than others, and this has obvious implications for development capacity. For example, industrial activities are likely to require more land area than retail shops. To assess land area and floorspace requirements for business activity, employment is translated into likely building space and land use using the following average ratios (Table 4.2). These ratios are derived from current data relating to employment and land use/space types, although further work is needed to develop local (QLD) ratios – this can be captured in future updates of this BDCA.

Diversity of space and land needs on a business by business basis result in wide variations between the maximums and minimums in this table. For the most part averages have been used for the modelling (refer 'in use' column). These ratios suggest, for example, that 20sqm of commercial office building floorspace (measured in GFA) is required for every worker, or conversely, 30sqm of land (developable not gross). For every MEC in the accommodation sector, 100sqm of GFA is required and 200sqm of land is needed. The ratios are assumed to apply equally over the whole district and are assumed to hold constant over time.

Table 4.2 – Employment to Building / Land Use GFA and Land Conversions

| | Floorspace per Person Employed (sqm) | | | Land per Person Employed (sqm) | | |
|---------------------------|--------------------------------------|-----|--------|--------------------------------|------|--------|
| | Min | Max | In Use | Min | Max | In Use |
| Office---Commercial | 13 | 100 | 20 | 13 | 100 | 30 |
| Office---Retail | 20 | 100 | 27 | 20 | 100 | 45 |
| Shops---Commercial | 10 | 100 | 27 | 10 | 100 | 50 |
| Shops---Food and Beverage | 15 | 100 | 47 | 15 | 200 | 85 |
| Accommodation | 15 | 200 | 100 | 15 | 400 | 200 |
| Ware house | 100 | 200 | 167 | 100 | 600 | 350 |
| Factory | 80 | 200 | 138 | 80 | 500 | 265 |
| Yard---Commercial | 50 | 150 | 85 | 100 | 350 | 190 |
| Yard---Industrial | 50 | 150 | 100 | 100 | 350 | 265 |
| Other Built---Commercial | 20 | 120 | 60 | 20 | 500 | 120 |
| Other Built---Industrial | 20 | 120 | 60 | 20 | 500 | 120 |
| Education | 30 | 100 | 60 | 50 | 500 | 167 |
| Outdoor---Commercial | 10 | 100 | 20 | 10 | 1000 | 50 |
| Outdoor---Industrial | 10 | 100 | 20 | 10 | 1000 | 50 |

Source: M.E (based on data developed/analysed for Auckland)

Persons employed based on modified employee count (MEC) 2016, M.E.

4.4 Future Demand for Urban Business Land – by District and Ward

Applying Table 4.2 (land per person employed ratios) to the employment projections in Table 4.1 generates estimates of future demand for land in urban business enabled zones by land use. This is summarised in Table 4.3 and Figure 4.1.

Across the total district, and under the employment growth scenario based on the QLDC Recommended projections, there is demand for 20 ha of additional business zone land (across all sectors) in the short-

term, demand for a further 29 ha in the medium-term and demand for a further 47 ha in the long-term. This is a cumulative long-term requirement of 96 ha.

The short-term demand for retail land (shops) is 3 ha, mostly for food and beverage outlets. In the medium-term there is demand for 4 ha of retail land and in the long-term, there is demand for 7 ha. This is a cumulative long-term requirement of 14 ha. The short-term demand for commercial land is approximately 9 ha, with half of that being for accommodation activities (e.g. hotels/motels)⁵⁰. In the medium-term there is demand for 12 ha and in the long-term there is demand for 20 ha. This is a cumulative long-term requirement of 41 ha (Table 4.3 and Figure 4.1).

The short-term demand for industrial land across the district is 8 ha (by 2019). In the medium-term there is demand for 12 ha and in the long-term there is demand for 21 ha. This is a cumulative long-term requirement for industrial land is 40 ha – with 17 ha of that for warehouse space and 10 ha for yard space. Despite lower employment growth projections, industrial activities show a similar long-term land area demand to the commercial sector due to the higher land area required per employee, as demonstrated in Table 4.2.

Overall, the results indicate the greatest land area demand in the short, medium and long-term is for commercial visitor accommodation; and industrial warehouse, factory and yard space.

Table 4.3 – QLD Land Demand in Business Enabled Zones by Land Use (Ha)

| Category | Land Use / Building Type | Land Demand (Ha) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 0.4 | 0.5 | 0.7 | 1.6 |
| | Office---Retail | 0.1 | 0.1 | 0.3 | 0.5 |
| | Accommodation | 5.1 | 6.4 | 9.3 | 20.9 |
| | Yard---Commercial | 1.7 | 2.5 | 4.5 | 8.6 |
| | Other Built---Commercial | 1.4 | 2.2 | 3.9 | 7.6 |
| | Education | 0.4 | 0.5 | 0.8 | 1.7 |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.1 | 0.1 |
| Industrial | Warehouse | 3.2 | 5.0 | 8.6 | 16.9 |
| | Factory | 1.9 | 2.7 | 4.0 | 8.7 |
| | Yard---Industrial | 1.9 | 3.0 | 5.5 | 10.4 |
| | Other Built---Industrial | 0.7 | 1.2 | 2.5 | 4.4 |
| Retail | Shops---Commercial | 1.2 | 1.7 | 2.7 | 5.6 |
| | Shops---Food and Beverage | 2.2 | 2.7 | 4.0 | 8.9 |
| TOTAL | | 20.2 | 28.6 | 46.9 | 95.7 |

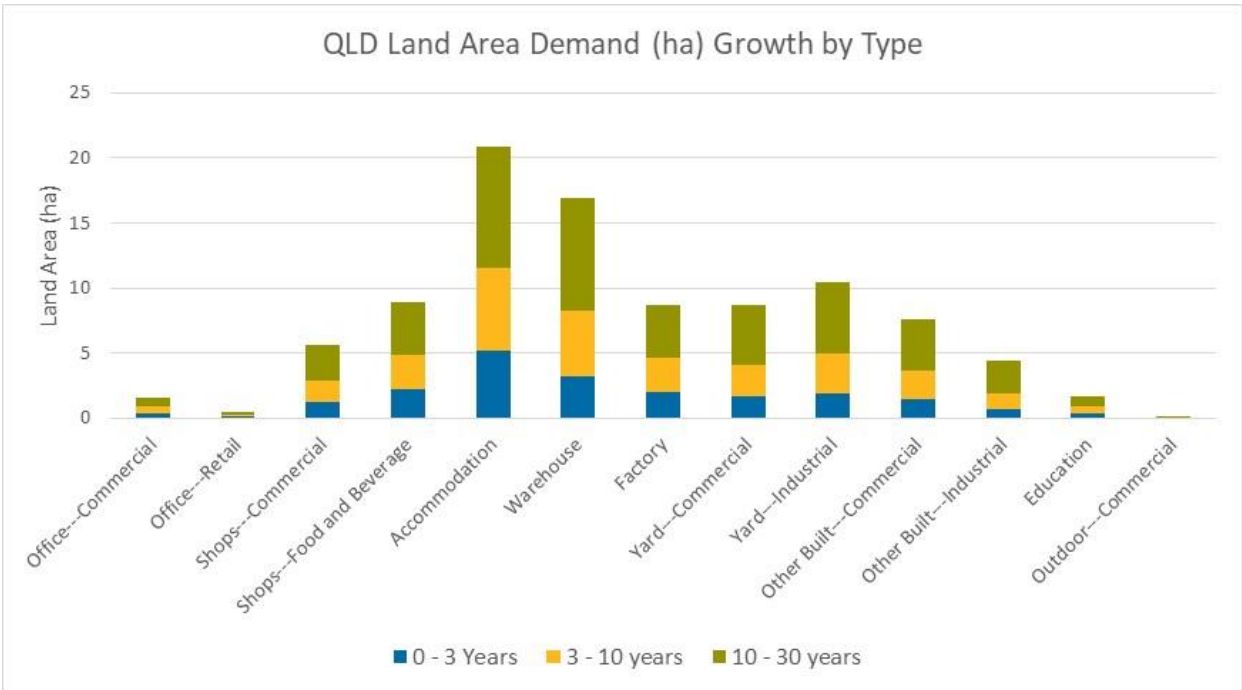
Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

⁵⁰ Noting that a portion of Commercial Visitor Accommodation could establish in the High Density Residential Zone. The take up of this will need to be monitored.



Figure 4.1 - QLD Land Demand in Business Enabled Zones by Land Use (Ha)



In the Wanaka Ward, and under the QLDC Recommended growth scenario, there is projected demand for nearly 5 ha of additional business zone land (across all sectors) in the short-term, a further 7 ha in the medium-term, and a further 11 ha in the long-term (Table 4.4). This is a cumulative long-term requirement of 22 ha comprising 22% of all district land demand in urban business enabled zones.

The short-term demand for retail land (shops) in the Wanaka business zones is just under 1 ha, mostly for food and beverage outlets. In the medium-term there is demand for just over 1 ha of retail land and in the long-term, there is demand for just under 2 ha. This is a cumulative long-term requirement of nearly 4 ha. The short-term demand for commercial land is just over 2 ha, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for just over 3 ha and in the long-term there is demand for between 4 and 5 ha. This is a cumulative long-term requirement of 10 ha (Table 4.4). This represents 46% of the total long-term land demand in Wanaka ward business zones.

The short-term demand for industrial land across the Wanaka Ward business zones is just over 1 ha (by 2019). In the medium-term there is demand for just over 2 ha and in the long-term there is demand for between 4 and 5 ha. This is a cumulative long-term requirement for industrial land of 8 ha – with over 3 ha of that for warehouse space. Industrial land demand represents 38% of the total long-term business land demand in the Wanaka Ward (Table 4.4).

Table 4.4 – Wanaka Ward Land Demand in Business Enabled Zones by Land Use (Ha)

| Category | Land Use / Building Type | Land Demand (Ha) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-----------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016- 2046) |
| Commercial | Office---Commercial | 0.1 | 0.1 | 0.1 | 0.3 |
| | Office---Retail | 0.0 | 0.0 | 0.1 | 0.1 |
| | Accommodation | 1.3 | 1.7 | 1.9 | 4.8 |
| | Yard---Commercial | 0.5 | 0.7 | 1.3 | 2.5 |
| | Other Built---Commercial | 0.3 | 0.5 | 0.9 | 1.8 |
| | Education | 0.1 | 0.1 | 0.2 | 0.4 |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.0 | 0.0 |
| Industrial | Warehouse | 0.6 | 1.0 | 1.8 | 3.4 |
| | Factory | 0.3 | 0.5 | 0.9 | 1.8 |
| | Yard---Industrial | 0.4 | 0.6 | 1.2 | 2.2 |
| | Other Built---Industrial | 0.1 | 0.2 | 0.6 | 0.9 |
| Retail | Shops---Commercial | 0.3 | 0.5 | 0.8 | 1.6 |
| | Shops---Food and Beverage | 0.6 | 0.7 | 0.8 | 2.1 |
| TOTAL | | 4.6 | 6.8 | 10.5 | 22.0 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

In the Wakatipu Ward, and under the QLDC Recommended growth scenario, there is projected demand for nearly 16 ha of additional business zone land (across all sectors) in the short-term, a further 22 ha in the medium-term, a further 36 ha in the long-term. This is a cumulative long-term requirement of 74 ha – comprising 77% of all district land demand in urban business enabled zones.

The short-term demand for retail land (shops) in the Wakatipu business zones is between 2 and 3 ha, mostly for food and beverage outlets. In the medium-term there is demand for just over 3 ha of retail land and in the long-term, there is demand for just over 5 ha. This is a cumulative long-term requirement of just under 11 ha. The short-term demand for commercial land is nearly 7 ha, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for just over 9 ha and in the long-term there is demand for approximately just over 15 ha. This is a cumulative long-term requirement of approximately 31 ha (Table 4.5). This represents 42% of the total long-term land demand in Wakatipu ward business zones.

The short-term demand for industrial land across the Wakatipu Ward business zones is just over 6 ha (by 2019). In the medium-term there is demand for between 9 and 10 ha and in the long-term there is demand for just over 16 ha. This is a cumulative long-term requirement for industrial land of 32 ha – with over 13 ha of that for warehouse space and over 8 ha for yard space. Industrial land demand represents 43% of the total long-term business land demand in the Wakatipu Ward (Table 4.5). This industrial demand includes demand for land associated with the Queenstown Airport (Air Transport Services which comprises a mixture of warehouse, factory, yard and other industrial space types)⁵¹. Airport related demand in the

⁵¹ The same does not apply to the Wanaka Airport as it is located outside the urban environment and so its demand is associated with demand in the rural environment (rest of district). It is however possible that the Wanaka Airport may play an increasing role for airport related industrial demand in the future, and that the Queenstown Airport is currently analysing a range of growth

Wakatipu Ward equates to 1.0 ha of industrial land in the short-term, a further 1.0 ha in the medium-term and a further 1.2 ha in the long-term. This is a total long-term demand of 3.2 ha⁵².

Table 4.5 – Wakatipu Ward Land Demand in Business Enabled Zones by Land Use (Ha)

| Category | Land Use / Building Type | Land Demand (Ha) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 0.3 | 0.4 | 0.6 | 1.2 |
| | Office---Retail | 0.1 | 0.1 | 0.2 | 0.4 |
| | Accommodation | 3.8 | 4.7 | 7.5 | 16.0 |
| | Yard---Commercial | 1.2 | 1.7 | 3.2 | 6.1 |
| | Other Built---Commercial | 1.1 | 1.7 | 3.0 | 5.8 |
| | Education | 0.3 | 0.4 | 0.6 | 1.3 |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.1 | 0.1 |
| Industrial | Warehouse | 2.6 | 4.0 | 6.8 | 13.4 |
| | Factory | 1.6 | 2.1 | 3.1 | 6.9 |
| | Yard---Industrial | 1.5 | 2.4 | 4.3 | 8.2 |
| | Other Built---Industrial | 0.5 | 0.9 | 2.0 | 3.5 |
| Retail | Shops---Commercial | 0.8 | 1.2 | 1.9 | 4.0 |
| | Shops---Food and Beverage | 1.6 | 2.0 | 3.2 | 6.8 |
| TOTAL | | 15.5 | 21.7 | 36.4 | 73.7 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

4.4.1 Summary

The results indicate that the greatest land area demand in the short, medium and long-term across the District’s business enabled zones, is for commercial land (predominantly visitor accommodation) and industrial warehouse, factory and yard space. The land extensive nature of industrial demand puts it on par with commercial land demand despite lower projected employment growth (Section 4.3).

This result does not apply evenly across QLD urban business zones. In the Wanaka ward, demand is greatest for commercial land capacity – it accounts for a 46% share of total Wanaka ward land demand over the long-term (with industrial land demand making up a 38% share). In contrast, demand in the Wakatipu ward is slightly greater for industrial land capacity in the long-term – it accounts for a 43% share of total Wakatipu ward land demand (with commercial land demand making up 42%).

In the Wanaka ward, the combined commercial and industrial sectors make up 83% of the total urban business land demand. Similarly, in the Wakatipu ward, these sectors make up 85% of the total urban business land demand. However, the business land demand across all sectors in the Wanaka ward makes up only 23% of the district wide land demand; with the Wakatipu remaining the dominant commercial area

options through the recently released 30 Year Master Plan. This will be an aspect to be monitored over time and accounted for in future BDCA’s if necessary.

⁵² This is based on business as usual growth – it is associated with average day visitor growth projected by QLDC and other wider economic drivers.

with 77% of the district wide land demand – reflecting its larger economic and population base. Future Demand for Urban Business Floorspace – by District and Ward

The NPS-UDC requires an assessment of the different types of business land and floor areas (sqm) required to meet demand. Applying Table 4.2 (GFA per person employed ratios) to the employment projections in Table 4.6 generates estimates of future demand for built space (sqm) in urban business enabled zones by building typology.

Table 4.6 – QLD GFA Demand in Business Enabled Zones by Building Typology (sqm)

| Category | Land Use / Building Type | GFA Demand (sqm) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 2,500 | 3,300 | 4,700 | 10,500 |
| | Office---Retail | 500 | 800 | 1,600 | 2,900 |
| | Accommodation | 25,700 | 31,800 | 46,700 | 104,200 |
| | Yard---Commercial | 7,300 | 11,000 | 20,100 | 38,400 |
| | Other Built---Commercial | 7,300 | 11,000 | 19,600 | 37,900 |
| | Education | 1,400 | 1,900 | 2,700 | 6,000 |
| | Outdoor---Commercial | 100 | 100 | 300 | 500 |
| Industrial | Warehouse | 15,500 | 24,000 | 41,000 | 80,500 |
| | Factory | 10,200 | 14,000 | 21,000 | 45,200 |
| | Yard---Industrial | 7,100 | 11,600 | 20,800 | 39,500 |
| | Other Built---Industrial | 3,300 | 5,900 | 12,700 | 21,900 |
| Retail | Shops---Commercial | 6,300 | 9,100 | 14,700 | 30,100 |
| | Shops---Food and Beverage | 12,100 | 15,000 | 22,000 | 49,100 |
| TOTAL | | 99,300 | 139,500 | 227,900 | 466,700 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Across the total district, and under the employment growth scenario based on the QLDC Recommended projections, there is demand for 99,300sqm GFA of additional business zone space (across all sectors) in the short-term, demand for a further 139,500sqm GFA in the medium-term and demand for a further 227,900sqm GFA in the long-term. This is a cumulative long-term requirement of 466,700sqm GFA.

The short-term demand for retail space (shops) is 18,400sqm GFA, mostly for food and beverage outlets. In the medium-term there is demand for 24,100sqm GFA of retail space and in the long-term, there is demand for 36,700sqm GFA. This is a cumulative long-term requirement of 79,200sqm GFA. The short-term demand for commercial space is approximately 44,800sqm GFA, with just over half of that being for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for 59,900sqm GFA and in the long-term there is demand for 95,700sqm GFA. This is a cumulative long-term requirement of 200,400sqm GFA (Table 4.6 and Figure 4.2).

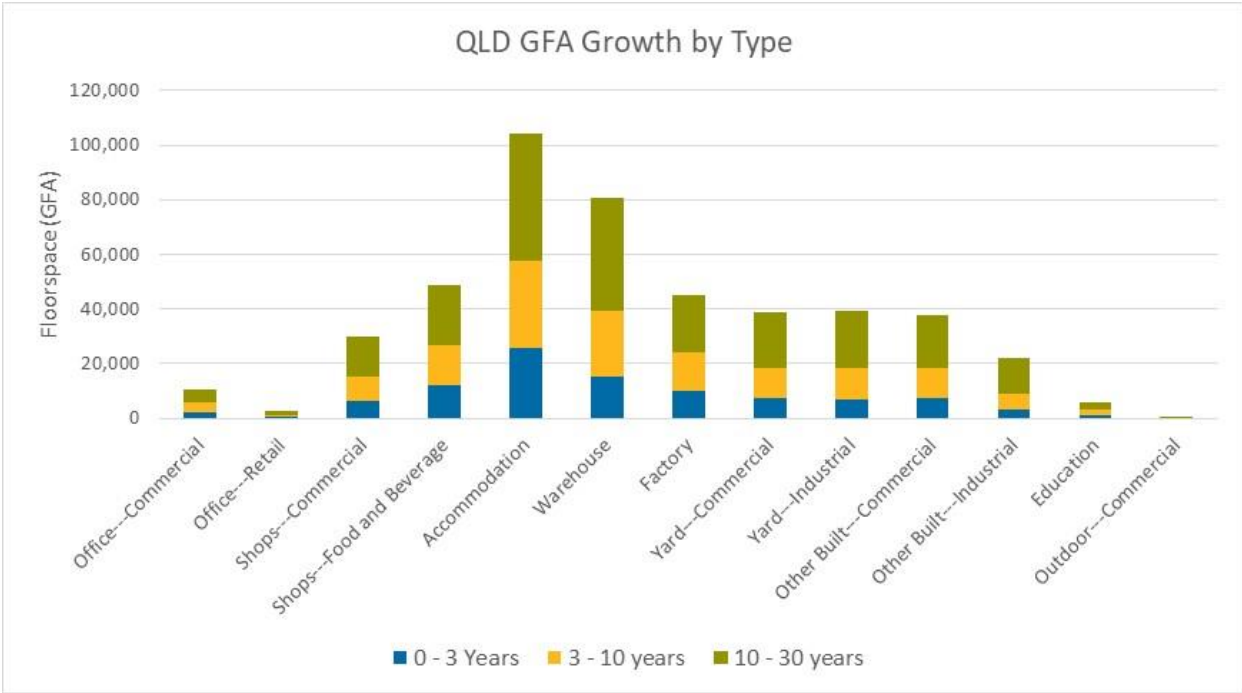
The short-term demand for urban industrial space across the district is 36,100sqm GFA (by 2019). In the medium-term there is demand for 55,500sqm GFA and in the long-term there is demand for 95,500sqm GFA. This is a cumulative long-term requirement for industrial floorspace of 187,100sqm GFA – with 80,500sqm GFA of that for warehouse space and 45,200sqm GFA for factory (i.e. production) space. While commercial and industrial land demand was similar in quantum over the long-term, demand for



commercial floorspace exceeds industrial floorspace demand, due to the smaller role built space plays in many industrial properties, particularly yards.

Overall, the results shown in Figure 4.2 indicate the greatest floorspace demand in the short, medium and long-term is for commercial visitor accommodation, followed by industrial warehouses and food and beverage premises.

Figure 4.2 - QLD GFA Demand in Business Enabled Zones by Building Typology (sqm)



In the Wanaka Ward, and under the QLDC Recommended growth scenario, there is projected demand for an estimated 22,800sqm GFA of additional business zone space (across all sectors) in the short-term, a further 33,500sqm GFA in the medium-term, and a further 51,000sqm GFA in the long-term (Table 4.7). This is a cumulative long-term requirement of 107,300sqm GFA comprising 23% of all district floorspace demand in urban business zones.

The short-term demand for total retail space in the Wanaka business zones is just under 5,000sqm GFA, mostly for food and beverage outlets. In the medium-term there is demand for 6,600sqm GFA of retail space and in the long-term, there is demand for 8,600sqm GFA. This is a cumulative long-term requirement of nearly 20,100sqm GFA⁵³. The short-term demand for commercial floorspace is 11,300sqm GFA, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for an estimated 15,500sqm GFA and in the long-term there is demand for 21,800sqm GFA. This

⁵³ Note, throughout this section, demand and supply as at 2016 is assumed to be in balance and any current under- or over-supply of business land/floorspace is not represented in the reported figures. This is relevant in Wanaka for example, where there is evidence of a shortage of retail floorspace in some retail store types.

is a cumulative long-term requirement of nearly 49,000sqm GFA (Table 4.7). This represents 45% of the total long-term floorspace demand in Wanaka ward business zones.

The short-term demand for industrial space across the Wanaka Ward business zones is estimated at 6,600sqm GFA (by 2019). In the medium-term there is demand for 11,400sqm GFA and in the long-term there is demand for 20,600sqm GFA. This is a cumulative long-term requirement for industrial floorspace of 38,600sqm GFA – with over 16,000sqm GFA of that for warehouse space. Industrial land demand represents 36% of the total long-term business floorspace demand in the Wanaka Ward (Table 4.7).

Table 4.7 – Wanaka Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

| Category | Land Use / Building Type | GFA Demand (sqm) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 500 | 700 | 1,000 | 2,200 |
| | Office---Retail | 100 | 200 | 400 | 700 |
| | Accommodation | 6,500 | 8,300 | 9,300 | 24,100 |
| | Yard---Commercial | 2,200 | 3,300 | 5,800 | 11,300 |
| | Other Built---Commercial | 1,700 | 2,600 | 4,600 | 8,900 |
| | Education | 300 | 400 | 600 | 1,300 |
| | Outdoor---Commercial | - | - | 100 | 100 |
| Industrial | Warehouse | 3,000 | 4,900 | 8,500 | 16,400 |
| | Factory | 1,700 | 2,900 | 4,800 | 9,400 |
| | Yard---Industrial | 1,300 | 2,400 | 4,500 | 8,200 |
| | Other Built---Industrial | 600 | 1,200 | 2,800 | 4,600 |
| Retail | Shops---Commercial | 1,800 | 2,700 | 4,200 | 8,700 |
| | Shops---Food and Beverage | 3,100 | 3,900 | 4,400 | 11,400 |
| TOTAL | | 22,800 | 33,500 | 51,000 | 107,300 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.
Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

In the Wakatipu Ward, and under the QLDC Recommended growth scenario, there is projected demand for nearly 77,000sqm GFA of additional business zone floorspace (across all sectors) in the short-term, a further 106,000sqm GFA in the medium-term, a further 176,900sqm GFA in the long-term. This is a cumulative long-term requirement of 359,400sqm GFA – comprising 77% of all district floorspace demand in urban business enabled zones.

The short-term demand for retail floorspace (shops) in the Wakatipu business zones is approximately 13,500sqm GFA, mostly for food and beverage outlets. In the medium-term there is demand for 17,500sqm GFA of retail space and in the long-term, there is demand for 28,100sqm GFA. This is a cumulative long-term requirement of just under 60,000sqm GFA. The short-term demand for commercial floorspace is estimated at 33,500sqm GFA, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for 44,400sqm GFA and in the long-term there is demand for approximately 74,000sqm GFA. This is a cumulative long-term requirement of approximately 151,800sqm GFA of floorspace (Table 4.8). This represents 42% of the total long-term floorspace demand in Wakatipu ward business zones.

The short-term demand for industrial floorspace across the Wakatipu Ward business zones is estimated at 29,500sqm GFA (by 2019). In the medium-term there is demand for 44,100sqm GFA and in the long-term there is demand for nearly 75,000sqm GFA. This is a cumulative long-term requirement for industrial floorspace of 148,500sqm GFA – with over 64,000sqm GFA of that for warehouse space and nearly 36,000sqm GFA for factory space. Industrial floorspace demand represents 41% of the total long-term business space demand in the Wakatipu Ward (Table 4.8). Again, this industrial demand includes demand for floorspace associated with the Queenstown Airport (Air Transport Services which comprises a mixture of warehouse, factory, yard and other industrial space types).

Table 4.8 – Wakatipu Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

| Category | Land Use / Building Type | GFA Demand (sqm) | | | |
|--------------|---------------------------|---------------------------|----------------------------|--------------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Office---Commercial | 2,000 | 2,600 | 3,700 | 8,300 |
| | Office---Retail | 400 | 600 | 1,200 | 2,200 |
| | Accommodation | 19,200 | 23,500 | 37,400 | 80,100 |
| | Yard---Commercial | 5,100 | 7,700 | 14,300 | 27,100 |
| | Other Built---Commercial | 5,600 | 8,400 | 15,000 | 29,000 |
| | Education | 1,100 | 1,500 | 2,100 | 4,700 |
| | Outdoor---Commercial | 100 | 100 | 200 | 400 |
| Industrial | Warehouse | 12,500 | 19,100 | 32,500 | 64,100 |
| | Factory | 8,500 | 11,100 | 16,200 | 35,800 |
| | Yard---Industrial | 5,800 | 9,200 | 16,300 | 31,300 |
| | Other Built---Industrial | 2,700 | 4,700 | 9,900 | 17,300 |
| Retail | Shops---Commercial | 4,500 | 6,400 | 10,500 | 21,400 |
| | Shops---Food and Beverage | 9,000 | 11,100 | 17,600 | 37,700 |
| TOTAL | | 76,500 | 106,000 | 176,900 | 359,400 |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.
Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Summary

The results indicate that the greatest floorspace demand in the short, medium and long-term across the District business enabled zones, is for commercial space (predominantly visitor accommodation), followed by industrial space (predominantly warehouse) and then retail space (predominantly food and beverage).

This result holds true across both wards of the district, but the difference between total commercial floorspace demand and industrial floorspace demand in Wakatipu is only small, while in Wanaka it is more pronounced.

In the Wanaka ward, the combined commercial and industrial sectors make up 81% of the total urban business floorspace demand. Similarly, in the Wakatipu ward, these sectors make up 84% of the total urban business floorspace demand. However, the business land demand across all sectors in the Wanaka ward makes up only 23% of the district wide floorspace demand; with the Wakatipu remaining the dominant commercial area with 77% of the district wide land demand – reflecting its larger economic and population base.

4.5 Alternative Growth Projections

This BDCA has focussed on the EFM growth projection that is based on QLDC Recommended outlook to tie in with Council's other growth modelling. This section considers a range of future growth, above and below the QLDC projection to cater for any future uncertainty. Later in the report, these alternate growth projections also help test the sensitivity of final sufficiency conclusions to employment growth assumptions.

Tables 4.9 and 4.10 illustrate the effect of lower and higher employment growth projections on land and floorspace demand for total district urban business zones. They compare the QLDC Recommended growth projection in the EFM (discussed above) with EFM Medium and High projections which are based on SNZ inputs and growth projections. The differences between the Medium and Recommended are small, due to the similarity of the employment projections. While QLDC population projections are closer to the SNZ High than the SNZ Medium, when combined with the Recommended average day visitor counts, these are only two of the inputs to the EFM. The balance of inputs to the EFM that form the QLDC 'Recommended' employment projections are associated with a medium outlook.

The high growth projections show a material difference in final land and GFA demand. Should future economic growth equate to the High projections then this indicates a need for 126 ha of additional urban business land or 614,800sqm GFA of urban business floorspace in total over the long-term. This is an increase of 30 ha or 148,100sqm GFA over and above the QLDC Recommended outlook (a 32% increase).

Table 4.9 – QLD Land Demand in Business Enabled Zones by Land Use (Ha) by Projection

| Category | Growth Projection | Land Demand (Ha) | | | |
|------------|-------------------|---------------------------|----------------------------|--------------------------|-----------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016- 2046) |
| Commercial | Medium | 8.8 | 11.6 | 17.9 | 38.3 |
| | Recommended | 9.1 | 12.3 | 19.6 | 41.0 |
| | High | 10.1 | 15.0 | 27.4 | 52.4 |
| Industrial | Medium | 7.6 | 11.5 | 19.5 | 38.6 |
| | Recommended | 7.7 | 11.9 | 20.6 | 40.3 |
| | High | 9.0 | 15.4 | 30.7 | 55.1 |
| Retail | Medium | 3.3 | 4.2 | 6.2 | 13.6 |
| | Recommended | 3.4 | 4.4 | 6.7 | 14.4 |
| | High | 3.7 | 5.4 | 9.6 | 18.6 |
| Total | Medium | 19.6 | 27.3 | 43.6 | 90.5 |
| | Recommended | 20.2 | 28.6 | 46.9 | 95.7 |
| | High | 22.8 | 35.7 | 67.6 | 126.1 |

Source: QLD EFM 2018, M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Table 4.10 – QLD GFA Demand in Business Enabled Zones by Building Typology (sqm) by Projection

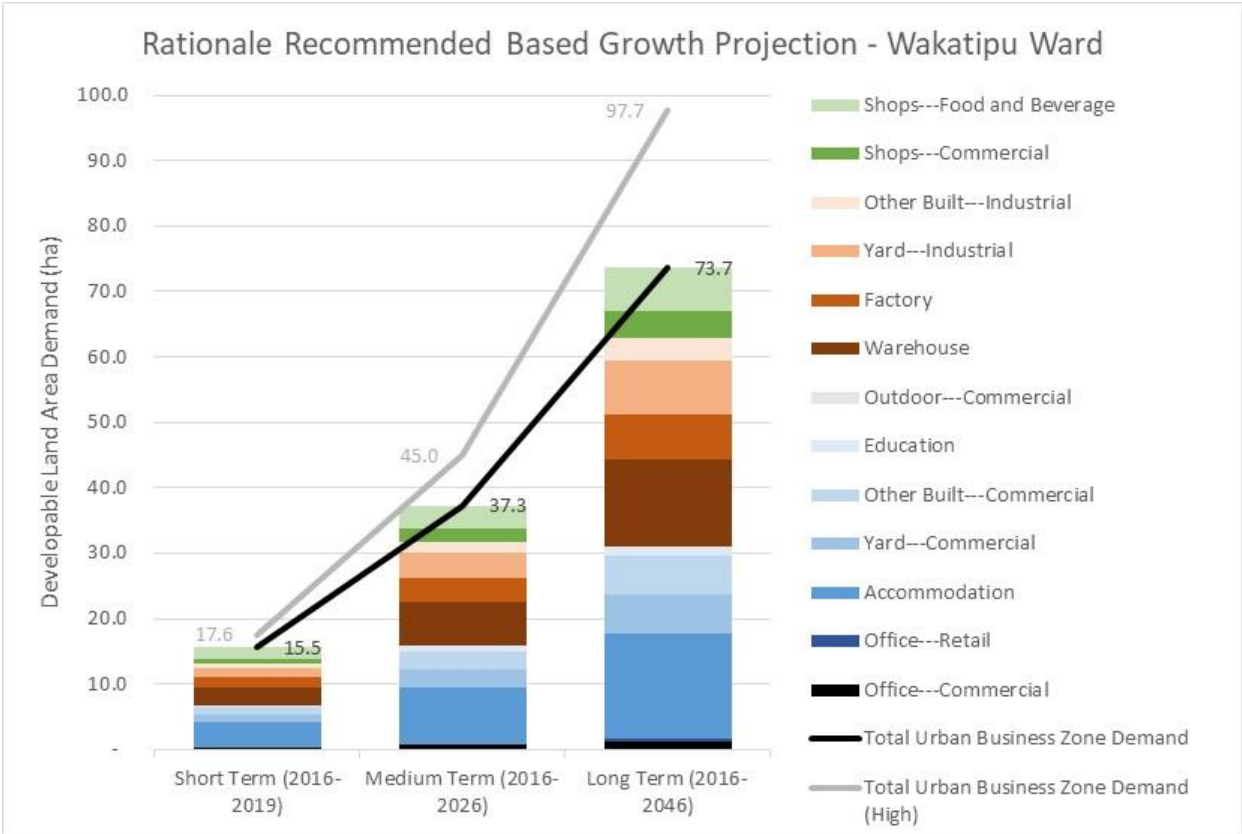
| Category | Land Use / Building Type | GFA Demand (sqm) | | | |
|------------|--------------------------|------------------------|-------------------------|-----------------------|-------------------|
| | | Short Term (2016-2019) | Medium Term (2020-2026) | Long Term (2027-2046) | Total (2016-2046) |
| Commercial | Medium | 43,500 | 57,200 | 87,800 | 188,500 |
| | Recommended | 44,800 | 59,900 | 95,700 | 200,400 |
| | High | 49,500 | 73,400 | 134,700 | 257,600 |
| Industrial | Medium | 35,300 | 53,300 | 90,300 | 178,900 |
| | Recommended | 36,100 | 55,500 | 95,500 | 187,100 |
| | High | 41,900 | 71,400 | 141,900 | 255,200 |
| Retail | Medium | 18,000 | 23,000 | 33,700 | 74,700 |
| | Recommended | 18,400 | 24,100 | 36,700 | 79,200 |
| | High | 20,300 | 29,400 | 52,300 | 102,000 |
| Total | Medium | 96,800 | 133,500 | 211,800 | 442,100 |
| | Recommended | 99,300 | 139,500 | 227,900 | 466,700 |
| | High | 111,700 | 174,200 | 328,900 | 614,800 |

Source: QLD EFM 2018, M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

4.6 General Discussion / Implications

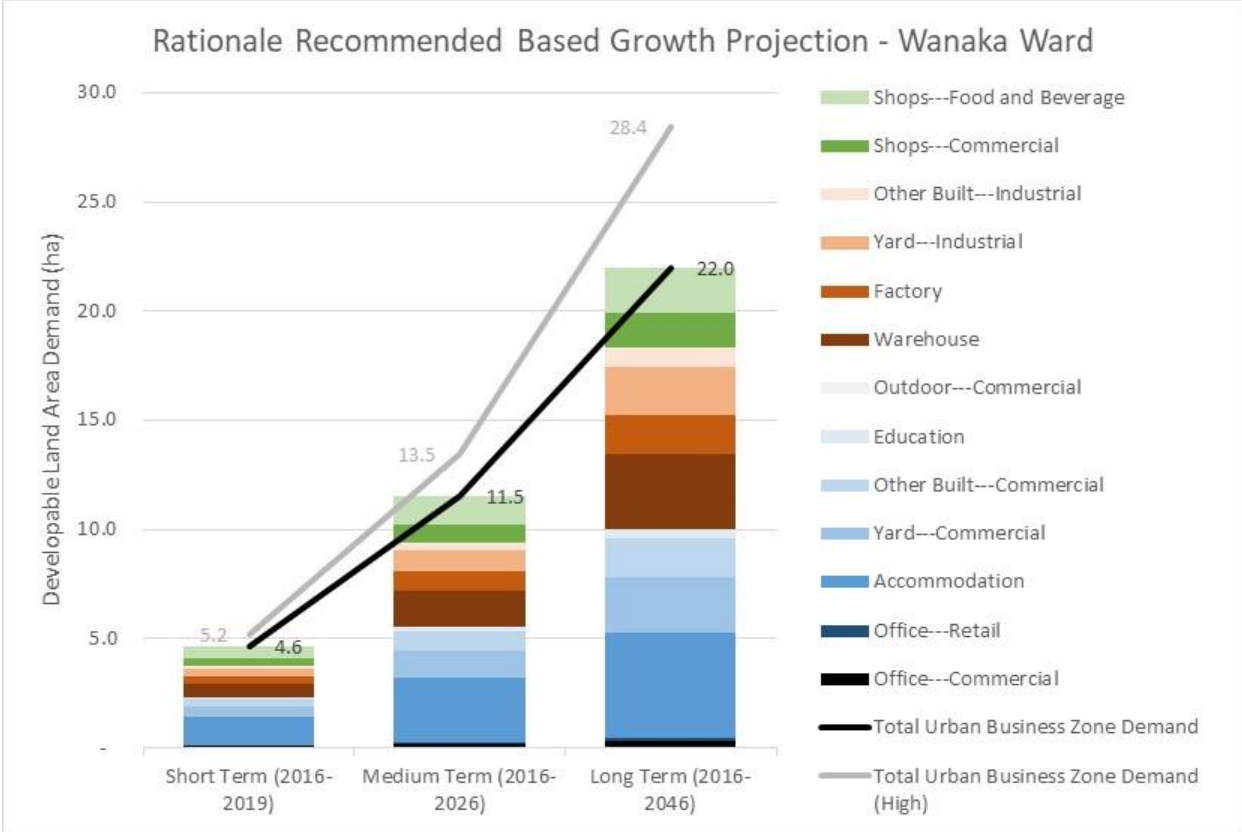
Figure 4.3 – Demand for Urban Business Enabled Zones by Land Use – Wakatipu Ward





Figures 4.3 and 4.4 summarise land demand in urban business enabled zones in the Wakatipu and Wanaka Wards by land use for the QLDC Recommended based growth projection, and with the High growth projection (total) included. The relative significance of demand for commercial visitor accommodation, warehouses and industrial yards is clear in the short, medium and long-term.

Figure 4.4 – Demand for Urban Business Enabled Zones by Land Use – Wanaka Ward



The estimates of future urban business land and floorspace demand are based on a number of averages and assumptions which may have a compounding effect on final outputs. Replacing these averages and/or assumptions with local level data will increase the accuracy of the BDCA over time (and in future updates). In the meantime, the approach is considered consistent with NPS-UDC guidelines.

The demands for additional business land area should be considered in terms of developable zone area and not gross zone area as the ratios applied relate to site coverage and exclude public land (roads and landscape/reserve areas).

The measure of additional land is considered more relevant for future planning for industrial growth as industrial activities are more land extensive and not easily accommodated in mixed-use buildings. As such, the analysis suggests a requirement for 3.9 ha of additional industrial activity in the Wanaka Ward by 2026 and 8.3 ha by 2046 (excluding any margin on top of demand).

In the Wakatipu Ward, the analysis suggests a requirement for 15.8 ha of additional industrial activity by 2026 and 32.0 ha by 2046 in the urban environment. As mentioned, this includes demand within the Air Transport Services sector which is likely to require a location within the Airport Mixed Use Zone or potentially Lot 6 in the Remarkables Park Special Zone (noting this is subject to an appeal). Excluding likely



airport demand, medium-term demand for additional industrial activity would equate to an estimated 13.9 ha and total long-term demand would equate to an estimated 28.9 ha (excluding a margin).

The measure of additional land is also likely to be more relevant for future planning for retail growth as retail activities are generally limited to the ground floor. However, the measure of additional floorspace is perhaps more relevant for future planning for commercial growth (particularly commercial office and accommodation) as commercial activities are more easily located above ground and in conjunction with retail activities



5 Business Land and Floorspace Capacity

Business land and floorspace capacity in each zone has been identified for Queenstown and Wanaka by applying the zone provisions in the District Plans to vacant parcels identified in the rating database and other parcel level land files (plan enabled capacity). This analysis does not consider the amount or timing of land that will actually be developed (take-up of vacant capacity will be tracked through monitoring) and makes no call as to the developability of the capacity identified. That aspect is discussed by way of a multi-criteria analysis in Section 6.

5.1 Vacant Land Identified

Vacant land parcels⁵⁴ were identified using a combination of existing built floor area metrics and improvement values, derived from the Council's rating database. All parcels that had no improvement value or that had a building floor area of 50sqm GFA or less were identified. Only the parcels within the business enabled zones in the urban environment were considered. These parcels were mapped for each land use zone (or precinct in the case of structure plan areas).

5.1.1 Ground Truthing

The maps of potentially vacant land parcels were supplied to Council. Council then used these maps to physically inspect each business zone area, validating if parcels were indeed vacant or not⁵⁵. Care was taken to also identify any vacant sites that did not get identified through the desktop process⁵⁶. Given that the database of vacant sites becomes the baseline for future monitoring, considerable care was taken to ensure the results were robust. The mapping and ground truthing was an iterative process – in total four rounds of ground truthing were completed to achieve final results.

5.1.2 Assumptions

It is important that the approach of classifying sites as vacant and not vacant is consistently applied in future monitoring. Key assumptions applied in the ground truthing process were:

- If the site contained an operational yard, this was not considered vacant (and is a legitimate and important industrial land use).
- If the site contained a formed (sealed) car park, this was not considered vacant.

⁵⁴ Not to be confused with unoccupied (vacant) premises.

⁵⁵ Not all parcels could be linked through a common code back to the rating database. This was particularly the case where parcels were located in more than one zone and were split by M.E and ascribed a new unique parcel id code. In such cases, improvement value and floor area were set to zero, triggering a potential vacant site in the first instance.

⁵⁶ In some cases, there were errors in the data or large parcels might return an improvement value or building footprint, but independent parts of the parcel may have been vacant.

- If the site contained an unformed car park, this was considered vacant on the premise that the use of the site for vehicle parking was likely to be a temporary and opportunistic use in agreement with the owner.
- If the site contained an allotment of vacant land and this was clearly delineated (i.e. by a fence) from the actively used/developed portion of the site, then it was considered vacant, and the vacant share of the total land parcel was estimated and applied.
- If the building had a building consent issued and construction had not started, the site was considered vacant.
- If the site contained a building under construction, it was considered vacant. The reason for this is that until the building is complete and occupied by one or more businesses, it has not absorbed any employment growth (demand). The same applies for a recently completed building being advertised for tenants. Only once occupied is a site considered not vacant.
- While redevelopment capacity is not captured in the BDCA, in limited cases, a site was included as vacant if it has considerable and imminent redevelopment potential. This applied only to the old Wakatipu High School site and the Lakeview precinct of Plan Change 50 (currently containing the campground adjacent to Queenstown Town Centre). Within the Lakeview precinct, the Lynch block was not included as vacant for business use on the basis that it is Council owned and potentially ear-marked for housing development. This has been reported in the HDCA.
- If the site was located in a visitor accommodation subzone it was assumed that it would be developed for commercial visitor accommodation purposes. A review of the Visitor Accommodation Sub Zones showed that the majority of development in this area was commercial visitor accommodation. This will need to be monitored in future BDCA.
- All areas located within the proposed Open Space Zone or designated as open space or reserve within plan changes were removed from capacity.

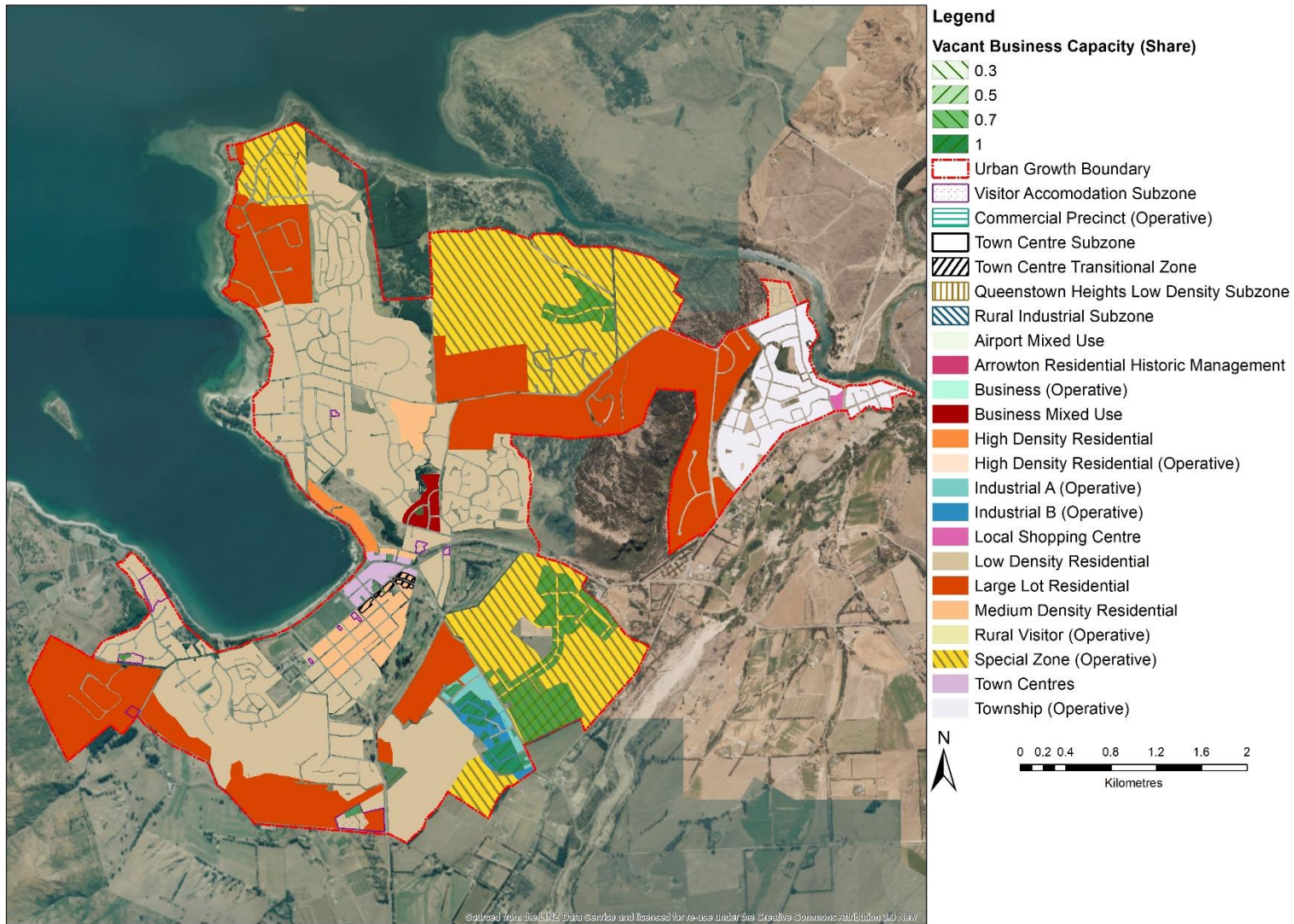
Figure 5.1 maps the final vacant land (identified by the share of the parcel considered vacant) in Wanaka UGB as at (year ending 2017). Appendix 9 contains maps for the remaining business enabled zones in QLD.

5.1.3 Vacant Land 2017 by Zone and Location

The total area of parcels confirmed as vacant business capacity was 410 ha across QLD (Table 5.1). However, some parcels in greenfield areas (within selected structure plans) had no or only some roads identified meaning that the vacant parcel area over-estimates the likely developable area (once the land is fully subdivided). In order to bring all vacant parcels to a consistent net developable area, QLDC and M.E agreed on some percentage shares that took account of (and removed) the area required to accommodate likely final road and open space areas. These assumptions were:

- Sites generally considered gross land area: 75% developable.
- Sites generally considered partially developable (i.e. excluded feeder roads): 90% developable.

Figure 5.1 – Map of Vacant Business Land in Wanaka Urban Growth Boundary 2017



- Sites with an underlying residential zone and considered gross: 68% developable.

In the case of Jack's Point Special Zone and Northlake Special Zone, specific areas have been identified to accommodate retail and commercial activity within larger precincts. To be consistent with those figures, specific ratios were calculated to ensure that the model returned the appropriate land area and not the total precinct area:

- Sites within the Jack's Point Homestead Bay Village precinct (gross): 11% developable to achieve a target area of 2.12ha for business use.
- Sites within the Jack's Point Village precinct (gross): 34% developable to achieve a target area of 2.1ha for business use.
- Sites within the Jack's Point Hanley Downs Residential A-E precinct (gross): 0.2% developable to achieve only the area likely to accommodate the maximum 500sqm GFA of retail and commercial floorspace enabled within this extensive residential zone. Assumed a 30% site coverage for the 500sqm footprint.
- Sites within the Northlake Special Zone Activity Area D precinct: 16% developable to achieve a target area of 2.07ha for business use in the village centre.

Table 5.1 shows the final estimates of developable vacant land capacity in QLD by ward and zone, having applied these percentage shares to applicable parcels. In total, the district's urban business zones have remaining capacity for 252.5 ha of business development. A significant 182.2 ha (72%) is contained within Special Zones, particularly Remarkables Park (75.8 ha or 30% of the district total), Frankton Flats B (36.2 ha or 14% of the total) and Three Parks (33 ha or 13% of the total).

The non-Special Zones account for 70.3 ha of vacant business land capacity (28% of the district total). The largest share of this (13.8 ha) falls within the Visitor Accommodation Sub Zone of the Low Density Residential Zone (particularly in Fernhill which makes up 6.5 ha). The next largest area of vacant capacity is the Rural Visitor zone in Arthurs Point (12.5 ha vacant) and the Queenstown Airport Mixed Use Zone (10.6 ha estimated to be vacant).

Overall, 71% (180.5 ha) of total vacant business capacity is located within the Wakatipu Ward and the balance (29% or 72.0 ha) is in the Wanaka Ward. Generally, the Town Centre Zones have very little vacant capacity, although Plan Change 50 has created an estimated 3.9ha of vacant business land attributable to the Queenstown Town Centre zone. Vacant capacity in the Local Shopping Centres is spread between Hawea, Albert Town, Wanaka (Cardrona Valley Road) and Frankton. Vacant Industrial B land is only available in the Wanaka Ward.

Table 5.1 - QLD Total Vacant Business Land Capacity by Ward and Zone, 2017 (ha)

| Zone | Area of Vacant Land Parcels (ha) * | | | Estimated Developable Vacant Area (ha) ** | | |
|--|------------------------------------|-------------|--------------|---|-------------|--------------|
| | Wakatipu Ward *** | Wanaka Ward | Total | Wakatipu Ward *** | Wanaka Ward | Total |
| Airport Mixed Use Zone | 10.6 | - | 10.6 | 10.6 | - | 10.6 |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | 0.4 | - | 0.4 | 0.4 | - | 0.4 |
| Business Mixed Use | 4.2 | 0.5 | 4.7 | 4.2 | 0.5 | 4.7 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | 1.2 | 1.7 | 2.9 | 1.2 | 1.7 | 2.9 |
| Industrial B (Operative) | - | 13.2 | 13.2 | - | 12.5 | 12.5 |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 1.9 | 3.6 | 5.5 | 1.9 | 3.6 | 5.5 |
| Low Density Residential | 12.2 | 1.6 | 13.8 | 12.2 | 1.6 | 13.8 |
| Medium Density Residential | - | 0.1 | 0.1 | - | 0.1 | 0.1 |
| Rural Visitor | 12.5 | - | 12.5 | 12.5 | - | 12.5 |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | 5.3 | - | 5.3 | 5.3 | - | 5.3 |
| Town Centre Wanaka | - | 0.9 | 0.9 | - | 0.9 | 0.9 |
| Township (Operative) | - | 1.0 | 1.0 | - | 1.0 | 1.0 |
| Sub-Total Non-Special Zones | 48.2 | 22.7 | 70.9 | 48.2 | 22.1 | 70.3 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | - | 19.9 | 19.9 | - | 14.9 | 14.9 |
| Special Zone - Northlake | - | 13.1 | 13.1 | - | 2.1 | 2.1 |
| Special Zone - Frankton Flats A | 0.3 | - | 0.3 | 0.3 | - | 0.3 |
| Special Zone - Frankton Flats B | 41.1 | - | 41.1 | 36.2 | - | 36.2 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | 97.7 | - | 97.7 | 75.8 | - | 75.8 |
| Special Zone - Shotover Country | 0.2 | - | 0.2 | 0.2 | - | 0.2 |
| Special Zone - Three Parks | - | 33.0 | 33.0 | - | 33.0 | 33.0 |
| Special Zone - Jacks Point | 134.3 | - | 134.3 | 19.9 | - | 19.9 |
| Sub-Total Special Zones | 273.6 | 65.9 | 339.5 | 132.3 | 49.9 | 182.2 |
| Total Urban Business Enabled Zones | 321.8 | 88.6 | 410.4 | 180.5 | 72.0 | 252.5 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).


* Contains a mixture of net, partial and gross parcel areas depending on the degree to which roads had been identified and excluded.

** Estimates applied to convert partial and gross parcel area to net developable area where applicable.

*** Wakatipu Ward includes Arrowtown Ward.

5.2 Estimating Plan Enabled Building GFA

The NPS-UDC requires that vacant business capacity also be expressed in floorspace terms. To calculate the building envelope on each vacant business site, Council provided data from the district plan on permitted or controlled site coverages and building heights. These two parameters were applied to the developable



vacant site area to estimate the ground floor GFA and the number of storeys (upper floor GFA⁵⁷) enabled by the plan. A number of exceptions applied and were taken account of in the modelling:

- In some zones or structure plan precincts, no site coverage is provided in the plan (these areas commonly rely on car parking requirements to manage site coverage). In these cases, QLDC and M.E assigned a proxy site coverage that would allow the model to calculate an approximate ground floor footprint.
- In some zones a maximum number of storeys was stipulated. In such instances, the specific number was adopted rather than the implied storeys calculated from maximum building height.
- In some zones varied heights and storeys are stipulated throughout the zone. In these instances, an average height across the entire zone was applied. It is noted that PC 50 land area was separated into the different height precinct areas.
- In the Jack's Point Hanley Downs Residential A-E precinct, a maximum of 550sqm GFA of retail and commercial floorspace was adopted. VA was excluded from this total. A site coverage does not apply.
- In the Northlake Special Zone – Precinct D, there is a retail cap of 1,000sqm GFA. This applies to retail capacity only and the site coverage less retail floorspace is used to calculate other business capacity in the precinct.
- In the Three Parks Commercial Core and Deferred Commercial Core precincts, a retail cap of 10,000sqm applies to the Commercial Core. A further 10,000sqm was applied to the Deferred Commercial Core, noting that this is unlikely to be developed in the short to medium-term (a total of 20,000sqm of retail). This figure was used for modelling purposes and will need to be updated as resource consents area approved and the development progresses. This is an indicative total only and may underestimate the long-term development yield. The operative rules allow for the first 10,000sqm and further retail capacity requires a resource consent subject to effects on the Wanaka Town Centre. An estimated site coverage (less the indicative retail floorspace) is used to calculate other business capacity in these precincts.
- In the Plan Change 50 Lakeview precinct, a retail and commercial cap of 6,500sqm applies. The specified site coverage (less the retail floorspace) is used to calculate other business capacity in the precinct.
- The Special Zones added a significant level of complexity to the modelling. Structure Plans were relied on if at the time modelling began in mid-2017 works had not commenced on the sites. Approved resource consents were taken into consideration (for example; Northlake, part of Remarkables Park, part of Three Parks, Industrial A and B Zones in Wanaka) and where possible approved roads were able to be removed at a later date. This will need to be updated in future BDCAs.

⁵⁷ An average of 3m was applied to calculate storeys from building height provisions. Upper floor GFA was calculated as ground floor area multiplied by the number of above ground storeys.



5.2.1 Cross over with Housing Capacity

Many of the district's business enabled zones also allow residential activity as a permitted or controlled activity. Generally, this is limited to above ground floors, with some exceptions (i.e. Frankton Flats B – Precinct C2). Council and M.E have agreed on estimates (Appendix 10) for the share of total enabled building envelopes in business zones that are likely to be taken up by residential apartments⁵⁸. This was necessary to avoid over estimating business capacity. The model reduced the number of stores available for business capacity by subtracting the estimated residential floor take-up.

The same estimates were used to ensure that residential capacity in the HDCA was not over stated in business zones (i.e., the share of total enabled building envelopes that was likely to be occupied by business activity (including visitor accommodation) was removed. Through this process, double counting of capacity between the BDCA and HDCA is avoided.

5.2.2 Vacant Land GFA by Zone and Location

Table 5.2 shows the final estimates of maximum building floorspace on developable vacant land in QLD by ward and zone, having applied the relevant development parameters. In total, the district's urban business zones have remaining capacity for a maximum of 3,166,300sqm GFA of business development. A significant 1,863,400sqm GFA (59%) is contained within Special Zones, particularly Remarkables Park (22% of the district total) and Frankton Flats B (15% of the total).

The non-Special Zones account for 1,302,900sqm GFA of vacant business floorspace (41% of the district total). This is a greater share compared to just vacant land area due to the high building heights enabled in the Town Centre Zones in particular. The majority of this floorspace capacity falls within the Queenstown Airport Mixed Use Zone (396,600sqm GFA theoretically enabled, 13% of the total), Rural Visitor Zone in Arthurs Point (9%) and the Queenstown Town Centre (5%).

Overall, 78% of total vacant business floorspace capacity is located within the Wakatipu Ward and the balance (22%) is in the Wanaka Ward.

5.3 Allocating Vacant Land/GFA to Land Use/Building Typologies

Using the same land uses / building typologies identified to place business demand 'on the ground' (section 4.1), a matrix that aligns these space types with the planning zones that facilitate the space types has been developed by M.E and Council. This concordance matrix has been developed based on the activity status tables within the District Plan. Activities that have a designation of Permitted, Controlled, or Restricted Discretionary have been assumed to provide capacity for those activities within a given zone.

⁵⁸ An analysis of existing residential shares of floorspace in business zones was carried out. These were adjusted to reflect anticipated outcomes under the PDP provisions (whereby changes were made to some zones to encourage more residential development in business zones).

Table 5.2 – QLD Total Vacant Business Capacity (GFA) by Ward and Zone, 2017

| Zone | Estimated Plan Enabled Building Envelope (sqm GFA) | | |
|--|---|----------------|------------------|
| | Wakatipu Ward *** | Wanaka Ward | Total |
| Airport Mixed Use Zone | 396,600 | - | 396,600 |
| Arrowtown Residential Historic Management Zone | - | - | - |
| Business (Operative) | 5,500 | - | 5,500 |
| Business Mixed Use | 76,000 | 11,400 | 87,400 |
| High Density Residential | - | - | - |
| High Density Residential (Operative) | - | - | - |
| Industrial A (Operative) | 18,200 | 25,600 | 43,800 |
| Industrial B (Operative) | - | 99,300 | 99,300 |
| Large Lot Residential | - | - | - |
| Local Shopping Centre | 28,000 | 50,100 | 78,100 |
| Low Density Residential | 97,400 | 13,100 | 110,500 |
| Medium Density Residential | - | 800 | 800 |
| Rural Visitor | 279,200 | - | 279,200 |
| Rural | - | - | - |
| Town Centre Arrowtown | - | - | - |
| Town Centre Queenstown | 165,900 | - | 165,900 |
| Town Centre Wanaka | - | 20,400 | 20,400 |
| Township (Operative) | - | 15,400 | 15,400 |
| Sub-Total Non-Special Zones | 1,066,800 | 236,100 | 1,302,900 |
| Special Zone - Arrowtown South | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | - | 131,100 | 131,100 |
| Special Zone - Northlake | - | 26,900 | 26,900 |
| Special Zone - Frankton Flats A | 2,400 | - | 2,400 |
| Special Zone - Frankton Flats B | 481,100 | - | 481,100 |
| Special Zone - Meadow Park | - | - | - |
| Special Zone - Penrith Park | - | - | - |
| Special Zone - Quail Rise | - | - | - |
| Special Zone - Remarkables Park | 704,400 | - | 704,400 |
| Special Zone - Shotover Country | 3,400 | - | 3,400 |
| Special Zone - Three Parks | - | 307,700 | 307,700 |
| Special Zone - Jacks Point | 206,400 | - | 206,400 |
| Sub-Total Special Zones | 1,397,700 | 465,700 | 1,863,400 |
| Total Urban Business Enabled Zones | 2,464,500 | 701,800 | 3,166,300 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones. Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

*** Wakatipu Ward includes Arrowtown Ward.

A loose coupling exists between the described activities (within the District Plans) and the defined land use / building typologies as the definitions of activity in the Plan are often more general or have slightly different meanings. Some examples include:

- Commercial Activity (PDP⁵⁹): Means the use of land and buildings for the display, offering, provision, sale or hire of goods, equipment or services, and includes shops, postal services, markets, showrooms, restaurants, takeaway food bars, professional, commercial and administrative offices, service stations, motor vehicle sales, the sale of liquor and associated parking areas. Excludes recreational, community and service activities, home occupations, visitor accommodation, registered holiday homes and registered homestays.

This is broader than what is considered commercial in M.E.'s modelling, as commercial excludes retail shops and food and beverage (these are categorised as Retail).

- Commercial Recreation Activities (PDP): Means the commercial guiding, training, instructing, transportation or provision of recreation facilities to clients for recreational purposes including the use of any building or land associated with the activity, excluding ski area activities.

This broadly aligns with the Other Built or Outdoor Commercial typologies.

- Community Activity (PDP): Means the use of land and buildings for the primary purpose of health, welfare, care, safety, education, culture and/or spiritual well-being. Excludes recreational activities. A community activity includes schools, hospitals, doctor's surgeries and other health professionals, churches, halls, libraries, community centres, police stations, fire stations, courthouses, probation and detention centres, government and local government offices,

In the land use/building typologies these community activities fall within a mix of Commercial Office and Other Built Commercial.

- Industrial Activity (PDP): Means the use of land and buildings for the primary purpose of manufacturing, fabricating, processing, packing, or associated storage of goods.

Industrial activities fall within a mix of Warehouse, Factory, Industrial Yard and Other Built Industrial.

- Outdoor Storage (PDP): Means land used for the purpose of storing vehicles, equipment, machinery, natural and processed products and wastes, outside a fully enclosed building for periods in excess of 4 weeks in any one year.

This could cover both Commercial or Industrial Yard typologies.

- Service Activity (PDP): Means the use of land and buildings for the primary purpose of the transport, storage, maintenance or repair of goods.

This potentially applies to the Warehouse, Commercial Yard, or Industrial Yard typology.

Other examples include:

⁵⁹ Based on definitions of notified PDP 2015

- Convenience retail is a definition applicable to some zones, but the Retail Shops typology does not distinguish convenience from other retail provision. Nor does it distinguish small or large format retail.
- In some cases, the Plan refers directly to food and beverage outlets – this relates directly to the Shops – Food and Beverage typology, as does Visitor Accommodation to the Accommodation typology.
- Where specified, office activities in the plan relate directly to Commercial Office.

Due to these differences (and overlaps) a pragmatic approach was needed to code zones to each of the land use / building typologies, keeping in mind the way in which the information is used within the model (i.e. the end-point). Some exceptions that have been made in the model include:

- In the Queenstown Airport Mixed Use Zone, shops have been excluded from capacity even though these are enabled in the zone. This is because the district plan rules allow, primarily, for retail and food and beverage outlets to be developed in the airport terminal. The remaining vacant land capacity identified in this zone is not anticipated to be used for terminal type activities⁶⁰ and so it is unlikely that shops will develop on that land. Had the model included ‘shops’ in the code-frame, then this would have the effect of assigning a portion of all retail demand to the airport, as opposed to retail associated with airport terminal activity. This would have been inappropriate.
- Showrooms are a controlled activity in several of the precincts in the Ballantyne Road Mixed Use Special Zone but retail *per se* is not anticipated. For the purpose of the model, showrooms have been coded as ‘Warehouse’ space, as this reflects the physical form of many trade-based showrooms (for example) and avoids the model attributing general retail demand to this zone.
- In the Jacks Point – Residential (HD) A-E precinct, commercial visitor accommodation and community activities are anticipated, but such capacity has been excluded from the model to avoid undue complication and allow the model rules to focus on the capacity calculations for retail and office floorspace only.
- In Three Parks, the Low Density Residential precinct is included as a business enabled zone purely to give recognition to the capacity for a proposed primary school. As such, only education land uses have been included in the model for this precinct (which applies only to the area within the zone available for the school site).
- In the Business (Operative) zone, commercial visitor accommodation is allowed for in the planning rules but has been excluded in the capacity model (and is considered less likely relative to other competing land uses in this zone).

Appendix 11 contains a copy of the final matrix. A ‘1’ denotes that a particular land use is enabled in the zone and ‘0’ means that it is not enabled. While zones like the Visitor Accommodation Sub-Zones have

⁶⁰ Terminal development is a feature of some of the options in the Airport Masterplan, so this assumption will need to be reviewed in future updates.



been coded just to Accommodation land uses, other zones are coded to multiple enabled land uses, including across Retail, Commercial and Industrial categories.

At a parcel level, the vacant developable land area identified and calculated ground floor and upper floor GFA capacity is attributed to each land use / building typology that is coded '1' according to the zone or precinct it is located within. The results (described in the following sections) are vacant land and GFA area by enabled space types – an output compatible with the demand modelling outputs.

Importantly, because there are many cases where multiple uses are allowed on one piece of land, vacant land and floorspace capacities are not additive. The allocation of land/GFA to commercial land uses may mean that the land cannot be used for opposing/different land use types. For example, allocating land for the development of an office block would remove the land as a potential warehousing site, and vice versa. Therefore, the vacant land and GFA capacity in the following sections should not simply be summed (and totals are not shown accordingly across the space types).

5.3.1 Vacant Land 2017 by Category and Land Use

Table 5.3 contains the vacant land capacity outputs from M.E's model, summarised by Commercial, Industrial and Retail land uses. Appendix 12 provides a more detailed breakdown by the 15 land use / building typologies. The assessment shows the maximum potential capacity – regardless of use and the amount available to each of the three broad categories. As discussed above, out of necessity, zone provisions in the Plan are often broad, meaning that most parcels identified as vacant are able to meet a relatively wide range of needs. This means that capacity may not be exclusively sheeted back to one space type/category or another.

At the category level, only the Queenstown Airport Mixed Use Zone is exclusively enabled for Industrial land uses, although this is due to the approach taken in the model for the particular vacant land parcels identified in the zone.⁶¹ The Visitor Accommodation Sub-Zones, Arthurs Point Rural Visitor Zone and the three vacant lodge precincts in the Jacks Point Special Zone are exclusively available for Commercial land uses (Visitor Accommodation only, again based on model assumptions). Several of the Remarkables Park Zone precincts enable just commercial activities and the Jacks Point Education precinct enables just commercial activities (education only).

Zones where there is considerable overlap in potential activity include the BMU Zone in both Wanaka and Gorge Road, and the Frankton Flats (B) E2 precinct. These zones enable Commercial, Retail and Industrial land uses⁶² on vacant land capacity. Most business enabled zones with vacant capacity provide for either Commercial and Industrial activities, or Commercial and Retail activities.

Table 5.3 shows that in the Wanaka Ward, there is a maximum potential for 56.4 ha of Commercial land use, 37.8 ha of Industrial land use and 35.2 ha of Retail land use. More than a third (44%) of potential

⁶¹ While the Queenstown Airport Mixed Use Zone enables shops and commercial activities (such as those seen in the terminal) they have been excluded from enabled activities for the purpose of this BDCA.

⁶² Noting that the type of industrial/service activities anticipated in the BMU Zone are limited to warehousing and storage and lock up facilities (including vehicle storage). Similarly, trade suppliers are also considered to be a Restricted Discretionary Activity in this zone.

Commercial capacity and 77% of potential Retail capacity in the ward falls within the Three Parks Special Zone.

In the Wakatipu Ward, there is a maximum potential for 151.2 ha of Commercial land use, 43.6 ha of Industrial land use and 43.5 ha of Retail land use. A significant portion of the potential Industrial capacity (62%) falls within the Frankton Flats B Special Zone and the Queenstown Airport Mixed Use zone (24%). The majority of Wakatipu ward Retail capacity is within Franktown Flats B (27%) and Remarkables Park (31%) zones. Remarkables Park also potentially provides for 50% of the ward's vacant Commercial capacity.

Table 5.3 – Vacant Business Land Capacity by Category, Zone and Ward (ha)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|-------------|-------------|-------------|---------------|---------------|---------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 10.6 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 0.4 | 0.4 | - |
| Business Mixed Use | 0.5 | 0.5 | 0.5 | 4.2 | 4.2 | 4.2 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | 1.7 | 1.7 | - | 1.2 | 1.2 | - |
| Industrial B (Operative) | 12.5 | 12.5 | 0.2 | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 3.6 | - | 3.6 | 1.9 | - | 1.9 |
| Low Density Residential | 1.6 | - | - | 12.2 | - | - |
| Medium Density Residential | 0.1 | - | 0.1 | - | - | - |
| Rural Visitor | - | - | - | 12.5 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 5.3 | - | 5.3 |
| Town Centre Wanaka | 0.9 | - | 0.9 | - | - | - |
| Township (Operative) | 1.0 | - | 0.5 | - | - | - |
| Sub-Total Non-Special Zones | 22.1 | 14.7 | 5.9 | 37.6 | 16.4 | 11.4 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 7.5 | 14.9 | - | - | - | - |
| Special Zone - Northlake | 2.1 | - | 2.1 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 0.3 | - | 0.3 |
| Special Zone - Frankton Flats B | - | - | - | 24.3 | 27.2 | 11.9 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 75.8 | - | 13.5 |
| Special Zone - Shotover Country | - | - | - | 0.2 | - | 0.2 |
| Special Zone - Three Parks | 24.8 | 8.2 | 27.2 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 13.0 | - | 6.2 |
| Sub-Total Special Zones | 34.4 | 23.1 | 29.3 | 113.5 | 27.2 | 32.1 |
| Total Urban Business Enabled Zones | 56.4 | 37.8 | 35.2 | 151.2 | 43.6 | 43.5 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

5.3.2 GFA Capacity 2017 by Category and Building Typology

Table 5.4 contains the vacant (plan enabled) floorspace capacity outputs from M.E's model, summarised by Commercial, Industrial and Retail land uses. Appendix 13 provides a more detailed breakdown by the 15 land use / building typologies. Again, the assessment shows the maximum potential capacity – regardless of use and the amount available to each of the three broad categories. There is spatial overlap in some zones and the capacity is not additive. Development of one type reduces the capacity for other types.

Vacant ground floor business space is attributed to enabled building typologies in the same manner as vacant land area. However, an additional step is included in the model before vacant upper floorspace is attributed to relevant space types.

- M.E has assumed that there is no potential for Office – Retail (which includes Real Estate Agencies and Optometrists), Shops – Commercial and Shops – Food and Beverage to locate above ground floor (i.e. they are constrained to ground floor capacity only). This is to reflect their strong location preference for ground floor premises (with the exception of malls, which are less common in QLD than in many other cities). M.E is aware that in Queenstown Town Centre, there are examples of restaurants operating in second floor premises, however, to be conservative, this is not assumed to apply for remaining vacant capacity.
- M.E has also assumed that sites enabled for Warehouses, Factories, Yards – Commercial, Yards – Industrial and Other Build – Industrial are constrained to ground floor development (i.e. have no upper floorspace capacity). The reason for this is different from shops. Generally, warehouses and factories are taller, single use buildings and are unlikely to have other land use activities developing above them (i.e. they are the single occupant of the site).
- Yards also, by nature, do not have floorspace 'above them'.
- These assumptions take a conservative approach to estimating Industrial capacity.

The effect of these assumptions is evident in Table 5.4 where within a zone, the maximum potential GFA may differ between categories, even when the maximum potential land area did not differ (see for example the BMU Zone where Industrial and Retail activities are limited to ground floor capacity and Commercial activities are enabled on ground and upper floor capacities).

Table 5.4 shows that in the Wanaka Ward, there is a maximum potential for 553,400sqm GFA of additional Commercial floorspace, 147,600sqm GFA of Industrial floorspace and 107,600sqm GFA of Retail floorspace. More than half (59%) of potential Retail capacity falls within the Three Parks Special Zone. In the Wakatipu Ward, there is a maximum potential for 1,730,000sqm GFA of additional Commercial floorspace, 253,700sqm GFA of Industrial floorspace and 241,600sqm GFA of Retail floorspace. Just under a third (32%) of the Retail capacity is within Remarkables Park, and 25% of this capacity is in Frankton Flats (B).

Table 5.4 – Vacant Business Floorspace Capacity by Category, Zone and Ward (GFA)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 79,300 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 5,500 | 2,700 | - |
| Business Mixed Use | 11,400 | 3,600 | 3,600 | 76,000 | 31,700 | 31,700 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | 25,600 | 12,800 | - | 18,200 | 9,000 | - |
| Industrial B (Operative) | 99,300 | 49,900 | 500 | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 50,100 | - | 27,300 | 28,000 | - | 14,000 |
| Low Density Residential | 13,100 | - | - | 97,400 | - | - |
| Medium Density Residential | 800 | - | 500 | - | - | - |
| Rural Visitor | - | - | - | 279,200 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 165,900 | - | 20,400 |
| Town Centre Wanaka | 20,400 | - | 7,600 | - | - | - |
| Township (Operative) | 15,400 | - | 4,000 | - | - | - |
| Sub-Total Non-Special Zones | 236,100 | 66,300 | 43,500 | 670,200 | 122,700 | 66,100 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 63,600 | 54,300 | - | - | - | - |
| Special Zone - Northlake | 26,900 | - | 1,000 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 2,400 | - | 800 |
| Special Zone - Frankton Flats B | - | - | - | 166,000 | 131,000 | 60,400 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 704,400 | - | 76,700 |
| Special Zone - Shotover Country | - | - | - | 1,100 | - | 1,100 |
| Special Zone - Three Parks | 226,800 | 27,000 | 63,100 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 185,900 | - | 36,500 |
| Sub-Total Special Zones | 317,300 | 81,300 | 64,100 | 1,059,800 | 131,000 | 175,500 |
| Total Urban Business Enabled Zones | 553,400 | 147,600 | 107,600 | 1,730,000 | 253,700 | 241,600 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).


Wakatipu Ward includes Arrowtown Ward.

5.4 Discussion

5.4.1 Redevelopment Capacity

There will be some capacity available through the redevelopment process. Redevelopment occurs when a piece of already occupied land is purchased and additional development occurs to either change its usage, or to increase the amount of use that is made of it currently.

One way to estimate the amount of additional capacity potentially available in an area is to look at the average level of development intensity (number of storeys or floor area ratios) achieved across the entire



area, then look at the level of intensity on sites that are significantly lower than the average. These may be sites that have redevelopment potential to bring them closer to the revealed development intensity of the balance of the area.

This can be done across commercial centres and industrial areas. However, there are issues with redevelopment capacity that arise when the type and nature of business land use is not taken into consideration. For example, it may be that through an analysis of an industrial area, a number of seemingly under-utilised sites are identified that may represent capacity. However, they may exist as important parts of the production process either as turning bays for trucks or as storage areas for completed or partially completed goods.

In this study a conservative stance has been adopted and it has been assumed that the only capacity that is truly available is **vacant capacity**. This is an area that could be investigated further by QLDC if they wished to understand the depth of true capacity within the district's business zones.

As a general guide, if the existing business zones prove to have provided for sufficient capacity by simply providing for vacant capacity, then redevelopment capacity is not required. Also, the amount of redevelopment capacity that is taken up over the short, medium and long-term will obviously have an effect on the take up of vacant capacity. It is recommended that Council monitor this.

5.4.2 Business Capacity in Special Housing Areas

As discussed in section 2.5, the SHAs in the Wakatipu Basin offer limited business capacity in addition to that calculated above. It is however net additional to M.E's estimates.

5.4.3 Business Capacity in the Rural Environment

As discussed in section 2.4, there are business enabled zones outside the defined urban environment. Vacant capacity has not been modelled or identified in those zones. It is assumed that any vacant capacity in those locations will be utilised for demand attributed to the rural environment.

5.4.4 Alternative Vacant Capacity Outcomes – Removing the Overlap

The approach adopted by M.E to demonstrate vacant land (and GFA) capacity for future business development in QLD reflects the flexibility of some district plan zones to enable a range of potential land uses. Hence the overlap of capacity. The approach does not assume a development outcome on any particular vacant parcel as this is unknown. However, it is possible to develop a potential "scenario" of development that reflects potential market pressures, including maximising investment returns in particular parts of the district.

M.E has developed a single, alternate scenario that removes the overlap of capacity in those zones where flexibility is enabled between Retail, Commercial and/or Industrial activity. The scenario is **indicative only** – monitoring of vacant land uptake will indicate how relevant this scenario may or may not be.

The scenario is based on a series of allocation rules (Appendix 14) which apply to all vacant parcel in each zone (and do not allow for different parcels to develop according a different mix of activities. This is a limitation of this scenario).

Table 5.5 presents the results of the alternate scenario for vacant land area capacity by ward and zone. Under these allocation assumptions, in the Wanaka Ward, there would be capacity for 42.9 ha of Commercial land use, 28.8 ha of Industrial land use and 34.9 ha of Retail land use (all mutually exclusive). Commercial and Retail capacity is dominated by the Three Parks Special Zone (70% and 78% respectively).

In the Wakatipu Ward, there would be potential capacity for 152.1 ha of Commercial land use, 28.1 ha of Industrial land use and 38.1 ha of Retail land use. Excluding the potential Industrial capacity within the Airport Mixed Use zone, this would leave 17.5 ha of industrial capacity in Frankton Flats B. The single largest volume of Retail capacity is within Remarkables Park (35%).

Table 5.5 – Alternate Scenario Vacant Business Land Capacity by Category (ha)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|-------------|-------------|-------------|---------------|---------------|---------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 10.6 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 0.4 | - | - |
| Business Mixed Use | 0.5 | - | 0.5 | 4.2 | - | 4.2 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | - | 1.7 | - | 1.2 | - | - |
| Industrial B (Operative) | 0.2 | 12.3 | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 3.3 | - | 3.6 | 1.9 | - | 1.9 |
| Low Density Residential | 1.6 | - | - | 12.2 | - | - |
| Medium Density Residential | 0.1 | - | - | - | - | - |
| Rural Visitor | - | - | - | 12.5 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 5.3 | - | 5.3 |
| Town Centre Wanaka | 0.9 | - | 0.9 | - | - | - |
| Township (Operative) | 1.0 | - | 0.5 | - | - | - |
| Sub-Total Non-Special Zones | 7.7 | 14.0 | 5.6 | 37.6 | 10.6 | 11.4 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 3.0 | 11.9 | - | - | - | - |
| Special Zone - Northlake | 2.1 | - | 2.1 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 0.3 | - | 0.3 |
| Special Zone - Frankton Flats B | - | - | - | 18.7 | 17.5 | 6.5 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 75.8 | - | 13.5 |
| Special Zone - Shotover Country | - | - | - | - | - | 0.2 |
| Special Zone - Three Parks | 30.1 | 2.9 | 27.2 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 19.7 | - | 6.2 |
| Sub-Total Special Zones | 35.2 | 14.8 | 29.3 | 114.4 | 17.5 | 26.6 |
| Total Urban Business Enabled Zones | 42.9 | 28.8 | 34.9 | 152.1 | 28.1 | 38.1 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Table 5.6 shows that under these allocation assumptions, in the Wanaka Ward, there would potentially be 342,400sqm GFA of additional Commercial floorspace capacity, 110,900sqm GFA of Industrial floorspace capacity and 106,600sqm GFA of Retail floorspace capacity. In the Wakatipu Ward, there would be potential capacity for 1,550,600sqm GFA of additional Commercial floorspace, 156,100sqm GFA of Industrial floorspace (inclusive of the Airport) and 234,000sqm GFA of additional Retail floorspace.

Table 5.6 – Alternate Scenario Vacant Business Floorspace Capacity by Category (GFA)

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
| | Commercial | Industrial | Retail | Commercial | Industrial | Retail |
| Airport Mixed Use Zone | - | - | - | - | 79,300 | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - |
| Business (Operative) | - | - | - | 5,500 | - | - |
| Business Mixed Use | 7,900 | - | 3,600 | 44,400 | - | 31,700 |
| High Density Residential | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - |
| Industrial A (Operative) | - | 12,800 | - | 18,200 | - | - |
| Industrial B (Operative) | 500 | 49,400 | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - |
| Local Shopping Centre | 22,800 | - | 27,300 | 14,000 | - | 14,000 |
| Low Density Residential | 13,100 | - | - | 97,400 | - | - |
| Medium Density Residential | 800 | - | - | - | - | - |
| Rural Visitor | - | - | - | 279,200 | - | - |
| Rural | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | 145,500 | - | 20,400 |
| Town Centre Wanaka | 12,900 | - | 7,600 | - | - | - |
| Township (Operative) | 11,300 | - | 4,000 | - | - | - |
| Sub-Total Non-Special Zones | 69,300 | 62,200 | 42,500 | 604,200 | 79,300 | 66,100 |
| Special Zone - Arrowtown South | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 28,300 | 40,100 | - | - | - | - |
| Special Zone - Northlake | 25,900 | - | 1,000 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | 1,600 | - | 800 |
| Special Zone - Frankton Flats B | - | - | - | 147,200 | 76,800 | 52,800 |
| Special Zone - Meadow Park | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | 627,700 | - | 76,700 |
| Special Zone - Shotover Country | - | - | - | - | - | 1,100 |
| Special Zone - Three Parks | 218,900 | 8,600 | 63,100 | - | - | - |
| Special Zone - Jacks Point | - | - | - | 169,900 | - | 36,500 |
| Sub-Total Special Zones | 273,100 | 48,700 | 64,100 | 946,400 | 76,800 | 167,900 |
| Total Urban Business Enabled Zones | 342,400 | 110,900 | 106,600 | 1,550,600 | 156,100 | 234,000 |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

6 Development Feasibility

The approach described in the previous section focused on plan-enabled capacity. That is, the amount of theoretical capacity for business activity that arises by way of zoning and other provisions. This volume of plan-enabled capacity may not translate to actual ‘on the ground’ business activity unless it is “feasible” or, commercially viable to develop. This section therefore reviews the portion of plan enabled capacity in QLD that is “feasible”, as required by PA1 of the NPS-UDC.

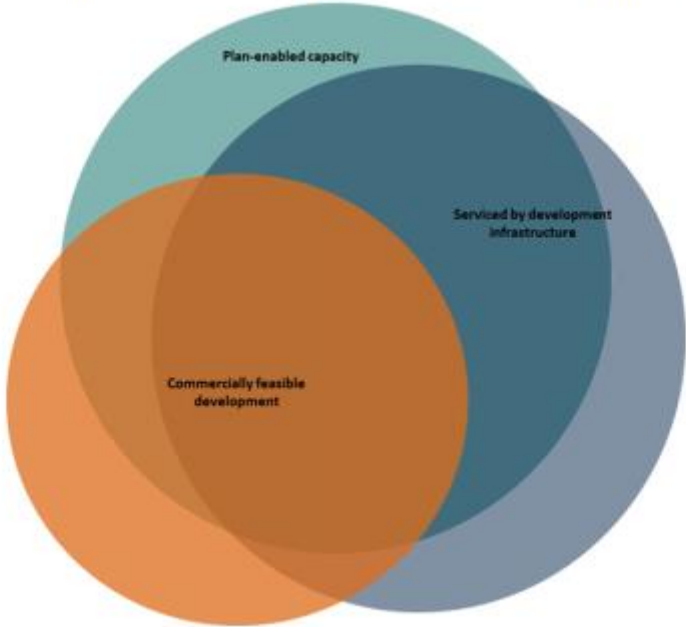
The NPS-UDC defines “feasible” as follows:

Feasible means that development is commercially viable, taking into account the current likely costs, revenue and yield of developing; and feasibility has a corresponding meaning.


The intent of this definition is that local authorities assess whether development capacity is feasible to a developer. The definition refers to the costs and revenue that would be faced by a developer, to develop capacity that is enabled by a plan and supported by development infrastructure. Figure 6.1 represents the relationship between plan enabled, serviced and feasible capacity⁶³.

Figure 6.1 – Plan Enabled, Serviced and Commercially Feasible Development Relationship

Feasible development capacity as a proportion of plan-enabled capacity



⁶³ <http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/introductory-guide-on-the-nps-udc-nov-2016.pdf>



This cost and revenue-based approach for residential development is relatively simple, in that the numbers of development options for a residential developer are usually relatively small – as are the ownership options. This means development feasibility can usually be determined with a simple residual value type development model. This type of model starts with the anticipated final sale price and deducts all the costs associated with development – including a developer’s margin. The difference then between the final sale price and all of the developer’s costs is the amount the developer can pay for the land and remain viable. If the land is priced higher than that, then the development is not feasible and won’t be developed – regardless of the zoning.

For business land, the situation is more complex. The type and nature of business development is far more varied than residential – retail and commercial clients have a wide range of development types that might be suitable for a piece of land, each with different build costs, ownership types and developer margins. Industrial land may be developed in a bespoke manner by a particular manufacturer that may wish a purpose-built plant and plan to operate it for as long as the business is viable. This type of developer may be able to amortise costs across a very long timeframe, so is motivated very differently from a developer looking to build more generic tilt slab industrial units for rapid sale.

Because of these complexities a residual land value type model is not appropriate for business land assessments. Multi-Criteria Analysis (MCA) provides a way for Councils to frame the development opportunities within their district by scoring them against a set of agreed criteria. Each criterion plays a large or small role in the development and locational decision, so is given a large or small share of the total area score.

Each broad area is then scored against the criteria and the rating is added up to provide an overall score (and ranking). The scoring is a snap-shot in time and in future updates, the relative scores for each area may change as areas become more or less attractive. Comparisons can be made between where the plan enabled capacity resides and the total MCA score for those areas, highlighting any mismatches between plan enabled capacity and the areas that are most desirable to be developed. If capacity is provided in the areas that score highly in the MCA, Council can be confident that development will proceed. However, if capacity is clustered in areas that score poorly on the MCA process, they may find businesses do not develop that land, and pressure will be brought to bear on other land. This may lead to unintended consequences.

6.1 QLD Multi Criteria Analysis

The MCA approach has been used because it allows QLDC and other stakeholders to identify the key metrics that are important in the selection and development process for business land. The following table presents the criteria and weighting established from past studies M.E have carried out across industrial and commercial areas in other locations and subsequently agreed/modified through the local stakeholder workshop.

An MCA has been set up for Industrial, Retail and Commercial Visitor Accommodation development potential. The latter is due to the significance of the accommodation sector in the QLD economy and high level of demand for this land use. Commercial - Office activity in QLD is generally co-located with retail activity (often above ground floor). As such, the development and location decision making process for office space is expected to largely mirror that for retail space, and the same MCA can be used for both.

There are other land uses such as Commercial – Outdoor or Commercial - Other that are not addressed by these three MCAs and would have their own set of criteria and weighting⁶⁴. Future updates of the BDCA could broaden the scope of the MCA to include these activities.

6.1.1 Criteria and Weighting

Table 6.1 summarises the criteria and weighting assigned to each MCA. There is a mixture of unique and shared criterion. Access to public transport and proximity to labour for example are common to all development activities. Proximity to the airport is important for the Accommodation and Industrial sector, but for different reasons. Parking availability is a key criterion for retail investment as well as road frontage.


Table 6.1 – Matrix of QLD MCA Criteria and Weighting

| Criteria | Weighting | | |
|---|----------------------------------|------------|------------|
| | Commercial Visitor Accommodation | Industrial | Retail |
| Proximity to Queenstown Airport | 20 | 10 | - |
| Proximity to Queenstown CBD - returns | 20 | - | - |
| Proximity to other tourist activities - pick up and drop off spots | 10 | - | - |
| Potential for co-location or clustering with associated businesses or is contiguous with existing commercial/retail zoned land | 10 | - | - |
| Services - Waters Infrastructure | 10 | 15 | - |
| Proximity to labour | 10 | 10 | 10 |
| Height constraints - higher is better, capacity can be built up high reducing land requirements/ costs | 10 | - | - |
| Proximity to future development and attractions | 10 | - | - |
| Exposure / profile / visibility | 5 | 5 | 5 |
| Existing or proposed public transport | 5 | 10 | 5 |
| Access to complementary / supporting business services (Accommodation Sector Suppliers) | 5 | - | - |
| Access to major Road / transport routes; good transport access, especially road/motorway. Freight/heavy vehicle focussed. | - | 20 | - |
| Flat land, large land parcel, contiguous sites | - | 20 | - |
| Area has potential for co-location or clustering with associated business activities or is contiguous with existing business land zoned for industrial activities | - | 20 | - |
| Single land ownership and potential for large sites | - | 5 | - |
| Ability to buffer adverse effects from residential and sensitive activities, distance from sensitive land uses | - | 15 | - |
| Low level of traffic congestion in vicinity | - | 5 | 5 |
| Access to complementary / supporting business services (Industrial sector suppliers) | - | 5 | - |
| Located on main arterials (direct access for customer base) | - | - | 10 |
| Proximity to market - households within 5km | - | - | 10 |
| Proximity to market - households within 5km - 10km | - | - | 5 |
| Flat site - road frontage | - | - | 20 |
| Co-location or clustering with associated business activities - Retail Centres | - | - | 15 |
| Parking availability | - | - | 15 |
| Proximity to market - tourist accommodation within 1km | - | - | 15 |
| Access to complementary / supporting business services (Retail sector suppliers) | - | - | 5 |
| Maximum Score | 115 | 140 | 120 |

Source: M.E, QLDC

Appendix 15 contains copies of the score assigned to each location and criterion. The scores are based on local insight and consideration of the total extent of each location – they reflect a current snap shot. The

⁶⁴ An MCA for primary, secondary and tertiary schooling would require input from the Ministry of Education to understand their core location requirements.



locations themselves relate to a combination of 2018 SNZ boundaries (refer Appendix 16 for maps) although the 'Frankton' area has been split into Frankton, Frankton Flats and Remarkables Park for the purpose of the MCA.

Some criteria require the scoring to think beyond what is present in the location now (or what is zoned or enabled) and consider its future or alternative potential, while others require an evaluation of current conditions and development. The key focus of the scoring was the relativities between the locations. There is some subjectivity involved in the scoring and this is a risk for consistency in future updates. Care was taken to involve Council in the approach to scoring to reach an agreed position (and involve relevant staff within Council where appropriate expertise was required).

6.2 Development Infrastructure

This section provides further detail on infrastructure needed to enable urban development. Development infrastructure (or network infrastructure) capacity is a key factor in determining if development capacity is feasible under the NPS-UDC.


“Development infrastructure” as defined in the NPS-UDC refers to the water supply, wastewater, storm water, and land transport networks (as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities) that are ‘critical’ for urban development; and “other infrastructure” refers to other ‘softer’ or non-critical infrastructure such as open space, social infrastructure, telecommunications and energy. Local authorities are required to ensure (under Policy A1) that the development capacity identified in this report is, or can be, serviced by “development infrastructure”. However, the “other infrastructure” necessary to support urban growth is also important for the creation of effective and efficient urban environments, and together supports the achievement of social, economic, and cultural wellbeing.

Infrastructure service levels for water and waste water are included as criteria for both Commercial Visitor Accommodation and Industrial development in the MCA structure. The feasibility of roading infrastructure is captured indirectly through criteria addressing traffic congestion and accessibility to major roads.

The high growth rates that QLD is experiencing require massive commitments to new development infrastructure and upgrading and the consolidation of existing infrastructure. New or upgraded infrastructure can take a long time to plan and fund and implement. Intensification of existing urban areas has implications for the capacity, functioning and maintenance of existing networks; whereas areas of new greenfield growth require careful planning to ensure that infrastructure can be provided in an efficient manner and with regard to impacts on already planned infrastructure and long-term opportunities.

Infrastructure networks and growth need to be planned in an integrated manner to realise a range of long term benefits over a wider area than the development site. Integration of urban development and infrastructure is central to the objectives of the NPS-UDC, and importantly, is a requisite for the development capacity identified in this assessment under Policy A1.

Policy PA1 provides some scope for managing the risks associated with the oversupply of capacity by only requiring infrastructure to be in place in the short term, to have funding identified in the medium term and to be included in the Infrastructure Strategy in the long-term. QLDC planning and Infrastructure



departments have worked closely together and are satisfied that all proposed zoned land can be serviced in the short, medium and long-term. This is further discussed below:

Servicing the PDP

As discussed in section 2.3, the BCDA has been based on the PDP notified zonings and provisions. The development of the PDP, including the approach to zoning and the re-development opportunities within those zones, has been based on a strategy of achieving a compact and integrated urban form. UGB's have been applied to Queenstown, Wanaka and Arrowtown as a tool for promoting consolidation of urban development capacity and enabling increased intensification within the districts existing urban zones.

The development of the PDP zoning approach involved assessing the ability of QLDC reticulated networks to cater for the level of growth and intensification anticipated by the PDP. There are scheme boundaries for the water and wastewater networks, which define the limit of the schemes at present. These scheme boundaries are aligned with the defined UGBs of the PDP and are designed to service all the properties within, or partially within, the boundary lines, taking into account the zonings defined in the District Plan. The scheme boundaries define the geographic limit of council's planning and financing of reticulated development infrastructure. Therefore, there is a strong link between the PDP and Councils financial and infrastructure planning frameworks under the Long-Term Plan, Annual Plan, 30 year Infrastructure Strategy, and also the subsequent setting of the Development Contributions Policy in each financial year.

Throughout the PDP stage 1 hearings process it has been confirmed that the water supply and wastewater network can accommodate the additional growth proposed through the notified PDP. More specifically, the effect of wastewater and water demand from the increased densities in the PDP has been assessed against the Council's wastewater modelling capacity for both current day and future growth, 2025 and 2055⁶⁵. This assessment included consideration to the currently available capacity to cater for the expected level of intensification, as well as any upgrades that may become necessary over time.

The strategic approach of the PDP is based on demand management and more enabling of public transport and its associated facilities, promoting choice in modes of transportation and integrated transport management. The PDP also seeks to enable mixed use and increased levels of development within areas that are deemed appropriate, the proposed Transport Chapter reduces parking requirements in areas that are deemed to be appropriate (i.e. areas that are within walking distance to town centres or services) and increasing the density of land use in the urban environment (this has included new zones such as the Medium Density Residential and the BMU Zones).

Servicing key growth areas

Key growth areas identified in this assessment as having a significant portion of the available business capacity are as follows:

- Queenstown Town Centre (including PC50);
- Wanaka Town Centre;

⁶⁵ This modelling will be updated with the dwelling capacity scenarios contained in the HDCA in the near future.

- Frankton Flats & 'Five Mile';
- Remarkables Park;
- Queenstown Airport Zone
- South and east Wanaka (including PC46 Ballantyne Road Mixed Use and PC16 Three Parks); and
- Gorge Road Business Mixed Use Zone

These areas are all within the Queenstown and Wanaka 'urban environment', UGB, and the water supply and wastewater scheme boundaries; and are therefore serviced, or planned to be serviced, with development infrastructure in the context of Policy A1. A number of these areas are within 'Special Zones' of the District Plan, including Remarkables Park, Frankton Flats, Ballantyne Road Industrial and Three Parks. These special zones have defined capacities and associated parameters for the provision of servicing and transport infrastructure. Private infrastructure within these zones, such as internal road networks, provision of reserves and open space (if deemed necessary) and service connections are the responsibility of the developers. In terms of the Jacks Point Special Zone this is serviced by a combination of QLDC services and private schemes.

The Queenstown and Wanaka Town Centres are currently projected to have capacity for growth in the water supply, storm water and wastewater networks. Both wastewater networks have a diminishing level of redundancy in some critical assets and a programme of capital projects to improve the level of service in terms of redundancy is planned within the first five years of the proposed LTP.

Area specific development contributions are imposed on developments in the Frankton Flats and Remarkables Park area to fund the provision of stormwater. The Frankton Flats area currently has marginal capacity in the water supply. A project to develop a new water source adjoining the Shotover River is underway and is planned to be supplying water to this growth area in 2019.


South and East Wanaka have sufficient water supply and wastewater capacity in place for the current zoning and growth rate. It is expected that this will be further improved by the implementation of Master Plan projects that will come out of the Wanaka Masterplan process.

Council are proposing significant investment in water quality projects throughout the 2018-2028 LTP in addition to localised water supply capacity issues that are discussed in this document. These water quality projects also require significant network reconfiguration and in some cases these capacity and quality projects are inter-related.

A number of servicing constraints exist within the Township zones. These are discussed in detail below:

Albert Town

Albert Town is amalgamated with the Wanaka Water Supply and wastewater services. The Council is currently undertaking a detailed investigation of its water supply over the peak demand period as current modelling is indicating some shortfall of firefighting supply for commercial zoned areas. This shortfall is thought to be due to faulty flow metering and demand prediction in this area. Testing is under way and



results will be understood in the near future. It is expected that this issue should not be significant enough to delay development to the zoned capacity.

Minor issues with both the wastewater and stormwater are known to exist that will be formally investigated and remodelled during 2018. A recent wastewater network reconfiguration and drive to improve subdivision and building practices to protect the wastewater network, are hoped to have improved the situation.

Luggate

A new long-term proposal is planned to future proof provision of safe drinking water for Luggate and the neighbouring Wanaka airport supply scheme. Several options are being considered with the preferred solution involving the connecting up of these two separate schemes. The plans for water supply include:

- A new bore pump station to be constructed to service both Luggate and Wanaka Airport. Raw water from this source will be treated through UV disinfection and chlorine dosing to ensure full compliance with DWSNZ. Field tests are currently being undertaken to identify a suitable aquifer yielding site for the new production bores;
- A new reservoir to be located at Wanaka Airport whilst the original reservoirs in Luggate will also be retained;
- A new 4km pipeline to be constructed between Wanaka airport and Luggate; and
- The existing bore pump station to be decommissioned.⁶⁶

The current water supply network only services the Luggate Holdings subdivision, and the water treatment plant remains in private ownership. The treatment plant has limited capacity. A Memorandum of Understanding with the developer is being drawn up in regards to vesting the treatment plant and also developing a long term solution. The preferred option at this point is to pump to Project Pure as is done in Hawea.


The water and waste water schemes are programmed for the first three years of the 2018 LTP. Detailed design is already underway for the Luggate – Project Pure WWTP pumping system that will serve to convey wastewater from Luggate and allow the existing treatment plant to be decommissioned. Construction is planned to commence in the 2018/19 financial year.

The new water supply scheme is planned for construction over two years from 2019/20 – 2020/21.

Hawea

A new Hawea bore pump station and treatment plant was installed and commissioned in 2015 that supplies Hawea with safe drinking water. The Council continues to invest further in this supply scheme in order to meet its strategic objectives relating to public drinking water supplies.

⁶⁶ QLDC 2015-2045 Infrastructure Strategy



The Hawea wastewater plant currently does not have capacity to adequately treat effluent. The proposed solution is to construct a sewer pump station and pipeline to convey sewage from Hawea to the QLDC Project Pure wastewater treatment plant located adjacent to Wanaka airport. The pipeline would be approximately 12km in length and routed via Hawea flat before crossing the Clutha River and discharging into the existing Project Pure Waste Water Treatment Plant. This is forecast to take place by 2021. Planning works for this project are already underway.

Long Term Plan, Annual Plan and 30-year Infrastructure Strategy

The LTP 2015-2025, and Annual Plan 2016/2017, already cover major upgrades and renewals to cater for increased densities. Council is also currently preparing the Annual Plan for 2017/2018 and at the beginning of March 2018 will be going out for public consultation. At the same time, Council will be consulting on the 10 Year LTP (2018-2028) and the review of the 30-year Infrastructure Strategy (2015-2045). Future iterations of the BDCA will have better alignment with these processes.

Depending on the locations and scale of growth over a given period it is anticipated that upgrades to reticulated networks may become necessary over the life of the PDP. The cyclical LTP and Annual Plan processes enables the reprioritising of works as necessary to meet demands. If any additional upgrades are necessary, it is likely these will be addressed through the upcoming LTP Review and updated Infrastructure Strategy. As decisions on Stage 1 of the PDP are now anticipated in the 2nd quarter of 2018, this process may not allow additional capacity, not considered in this assessment (such as decisions on rezoning submissions) to be brought into the LTP process via submissions.

Transport


QLDC owns and operates transportation corridors (and associated support infrastructure, i.e. streetlights, signage etc.) to provide the community with safe and efficient access to their homes, schools, places of work, recreational areas and public services. These corridors also support the national, regional and local economy by enabling the efficient movement of goods and services and tourism.

QLDC is in a state of transition in how it operates its transportation network. This has been led by Local Government reforms, adoption, implementation and embedding of the One Network Road Classification as well as ensuring the continual upskilling of in-house resources to ensure capability, capacity and continuity. QLDC is moving from a legacy business model of 'operating transport infrastructure assets' to a proactive, evidence/ risk based, and outcome focused 'integrated transportation solution'⁶⁷.

Key transport related issues facing the district are increasing road congestion, reduced liveability, roads that do not cater well for all modes of travel, land use patterns and parking requirements that affect the affordability of housing and enable the dispersal of activities. The transport system has not been able to keep up with the exponential growth and only limited improvements have taken place since 2006⁶⁸. Cars remain the dominant transport mode throughout the region. Installation of roads and connection to existing roads are undertaken at the expense of the developer, primarily at the subdivision stage.

⁶⁷ Source: Land Transport Activity Management Plan 2017

⁶⁸ Source: Queenstown Integrated Transport Programme Business Case



QLDC is highly dependent on NZTA funding assistance for roads and the servicing and maintenance of state highways. The NZTA funds approximately 50% of all transport projects (with the exception of parking) and their support is critical to enabling the transport network growth needed to support growth.

The Council has also partnered with NZTA and ORC to offer a flat fare of \$2 for all bus transport. Monitoring of bus services has seen a doubling of its use since the introduction of the reduced fares.

Town Centre Projects

QLDC is leading a multi-disciplinary team to identify and address the challenges facing the Queenstown Town Centre via a masterplan, which is a significant body of work for 2019. Access to the Queenstown Town Centre is a major challenge with significant congestion on the arterial routes, very low use of public transport, inefficient parking and an ad hoc approach to passenger transport contributing to a very constrained and dysfunctional transport network. QLDC is undertaking a wide programme of projects that all form part of the Masterplan programme for the Queenstown Town Centre. This programme will bring together the following work programmes:

- Masterplan (spatial framework including public realm);
- Town Centre Arterial Routes;
- Public and Passenger Transport;
- Parking; and
- Community and Civic Facilities.

A large element of these projects is to recognise that transport is about the movement of people and freight, and the associated behavioural issues, such as mode choice. It is less about hard infrastructure and accommodating ever increasing levels of vehicles, as with historic approaches. Optimising growth areas for a variety of uses, requires more liveable residential subdivisions, working and community spaces that are served by integrated networks, whilst anticipating improvements in technology. These are central to the objectives of the NPS-UDC. It is noted that a similar project is proposed for Wanaka.

Of particular note is that the proposed arterial route improvements will play a crucial role in improving the town centre access while supporting integrated initiatives (such as the \$2 bus fare) around parking reform, public realm upgrades and public and passenger transport. Access to and from the Queenstown Town Centre is heavily reliant on the state highway networks being the primary access in and out of the town.

The Transport Strategy Queenstown Town Centre has identified a gap around freight and delivery networks which are crucial to business growth and development in many cases. QT town centre in particular, has significant issues as high rental rates cause multiple delivery requirements throughout the day in the CBD, due to minimised storage facilities. This affects congestion, travel time reliability and sometimes safety. Similarly, the existing industrial area at Glenda Drive is bursting at the seams in terms of transport issues and the need for additional spaces is spilling onto the public road. These are all matters that inform the BDCA.

The FDS (required by December 2018) will provide a vital next step in the integration between planning for future capacity, and the timing and sequencing of associated development and other infrastructure. This process will provide the opportunity to consider any implications of the PDP Stage 1 decisions as well as the outcomes of the LTP process, to achieve better ongoing alignment between land use planning and



future infrastructure plans and strategies. This includes further integration with the Ministry of Education, Ministry of Health and the NZTA.

6.3 Other Infrastructure

Policy A2 of the NPS-UDC requires that local authorities, “shall satisfy themselves that other infrastructure required to support urban development are likely to be available”. This is discussed in more detail in the HDCA. Key aspects of other infrastructure that are relevant to business land uses include land transport, telecommunications and energy. While land transport is somewhat covered in terms of roading access, public transport and congestion criteria in the current MCA structure, energy and telecommunications have not been explicitly included. In terms of telecommunications and energy infrastructure suppliers were provided the opportunity to raise any capacity issues as part of Stage 1 and Stage 2 of the PDP review. No capacity issues have been raised.

The QLDC acknowledge work with the NZTA (including obtaining a better understanding of the interaction with Cromwell), the Ministry of Health and the Ministry for the Environment is ongoing, and the results of both these assessments will assist these agencies in their future planning. It is anticipated that future iterations of both the BDCA and HDCA will provide further integration with these agencies.

In general, the QLDC is satisfied that other infrastructure required to support urban development is likely to be available.

6.4 MCA Results

The top-ranking locations for Commercial Visitor Accommodation are Queenstown Central, Queenstown East and Queenstown Bay (areas already with a high concentration of hotels and back packers). However, Remarkables Park, Frankton Flats and Frankton (collectively ‘Frankton’) also rank high (Appendix 15).

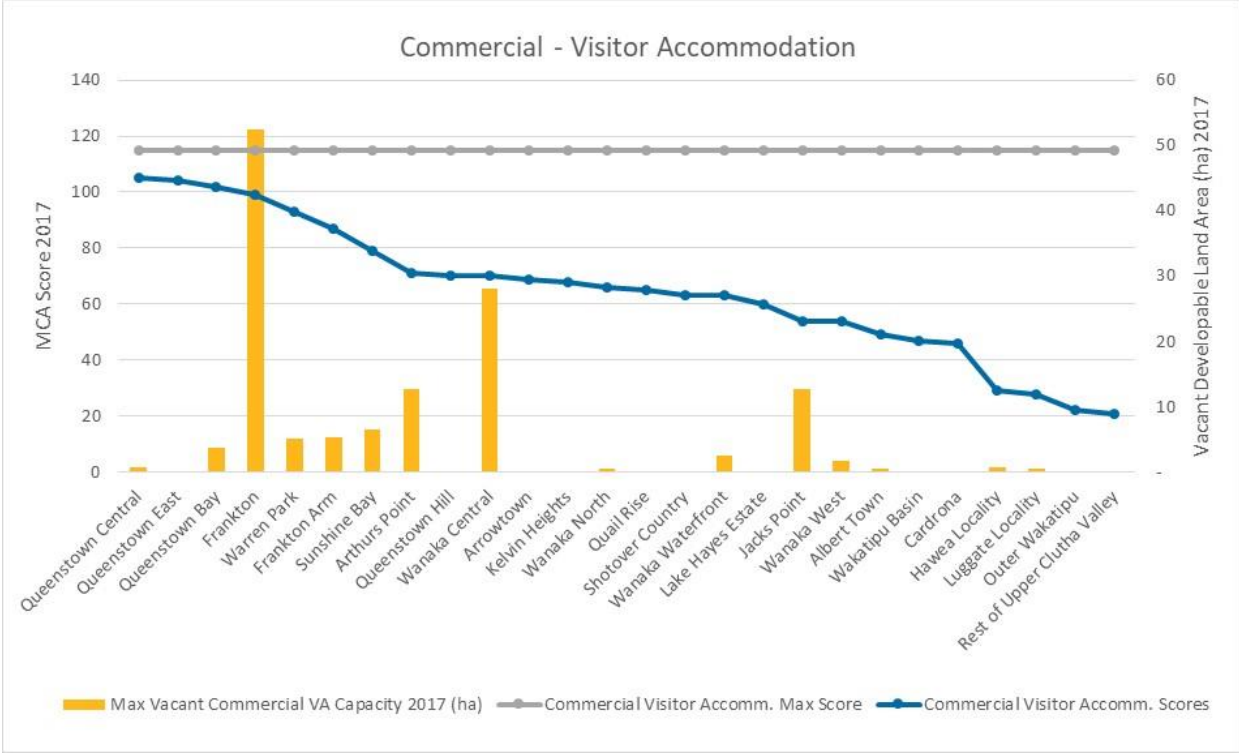
The top-ranking locations for Industrial development are Frankton Flats and Remarkables Park, this is followed by Frankton, Wanaka Central (which includes the town centre but also Ballantyne Road and Three Parks area) and Wanaka North. The top-ranking locations for retail development are Frankton Flats and Remarkables Park. Wanaka Central and three areas in central Queenstown also rank highly against the criteria.

The following graphs compare the desirability/suitability of areas across the district (based on their total MCA score, in descending order) against the maximum potential vacant land capacity in those same areas. For the purpose of these graphs, ‘Frankton’ is based on an average MCA score across Frankton, Frankton Flats and Remarkables Park.

Overall, the significant majority of plan enabled capacity provided in QLD is considered highly feasible to develop. Some areas are more feasible than others for a particular land use, and some areas are more feasible for one land use than they are for another.

6.4.1 Commercial Visitor Accommodation Capacity

Figure 6.2 – MCA Results by QLD Area and Commercial Visitor Accommodation Capacity

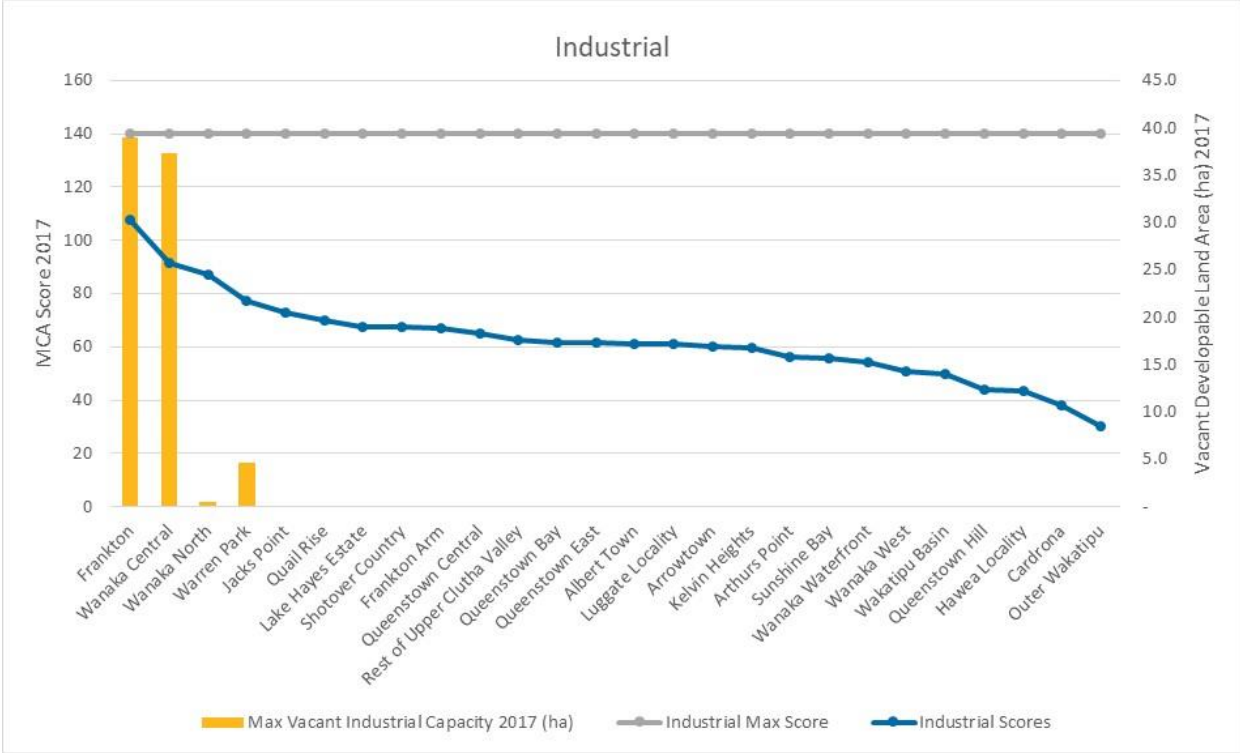


The results show that the majority of vacant capacity for commercial visitor accommodation sits within the Frankton area, which ranks highly in terms of its location attributes (4th). A large portion of capacity is in Wanaka Central (which includes Three Parks) which is less desirable relative to some other areas where there is some vacant capacity, although is ranked equal with Arthurs Point. This suggests that hotel developers (for example) might be more likely to seek vacant capacity in Queenstown, Frankton, Warren Park, Frankton Arm or Sunshine Bay before choosing Wanaka Central, all else being equal. Uptake of vacant capacity Jack’s Point may also be a longer-term prospect based on this approach (Figure 6.2).

M.E note that these conclusions (and those below) do not factor in market specialisation (i.e. operators looking for specific locations for reasons outside those identified in the MCA, including price, or who have different priorities (weightings) than those applied). Some operators may also limit their options to just the Wakatipu Ward or just the Wanaka Ward – in such cases the relative ranking of locations within these catchments still applies.

6.4.2 Industrial Capacity

Figure 6.3 – MCA Results by QLD Area and Industrial Capacity



The MCA analysis shows that a significant amount of potential vacant Industrial capacity is located in the most desirable location for industrial development – Frankton. This includes the airport and Frankton Flats B. This is followed by capacity in Wanaka Central (areas around Ballantyne Road), the second most desirable location. This suggests a high level of certainty that this capacity will be developed (although the rate of take up is not able to be determined from this part of the analysis and will depend on the rate of demand growth). It also indicates that potential for redevelopment of existing sites elsewhere (other existing industrial zones) to provide industrial capacity is unlikely given the abundance of vacant capacity in more optimal locations (Figure 6.3).

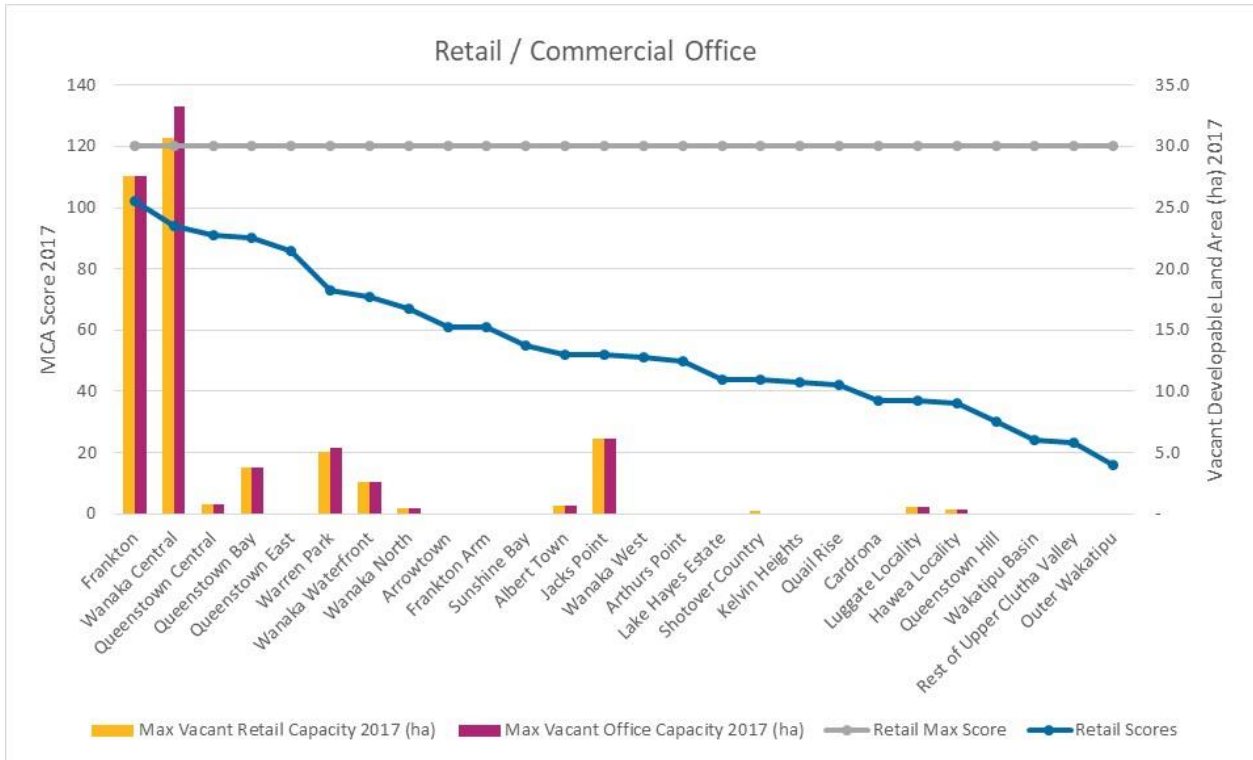
6.4.3 Retail and Commercial Office Capacity

The MCA analysis shows that a significant amount of potential vacant Retail or Commercial Office capacity is also located in the most desirable locations for retail and office development – Frankton and Wanaka Central. This includes Frankton Flats A and B, Remarkables Park, Frankton Local Shopping Centre, Wanaka Town Centre and Three Parks. This suggests a high level of certainty that this capacity will be developed (although the rate of take-up will be driven by demand).

The next largest area of vacant capacity is in Jacks Point (the two village precincts), the 12th equal most desirable location. All else being equal, demand is likely to focus on remaining capacity in Queenstown Central, then Queenstown Bay and then Warren Park (all areas than span Plan Change 50) in advance of Jacks Point (Figure 6.4). But even development of Retail and Commercial Office space in the Plan Change 50 area might be delayed while growth is focussed on Frankton and Three Parks in the first instance.



Figure 6.4 – MCA Results by QLD Area and Retail and Commercial Office Capacity



7 Sufficiency of Capacity

In this section the results of the demand and capacity assessments are brought together to provide a quantitative comparison between them to determine the sufficiency of capacity provided for in the QLD urban business zones. The NPS-UDC Policy A1 requires local authorities to ensure that “*at any one time there is sufficient development capacity*”. That means that the land is zoned and feasible for the next 10 years and has been identified in the various plans and strategic documents over the next 30 years.

In this section results are presented in two forms. First, plan enabled capacity (which is all considered to be feasible) is set against demand estimates in the short, medium and long-term to present a picture of sufficiency. Second, demand estimates have been increased by a margin⁶⁹ of 20% in the short and medium terms and by 15% in the long-term to meet the requirements of Policy C1, which states;

“To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least;

- 20% in the short and medium terms, and
- 15% in the long term.”

When interpreting the results reported below, it is important to remember that there is considerable overlap in enabled land use in some business zones throughout the urban environment (refer section 5.3). This means that the capacity figures are necessarily reported as maximums. They are not additive and utilisation of capacity for one use will reduce the available capacity for other uses.

7.1 Wakatipu Ward Results by Space Type

Table 7.1 compares cumulative demand for business land anticipated within the Wakatipu Ward’s urban business enabled zones with maximum potential vacant land capacity. Detail is provided at the land use level and for the QLDC Recommended based growth projection. The analysis shows that the District Plan provisions applied in this assessment provide sufficient plan enabled and feasible capacity for all Retail, Commercial and Industrial uses in the short, medium and long-term, including when a margin over and above estimated demand is included.

The exception to that is demand for Outdoor – Commercial⁷⁰. The analysis shows insufficient capacity for Outdoor - Commercial in the short, medium and long-term. However, no urban business zones were coded to Outdoor - Commercial land use based on interpretation of permitted, controlled and restricted discretionary activities set out in the plan with this analysis. As such, no vacant land parcels have been

⁶⁹ For this first BDCA, QLDC have adopted the margins recommended in the NPS guidance. This will be reviewed in future updates.

⁷⁰ Outdoor Commercial comprises a large share of the footprint of mining and quarry businesses, a moderate share of the footprint of agricultural service activities and a small share of the footprint of public safety/defence activities,

assigned potential for Outdoor - Commercial land use, hence a shortfall in all time periods. The shortfall is however negligible and should be given little weight in M.E's view.

Table 7.1 – Wakatipu Ward Plan Enabled Business Land Capacity Sufficiency by Land Use (Ha)

| Category | Land Use / Building Type | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-----------------------|---------------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | | |
| Commercial | Office---Commercial | 0.3 | 0.7 | 1.2 | 43.7 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 0.1 | 0.2 | 0.4 | 43.7 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 3.8 | 8.5 | 16.0 | 99.3 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 1.2 | 2.9 | 6.1 | 90.1 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 1.1 | 2.8 | 5.8 | 99.4 | Sufficient | Sufficient | Sufficient |
| | Education | 0.3 | 0.7 | 1.3 | 67.4 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.1 | - | Insufficient | Insufficient | Insufficient |
| Industrial | Warehouse | 2.6 | 6.6 | 13.4 | 43.6 | Sufficient | Sufficient | Sufficient |
| | Factory | 1.6 | 3.8 | 6.9 | 36.5 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 1.5 | 3.9 | 8.2 | 30.1 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 0.5 | 1.5 | 3.5 | 16.4 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 0.8 | 2.0 | 4.0 | 43.5 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 1.6 | 3.6 | 6.8 | 40.6 | Sufficient | Sufficient | Sufficient |
| Total | | 15.5 | 37.3 | 73.7 | | | | |
| With Margin | | | | | | | | |
| Commercial | Office---Commercial | 0.3 | 0.8 | 1.5 | 43.7 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 0.1 | 0.2 | 0.4 | 43.7 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 4.6 | 10.2 | 18.9 | 99.3 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 1.4 | 3.5 | 7.2 | 90.1 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 1.3 | 3.4 | 6.8 | 99.4 | Sufficient | Sufficient | Sufficient |
| | Education | 0.4 | 0.8 | 1.5 | 67.4 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.1 | - | Insufficient | Insufficient | Insufficient |
| Industrial | Warehouse | 3.2 | 8.0 | 15.8 | 43.6 | Sufficient | Sufficient | Sufficient |
| | Factory | 1.9 | 4.5 | 8.1 | 36.5 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 1.8 | 4.7 | 9.7 | 30.1 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 0.7 | 1.8 | 4.0 | 16.4 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 1.0 | 2.4 | 4.6 | 43.5 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 2.0 | 4.4 | 8.0 | 40.6 | Sufficient | Sufficient | Sufficient |
| Total | | 18.7 | 44.7 | 86.6 | | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

Table 7.2 compares cumulative demand for business floorspace anticipated within the Wakatipu Ward's urban business enabled zones assuming vacant land is developed to its maximum potential capacity. Cumulative floorspace demand data is provided for different building typologies using the QLDC Recommended based employment growth projection. The analysis shows that the District Plan provides sufficient floorspace capacity for all business uses in the short, medium and long-term, including with a margin on demand. The same exception applies with regard to Outdoor – Commercial.

Table 7.2 – Wakatipu Ward Plan Enabled Business Floorspace Sufficiency by Typology (GFA)

| Category | Land Use / Building Type | Cumulative GFA Demand (sqm) | | | Total Vacant Business Zone GFA 2017 (sqm) * | Sufficiency | | |
|-----------------------|---------------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | | |
| Commercial | Office---Commercial | 2,000 | 4,600 | 8,300 | 558,200 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 400 | 1,000 | 2,200 | 244,400 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 19,200 | 42,700 | 80,100 | 1,238,000 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 5,100 | 12,800 | 27,100 | 406,800 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 5,600 | 14,000 | 29,000 | 1,139,800 | Sufficient | Sufficient | Sufficient |
| | Education | 1,100 | 2,600 | 4,700 | 893,700 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | 100 | 200 | 400 | - | Insufficient | Insufficient | Insufficient |
| Industrial | Warehouse | 12,500 | 31,600 | 64,100 | 253,800 | Sufficient | Sufficient | Sufficient |
| | Factory | 8,500 | 19,600 | 35,800 | 202,000 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 5,800 | 15,000 | 31,300 | 154,300 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 2,700 | 7,400 | 17,300 | 122,800 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 4,500 | 10,900 | 21,400 | 241,700 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 9,000 | 20,100 | 37,700 | 221,500 | Sufficient | Sufficient | Sufficient |
| Total | | 76,500 | 182,500 | 359,400 | | | | |
| With Margin | | | | | | | | |
| Commercial | Office---Commercial | 2,400 | 5,500 | 9,800 | 558,200 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 500 | 1,200 | 2,600 | 244,400 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 23,000 | 51,200 | 94,200 | 1,238,000 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 6,100 | 15,300 | 31,700 | 406,800 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 6,700 | 16,800 | 34,100 | 1,139,800 | Sufficient | Sufficient | Sufficient |
| | Education | 1,300 | 3,100 | 5,500 | 893,700 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | 100 | 200 | 400 | - | Insufficient | Insufficient | Insufficient |
| Industrial | Warehouse | 15,000 | 37,900 | 75,300 | 253,800 | Sufficient | Sufficient | Sufficient |
| | Factory | 10,200 | 23,500 | 42,100 | 202,000 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 7,000 | 18,000 | 36,700 | 154,300 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 3,200 | 8,800 | 20,200 | 122,800 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 5,400 | 13,100 | 25,200 | 241,700 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 10,800 | 24,100 | 44,300 | 221,500 | Sufficient | Sufficient | Sufficient |
| Total | | 91,800 | 219,100 | 422,600 | | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

7.2 Wanaka Ward Results by Space Type

Table 7.3 compares cumulative demand for business land anticipated within the Wanaka Ward’s urban business enabled zones with maximum potential vacant land capacity. Detail is provided at the land use level and for the QLDC Recommended based employment growth projection. The analysis shows that the District Plan provides sufficient capacity for all for all business land uses in the short, medium and long-term, including with a margin on demand.

The exception to that is demand for Outdoor – Commercial. As discussed above, no urban business zones were coded to this land use based on interpretation of permitted, controlled and restricted discretionary activities set out in the plan. As such, no vacant land parcels have been assigned potential for Outdoor - Commercial land use, hence a shortfall in all time periods. The shortfall is however negligible and should be given little weight in M.E’s view.

Even if the Retail and Commercial capacity of the Deferred Commercial Core precinct in Three Parks was not available until the long term, the modelling indicates sufficient capacity to cater for short and medium-term demand growth.

Table 7.3 – Wanaka Ward Plan Enabled Business Land Capacity Sufficiency by Land Use (Ha)

| Category | Land Use / Building Type | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-----------------------|---------------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | | |
| Commercial | Office---Commercial | 0.1 | 0.2 | 0.3 | 37.7 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 0.0 | 0.1 | 0.1 | 30.3 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 1.3 | 3.0 | 4.8 | 34.7 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 0.5 | 1.2 | 2.5 | 30.4 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 0.3 | 0.9 | 1.8 | 28.6 | Sufficient | Sufficient | Sufficient |
| | Education | 0.1 | 0.2 | 0.4 | 16.0 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.0 | - | Insufficient | Insufficient | Insufficient |
| Industrial | Warehouse | 0.6 | 1.6 | 3.4 | 37.8 | Sufficient | Sufficient | Sufficient |
| | Factory | 0.3 | 0.9 | 1.8 | 29.9 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 0.4 | 1.0 | 2.2 | 30.4 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 0.1 | 0.4 | 0.9 | 22.9 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 0.3 | 0.8 | 1.6 | 28.0 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 0.6 | 1.3 | 2.1 | 35.2 | Sufficient | Sufficient | Sufficient |
| Total | | 4.6 | 11.5 | 22.0 | | | | |
| With Margin | | | | | | | | |
| Commercial | Office---Commercial | 0.1 | 0.2 | 0.4 | 37.7 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 0.1 | 0.4 | 1.2 | 30.3 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 1.6 | 3.6 | 5.7 | 34.7 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 0.6 | 1.5 | 3.0 | 30.4 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 0.4 | 1.0 | 2.1 | 28.6 | Sufficient | Sufficient | Sufficient |
| | Education | 0.1 | 0.3 | 0.5 | 16.0 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | 0.0 | 0.0 | 0.0 | - | Insufficient | Insufficient | Insufficient |
| Industrial | Warehouse | 0.7 | 2.0 | 4.0 | 37.8 | Sufficient | Sufficient | Sufficient |
| | Factory | 0.4 | 1.1 | 2.1 | 29.9 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 0.4 | 1.2 | 2.5 | 30.4 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 0.1 | 0.4 | 1.1 | 22.9 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 0.4 | 1.0 | 1.9 | 28.0 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 0.7 | 1.5 | 2.4 | 35.2 | Sufficient | Sufficient | Sufficient |
| Total | | 5.7 | 14.1 | 26.9 | | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only.

* Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

Table 7.4 shows the same results when examined in terms of floorspace demand and maximum potential enabled capacity by building typology. In terms of the Outdoor – Commercial shortfall, this is limited to the long-term only due to the rounding of results.

Table 7.4 – Wanaka Ward Plan Enabled Business Floorspace Sufficiency by Typology (GFA)

| Category | Land Use / Building Type | Cumulative GFA Demand (sqm) | | | Total Vacant Business Zone GFA 2017 (sqm) * | Sufficiency | | |
|-----------------------|---------------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | | |
| Commercial | Office---Commercial | 500 | 1,200 | 2,200 | 402,100 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 100 | 300 | 700 | 95,200 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 6,500 | 14,800 | 24,100 | 364,900 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 2,200 | 5,500 | 11,300 | 115,800 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 1,700 | 4,300 | 8,900 | 273,900 | Sufficient | Sufficient | Sufficient |
| | Education | 300 | 700 | 1,300 | 196,100 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | - | - | 100 | - | Sufficient | Sufficient | Insufficient |
| Industrial | Warehouse | 3,000 | 7,900 | 16,400 | 147,600 | Sufficient | Sufficient | Sufficient |
| | Factory | 1,700 | 4,600 | 9,400 | 112,200 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 1,300 | 3,700 | 8,200 | 115,800 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 600 | 1,800 | 4,600 | 93,300 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 1,800 | 4,500 | 8,700 | 95,200 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 3,100 | 7,000 | 11,400 | 107,600 | Sufficient | Sufficient | Sufficient |
| Total | | 22,800 | 56,300 | 107,300 | | | | |
| With Margin | | | | | | | | |
| Commercial | Office---Commercial | 600 | 1,400 | 2,600 | 402,100 | Sufficient | Sufficient | Sufficient |
| | Office---Retail | 100 | 300 | 700 | 95,200 | Sufficient | Sufficient | Sufficient |
| | Accommodation | 7,800 | 17,800 | 28,500 | 364,900 | Sufficient | Sufficient | Sufficient |
| | Yard---Commercial | 2,600 | 6,600 | 13,300 | 115,800 | Sufficient | Sufficient | Sufficient |
| | Other Built---Commercial | 2,000 | 5,100 | 10,400 | 273,900 | Sufficient | Sufficient | Sufficient |
| | Education | 400 | 900 | 1,600 | 196,100 | Sufficient | Sufficient | Sufficient |
| | Outdoor---Commercial | - | - | 100 | - | Sufficient | Sufficient | Insufficient |
| Industrial | Warehouse | 3,600 | 9,500 | 19,300 | 147,600 | Sufficient | Sufficient | Sufficient |
| | Factory | 2,000 | 5,500 | 11,000 | 112,200 | Sufficient | Sufficient | Sufficient |
| | Yard---Industrial | 1,600 | 4,500 | 9,700 | 115,800 | Sufficient | Sufficient | Sufficient |
| | Other Built---Industrial | 700 | 2,100 | 5,300 | 93,300 | Sufficient | Sufficient | Sufficient |
| Retail | Shops---Commercial | 2,200 | 5,400 | 10,200 | 95,200 | Sufficient | Sufficient | Sufficient |
| | Shops---Food and Beverage | 3,700 | 8,400 | 13,500 | 107,600 | Sufficient | Sufficient | Sufficient |
| Total | | 27,400 | 67,600 | 126,300 | | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand and current capacity within core business enabled zones in defined urban environment only.

* Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

7.3 Total QLD Urban Business Zone Results

The following sections aggregate results according to Commercial, Industrial and Retail categories. Wanaka and Wakatipu Ward results are shown side-by-side as well as the total across all urban business enabled zones. Each category is examined individually, without and with the margin on demand. Results are for the Recommended growth projection unless specified.

7.3.1 Commercial Sufficiency

Table 7.5 compares cumulative demand for commercial business land anticipated within urban business enabled zones with maximum potential vacant commercial land capacity. The analysis shows that the District Plan provides sufficient capacity for all commercial land uses in the short, medium and long-term, including with a margin on top of demand. Whilst acknowledging that a portion of this capacity could alternatively be utilised for Retail or Industrial activities, the surpluses are significant.

Table 7.5 – Commercial Plan Enabled Business Land Capacity Sufficiency by Ward (Ha)

| Ward | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-----------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | |
| Wakatipu | 6.8 | 15.8 | 30.9 | 169.9 | Sufficient | Sufficient | Sufficient |
| Wanaka | 2.3 | 5.5 | 10.0 | 72.0 | Sufficient | Sufficient | Sufficient |
| Total | 9.1 | 21.4 | 41.0 | 241.9 | | | |
| With Margin | | | | | | | |
| Wakatipu | 8.1 | 19.0 | 36.3 | 169.9 | Sufficient | Sufficient | Sufficient |
| Wanaka | 2.8 | 6.7 | 11.8 | 72.0 | Sufficient | Sufficient | Sufficient |
| Total | 10.9 | 25.6 | 48.2 | 241.9 | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

In terms of commercial floorpace demand and capacity, the same sufficiency is evident (and significant) over all time periods (Table 7.6).

Table 7.6 – Commercial Plan Enabled Business Floorspace Capacity Sufficiency by Ward (GFA)

| Ward | Cumulative GFA Demand (sqm) | | | Total Vacant Business Zone GFA 2017 (sqm) * | Sufficiency | | |
|-----------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | |
| Wakatipu | 33,500 | 77,900 | 151,800 | 1,861,300 | Sufficient | Sufficient | Sufficient |
| Wanaka | 11,300 | 26,800 | 48,600 | 656,800 | Sufficient | Sufficient | Sufficient |
| Total | 44,800 | 104,700 | 200,400 | 2,518,100 | | | |
| With Margin | | | | | | | |
| Wakatipu | 40,200 | 93,500 | 178,500 | 1,861,300 | Sufficient | Sufficient | Sufficient |
| Wanaka | 13,600 | 32,200 | 57,300 | 656,800 | Sufficient | Sufficient | Sufficient |
| Total | 53,800 | 125,700 | 235,800 | 2,518,100 | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

7.3.2 Industrial Sufficiency

Table 7.7 compares cumulative demand for industrial business land anticipated within urban business enabled zones with vacant industrial land developed to its maximum potential capacity. The analysis shows that the District Plan provides sufficient capacity for all industrial land uses in the short, medium and long-term, including with a margin on top of demand. It is important to acknowledge that

1. this demand and capacity includes demand associated with the Queenstown Airport in the Wakatipu Ward; and
2. that a portion of industrial capacity could alternatively be utilised for Commercial or Retail activities, more so in the Wakatipu Ward due to flexibility in some Frankton Flats B precincts, but in both wards due to the flexibility provided in the BMU zone for light industrial/service activities (noting that warehousing and storage and lock-up facilities (including vehicle storage)

are considered to be a Restricted Discretionary Activity in this zone. While Frankton is a desirable place for industrial development (due to good access to key transport routes and large flat sites), it is also desirable (highly feasible) as a retail or commercial development area (due to its proximity to the market, profile, parking and public transport access (among other attributes - full detail is provided in the MCA discussion). Hence the potential for industrial capacity is likely to be overstated due to a large amount of this capacity being located in prime locations for commercial/retail use.

The implications of these two factors are discussed further below (alternate scenario results).

Table 7.7 – Industrial Plan Enabled Business Land Capacity Sufficiency by Ward (Ha)

| Ward | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-----------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | |
| Wakatipu | 6.3 | 15.8 | 32.0 | 43.6 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.4 | 3.9 | 8.3 | 37.8 | Sufficient | Sufficient | Sufficient |
| Total | 7.7 | 19.7 | 40.3 | 81.3 | | | |
| With Margin | | | | | | | |
| Wakatipu | 7.6 | 19.0 | 37.6 | 43.6 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.7 | 4.6 | 9.7 | 37.8 | Sufficient | Sufficient | Sufficient |
| Total | 9.3 | 23.6 | 47.4 | 81.3 | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

In terms of industrial floorspace demand and capacity, the same sufficiency is evident over all time periods, but the same caveats also apply (Table 7.8).

Table 7.8 – Industrial Plan Enabled Business Floorspace Capacity Sufficiency by Ward (GFA)

| Ward | Cumulative GFA Demand (sqm) | | | Total Vacant Business Zone GFA 2017 (sqm) * | Sufficiency | | |
|-----------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | |
| Wakatipu | 29,500 | 73,600 | 148,500 | 253,800 | Sufficient | Sufficient | Sufficient |
| Wanaka | 6,600 | 18,000 | 38,600 | 147,600 | Sufficient | Sufficient | Sufficient |
| Total | 36,100 | 91,600 | 187,100 | 401,400 | | | |
| With Margin | | | | | | | |
| Wakatipu | 35,400 | 88,400 | 174,600 | 253,800 | Sufficient | Sufficient | Sufficient |
| Wanaka | 7,900 | 21,600 | 45,300 | 147,600 | Sufficient | Sufficient | Sufficient |
| Total | 43,300 | 110,000 | 219,900 | 401,400 | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

7.3.3 Retail Sufficiency

Table 7.9 compares cumulative demand for retail business land anticipated within urban business enabled zones with vacant retail land developed to its maximum potential capacity. The analysis shows that the District Plan provides sufficient capacity for all retail land uses in the short, medium and long-term, including with a margin on top of demand. The surpluses are significant, particularly in the Wanaka Ward due largely to the yet to be developed Three Parks area. This includes an area that is located in the Deferred Commercial Core that provides for an area that can be rezoned for commercial development in the future, once the rest of the Three Parks Special Zone has been largely developed.

The same concerns raised for industrial sufficiency are less applicable here. Retail land use offers higher returns on development and so will often take precedent over industrial and commercial land use on the ground floor. As such, there is less chance that this capacity would be reduced by competing land uses.

Table 7.9 – Retail Plan Enabled Business Land Capacity Sufficiency by Ward (Ha)

| Ward | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-----------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | |
| Wakatipu | 2.5 | 5.7 | 10.8 | 43.5 | Sufficient | Sufficient | Sufficient |
| Wanaka | 0.9 | 2.1 | 3.7 | 35.2 | Sufficient | Sufficient | Sufficient |
| Total | 3.4 | 7.7 | 14.4 | 78.6 | | | |
| With Margin | | | | | | | |
| Wakatipu | 3.0 | 6.8 | 12.7 | 43.5 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.1 | 2.5 | 4.3 | 35.2 | Sufficient | Sufficient | Sufficient |
| Total | 4.0 | 9.3 | 17.0 | 78.6 | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

In terms of retail floorspace demand and capacity, the same sufficiency is evident over all time periods and the same level of certainty in these results applies (Table 7.10).

Table 7.10 - Retail Plan Enabled Business Floorspace Capacity Sufficiency by Ward (GFA)

| Ward | Cumulative GFA Demand (sqm) | | | Total Vacant Business Zone GFA 2017 (sqm) * | Sufficiency | | |
|-----------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Without Margin | | | | | | | |
| Wakatipu | 13,500 | 31,000 | 59,100 | 241,700 | Sufficient | Sufficient | Sufficient |
| Wanaka | 4,900 | 11,500 | 20,100 | 107,600 | Sufficient | Sufficient | Sufficient |
| Total | 18,400 | 42,500 | 79,200 | 349,300 | | | |
| With Margin | | | | | | | |
| Wakatipu | 16,200 | 37,200 | 69,500 | 241,700 | Sufficient | Sufficient | Sufficient |
| Wanaka | 5,900 | 13,800 | 23,700 | 107,600 | Sufficient | Sufficient | Sufficient |
| Total | 22,100 | 51,000 | 93,200 | 349,300 | | | |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

7.3.4 Alternative Scenario – No Overlap

In section 5.4.4 an alternate “scenario” of development that reflects potential market pressures, including maximising investment returns in parts of the district, was discussed and the resulting vacant capacity by zone and ward reported. This single alternate scenario removes the overlap of capacity in those zones where flexibility is enabled between Retail, Commercial and/or Industrial activity. The scenario is **indicative only** and based on a series of allocation rules outlined in Appendix 14.

This section of the report utilises that alternate capacity scenario and compares it with demand to provide a more tangible perspective on sufficiency.

Table 7.11 first provides the original demand and capacity results (already discussed above) for the QLDC Recommended based growth projection, but in a combined format, and only for the ‘with margin’ demand. It shows that the District Plan provides sufficient capacity for all categories and time periods, albeit that certainty of those outcomes is hindered by overlaps in vacant land capacity.

Table 7.11 – Plan Enabled Business Land Sufficiency by Category and Ward (Ha) – With Margin

| Category by Ward | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Commercial | | | | | | | |
| Wakatipu | 8.1 | 19.0 | 36.3 | 169.9 | Sufficient | Sufficient | Sufficient |
| Wanaka | 2.8 | 6.7 | 11.8 | 72.0 | Sufficient | Sufficient | Sufficient |
| TOTAL | 10.9 | 25.6 | 48.2 | 241.9 | Sufficient | Sufficient | Sufficient |
| Retail | | | | | | | |
| Wakatipu | 3.0 | 6.8 | 12.7 | 43.5 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.1 | 2.5 | 4.3 | 35.2 | Sufficient | Sufficient | Sufficient |
| TOTAL | 4.0 | 9.3 | 17.0 | 78.6 | Sufficient | Sufficient | Sufficient |
| Industrial | | | | | | | |
| Wakatipu | 7.6 | 19.0 | 37.6 | 43.6 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.7 | 4.6 | 9.7 | 37.8 | Sufficient | Sufficient | Sufficient |
| TOTAL | 9.3 | 23.6 | 47.4 | 81.3 | Sufficient | Sufficient | Sufficient |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.

Table 7.12 replaces the original vacant capacity with the alternate scenario (section 5.4.4). This shows that capacity is reduced when land use overlaps are removed by the allocation assumptions applied across flexible zones.

The reductions in vacant capacity are most strongly felt in the Industrial category, and especially in the Wakatipu Ward where zone flexibility is greatest. Total vacant industrial capacity reduces from 81.3 ha (maximum potential) to just 56.9 ha across the urban environment (70% of the maximum). In the Wakatipu Ward, vacant industrial capacity reduces from 43.6 ha (maximum potential) to just 28.1 ha (64% of the ward maximum). In the Wanaka Ward, it drops from 37.8 ha to 28.8 ha (76% of the ward maximum).

Commercial vacant capacity drops from 241.9 ha (maximum potential) to 194.9 ha across the urban environment (81% of the maximum). This is largely due to excluding retail capacity on the ground floor where applicable. The decrease in Wanaka is more significant – reducing from 72.0 ha to 42.9 ha (60% of

the ward maximum). In Wakatipu, the nature of the overlaps means that the reduction is more moderate (89% of the potential ward maximum).

As discussed previously, Retail has been given precedence, so reduces the least in the alternate scenarios (93% of maximum potential overall, and 99% of maximum potential in the Wanaka Ward).

Based on these alternate capacities, Table 7.12 still shows that the District Plan provides sufficient retail and commercial land capacity in the short, medium and long-term, and insufficient Industrial capacity in the long-term. Industrial capacity is likely to have been exhausted between the medium and long-term period, i.e. around 2036). This triggers a planning response under the NPS-UDC and will need to be addressed as part of the FDS.

Table 7.12 – Plan Enabled Business Land Sufficiency by Category (Ha) – Alternate Scenario

| Category by Ward | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Commercial | | | | | | | |
| Wakatipu | 8.1 | 19.0 | 36.3 | 152.1 | Sufficient | Sufficient | Sufficient |
| Wanaka | 2.8 | 6.7 | 11.8 | 42.9 | Sufficient | Sufficient | Sufficient |
| TOTAL | 10.9 | 25.6 | 48.2 | 194.9 | Sufficient | Sufficient | Sufficient |
| Retail | | | | | | | |
| Wakatipu | 3.0 | 6.8 | 12.7 | 38.1 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.1 | 2.5 | 4.3 | 34.9 | Sufficient | Sufficient | Sufficient |
| TOTAL | 4.0 | 9.3 | 17.0 | 72.9 | Sufficient | Sufficient | Sufficient |
| Industrial | | | | | | | |
| Wakatipu | 7.6 | 19.0 | 37.6 | 28.1 | Sufficient | Sufficient | Insufficient |
| Wanaka | 1.7 | 4.6 | 9.7 | 28.8 | Sufficient | Sufficient | Sufficient |
| TOTAL | 9.3 | 23.6 | 47.4 | 56.9 | Sufficient | Sufficient | Sufficient |

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Overlap in capacity has been removed, refer to the scenario assumptions in appendices.

M.E has tested these results under a higher growth projection than Council’s Recommended growth outlook. Under the **High** economic growth projection of this scenario, there would also be a shortfall of industrial capacity in the Wakatipu Ward between the medium and long-term (demand of 51.5 ha including a margin in 2046 compared to 28.1 ha of industrial capacity), but the capacity would be exhausted much closer to the medium-term.

Across the total district, there would also be sufficient industrial capacity in the short and medium-term but insufficient capacity in the long-term under the High growth scenario. In the long term, the surplus in the Wanaka Ward would not offset the shortfall in the Wakatipu Ward during that period. Care is however needed when considering the district level outcomes and the ability of demand in one ward to be serviced by capacity in the other ward in any time period. QLD differs to many other high growth areas because the Queenstown and Wanaka urban areas are geographically separate and operate in distinct industrial catchments because of the distance and topography between the two main towns. Heavy vehicles are unable to use the Crown Range Road and need to access Wanaka via Cromwell, which is an approximately 75 minute car drive. In this regard, Cromwell is likely to be more feasible location for industrial activities that need to service both QLD wards and may become more relevant if a shortage occurs at this timeframe.

For this reason, the district level outcomes should not be relied upon and are reported for completeness only. It is important in QLD that sufficient industrial land is provided in both areas.

Excluding Airport Demand and Capacity in the Alternate Scenario

Section 4.6 discussed briefly the share of demand associated with the Air Transport Services sector in the Wakatipu Ward that would be likely to seek capacity in the Queenstown Airport Mixed Use Zone⁷¹. Given that the Queenstown Airport is an economically significant and critical piece of infrastructure in the district, and the nature of airport expansion is complex and has unique constraints not faced by other sectors, M.E considers it relevant to also test sufficiency results with Queenstown Airport demand and capacity excluded from the alternate scenario.

Table 7.13 excludes the vacant industrial capacity identified in the Queenstown Airport Mixed Use zone. This reduces the vacant industrial capacity in the Wakatipu Ward to just 17.5 ha, and 46.3 ha in the urban environment overall. It also excludes demand from the Air Transport Services sector in the Wakatipu Ward, which was predominantly attributed to industrial land uses but also a very small portion of commercial land uses⁷².

Table 7.13 – Plan Enabled Business Land Sufficiency by Category (Ha) – Alternate Excl. Airport

| Category by Ward | Cumulative Land Demand (Ha) | | | Total Vacant Business Zone Land 2017 (ha) * | Sufficiency | | |
|-------------------|-----------------------------|-------------------------|-----------------------|---|------------------------|-------------------------|-----------------------|
| | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) | | Short Term (2016-2019) | Medium Term (2016-2026) | Long Term (2016-2046) |
| Commercial | | | | | | | |
| Wakatipu | 8.1 | 19.0 | 36.3 | 152.1 | Sufficient | Sufficient | Sufficient |
| Wanaka | 2.8 | 6.7 | 11.8 | 42.9 | Sufficient | Sufficient | Sufficient |
| TOTAL | 10.9 | 25.6 | 48.1 | 194.9 | Sufficient | Sufficient | Sufficient |
| Retail | | | | | | | |
| Wakatipu | 3.0 | 6.8 | 12.7 | 38.1 | Sufficient | Sufficient | Sufficient |
| Wanaka | 1.1 | 2.5 | 4.3 | 34.9 | Sufficient | Sufficient | Sufficient |
| TOTAL | 4.0 | 9.3 | 17.0 | 72.9 | Sufficient | Sufficient | Sufficient |
| Industrial | | | | | | | |
| Wakatipu | 6.4 | 16.6 | 34.0 | 17.5 | Sufficient | Sufficient | Insufficient |
| Wanaka | 1.7 | 4.6 | 9.7 | 28.8 | Sufficient | Sufficient | Sufficient |
| TOTAL | 8.1 | 21.3 | 43.7 | 46.3 | Sufficient | Sufficient | Sufficient |


Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Overlap in capacity has been removed, refer to the scenario assumptions in appendices. Queenstown Airport demand & capacity excluded.

When the airport activity is excluded, the results in Table 7.13 show that the District Plan does not provide sufficient capacity for growth in industrial land use in the Wakatipu Ward in the long-term. The shortfall occurs just after 2026 (in the medium to long-term period, around 2027). By 2026, the surplus is estimated

⁷¹ At the time of writing this BDCA, the future of the land known as 'Lot 6' in the Remarkables Park Zone was unknown (potentially subject to further appeals) and has been treated as commercial capacity as zoned in the Operative District Plan. The alternative is that this land becomes available for airport use.

⁷² The differences in Wakatipu Commercial demand are negligible.



at just 0.85 ha and by 2046 the shortfall would be a significant -16.5 ha (with a margin on top of demand included).

Under the **High** economic growth projection of this scenario, there would be a shortfall of industrial capacity in the Wakatipu Ward between the short and medium-term (demand of 20.8 ha including a margin compared to 17.5 ha of industrial capacity in 2026). Across the urban environment, sufficient industrial capacity is provided in the short and medium term, but in the medium to long-term there would be a shortfall of capacity (demand of 59.5 ha including a margin compared to 46.3 ha of industrial capacity in 2046).

These results are relevant to consider for the FDS, as council will need to consider the likelihood of either or both of these scenarios occurring, and whether a planning response should be initiated in accordance with the NPS-UDC requirements. The realisation of industrial activity can have significant lead in times requiring zoning to be in place same time before development is realised on the ground.

7.4 Discussion

The up-shot of this analysis of sufficiency is that the District Plan provides a significant surplus of capacity for projected growth in demand for both retail and commercial sectors for the next 30 years. There is also reasonably strong alignment between results of the MCA framework and plan enabled capacity, indicating that Council has zoned land that is appropriately located and is likely to meet developer requirements (i.e. is feasible to develop).

The Wanaka Ward is also well served with industrial capacity for the foreseeable future, thanks to new zones created in the Ballantyne Road area, including the presence of the Industrial B zone. This objective of this zone is to provide a mix of business, industrial, service and trade related activities and avoid residential, office (non-ancillary) and most retail uses.

Conservatively, the Wakatipu Ward could have 28.1 ha of vacant industrial capacity (based on the alternate scenario discussed above). This is out of a potential maximum capacity of 43.6 ha if none is taken up by retail or commercial activity (which seems unlikely). This capacity (28.1 ha) does however include significant vacant capacity in the Queenstown Airport Mixed Use zone. Excluding that, the remaining 17.5 ha (a more conservative estimate) is all that is left to cater for industrial land demand in the Wakatipu Ward (excluding Air Transport Services).

This is located entirely within Frankton Flats B Precincts D (10.68 estimated developable ha) and E1 (6.81 estimated developable ha) in M.E's alternate scenario. This will not be sufficient beyond 2026 (the medium term) according to the Council's Recommended growth projection (see monitoring and recommendations sections below).

7.5 Market and Price Efficiency Indicators

NPS-UDC Policies B2c and B3e require local authorities to include information from market and price efficiency indicators in their BDCA (and HDCA). This section discusses these local indicators and how they can be interpreted alongside the results of the demand and capacity modelling.



7.5.1 Market Indicators

Under the National Policy Statement, Policy B6, Councils are required to monitor a range of indicators on a quarterly basis, including:

1. Prices and Rents for business land by location and type. Changes in these prices and rents over time are to be monitored.
2. Number of resource consents and building consents granted for urban development relative to the growth in population

The first such report prepared by QLDC is for the June 2017 quarter and establishes baselines from which future trends will be benchmarked. QLDC have also prepared a September 2017 report. At the time of writing, both these quarterly reports are in draft state, so the figures contained within may change. The figures are replicated here under that caveat.

Within this report, a summary of both the June 2017 and September 2017 data is provided to be read alongside capacity, growth and sufficiency. Council's Monitoring report presents business indicators over time, in some detail. That work is not repeated here, so if more detail is needed the reader is directed back to the Monitoring reports. In this report key Business Indicators are summarised and conclusions drawn from them assessed.

Commercial Building Consents

Currently QLDC are not recording prices and rents for business land or space by location. They are monitoring commercial building consents and aligning that with employment growth. Commercial building consents are recorded in terms of number (in total and their value).

The Draft June 2017 report recorded a strong increase in consents issued over the previous year. By June 2017 the numbers were running at 40% ahead of both 2015 and 2016. In addition, the total value of these consents was over 100% higher than 2016. Average value of consents was up from \$637,500 to over \$917,800.

By September the numbers had flattened out a little, with the number of consents being 19% ahead of September 2016, total values being 22% ahead and average value per consent being only 3% higher than in September 2016. This implies that the growth rates in the latter half of 2016 exceed those in the latter half of 2017 (Figure 7.1 and Figure 7.2).



Figure 7.1: Cumulative Commercial Building Consents Issued 2014 – 2017, QLD

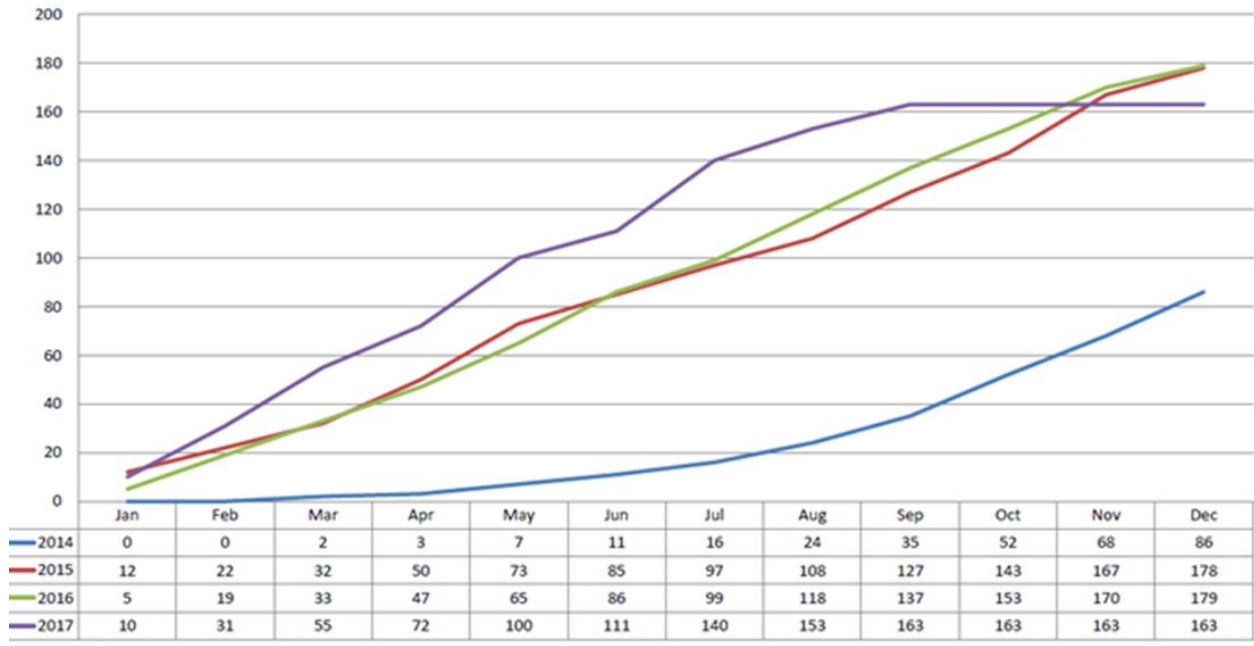
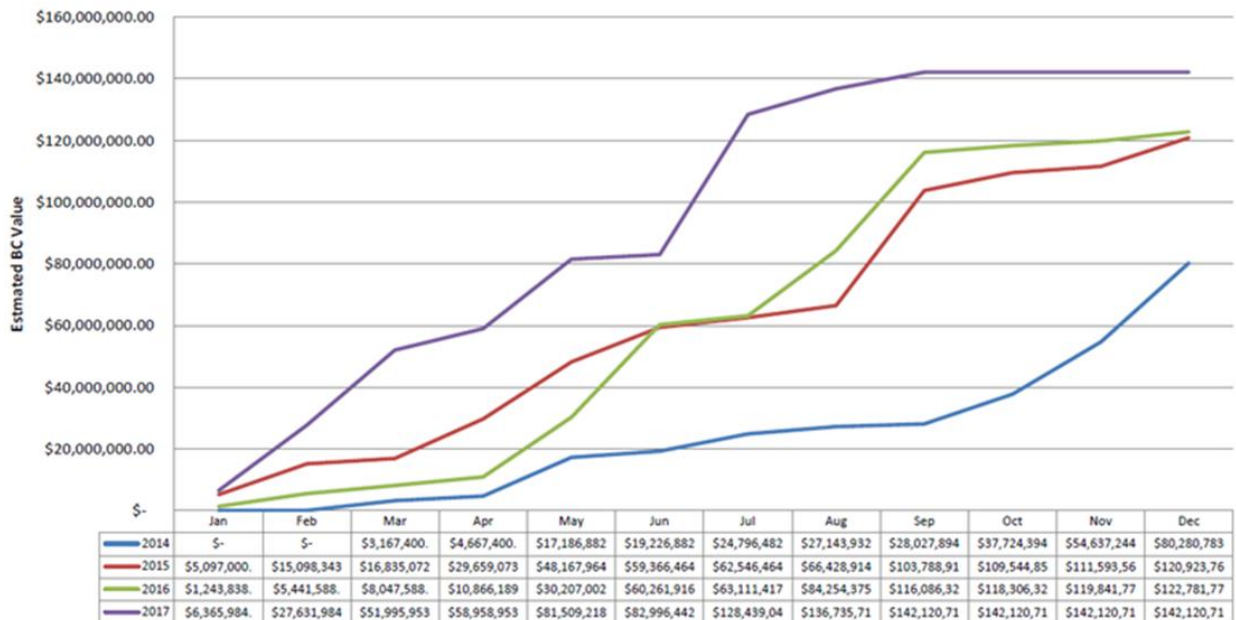



Figure 7.2: Cumulative Total Commercial Building Consent Values, 2014 – 2017, QLD



Conclusions

The conclusions drawn in the June report are broadly consistent with the wider findings in this report. Growth in consent numbers may not directly lead to additional business land demand, and the rate of business land consumption may differ significantly from the number and value of consents issued.



However, the monitoring reports do highlight the rapid growth in demand for commercial space albeit possibly tapering off over the past year. The report correctly identifies the construction sector as contributing to the most employment growth, however it should be noted that this doesn't necessarily lead to increased demand for industrial land. The Construction sector is characterized by owner operators. They are mostly located at residential addresses as discussed previously in this report. Council need to be wary about zoning too much land simply in response to construction employment growth.

7.5.2 Price Efficiency Indicators

The NPS-UDC requires that Councils use information provided by indicators of price efficiency in their land and development market to assist in assessing the sufficiency of development capacity provided by district plans, and regional policy statements. The indicators are one measure of the markets response to planning decisions as they highlight price differentials between zones as an indication of when additional capacity may be needed. The underlying theory being that if there are market price differences across planning zone boundaries, it may be an indication that the market is inefficiently allocating land between uses – constrained by the zoning rules.

To assist councils MBIE have developed and published information on price efficiency indicators on a dashboard on the MBIE website⁷³. The requirement to use price efficiency indicators responds to the New Zealand Productivity Commission recommendation that local authorities use price signals such as the rural-urban land price differential in their planning decisions.

There is one Price Efficiency indicator currently available on the MBIE dashboard that relates to business markets; the Industrial Zone Differentials (that relate to land price). This indicator is described below, then discussed in terms of what it means with respect to the operation of the business market in Queenstown.

7.5.3 Industrial Zone Differentials

The industrial land zone differentials have been calculated to compare the value of residential, commercial and rural land on either side of the boundary of Queenstown's "four largest Industrial zones" as defined by MBIE. Figure 7.3 shows the extent of these zones. It is important to point out that

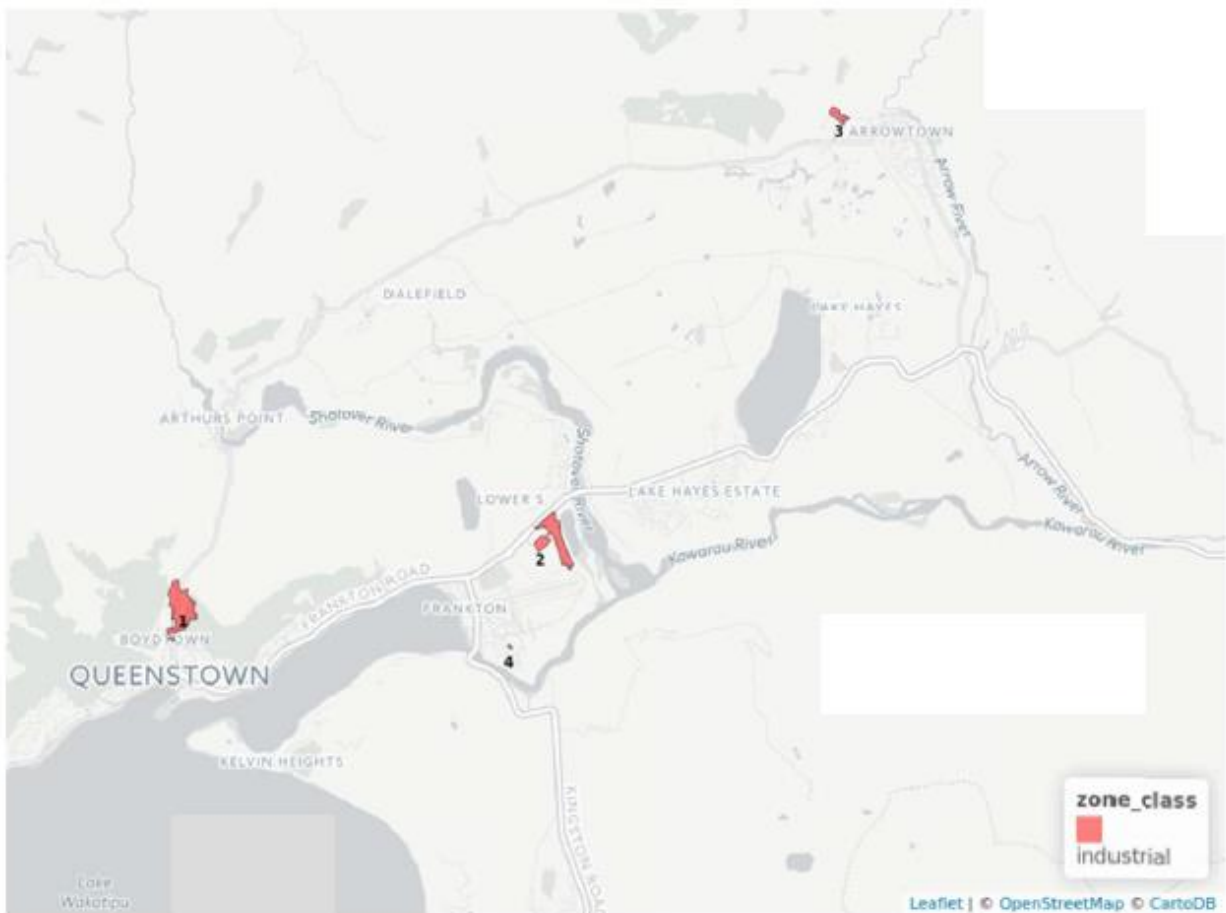
- Area #1 (although difficult to see in any detail) appears to comprise an area much greater than the BMU and Business (Operative) zones and quite likely includes areas of residential zoning particularly to the east.
- Area #2 includes the Glenda Drive Industrial A (Operative) zone and appears to include a portion of Precincts E2 and E1 in the Frankton Flats B Special zone but does not cover Precinct D which is the main (pure) industrial area.
- Area #3 appears to contain the Industrial A (Operative) zone in Arrowtown.

⁷³ <https://mbienz.shinyapps.io/urban-development-capacity/>

- Area #4 however, appears to contain a very small area of the Remarkable Parks Special Zone – specifically an area in the shopping centre. Area #4 therefore has no relationship to industrial land in Queenstown.
- Large areas of land that enable industrial activity have been excluded for the indicator.
- Importantly, none of the industrial zones in Wanaka or Luggate have been included.

Any results discussed below therefore relate only to an approximation of industrial land in the Wakatipu Ward. This limits its usefulness to QLDC, who must make decisions across the entire district.

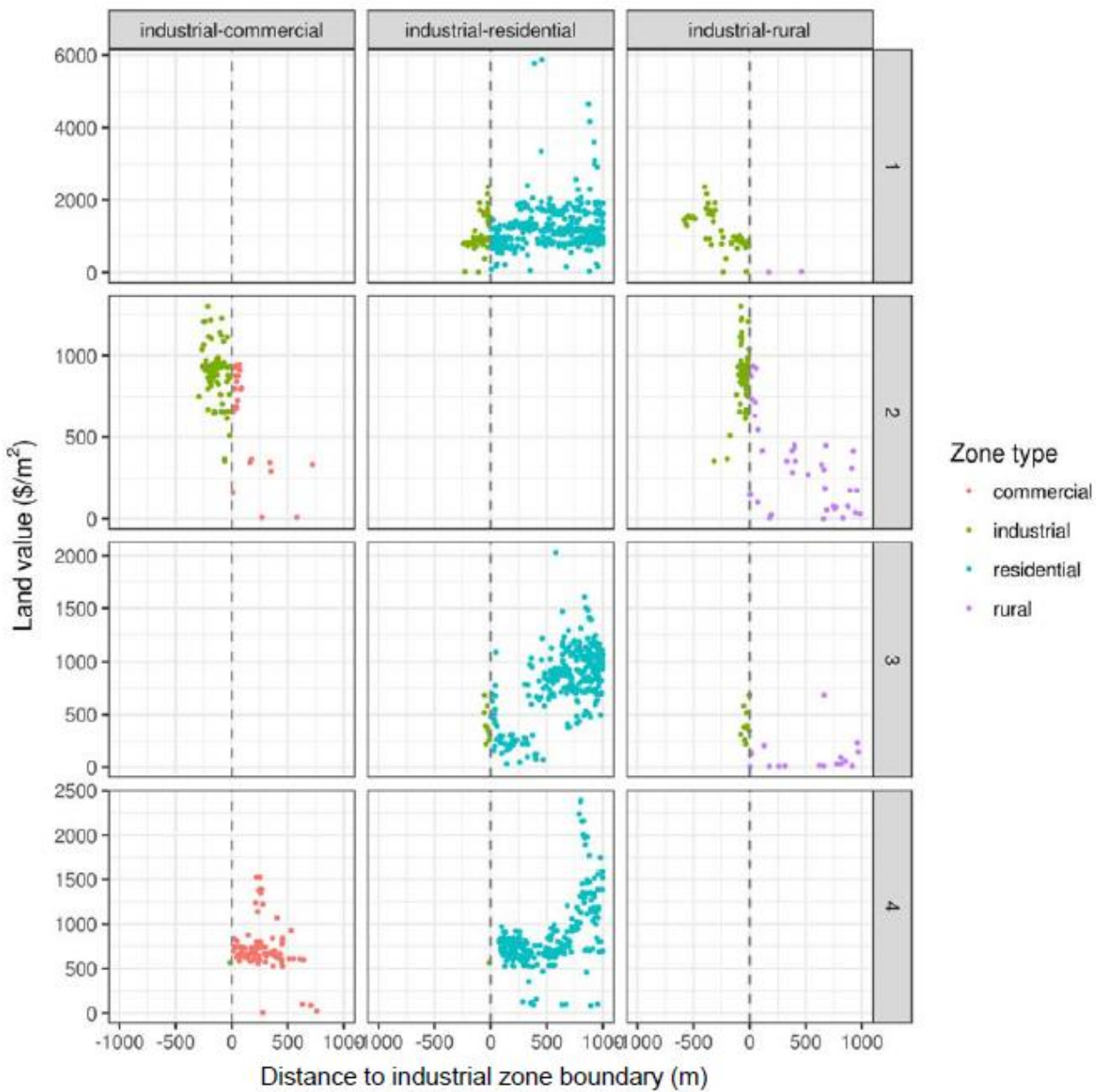
Figure 7.3 – Estimated Location of Largest Industrial Zones – MBIE



The results of the cross-boundary land valuations are presented in Figure 7.4 and Figure 7.5. In Figure 7.44, land values are plotted by distance from the boundary between the 4 identified industrial areas and the surrounding zones – by type. The indicator then focuses on differences within 250m of the boundaries between zones.



Figure 7.4 – Distribution of Land Values on Either Side of Boundary – 4 Largest Industrial Zones



What becomes clear from this is that the industrial land values are in most cases the same or very similar to the values of other land types across the boundaries. The notable exception being rural land – which is unsurprising given what can be achieved on industrial land versus rural land in the Wakatipu basin, especially given the Outstanding Natural Landscape classification of much of this area.

Figure 7.5 summarises all properties within 250m of the boundaries to provide an indication of where issues might lie. It also highlights where the results are statistically significant or not. The small numbers associated with Area 4 mean any results there are not significant (this is just as well as Area 4 is not an industrial zone). Results across the industrial rural boundary for Area 1 and industrial residential boundary for area 3 are also not statistically significant so can be ignored.

Figure 7.5 – Summary Differentials for Largest Industrial Zones (250m Distance from Boundary)

| Zone ID | Adjacent non-industrial zone | Number of industrial parcels | Average industrial land value (\$/m2) | Number of non-ind parcels | Average non-ind land value (\$/m2) | Difference in land value (\$/m2) | Ratio of land values | Statistically significant at 5% level? |
|---------|------------------------------|------------------------------|---------------------------------------|---------------------------|------------------------------------|----------------------------------|----------------------|--|
| 1 | residential | 60 | \$ 842 | 115 | \$ 687 | \$ 154 | 1.225 | TRUE |
| | rural | 34 | \$ 551 | 1 | \$ 2 | \$ 549 | 271.891 | FALSE |
| 2 | commercial | 86 | \$ 684 | 32 | \$ 525 | \$ 159 | 1.303 | TRUE |
| | rural | 89 | \$ 741 | 13 | \$ 42 | \$ 699 | 17.45 | TRUE |
| 3 | residential | 10 | \$ 328 | 38 | \$ 128 | \$ 201 | 2.575 | FALSE |
| | rural | 10 | \$ 328 | 5 | \$ 18 | \$ 310 | 17.995 | TRUE |
| 4 | commercial | 1 | \$ 563 | 57 | \$ 758 | -\$ 195 | 0.743 | FALSE |
| | residential | 1 | \$ 563 | 71 | \$ 716 | -\$ 152 | 0.787 | FALSE |


This leaves 4 boundaries that indicate that in all cases additional industrial land may be required, as the price differentials are strongly in favour of industrial land use. This does not mean QLDC must rezone land around these particular sites for industrial purposes, as there are other areas in the immediate vicinity that enable industrial land use that are not covered by the indicator work.

M.E recommend that the areas are defined accurately in this indicator to reflect industrial land areas in QLDC, including Wanaka; data be collected across all these areas; and this indicator be monitored over time. Any conclusions drawn from this data must be tempered with information on demand and capacity discussed in section 7.3 above.

7.6 Monitoring

ME recommend that the Councils carry out a range of monitoring of business land development, uptake and redevelopment to help with future updates and planning responses:

- While most areas appear to be well served by plan enabled capacity and that this capacity appears to be well chosen in terms of MCA results (is feasible), the key area of concern is industrial capacity in the Wakatipu Ward. Council should be particularly vigilant in terms of monitoring uptake and usage of industrial land as it is particularly sensitive to being used for other purposes and there is flexibility provided in some zone provisions. There is a significant level of activity taking place within the Frankton Flats B zone. A significant number of building consents have been approved and many buildings have commenced construction but had not been completed at the time of ground truthing – so are still treated as vacant capacity in this report. Monitoring of these properties is expected to confirm that many of these vacant land parcels will have been taken-up (occupied) in early to mid-2018, with others taken-up late 2018. This means that even an annual update of the modelling will show materially different results for industrial capacity than reported here.
- It is also noted that some of the business/industrial sites are currently used for informal bus parking, such as the vacant sites in Gorge Road and Frankton Flats. The current use and the status of the building need to be taken into consideration when reviewing the remaining vacant capacity. As above, the uptake of these vacancies should be monitored as part of the quarterly reviews.

- 
- It will also be helpful to monitor the take-up of all vacant business land and the uses of this land to understand the rate, space type and GFA of that development. It would be helpful for this to be monitored quarterly so that it is clear the number of sites that are being taken up;
 - Council will need to monitor the development of retail and commercial floorspace where GFA maximums apply (i.e. in Plan Change 50 Lakeview Precinct) as these are a direct input to the capacity modelling.
 - Council is advised to monitor trends in business and employment activity occurring in non-business zones in the urban environment, and any shifts in the split between business and non-business, and urban and rural activity.
 - Council also need to monitor growth areas that are currently outside of the urban environment including Kingston (potentially subject to HIF funding), Ladies Mile (a potential area of a new SHA) and Cardrona (significant capacity within the Mount Cardrona Special Zone).

7.7 Recommendations

In terms of the 2018 FDS and future development responses, M.E recommend that attention be given to the provision of additional industrial zoned land in the Wakatipu Ward to meet medium-long term demand (or medium-term demand to take a more conservative approach). The Industrial MCA framework can be used as a guide to evaluating different Wakatipu location options.



8 Reflection and Future Updates

The NPS-UDC requires high growth Councils to carry out this assessment every three years. This means that it is important that the 2017/18 study forms an appropriate baseline from which future change can be measured. The important point from the assessment is that the QLDC has ensured that there is sufficient business land capacity to cater for anticipated growth in the short to medium term. The shortfall in industrial land shortly after the medium-term will impact on land use decisions in these zones.

The most important thing Council can do to ensure they remain in touch with growth and change, is to constantly monitor business land development. By consistently updating datasets on development and occupancy, Council will be well placed to address development and broader economic trends as they begin to emerge.

8.1 Overview of BDCA Process

The process followed in this report is based strongly on that outlined in the Guidance on Evidence and Monitoring, published by MfE and MBIE, updated November 2017. The overall purpose and intent of the work is to provide QLDC with more information, such that they are able to make better informed decisions about business land.

The assessment process breaks down into two workstreams; a Demand Assessment based on the EFM employment projections, and a Capacity Assessment based on existing vacant supply. The capacity is estimated based on Council data including spatial data and property ratings data. Assumptions and results of the capacity assessment have been extensively 'ground truthed' by Council to ensure they truly reflect current conditions. In future, monitoring will take the place of ground truthing as a base dataset has now been established. Demand and capacity are brought together at the end to draw conclusions about sufficiency of the District Plan to provide for capacity.

In addition, the development community has been consulted to provide inputs into an assessment framework covering the potential of different pieces of land to be developed. It is acknowledged that those same stakeholders have not had an opportunity to provide feedback on the final MCA which incorporated their feedback at the draft stage. The MCA picks up on locational and physical characteristics of the district's development opportunities and provides a weighting in terms of how important each aspect is to the development decision making. Each broad area is then assessed against this framework to produce an overall development score.

By aligning the MCA scores with the sufficiency results it becomes clear whether the district plan is providing capacity in appropriate locations on appropriate land. In future, the MCA can be used as a tool to help evaluate proposals for new business zoning.


It is the combination of volume of land and how appropriate (feasible) it is that provides the final measure of sufficiency.



8.2 Key Issues Faced


QLDC and M.E staff worked effectively together through-out the project. QLDC always responded in a timely manner to any requests for data, input or feedback/review. As a result of the recent and ongoing PDP review process, they had many datasets in a readily available and useable format. There were however a few technical issues faced by M.E in preparing this report, all of which were overcome.

3. The key issue faced in preparing this assessment of business land sufficiency has been the state of the base data sets. Significant time was needed to align the core datasets – ratings database, planning zone shapefiles, structure plan information, parcel data and other sets of spatial data. While the overall process is a relatively simple one, issues with the capacity information have dominated the time required to deliver this report.
 - a. Council supplied mapping files for core underlying zones, sub-zones, transition zones, overlays and designations as separate layers. M.E required parcels to be tagged to one geographic layer according to their location. As such, the many layers needed to be ‘unioned’ in GIS before it could be used. This is however a relatively simple process (but one that needed several iterations as errors or changes were addressed).
 - b. Timings of the PDP: While initially the zoning files were to capture the Stage 1 PDP zones, the Stage 2 PDP zones (i.e. Visitor Accommodation Sub-Zones) were also notified before the completion of the work and M.E were expected to include them. Changes to the spatial framework of the modelling required the model development steps to be repeated and the integrity of the model to be re-established each time.
 - c. The parcel file supplied by Council contained a large number of duplicate or overlapping parcels that M.E were not made aware of. This was not evident initially when mapped but caused issues when parcel areas were aggregated by zone or vacant parcels were tagged and their areas summed. Additional time was needed to develop a method that removed the duplicates to leave a single layer of contiguous parcels and repeat the model build process.
 - d. Large areas of the urban environment fall within Structure Plans. These structure plans were not available in GIS format like the rest of the District Plan zones. They came in a number of formats including CAD files and PDFs (images within the District Plan). This required time for M.E to digitise the structure plans into a GIS format so that all areas could be assessed in a consistent way. Some CAD files were found to have overlapping polygons which caused issues later in the modelling process. This was rectified. Considerable time was spent digitising the Jack’s Point/Hanley Downs/Homestead Bay structure plan provided. This later had to be repeated with a newer/different version of the structure plan. Not all structure plans captured the business zones that needed to be modelled. Additional work was required to further split some precincts using images of subdivision plans (this applied in Three Parks, Northlake, the Industrial B precincts and in Shotover Country).
 - e. As a general observation, the QLD has a large number of Special Zones (with detailed structure plans). This increased the work significantly compared to districts that have



a more consistently applied set of planning zones. Whether or not a Structure Plan or approved Outline Plan was used for modelling depended on the level of development that had commenced at the initial stages of the model construction. For example, in Three Parks and Frankton Flats Special Zones, known approved roads were removed from the modelling area, but the Structure Plans were relied on for capacity purposes and the approved resource consent decisions were used to determine the size and position of the school. It is noted that Council is currently considering an Outline Development Plan that increases the overall retail capacity in the Commercial Core at Three Parks. In terms of Northlake, approved resource consent decisions were taken into consideration when reviewing the overall non-residential uses. However, the retail portion of the zone was made simpler with a cap on the overall floor space available in this zone. In terms of Remarkables Park, a combination of the Structure Plan and approved resource consent plans were utilised. In areas that were undeveloped the structure plan was relied on, and any known roads were removed. On the sites where development had commenced but had not completed the approved resource consent plans were utilised. The structure plan was relied on in Jacks Point and Shotover Country, but with the restrictions specified in the plan.

- f. As some zone, sub-zone, overlay and structure plan precinct boundaries did not always follow parcel boundaries, M.E adopted a GIS approach to split property parcels into their different parts so that the planning rules could be applied more accurately to the right land areas (which were recalculated); a process akin to artificial subdivision. This generates a lot of geographic “slivers”. This was exacerbated where GIS files supplied by Council that appeared to be parcel based, were not in fact ‘snapped’ the parcel boundaries. This also created unintended zone-sub-zone combinations that needed to be ignored for the purpose of reporting, but still included in order to generate accurate aggregate zone areas.
 - g. There are two down-sides of the GIS approach to split parcels by the spatial framework. First it creates a parcel layer that no longer matches the one that Council uses (see also c above in this regard). This may create some additional challenges for future integration of the modelling with Council’s systems. Second is that it creates duplicate parcel ids. The parcel ids are needed to link the parcel level data to the property level (rating) database. However, unique parcel ids are also needed so that individual vacant parcels could be tagged by their correct zone location. The use of unique ids meant that some rating data could no longer be ‘matched’.
4. Other more general issues have been discussed throughout the report such as the coupling of the district plan activity tables with M.E’s land use/building typologies, the flexibility offered in many zones meaning that capacity could only be reported robustly as potential maximums (with overlap with other land uses) and the slight time difference between the base year of demand and the date of vacant capacity calculation. These don’t require further discussion. One additional minor issue was that the proposed PDP provisions enable new activities or a greater quantum of activity in some cases than has been able to develop to date. This meant that assumptions were sometimes required in the absence of any past trend data (such as the



share of residential floorspace likely in some business zones where this activity had not been enabled, or enabled as easily, as it is now).

8.2.1 QLDC Long Term Plan, Annual Plan and Infrastructure Strategy

At a higher level, a relevant issue faced by Council in this BDCA process is the disjoint between NPS-UDC reporting dates and other reporting programmes.

The NPS-UDC requires the integration between land use and infrastructure planning, recognising that urban development is dependent upon infrastructure. Policy A1 specifies that development capacity provided in plans must either be serviced (in the short-term), identified in a LTP (medium-term), or identified in a relevant Infrastructure Strategy (long-term).


Under the Local Government Act (LGA), local authorities are required to prepare LTP every three years, and an annual plan every year. The LTP (and the annual plan) strategically manages the growth in the district, including location and timing of the growth. The LTP sets out an agreement between the Council and the community as to the sequencing, method and timing of infrastructure and servicing and how this will be funded. Alongside the LTP, an 'Infrastructure Strategy' is also required to be prepared by Council under the LGA for a 30 year period.

Council is currently preparing the Annual Plan for 2017/2018 and at the end of March 2018 will be going out for consultation. At the same time, Council will be consulting on the 10 Year Plan (2018-2028) in February 2018 and the review of the 30 year Infrastructure Strategy (2015-2045). Due to the significant lead in time of these projects which have substantially commenced at the date of this report, these LGA plans are not able to take account of the results of the BDCA and HDCA and will need to be picked up in subsequent additions. It is acknowledged that this is an issue for all high growth Councils undertaking these assessments.

Additionally, the FDS (to be prepared in 2018), is required to demonstrate feasible development capacity in the medium (2026) and long-terms (2046). The capacity considered by the FDS will therefore be limited to the current versions of the LTP and Infrastructure Strategy, and could not, for example, identify strategies to provide capacity in new locations which are not planned in either the 2018 LTP or Infrastructure Strategy.

8.3 Key Learnings

The development of the BDCA has been a learning process for both M.E and Council. The result is a workable (and relatively straightforward) modelling process and structure that can now be updated as required. The updates will not be automatic but require the systematic completion of several steps – starting with GIS outputs and integrating those into the establish excel modelling framework. Much of the work that has gone into developing a working model (including building the EFM, extracting planning rules and activities by zone from the District Plan and setting up the MCA frameworks) will not need to be repeated. Rather, will require only relatively minor adjustments in future to keep them up to date. M.E expects the next update of the model could focus on changes in the zoning layers (as decisions come out on submissions to stage 1 hearings for example).



On aspect that M.E would change in future updates would be to create a single capacity model. At present, two models were set up with the same structure – one for the non-structure plan zones and another for the structure plan areas. The results were then brought together. This evolved because the structure plans needed to be established in GIS as a separate exercise as were not part of the zoning files supplied by Council. It would be relatively simple to overcome this if the structure plan GIS layer and other zoning GIS layer were joined into a single contiguous zoning/precinct file. Some work would be needed to snap the boundaries of the structure plans to the surrounding zones. Having a single model will make updates even faster.

8.4 Gaps and Potential Improvements


In completing this first BDCA, both M.E and Council have identified some technical areas where Council's data capture, storage, access and reporting/communication could be further refined to facilitate monitoring and future assessment updates. These will be discussed further, separate from this report.

Throughout this report, a few areas for potential further work have been identified. These would improve the accuracy of the report findings in future updates. In summary these were:

- A detailed analysis of current business land use and floorspace (GFA). This should be reconciled at the property level with employment at the 48 sector as a minimum. Land use and GFA could be coded to the 15 typologies used in this report (or a set customised for QLD). This work would allow for the following enhancements:
- Local level ratios of land/GFA per employee (MEC) by typology.
- Local level matrix of employment by sector to land use/building typology.
- A more accurate understanding of employment and business activity by zone.
- Examination of the assumption of a constant percentage share of employment activity by rural, urban and urban business zones over time. A review of past trends would be useful to see how this has been changing in recent years (and in what sectors). Any relevant Council strategies could also be brought to bear on the issue.
- Development of additional MCA frameworks to cover other land uses.

Other areas that may also warrant further discussion include:

- Developing an understanding of current supply constraints and whether there is any latent demand for business space of specific types or in specific locations. This is relevant as the BDCA considers only future growth (from the base year) and compares this with current vacant capacity, assuming therefore, that supply is equal to demand in the base year.
- Running a new projection in the EFM may also be warranted that combines the QLDC Recommended population and visitor count projections with medium-high averages for other economic inputs rather than just medium data for those other economic inputs. The reason being is that the weighted outcome of the Recommended employment projections is very close to the pure medium employment projections, even though the intent of the QLDC



projections was to settle on a position between the medium and high SNZ growth series. A projection running off peak visitor counts rather than average day visitor counts would also be worth developing for sensitivity testing purposes.

- Consideration should also be given to establishing localised ‘margins’ on top of demand. This BDCA has adopted the margins recommended by MBIE in the guidance document. However, ongoing monitoring (and more targeted analysis of past trends of land release and current market conditions) will help inform if those national margins area appropriate or not for QLD.

8.4.1 Cooperation with CODC and ORC

The NPS-UDC (Policy D1a) strongly encourages local authorities that share jurisdiction over a SNZ urban area to work together on a joint HDCA and BDCA. QLDC does not share any statistically defined urban areas with a neighbouring council but does have shared jurisdiction with ORC.

Cromwell, in neighbouring Central Otago District (COD) has a close economic relationship with both the Queenstown and Wanaka urban environments. It is between a 30 minute and 1 hour drive from Luggate, Wanaka, Arrowtown and Queenstown. It serves an important role as a service centre for an extensive farming and stone fruit growing area, and a transport logistics hub located centrally between Wanaka, Queenstown and Alexandra and the Lindis and Haast passes.


In a 2016 report⁷⁴ by Urban Economics for Property Council New Zealand it was noted that Central Otago has 466,900m² of Commercial Building Floorspace. The floorspace includes Office, Retail, Hotel and Leisure, Other Commercial and Industrial Land. In Central Otago the Industrial type makes up the largest type of Commercial building floorspace with 265,400m² of Industrial land, followed by Retail with 83,300m², Other Commercial at 55,800m², Hotel and Leisure at 44,000m² and finally Office with 18,400m².

CODC Council Plan Change 11 added to this with the decision in July 2017 which rezoned 5.8015 ha from Rural Resource Area to Industrial Resource Area in Cromwell. COD Council Plan Change 12, if approved, will also rezone a large amount of land that will contribute to Commercial and residential capacity in Cromwell. The proposed plan change sought to rezone 7.63 ha low density residential (Residential Resource Area (3)), 8.32ha rezoned to medium density residential (Residential Resource Area (11)), 2.78ha to high density residential (Residential Resource Area) and 2.47ha rezoned for mixed use, visitor accommodation and commercial supporting vineyard/cellar door (Business Resource Area (2)).

There is anecdotal evidence that suggests Cromwell is meeting some of Queenstown and Wanaka’s business property demands although the extent of this is currently uncertain. QV notes that “Cromwell is now recognised as a “Central Hub” due to its close proximity to surrounding towns such as Queenstown, Wanaka, and Alexandra making it an appealing location for both owner occupiers and investors”⁷⁵. Due to

⁷⁴ https://www.propertynz.co.nz/sites/default/files/uploaded-content/newsletter-content/economic_significance_web.pdf

⁷⁵ <https://www.qv.co.nz/property-insights-blog/central-otago-rating-revaluation-shows-a-jump-in-property-values-in-the-district-s-main-centres/251>



its central location (and industrial land capacity), Cromwell has attracted a number of manufacturing and service businesses (such as those in the construction sector) that supply customers throughout COD and QLD.

CODC has a growing tourism sector and Cromwell in particular attracts tourists travelling to/from Queenstown and Wanaka, including day trip visitors staying in those centres. Cromwell and neighbouring Bannockburn have a strong focus on wine tourism activity, complementing the activity in QLD's Gibbston Valley. These business and tourism relationships are expected to strengthen in future as the Queenstown-Wanaka-Cromwell conurbation continues to grow.

There is also a flow of commuter traffic between Cromwell, Wanaka and Queenstown. The 2013 Census looked at where people live and work on different scales. In 2013 there was 423 people who lived in the COD and worked in QLD and 267 people who lived in QLD and worked in COD. When organised by Census Area Unit (CAU) Cromwell had 1,197 people who lived in the Cromwell CAU and worked in Cromwell CAU, there was then 198 people who lived in the Cromwell CAU working in the CAU's within QLD. The total amount of people who live in Cromwell and work was 2,526 people, this means that 7.8% of people who work, do so in QLD.

There is anecdotal evidence to suggest that the number of people who live in Cromwell and work in QLD is increasing and residential developers are starting to respond to that market. There is also a potential that development capacity in CODC may be 'easier' to bring to market than in Queenstown and Wanaka. More research is needed in this area and better information on how these patterns have changed or grown will be available after the 2018 census.

Discussions with NZTA, ORC and CODC highlight that more detailed investigation into business, tourist and workforce movements between the two districts is required. This would be a good opportunity to work together to produce a joint body of work between all the organisations. It is noted that CODC is currently not defined as a medium or high growth urban area, and although the NPS-UDC still applies to the district, the council is not currently required to prepare a BDCA or HDCA. Therefore, the Council has limited quantitative data that could be utilised for QLD's current assessment.

QLDC recognise that in future updates of the BDCA and HDCA, a joint assessment with CODC would support alignment of decision-making between the local authorities, toward efficient use of land and infrastructure funding. Discussions with the ORC, NZTA and CODC have highlighted this is an area where joint assessment is required. In the meantime, the economic projections underpinning this BDCA take account of the supply and demand relationships between QLD and the Rest of Otago Region, so captures existing patterns with respect to Cromwell, Wanaka and Queenstown.



Appendix 1 – NPS-UDC Objectives

Objectives

The following objectives apply to all decision-makers when making planning decisions that affect an urban environment.

Objective Group A – Outcomes for planning decisions

- OA1: Effective and efficient urban environments that enable people and communities and future generations to provide for their social, economic, cultural and environmental wellbeing.
- OA2: Urban environments that have sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.
- OA3: Urban environments that, over time, develop and change in response to the changing needs of people and communities and future generations.

Objective Group B – Evidence and monitoring to support planning decisions

- OB1: A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.

Objective Group C – Responsive planning

- OC1: Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long-term.
- OC2: Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.

Objective Group D – Coordinated planning evidence and decision-making

- OD1: Urban environments where land use, development, development infrastructure and other infrastructure are integrated with each other.
- OD2: Coordinated and aligned planning decisions within and across local authority boundaries.

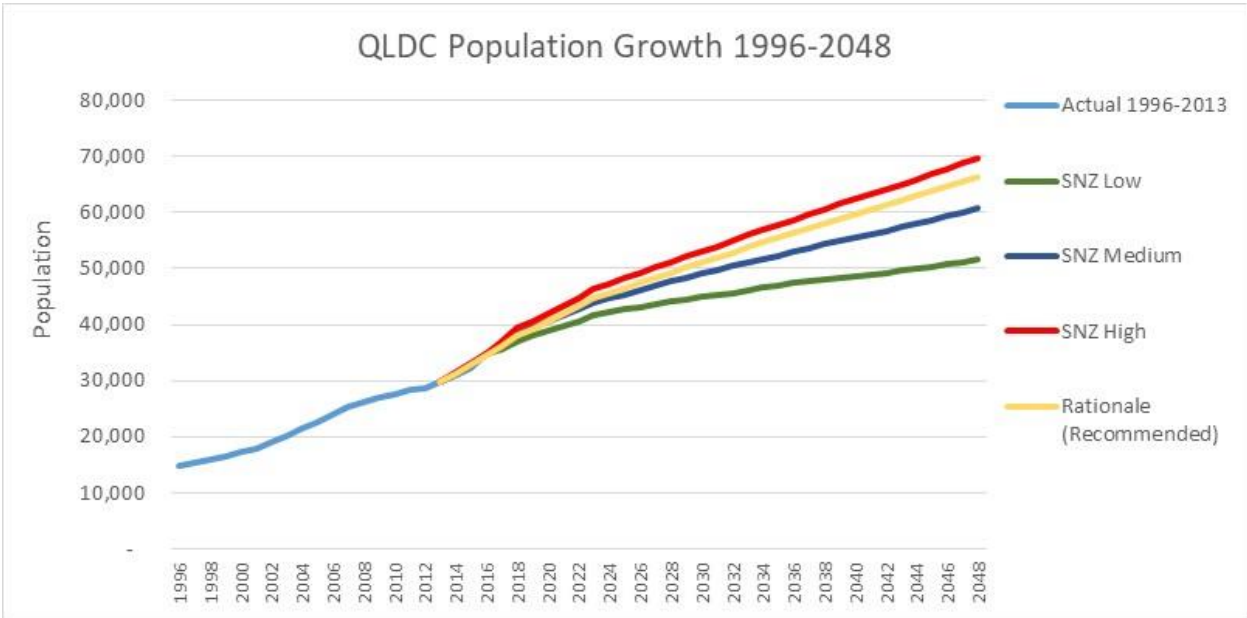
Appendix 2 – Comparison of Projections

Usually Resident Population Projections – Comparison

The following table compares the latest (2017) SNZ population projections for QLD with the QLDC Recommended growth projection utilised by Council. It shows that the QLDC Recommended projection sits between the SNZ Medium and High projection – but weighted slightly toward the High over the period to 2046.

| Year | SNZ Low | SNZ Medium | SNZ High | Rationale (2016) |
|-----------|---------|------------|----------|------------------|
| 1996 | | 14,800 | | |
| 2006 | | 24,100 | | |
| 2013 | | 29,700 | | |
| 2016 | 34,700 | 34,700 | 34,700 | 34,440 |
| 2026 | 43,200 | 46,100 | 49,200 | 47,400 |
| 2036 | 47,400 | 52,900 | 58,700 | 56,340 |
| 2046 | 50,800 | 59,300 | 67,700 | 64,690 |
| 2016-26 | 8,500 | 11,400 | 14,500 | 12,960 |
| 2016-46 | 16,100 | 24,600 | 33,000 | 30,250 |
| 2016-26 % | 24% | 33% | 42% | 38% |
| 2016-46 % | 46% | 71% | 95% | 88% |

Source: Statistics NZ 2017, Rationale/QLDC



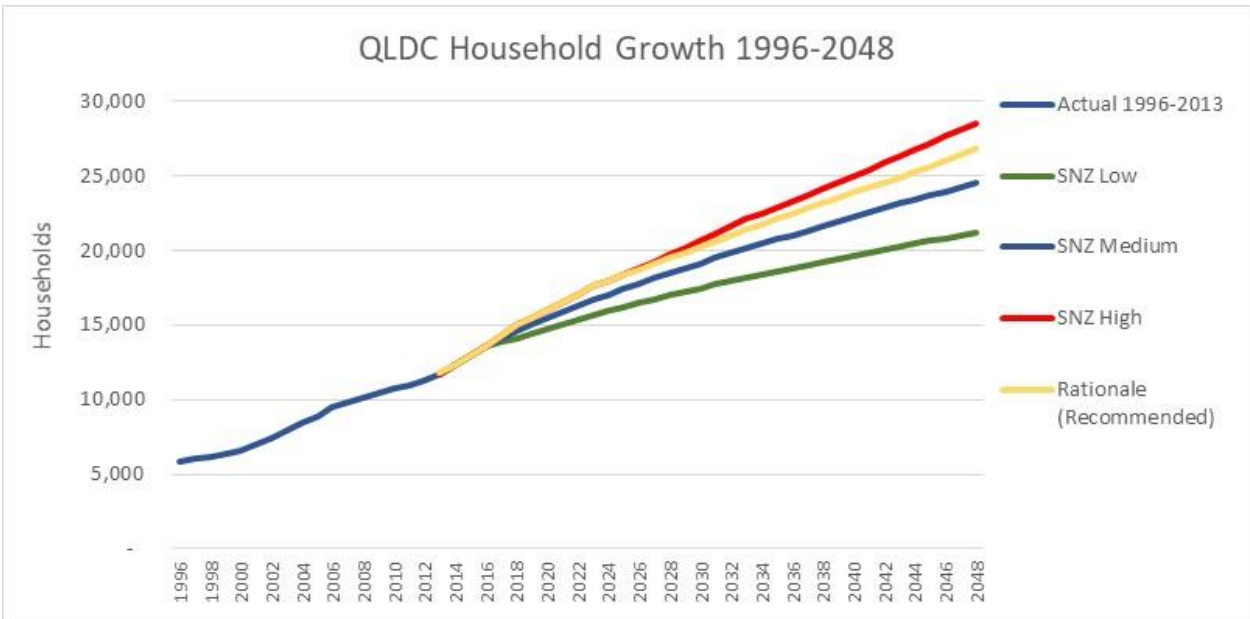


Usually Resident Household Projections – Comparison

The following table compares the latest (2017) SNZ household projections for QLD with the QLDC Recommended growth projection adopted by Council. It shows that the QLDC Recommended projection sits between the SNZ Medium and High projection in the long term (2046) but sits very close to the SNZ High projection in the medium term (to 2026).

| Year | SNZ Low | SNZ Medium | SNZ High | Rationale (2016) |
|-----------|---------|------------|----------|------------------|
| 1996 | | 5,800 | | |
| 2006 | | 9,500 | | |
| 2013 | | 11,700 | | |
| 2016 | 13,600 | 13,600 | 13,600 | 13,620 |
| 2026 | 16,470 | 17,760 | 18,830 | 18,710 |
| 2036 | 18,800 | 21,030 | 23,280 | 22,460 |
| 2046 | 20,830 | 23,970 | 27,630 | 26,020 |
| 2016-26 | 2,900 | 4,200 | 5,200 | 5,090 |
| 2016-46 | 7,200 | 10,400 | 14,000 | 12,400 |
| 2016-26 % | 21% | 31% | 38% | 37% |
| 2016-46 % | 53% | 76% | 103% | 91% |

Source: Statistics NZ 2017, Rationale/QLDC





Appendix 3 – EFM Drivers of Growth

The economic projections of the EFM are driven by a set of “Business as Usual” commodity and service parameters, translated into demands. However, the key drivers of future demand are based on projections of population growth and tourism flows provided by QLDC. In the Input-Output framework (the basis of the Multi-Regional Input-Output Table (MRIO)) these demands are termed ‘final demands’.

Within the model final demands are made up of five categories: household consumption, international exports, inter-regional exports, gross fixed capital formation (GFKF), and changes in inventory. The process for deriving future BAU estimates for each category is as follows:


- a) **Household Consumption:** The household consumption final demand is made up of four sub-consumption categories, ‘Households’, ‘Private non-profit institutions servings households’, ‘Central Government’ and ‘Local Government’. Future estimates of demand in each sub-category is primarily driven by changes in future population. The Model uses QLDC recommended projections covering all of QLD. It is assumed that each person within the region consumes a constant mix of goods and services. Thus, any population growth for the area will result in a proportional increase in the amount of goods and services consumed within each sub-category.

In addition, the model includes the implications of changing demographic structure on household consumption. For all sub-categories, future demands by each cohort are adjusted by a cohort-specific consumption scalar. These scalars define the ratio of spending by an average person across all cohorts, to the spending of an average person within the subject cohort.

The resulting value for a particular year provides an estimate of the growth in total household consumption from the base year.

- b) **International Exports:** are overseas demand of goods and services produced by an area and are exogenous inputs to the model. The growth projections used include BAU projections of international exports and future projections for each industry are generated by applying long-run average growth rates to the base year international export values as obtained from the MRIO. The exception to this is for sectors that are driven primarily by tourism flows. For these, growth projections of tourism nights developed utilised by QLDC have been used in place of the long run averages for the export performance of the Accommodation, retail, transport, recreational activity and personal services sectors.

The growth rates were generated using a number of different statistical methods. Selection of the time series techniques applied depended on the availability of the data and underlying production structure of the industry output being analysed. For example, long-run growth rates for agricultural industries were estimated based on long-run projections of physical stocks and land availability constraints. Conversely, industries with less physical constraints, such as services, were estimated based on long-run national export trends. The data utilised in these time series analyses were derived from SNZ’s Overseas Trade Exports – Trade, Merchandise: Monthly Estimates of all Harmonised System Items 1989–2014.

- 
- c) **Inter-regional Exports:** are demands of good and services produced within a study area by areas outside the study area, but within New Zealand. In other words, trades between QLD areas and the rest of New Zealand affects demand for the production activities in each area.
 - d) **Gross Fixed Capital Formation (GFKF):** Future increases in investment demand are represented as a change in GFKF and is an exogenous input into the model. The future GFKF projections for each industry is generated by applying long-run average growth rates to the base year GFKF values as obtained from the MRIO. The growth rates were determined by econometric time-series analysis. The data utilised in the time-series analysis of GFKF are derived from SNZ's National Accounts gross fixed capital formation by industry time series.
 - e) **Changes in Inventory:** these are an endogenous variable within the model, where future projections are the weighted average of future values of other final demand categories. Within the national accounts framework, the changes in inventory is an accounting balancing item and records changes in financial inventory stocks. Note: for many industries changes in inventory are very small compared with international exports, inter-regional exports, and GFKF.

Appendix 4 – Stakeholder Workshop Agenda

QLDC NPS Urban Development Capacity Project Agenda – Workshop 3 (Business Engagement)

Details:

| Date | Location | Time |
|----------------------------|--|---------------|
| 13 th Nov. 2017 | QLDC Gorge Road Offices – Council Chambers | 11:00am – 1pm |

Attendees:

| Name + Organisation | Name + Organisation |
|---|--|
| Natalie Hampson – M.E (Project Manager) | Tim Williams – Remarkables Park |
| Greg Akehurst – M.E (Presenter) | Brian Fitzpatrick – Remarkables Park |
| Tony Avery - QLDC | Peter Harris - QLDC |
| Anita Vanstone – QLDC | Nathan Stocker – Otago Regional Council |
| Richard Pope – QLDC | Ann Lockhart – Queenstown Chamber of Commerce |
| Ian Bayliss - QLDC | Brett Ellison – Ngai Tahu Properties |
| Rachel Tregidga – Queenstown Airport | Scott McCulloch – Ngai Tahu Properties |
| Lindsay Williams – Savanna Commercial Limited | Cameron Reed – Ray White |
| Johnny Stevenson – Coronet Properties | Jason Watkins – Business Development Manager, CUBE |
| Alastair Wood – Colliers International | Graham Wilkinson – Generus Living Group |
| Bridget Legnavsky – Cardona Alpine Resort | |

Agenda Items:

| Time | Focus | Lead |
|---------|--|----------------------|
| 11:00am | Introductions | Anita |
| 11:10am | Overview of M.E's approach to meet the NPS-UDC Business Capacity Assessment Requirements Objectives of workshop | Greg |
| 11:25am | Discussion of potential commercial development sites/capacity – preliminary findings. <ul style="list-style-type: none"> Guided discussion on each key area to identify consensus view or issues/constraints. | Greg Stakeholders |
| 11:55am | Overview of Multi Criteria Analysis Framework. <ul style="list-style-type: none"> Guided discussion on location and site requirements. | Greg Stakeholders |

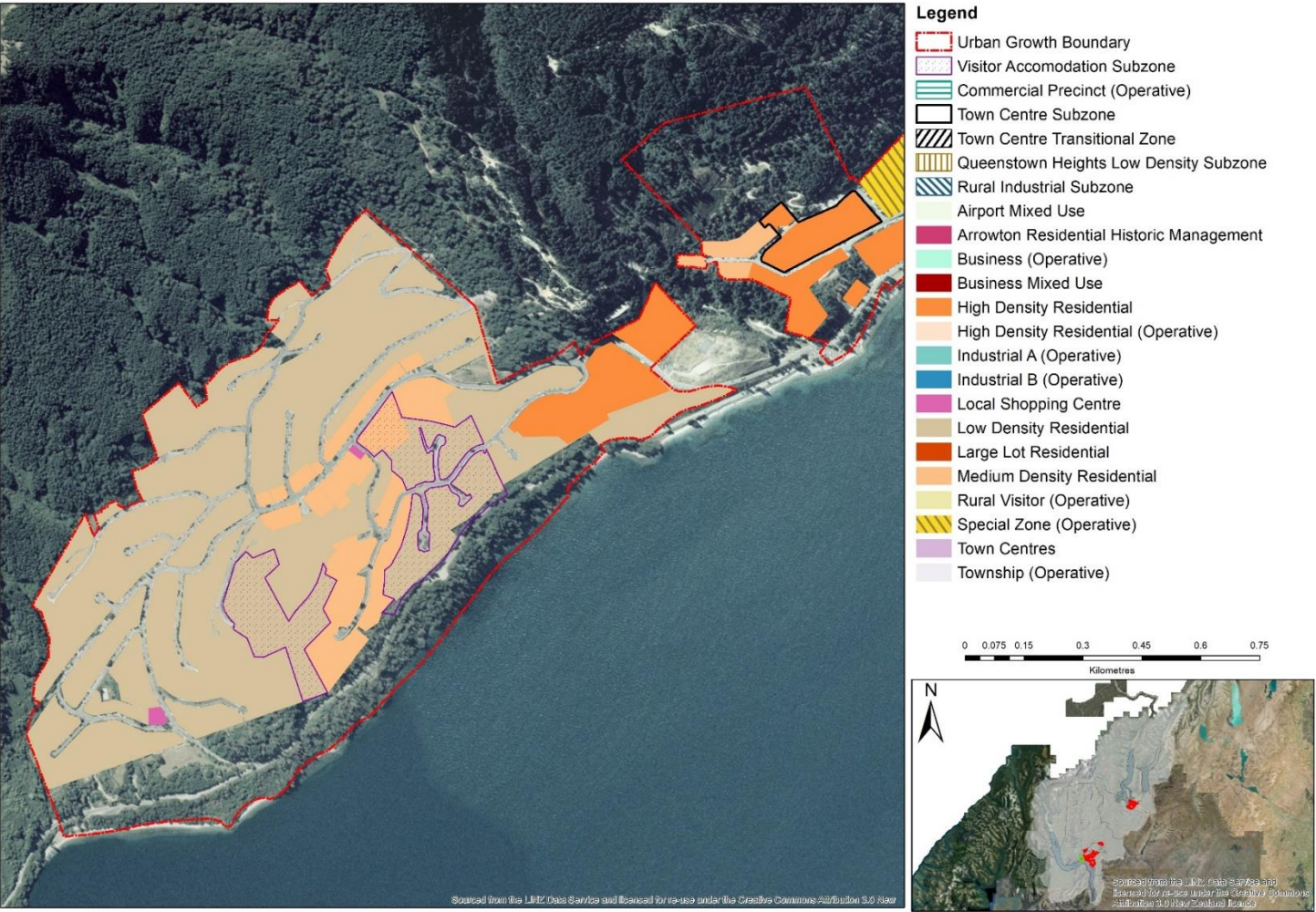


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|---------|---|----------------------|
| | <ul style="list-style-type: none">Guided discussion on weighting given to different location/planning characteristics. | Stakeholders |
| 12:40pm | Overview of ranking process/purpose <ul style="list-style-type: none">Guided discussion to rank the uptake of potential development sites (and best use to apply in the model). | Greg Stakeholders |
| 1:00pm | Next steps, close. | Greg/Natalie/Anita |



Appendix 4 – Land Use Maps Queenstown & Surrounds

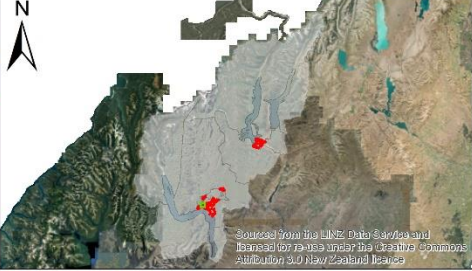
Queenstown West



Queenstown Central

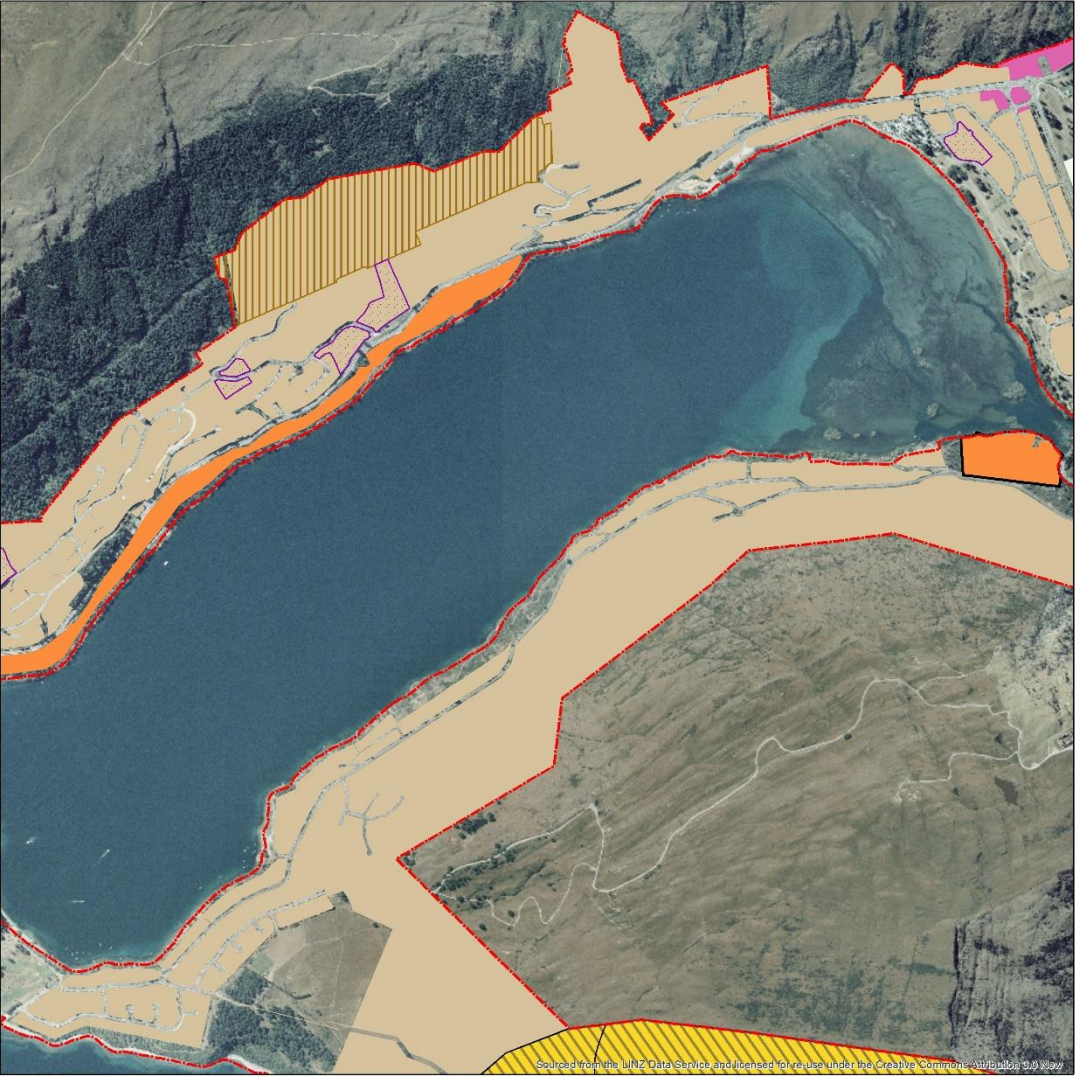


- Legend**
- Urban Growth Boundary
 - Visitor Accomodation Subzone
 - Commercial Precinct (Operative)
 - Town Centre Subzone
 - Town Centre Transitional Zone
 - Queenstown Heights Low Density Subzone
 - Rural Industrial Subzone
 - Airport Mixed Use
 - Arrowton Residential Historic Management
 - Business (Operative)
 - Business Mixed Use
 - High Density Residential
 - High Density Residential (Operative)
 - Industrial A (Operative)
 - Industrial B (Operative)
 - Local Shopping Centre
 - Low Density Residential
 - Large Lot Residential
 - Medium Density Residential
 - Rural Visitor (Operative)
 - Special Zone (Operative)
 - Town Centres
 - Township (Operative)

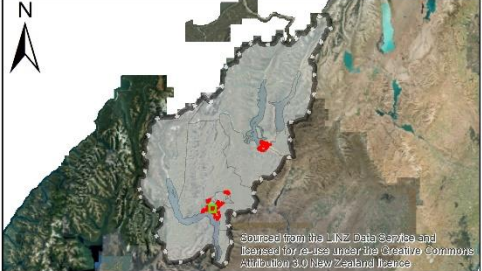




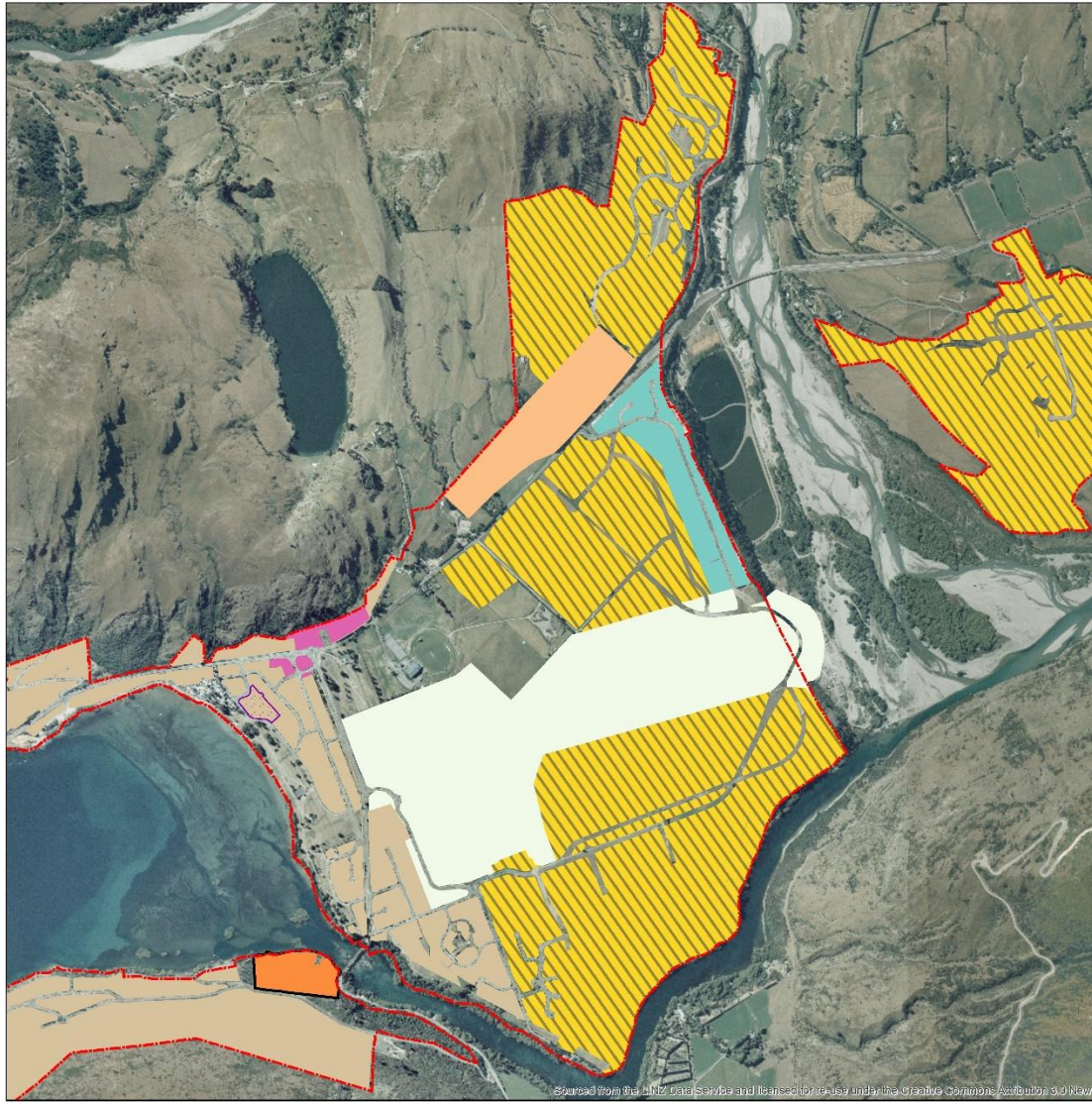
Queenstown East



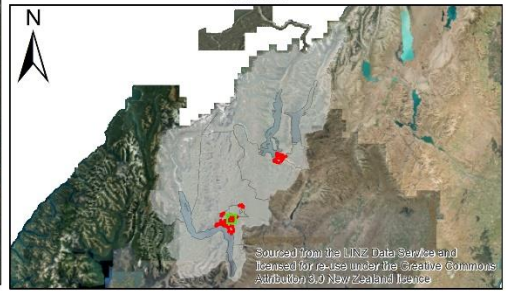
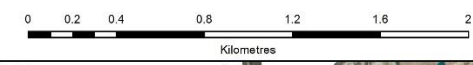
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Frankton, Five Mile, Remarkables Park, Queenstown Airport



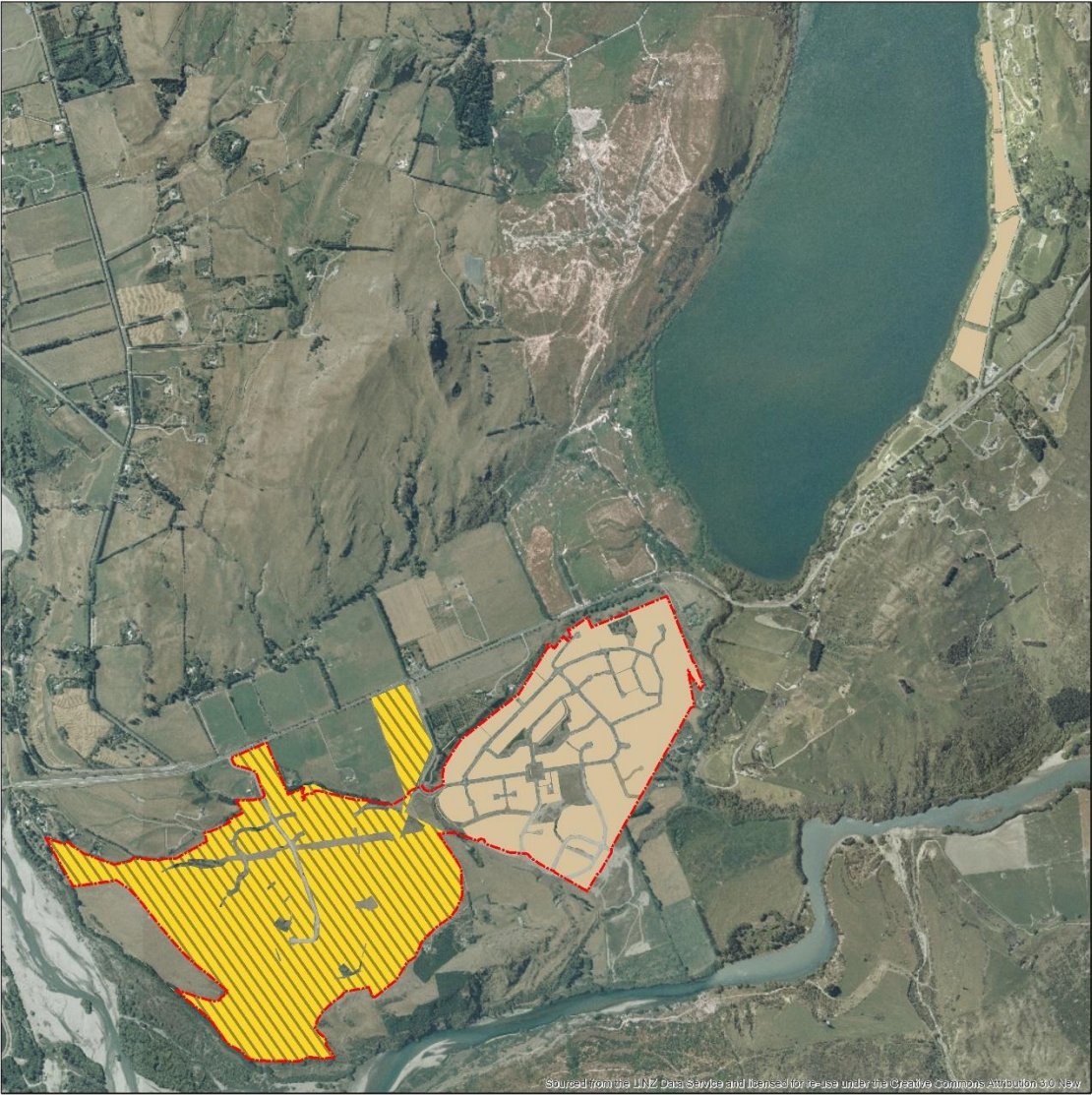
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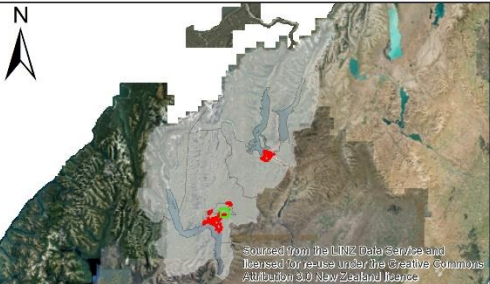
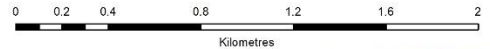
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Shotover Country and Lake Hayes



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Jacks Point



Legend

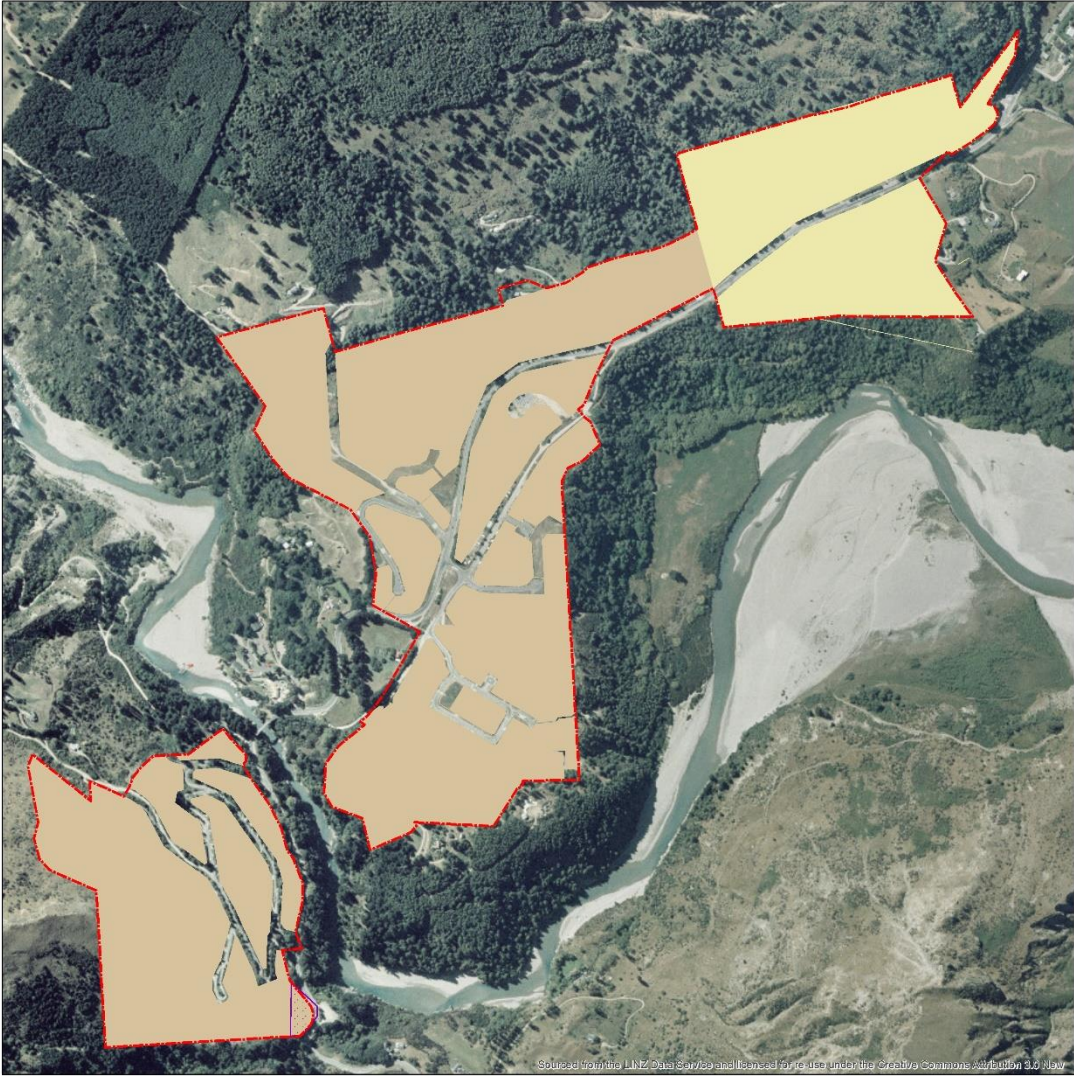
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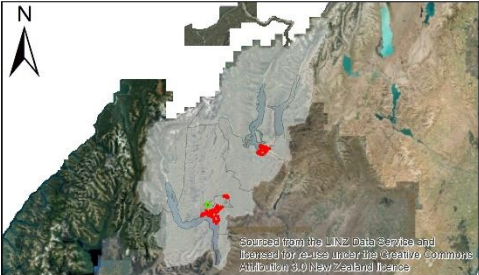
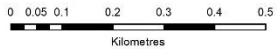
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Arthurs Point



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Appendix 6 – 2016 Economic Summary

Structure of economy by 48 Sector and Ward

| 48 Sector Description | Employment (MECs) | | | Businesses (Gus) | | |
|---|-------------------|---------------|-------------|------------------|---------------|-------------|
| | Wanaka Ward | Wakatipu Ward | District | Wanaka Ward | Wakatipu Ward | District |
| Horticulture and fruit growing | 1% | 1% | 1% | 1% | 1% | 1% |
| Sheep, beef cattle and grain farming | 2% | 0% | 1% | 3% | 1% | 2% |
| Dairy cattle farming | 1% | 0% | 0% | 0% | 0% | 0% |
| Poultry, deer and other livestock farming | 1% | 0% | 0% | 1% | 1% | 1% |
| Forestry and logging | 0% | 0% | 0% | 0% | 0% | 0% |
| Fishing and aquaculture | 0% | 0% | 0% | 0% | 0% | 0% |
| Agriculture, forestry and fishing support services | 1% | 0% | 0% | 1% | 1% | 1% |
| Mining, quarrying, exploration and other mining support services | 0% | 0% | 0% | 0% | 0% | 0% |
| Oil and gas extraction | 0% | 0% | 0% | 0% | 0% | 0% |
| Meat and meat product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Dairy product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Other food manufacturing | 1% | 1% | 1% | 1% | 0% | 0% |
| Beverage and tobacco product manufacturing | 0% | 0% | 0% | 1% | 0% | 0% |
| Textile, leather, clothing and footwear manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Wood product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Pulp, paper and converted paper product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Printing | 0% | 0% | 0% | 0% | 0% | 0% |
| Petroleum and coal product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Non-metallic mineral product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Primary metal and metal product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Fabricated metal product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Transport equipment manufacturing | 1% | 0% | 0% | 0% | 0% | 0% |
| Machinery and equipment manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Furniture and other manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Electricity generation and supply | 0% | 0% | 0% | 0% | 0% | 0% |
| Gas supply | 0% | 0% | 0% | 0% | 0% | 0% |
| Water, sewerage, drainage and waste services | 1% | 0% | 0% | 0% | 0% | 0% |
| Construction | 15% | 12% | 13% | 19% | 14% | 16% |
| Wholesale trade | 2% | 2% | 2% | 2% | 2% | 2% |
| Retail Trade | 12% | 11% | 11% | 6% | 7% | 6% |
| Accommodation and food services | 22% | 28% | 27% | 7% | 9% | 8% |
| Road transport | 1% | 1% | 1% | 1% | 2% | 2% |
| Other transport, postal, courier, transport support and warehousing services. | 1% | 3% | 2% | 1% | 1% | 1% |
| Air and space transport | 0% | 1% | 1% | 0% | 0% | 0% |
| Information media and telecommunications | 2% | 1% | 2% | 1% | 2% | 2% |
| Finance | 1% | 1% | 1% | 6% | 7% | 7% |
| Insurance and superannuation funds | 0% | 0% | 0% | 0% | 0% | 0% |
| Auxiliary finance and insurance services | 0% | 0% | 0% | 1% | 1% | 1% |
| Rental, hiring and real estate services | 5% | 4% | 4% | 20% | 25% | 24% |
| Owner Occupied Dwellings | 0% | 0% | 0% | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 11% | 13% | 13% | 13% | 14% | 13% |
| Central government administration, defence and public safety | 0% | 1% | 1% | 0% | 1% | 0% |
| Local government administration | 0% | 1% | 1% | 0% | 0% | 0% |
| Education and training | 5% | 3% | 4% | 1% | 1% | 1% |
| Health care and social assistance | 4% | 3% | 3% | 3% | 2% | 2% |
| Arts and recreation services | 4% | 7% | 6% | 3% | 3% | 3% |
| Personal and other services | 2% | 2% | 2% | 3% | 3% | 3% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

Source: SNZ Business Directory, M.E.

Share of district economy by 48 Sector and Ward

| 48 Sector Description | Employment (MECs) | | | Businesses (Gus) | | |
|---|-------------------|---------------|-------------|------------------|---------------|-------------|
| | Wanaka Ward | Wakatipu Ward | District | Wanaka Ward | Wakatipu Ward | District |
| Horticulture and fruit growing | 36% | 64% | 100% | 46% | 54% | 100% |
| Sheep, beef cattle and grain farming | 64% | 36% | 100% | 64% | 36% | 100% |
| Dairy cattle farming | 90% | 10% | 100% | 66% | 34% | 100% |
| Poultry, deer and other livestock farming | 76% | 24% | 100% | 48% | 52% | 100% |
| Forestry and logging | 49% | 51% | 100% | 49% | 51% | 100% |
| Fishing and aquaculture | 52% | 48% | 100% | 57% | 43% | 100% |
| Agriculture, forestry and fishing support services | 42% | 58% | 100% | 46% | 54% | 100% |
| Mining, quarrying, exploration and other mining support services | 45% | 55% | 100% | 37% | 63% | 100% |
| Oil and gas extraction | 0% | 0% | 0% | 0% | 0% | 0% |
| Meat and meat product manufacturing | 0% | 0% | 100% | 0% | 100% | 100% |
| Dairy product manufacturing | 95% | 5% | 100% | 37% | 63% | 100% |
| Other food manufacturing | 32% | 68% | 100% | 46% | 54% | 100% |
| Beverage and tobacco product manufacturing | 21% | 79% | 100% | 37% | 63% | 100% |
| Textile, leather, clothing and footwear manufacturing | 44% | 56% | 100% | 42% | 58% | 100% |
| Wood product manufacturing | 43% | 57% | 100% | 37% | 63% | 100% |
| Pulp, paper and converted paper product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Printing | 0% | 100% | 100% | 0% | 100% | 100% |
| Petroleum and coal product manufacturing | 0% | 0% | 0% | 0% | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | 98% | 2% | 100% | 78% | 22% | 100% |
| Non-metallic mineral product manufacturing | 35% | 65% | 100% | 31% | 69% | 100% |
| Primary metal and metal product manufacturing | 73% | 27% | 100% | 55% | 45% | 100% |
| Fabricated metal product manufacturing | 38% | 62% | 100% | 60% | 40% | 100% |
| Transport equipment manufacturing | 67% | 33% | 100% | 55% | 45% | 100% |
| Machinery and equipment manufacturing | 24% | 76% | 100% | 29% | 71% | 100% |
| Furniture and other manufacturing | 19% | 81% | 100% | 26% | 74% | 100% |
| Electricity generation and supply | 100% | 0% | 100% | 100% | 0% | 100% |
| Gas supply | 0% | 0% | 0% | 100% | 0% | 100% |
| Water, sewerage, drainage and waste services | 72% | 28% | 100% | 42% | 58% | 100% |
| Construction | 30% | 70% | 100% | 39% | 61% | 100% |
| Wholesale trade | 29% | 71% | 100% | 42% | 58% | 100% |
| Retail Trade | 27% | 73% | 100% | 28% | 72% | 100% |
| Accommodation and food services | 21% | 79% | 100% | 27% | 73% | 100% |
| Road transport | 17% | 83% | 100% | 13% | 87% | 100% |
| Other transport, postal, courier, transport support and warehousing services. | 10% | 90% | 100% | 31% | 69% | 100% |
| Air and space transport | 6% | 94% | 100% | 37% | 63% | 100% |
| Information media and telecommunications | 28% | 72% | 100% | 25% | 75% | 100% |
| Finance | 23% | 77% | 100% | 29% | 71% | 100% |
| Insurance and superannuation funds | 0% | 100% | 100% | 0% | 100% | 100% |
| Auxiliary finance and insurance services | 15% | 85% | 100% | 24% | 76% | 100% |
| Rental, hiring and real estate services | 28% | 72% | 100% | 26% | 74% | 100% |
| Owner Occupied Dwellings | 0% | 0% | 0% | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 22% | 78% | 100% | 30% | 70% | 100% |
| Central government administration, defence and public safety | 6% | 94% | 100% | 16% | 84% | 100% |
| Local government administration | 7% | 93% | 100% | 45% | 55% | 100% |
| Education and training | 35% | 65% | 100% | 35% | 65% | 100% |
| Health care and social assistance | 31% | 69% | 100% | 38% | 62% | 100% |
| Arts and recreation services | 18% | 82% | 100% | 30% | 70% | 100% |
| Personal and other services | 24% | 76% | 100% | 33% | 67% | 100% |
| Total | 25% | 75% | 100% | 32% | 68% | 100% |

Source: SNZ Business Directory, M.E.

Appendix 7 – Business Count Change 2000-2016

Wakatipu Ward

| 48 Sector Description | Growth in Businesses (GUs) | | | | Growth (%) | | | |
|---|----------------------------|------------|------------|--------------|------------|------------|------------|-------------|
| | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 |
| Horticulture and fruit growing | 14 | - 13 | 1 | 2 | 38% | -25% | 4% | 6% |
| Sheep, beef cattle and grain farming | - 17 | - 13 | - 3 | - 33 | -22% | -22% | -7% | -43% |
| Dairy cattle farming | 1 | - | 2 | 3 | 0% | 0% | 180% | 0% |
| Poultry, deer and other livestock farming | 9 | - 2 | - 1 | 6 | 43% | -7% | -5% | 27% |
| Forestry and logging | - 2 | 5 | - 1 | 2 | -22% | 71% | -10% | 20% |
| Fishing and aquaculture | - 2 | 2 | 3 | 3 | -100% | 0% | 145% | 145% |
| Agriculture, forestry and fishing support services | 13 | 1 | 8 | 22 | 163% | 5% | 35% | 270% |
| Mining, quarrying, exploration and other mining support services | 1 | 1 | 1 | 3 | 17% | 14% | 10% | 47% |
| Oil and gas extraction | - | - | - | - | 0% | 0% | 0% | 0% |
| Meat and meat product manufacturing | - | - | 1 | 1 | 0% | 0% | 0% | 0% |
| Dairy product manufacturing | 1 | - 1 | 3 | 3 | 0% | -100% | 0% | 0% |
| Other food manufacturing | 7 | - 3 | 8 | 12 | 140% | -25% | 91% | 244% |
| Beverage and tobacco product manufacturing | 3 | 6 | 6 | 15 | 50% | 67% | 37% | 242% |
| Textile, leather, clothing and footwear manufacturing | 3 | - 4 | - 1 | - 2 | 33% | -33% | -8% | -18% |
| Wood product manufacturing | 1 | - 2 | - 2 | - 3 | 11% | -20% | -21% | -30% |
| Pulp, paper and converted paper product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Printing | - | 5 | - 2 | 3 | 0% | 100% | -21% | 58% |
| Petroleum and coal product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | 2 | - | - 1 | 1 | 0% | 0% | -35% | 0% |
| Non-metallic mineral product manufacturing | 5 | 1 | - 1 | 5 | 167% | 13% | -12% | 163% |
| Primary metal and metal product manufacturing | - | 2 | 1 | 3 | 0% | 0% | 40% | 0% |
| Fabricated metal product manufacturing | 7 | 1 | - 3 | 5 | 700% | 13% | -29% | 540% |
| Transport equipment manufacturing | 3 | - 1 | - 4 | - 2 | 38% | -9% | -37% | -21% |
| Machinery and equipment manufacturing | 2 | 1 | 9 | 12 | 22% | 9% | 73% | 130% |
| Furniture and other manufacturing | 4 | - 4 | 9 | 9 | 36% | -27% | 80% | 80% |
| Electricity generation and supply | 1 | - | - 1 | - | 0% | 0% | -100% | 0% |
| Gas supply | - | - | - | - | 0% | 0% | 0% | 0% |
| Water, sewerage, drainage and waste services | 3 | 3 | - 1 | 5 | 43% | 30% | -7% | 73% |
| Construction | 295 | 146 | 48 | 489 | 125% | 27% | 7% | 207% |
| Wholesale trade | 31 | 6 | 12 | 49 | 103% | 10% | 18% | 164% |
| Retail Trade | 64 | 27 | 64 | 155 | 35% | 11% | 23% | 84% |
| Accommodation and food services | 77 | 40 | 92 | 209 | 32% | 13% | 26% | 87% |
| Road transport | 20 | - 2 | 32 | 50 | 41% | -3% | 48% | 102% |
| Other transport, postal, courier, transport support and warehousing services. | 13 | 5 | 13 | 31 | 30% | 9% | 21% | 71% |
| Air and space transport | 2 | - | - 2 | - 0 | 13% | 0% | -12% | -1% |
| Information media and telecommunications | 36 | - 1 | 6 | 41 | 73% | -1% | 8% | 84% |
| Finance | 97 | 94 | 141 | 332 | 294% | 72% | 63% | 1005% |
| Insurance and superannuation funds | - 3 | - | 3 | - 0 | -75% | 0% | 270% | -8% |
| Auxiliary finance and insurance services | 9 | 13 | 7 | 29 | 60% | 54% | 18% | 191% |
| Rental, hiring and real estate services | 405 | 288 | 197 | 890 | 100% | 36% | 18% | 220% |
| Owner Occupied Dwellings | - | - | - | - | 0% | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 221 | 100 | 117 | 438 | 86% | 21% | 20% | 170% |
| Central government administration, defence and public safety | 5 | 9 | 4 | 18 | 42% | 53% | 17% | 153% |
| Local government administration | - 2 | 1 | - 1 | - 2 | -50% | 50% | -40% | -55% |
| Education and training | 12 | 10 | 6 | 28 | 48% | 27% | 13% | 113% |
| Health care and social assistance | 30 | - 7 | 33 | 56 | 58% | -9% | 43% | 107% |
| Arts and recreation services | 48 | 10 | 19 | 77 | 48% | 7% | 12% | 76% |
| Personal and other services | 25 | 9 | 29 | 63 | 30% | 8% | 25% | 76% |
| Total | 1,444 | 733 | 848 | 3,025 | 70% | 21% | 20% | 146% |

Source: SNZ Business Directory, M.E.

Wanaka Ward

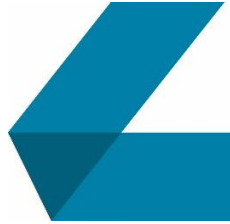
| 48 Sector Description | Growth in Businesses (GUs) | | | | Growth (%) | | | |
|---|----------------------------|------------|------------|--------------|------------|------------|------------|-------------|
| | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 | 2000-2005 | 2005-2009 | 2009-2016 | 2000-2016 |
| Horticulture and fruit growing | 1 | 3 | 9 | 13 | 5% | 14% | 39% | 67% |
| Sheep, beef cattle and grain farming | - | - | 2 | 4 | 0% | -3% | -2% | -4% |
| Dairy cattle farming | - | - | 4 | 4 | 0% | 0% | 440% | 440% |
| Poultry, deer and other livestock farming | 2 | 3 | 2 | 1 | 8% | -12% | 7% | 2% |
| Forestry and logging | 4 | 2 | 0 | 2 | 50% | -17% | 4% | 30% |
| Fishing and aquaculture | 1 | 4 | 0 | 5 | 100% | 200% | 7% | 540% |
| Agriculture, forestry and fishing support services | 8 | 3 | 2 | 13 | 67% | 15% | 10% | 111% |
| Mining, quarrying, exploration and other mining support services | - | 2 | 4 | 2 | -67% | 400% | 4% | 73% |
| Oil and gas extraction | - | - | - | - | 0% | 0% | 0% | 0% |
| Meat and meat product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Dairy product manufacturing | - | - | 2 | 2 | 0% | 0% | 0% | 0% |
| Other food manufacturing | 2 | 2 | 11 | 11 | 50% | -33% | 270% | 270% |
| Beverage and tobacco product manufacturing | 2 | - | 9 | 11 | 200% | 0% | 303% | 1110% |
| Textile, leather, clothing and footwear manufacturing | 2 | - | 2 | 4 | 200% | 0% | 77% | 430% |
| Wood product manufacturing | - | 2 | 3 | 9 | -15% | -27% | -54% | -72% |
| Pulp, paper and converted paper product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Printing | - | 1 | 1 | 1 | -100% | 0% | -100% | -100% |
| Petroleum and coal product manufacturing | - | - | - | - | 0% | 0% | 0% | 0% |
| Chemical, polymer and rubber product manufacturing | - | 1 | 2 | 3 | 0% | 50% | 53% | 130% |
| Non-metallic mineral product manufacturing | 1 | 1 | 1 | 1 | 33% | 25% | -28% | 20% |
| Primary metal and metal product manufacturing | - | 1 | 1 | 2 | 0% | 100% | 70% | 240% |
| Fabricated metal product manufacturing | - | 1 | 2 | 6 | -25% | 67% | 90% | 138% |
| Transport equipment manufacturing | - | 1 | 7 | 5 | -33% | 350% | -16% | 153% |
| Machinery and equipment manufacturing | 4 | 3 | 3 | 4 | 80% | -33% | 43% | 72% |
| Furniture and other manufacturing | 6 | 1 | 1 | 4 | 200% | -11% | -11% | 137% |
| Electricity generation and supply | - | - | 1 | 1 | 0% | 0% | 70% | 70% |
| Gas supply | - | - | 2 | 2 | 0% | 0% | 0% | 0% |
| Water, sewerage, drainage and waste services | - | - | 5 | 5 | 0% | 0% | 115% | 115% |
| Construction | 211 | 112 | 17 | 340 | 182% | 34% | 4% | 293% |
| Wholesale trade | 18 | 11 | 8 | 37 | 95% | 30% | 17% | 196% |
| Retail Trade | 32 | 23 | 24 | 79 | 60% | 27% | 23% | 150% |
| Accommodation and food services | 37 | 21 | 26 | 84 | 44% | 17% | 18% | 100% |
| Road transport | 10 | 1 | 0 | 11 | 250% | 7% | 1% | 278% |
| Other transport, postal, courier, transport support and warehousing services. | 11 | 3 | 15 | 23 | 110% | -14% | 86% | 234% |
| Air and space transport | - | 1 | 3 | 1 | -13% | 43% | -6% | 18% |
| Information media and telecommunications | 8 | 6 | 10 | 24 | 160% | 46% | 55% | 488% |
| Finance | 40 | 61 | 44 | 145 | 571% | 130% | 41% | 2077% |
| Insurance and superannuation funds | - | - | 1 | 1 | 0% | 0% | -100% | -100% |
| Auxiliary finance and insurance services | 5 | 3 | 3 | 11 | 167% | 38% | 23% | 350% |
| Rental, hiring and real estate services | 202 | 92 | 50 | 344 | 168% | 29% | 12% | 287% |
| Owner Occupied Dwellings | - | - | - | - | 0% | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 111 | 59 | 77 | 247 | 198% | 35% | 34% | 442% |
| Central government administration, defence and public safety | - | 4 | 2 | 2 | 0% | 100% | -28% | 45% |
| Local government administration | - | 1 | 1 | 1 | 0% | 100% | -25% | 50% |
| Education and training | 6 | 10 | 3 | 19 | 60% | 63% | 11% | 189% |
| Health care and social assistance | 9 | 22 | 11 | 42 | 39% | 69% | 20% | 182% |
| Arts and recreation services | 14 | 11 | 12 | 37 | 34% | 20% | 18% | 90% |
| Personal and other services | 16 | 9 | 19 | 44 | 57% | 20% | 35% | 156% |
| Total | 755 | 457 | 365 | 1,577 | 96% | 30% | 18% | 200% |

Source: SNZ Business Directory, M.E.

Appendix 8 – Sector to Land Use Relationships

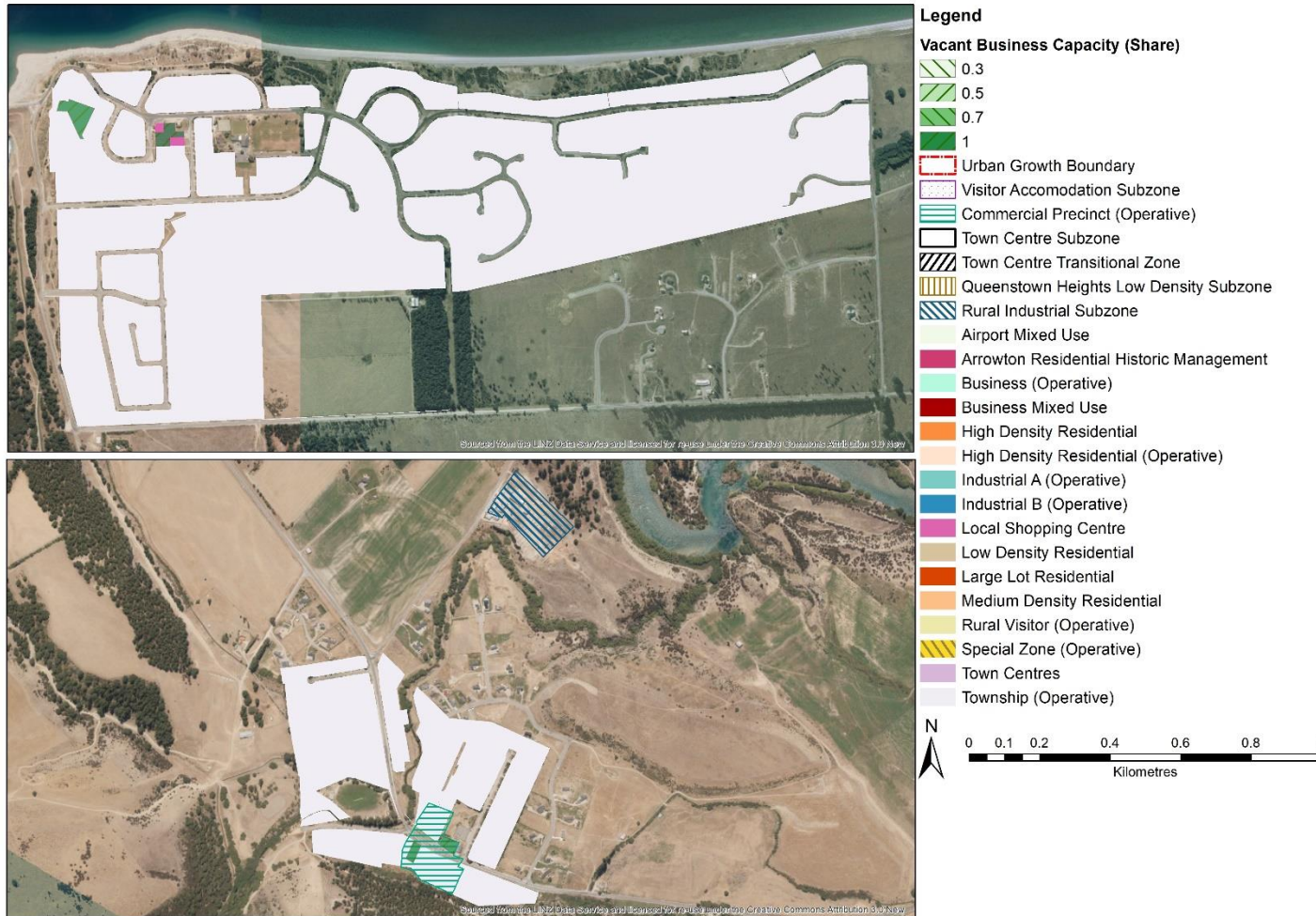
| 48 Sector Description | Office---Commercial | Office---Retail | Shops---Commercial | Shops---Food and Beverage | Accommodation | Warehouse | Factory | Yard---Commercial | Yard---Industrial | Other.Built---Commercial | Other.Built---Industrial | Education | Outdoor---Commercial | Outdoor---Industrial | Outdoor---Rural | Total |
|---|---------------------|-----------------|--------------------|---------------------------|---------------|-----------|---------|-------------------|-------------------|--------------------------|--------------------------|-----------|----------------------|----------------------|-----------------|-------|
| Horticulture and fruit growing | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 10% | 0% | 0% | 0% | 90% | 100% |
| Sheep, beef cattle and grain farming | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 10% | 0% | 0% | 0% | 90% | 100% |
| Dairy cattle farming | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 10% | 0% | 0% | 0% | 90% | 100% |
| Poultry, deer and other livestock farming | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 10% | 0% | 0% | 0% | 90% | 100% |
| Forestry and logging | 0% | 0% | 0% | 0% | 0% | 0% | 9% | 0% | 17% | 0% | 0% | 0% | 0% | 0% | 74% | 100% |
| Fishing and aquaculture | 0% | 0% | 0% | 0% | 0% | 19% | 0% | 0% | 0% | 0% | 47% | 0% | 0% | 0% | 35% | 100% |
| Agriculture, forestry and fishing support services | 20% | 0% | 0% | 0% | 0% | 20% | 20% | 0% | 0% | 0% | 0% | 0% | 40% | 0% | 0% | 100% |
| Mining, quarrying, exploration and other mining support services | 0% | 0% | 0% | 0% | 0% | 0% | 10% | 0% | 20% | 0% | 0% | 0% | 70% | 0% | 0% | 100% |
| Oil and gas extraction | 0% | 0% | 0% | 0% | 0% | 0% | 10% | 0% | 20% | 0% | 0% | 0% | 70% | 0% | 0% | 100% |
| Meat and meat product manufacturing | 2% | 0% | 0% | 0% | 0% | 23% | 75% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Dairy product manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 88% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Other food manufacturing | 2% | 0% | 0% | 0% | 0% | 17% | 69% | 0% | 12% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Beverage and tobacco product manufacturing | 2% | 0% | 0% | 0% | 0% | 23% | 75% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Textile, leather, clothing and footwear manufacturing | 2% | 0% | 0% | 0% | 0% | 12% | 83% | 0% | 2% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Wood product manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 60% | 0% | 28% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Pulp, paper and converted paper product manufacturing | 2% | 0% | 0% | 0% | 0% | 20% | 63% | 0% | 16% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Printing | 2% | 0% | 0% | 0% | 0% | 21% | 78% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Petroleum and coal product manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 20% | 0% | 68% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Chemical, polymer and rubber product manufacturing | 2% | 0% | 0% | 0% | 0% | 20% | 63% | 0% | 16% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Non-metallic mineral product manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 50% | 0% | 38% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Primary metal and metal product manufacturing | 2% | 0% | 0% | 0% | 0% | 6% | 60% | 0% | 33% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Fabricated metal product manufacturing | 2% | 0% | 0% | 0% | 0% | 38% | 40% | 0% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Transport equipment manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 68% | 0% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Machinery and equipment manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 68% | 0% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Furniture and other manufacturing | 2% | 0% | 0% | 0% | 0% | 11% | 68% | 0% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Electricity generation and supply | 9% | 0% | 0% | 0% | 0% | 14% | 0% | 0% | 18% | 0% | 58% | 0% | 0% | 0% | 0% | 100% |
| Gas supply | 0% | 0% | 0% | 0% | 0% | 15% | 0% | 0% | 20% | 0% | 65% | 0% | 0% | 0% | 0% | 100% |
| Water, sewerage, drainage and waste services | 2% | 0% | 0% | 0% | 0% | 15% | 0% | 0% | 27% | 0% | 56% | 0% | 0% | 0% | 0% | 100% |
| Construction | 2% | 0% | 0% | 0% | 0% | 15% | 6% | 0% | 16% | 31% | 31% | 0% | 0% | 0% | 0% | 100% |
| Wholesale trade | 5% | 0% | 0% | 0% | 0% | 95% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Retail Trade | 0% | 0% | 66% | 0% | 0% | 0% | 0% | 34% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Accommodation and food services | 0% | 0% | 0% | 50% | 50% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Road transport | 3% | 0% | 0% | 0% | 0% | 10% | 10% | 0% | 78% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Other transport, postal, courier, transport support and warehousing services. | 5% | 0% | 0% | 0% | 0% | 21% | 10% | 0% | 24% | 0% | 40% | 0% | 0% | 0% | 0% | 100% |
| Air and space transport | 10% | 0% | 0% | 0% | 0% | 10% | 60% | 0% | 10% | 0% | 10% | 0% | 0% | 0% | 0% | 100% |
| Information media and telecommunications | 59% | 0% | 0% | 0% | 0% | 23% | 18% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Finance | 98% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 2% | 0% | 0% | 0% | 0% | 0% | 100% |
| Insurance and superannuation funds | 98% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 2% | 0% | 0% | 0% | 0% | 0% | 100% |
| Auxiliary finance and insurance services | 98% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 2% | 0% | 0% | 0% | 0% | 0% | 100% |
| Rental, hiring and real estate services | 14% | 15% | 6% | 0% | 0% | 12% | 0% | 12% | 10% | 3% | 0% | 0% | 0% | 0% | 27% | 100% |
| Owner Occupied Dwellings | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Professional, scientific, technical, administrative and support services | 22% | 0% | 27% | 0% | 0% | 15% | 10% | 0% | 13% | 13% | 0% | 0% | 0% | 0% | 0% | 100% |
| Central government administration, defence and public safety | 16% | 0% | 0% | 0% | 0% | 10% | 0% | 0% | 10% | 56% | 0% | 0% | 10% | 0% | 0% | 100% |
| Local government administration | 50% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 50% | 0% | 0% | 0% | 0% | 0% | 100% |
| Education and training | 27% | 0% | 19% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 54% | 0% | 0% | 0% | 100% |
| Health care and social assistance | 17% | 21% | 21% | 0% | 0% | 0% | 0% | 0% | 0% | 40% | 0% | 0% | 0% | 0% | 0% | 100% |
| Arts and recreation services | 25% | 0% | 29% | 0% | 0% | 3% | 3% | 0% | 0% | 40% | 0% | 0% | 0% | 0% | 0% | 100% |
| Personal and other services | 11% | 0% | 39% | 0% | 0% | 14% | 10% | 0% | 0% | 26% | 0% | 0% | 0% | 0% | 0% | 100% |

Source: M.E., based on national averages

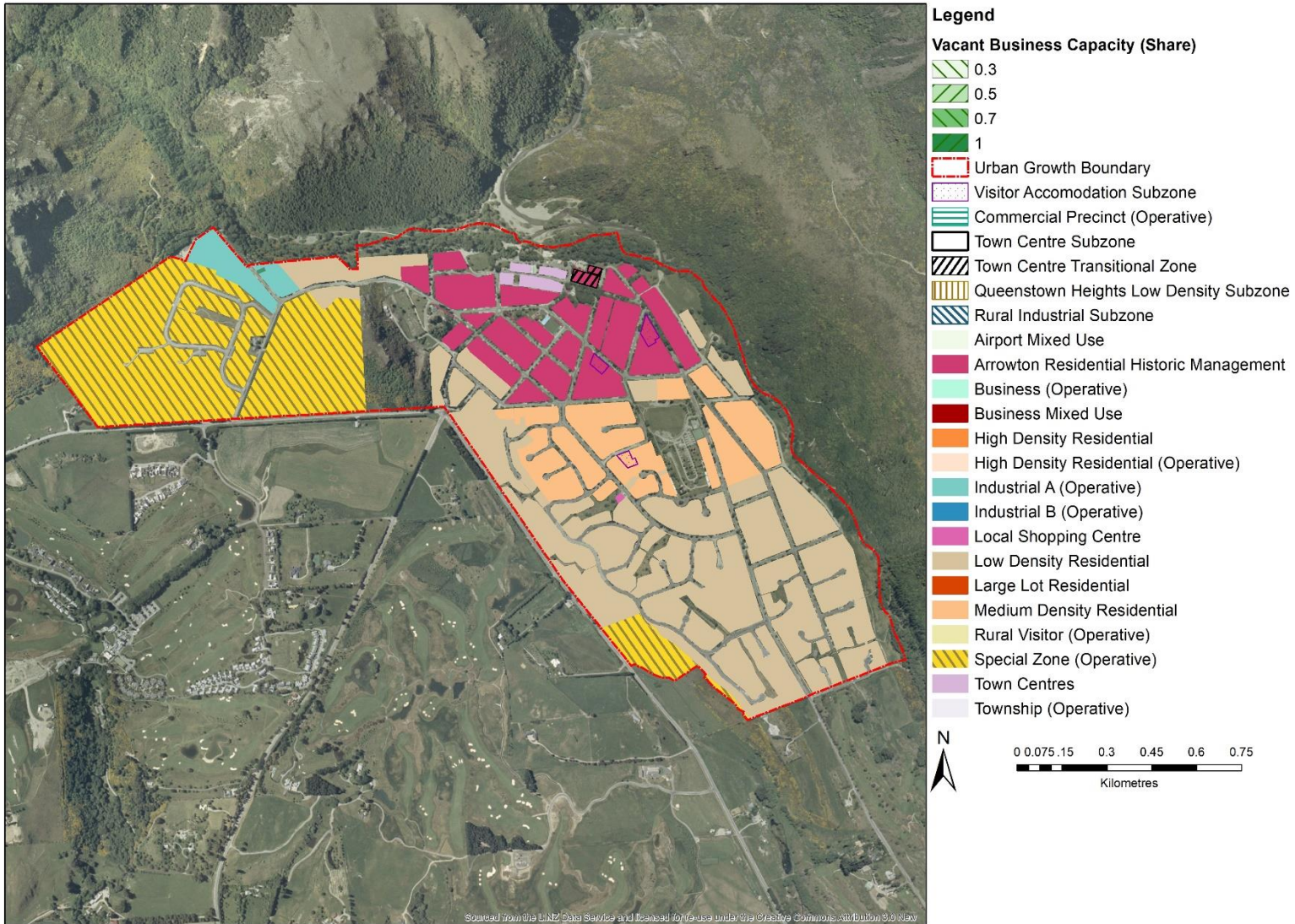


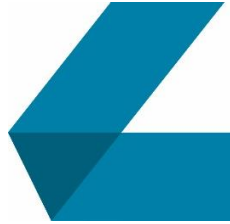
Appendix 9 – Vacant Business Land Maps

Hawea and Luggate

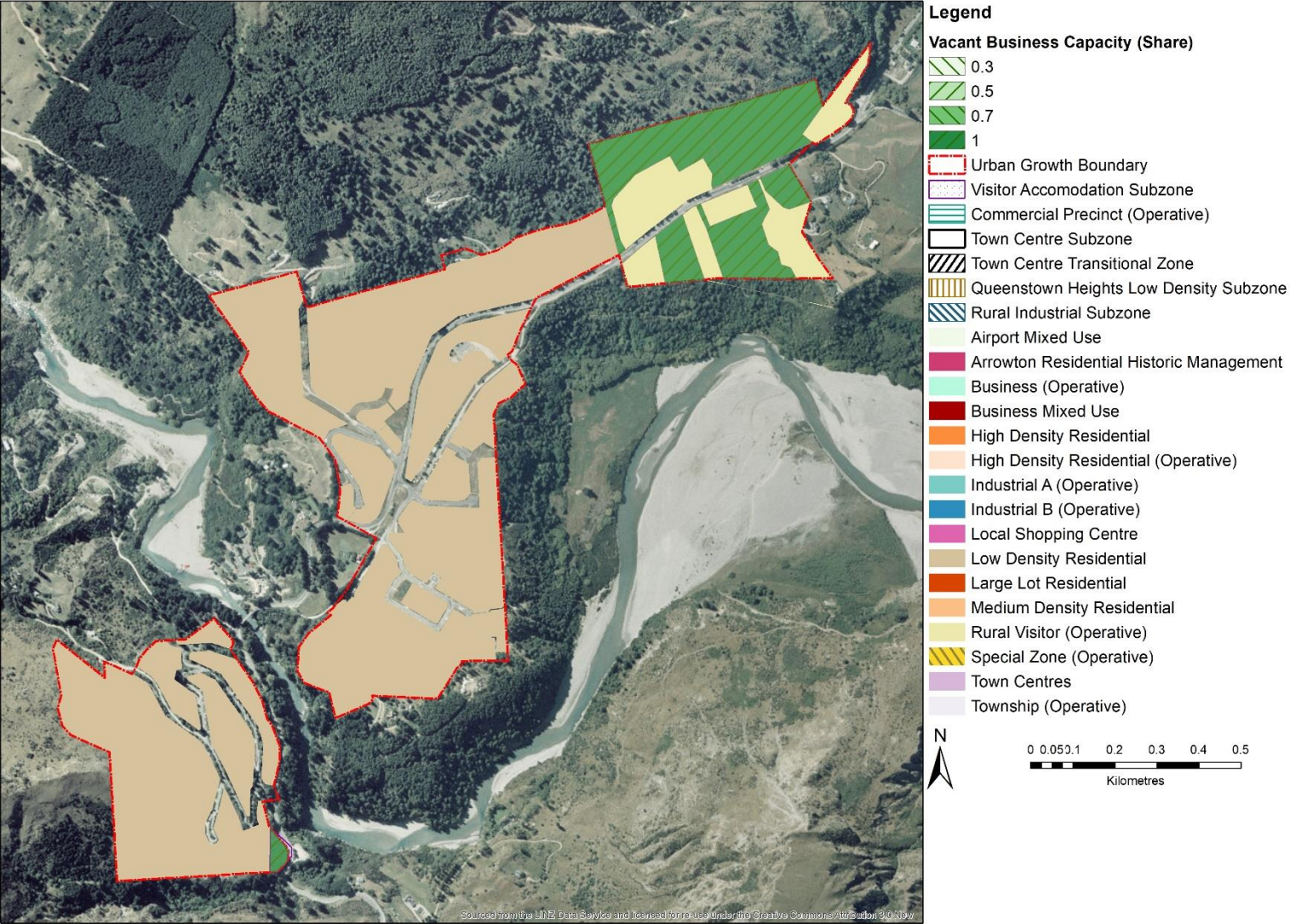


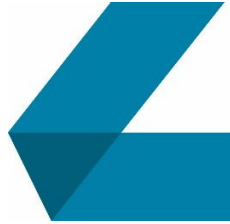
Arrowtown



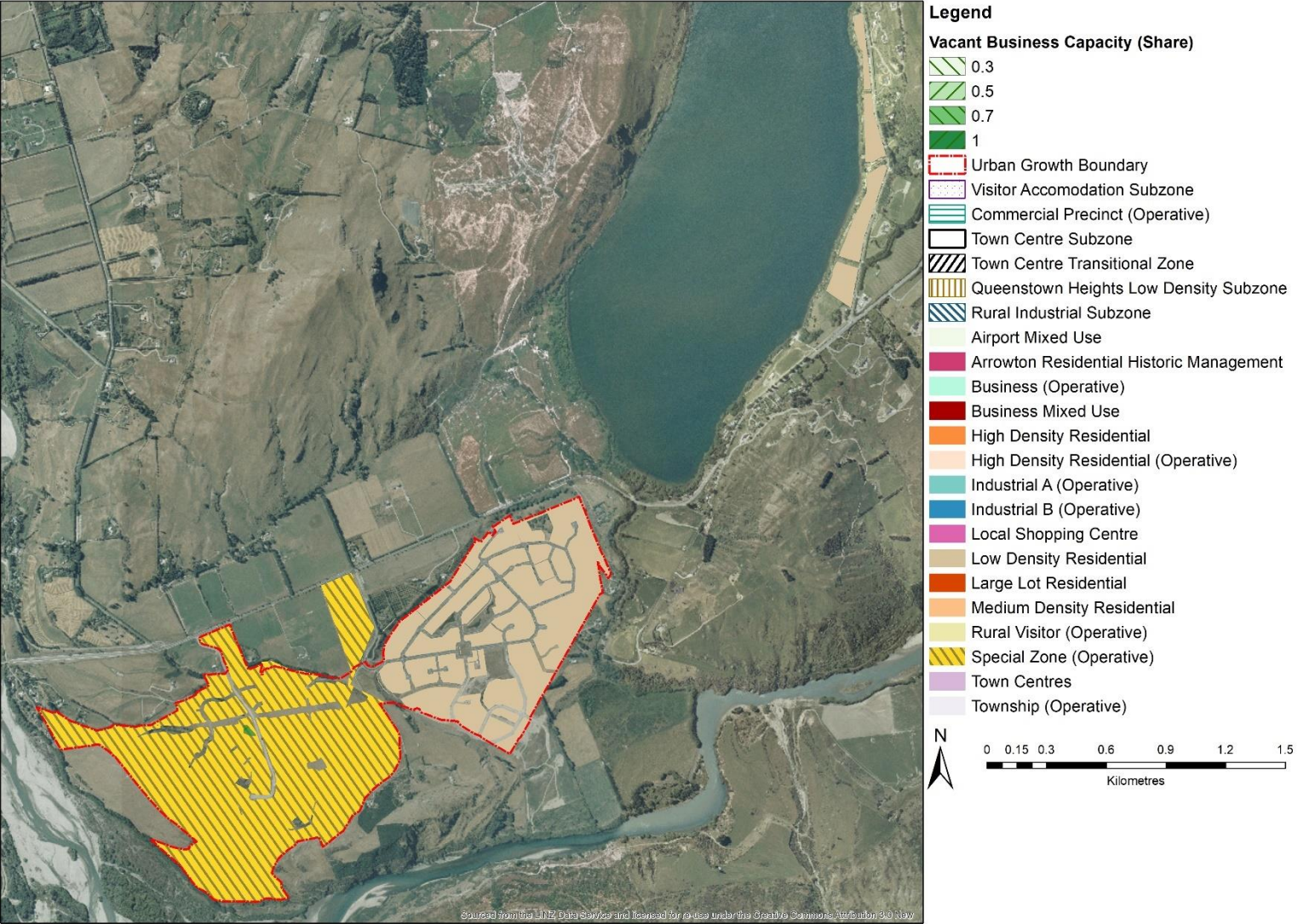


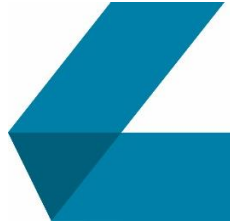
Arthurs Point



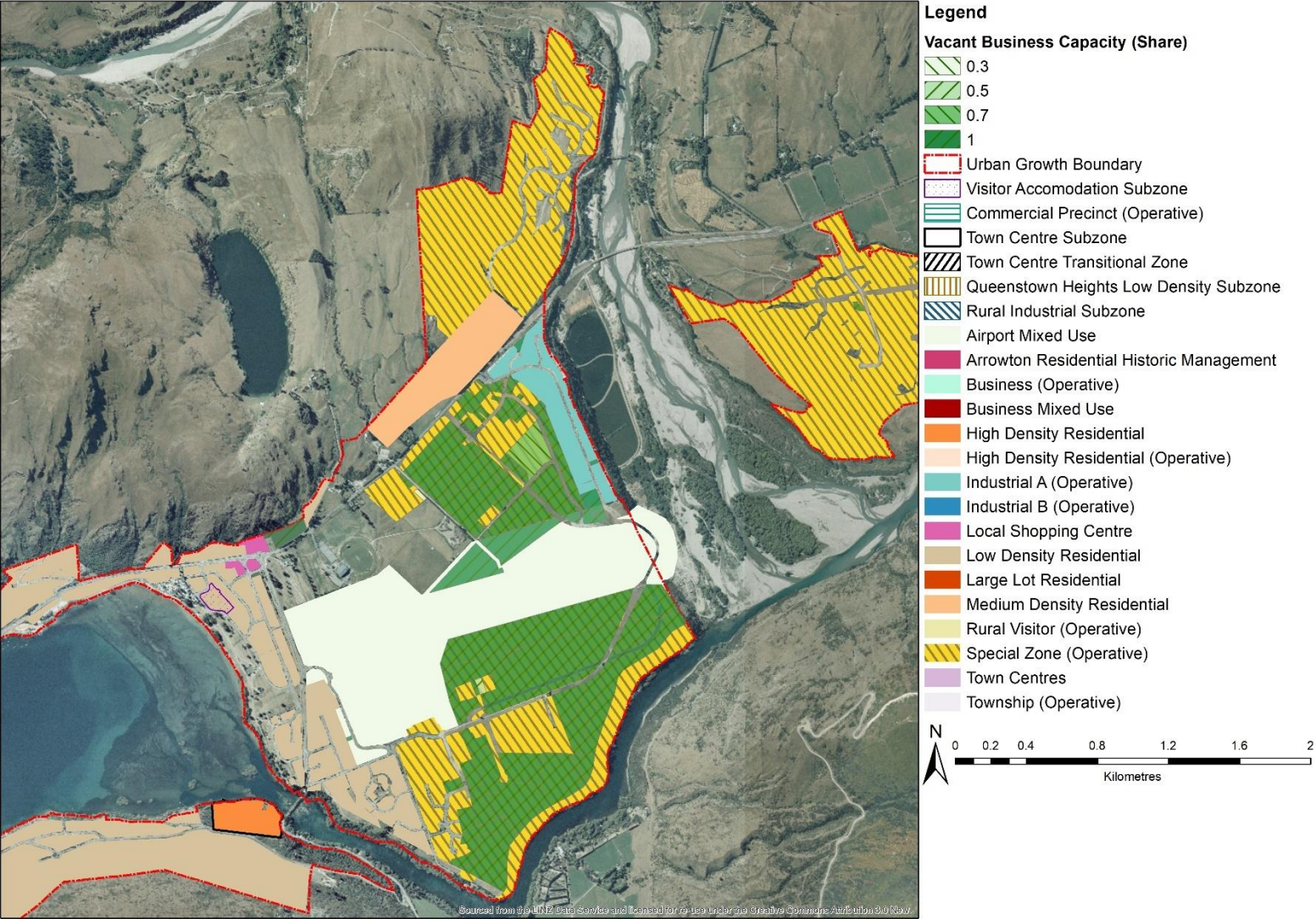


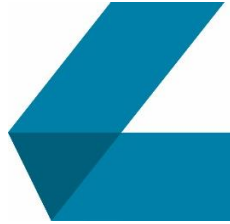
Shotover Country and Lakes Hayes



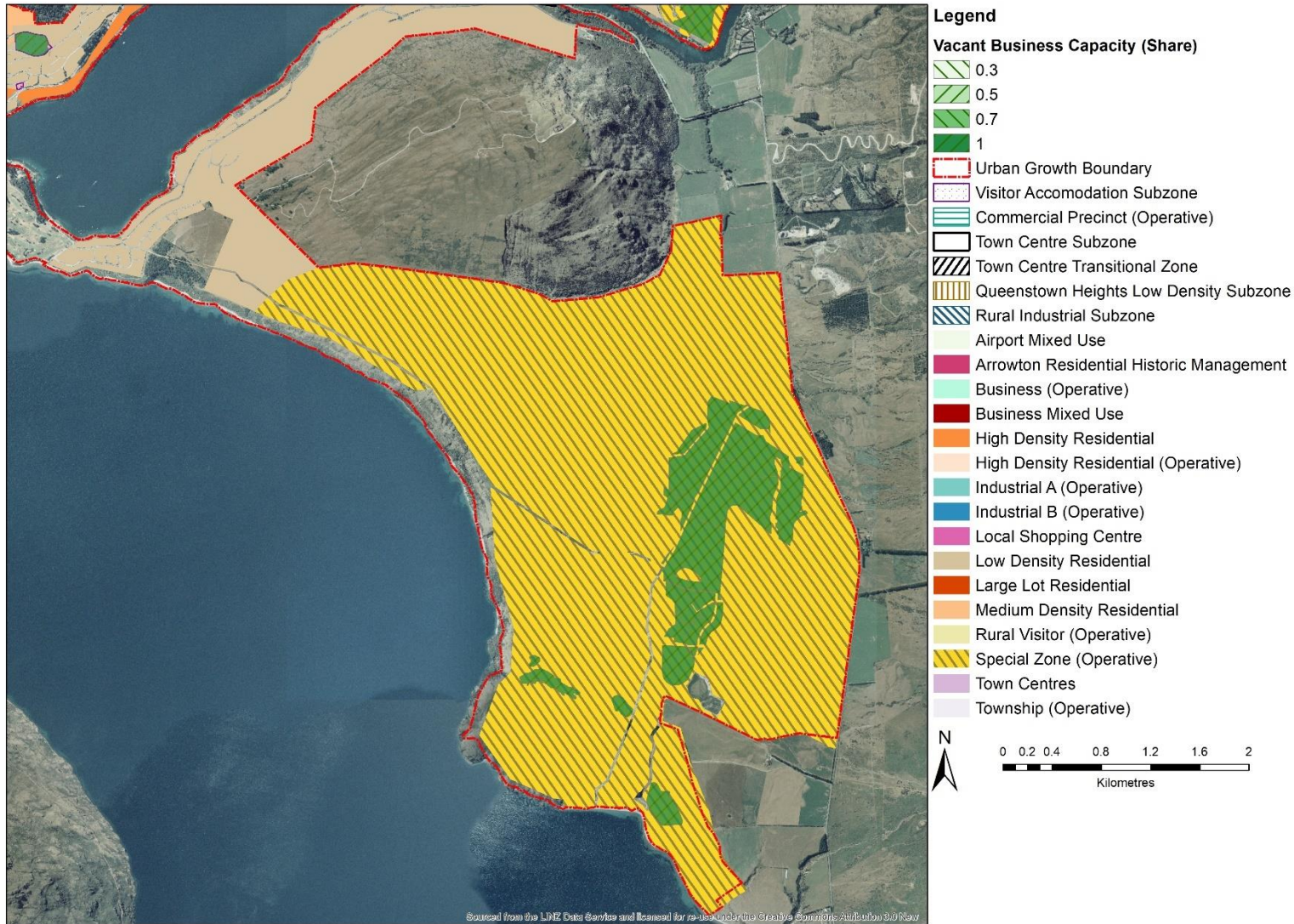


Frankton and Quail Rise

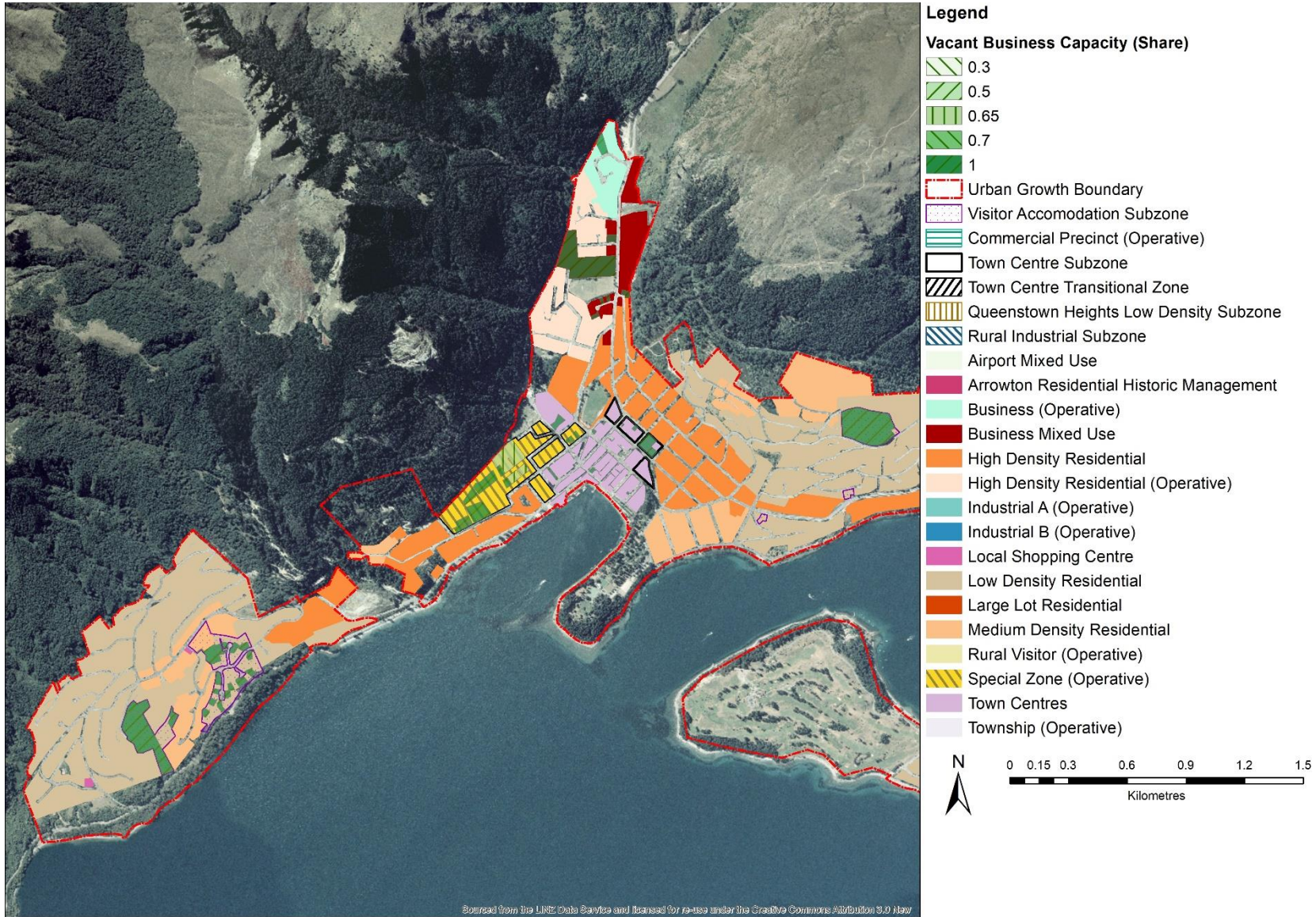




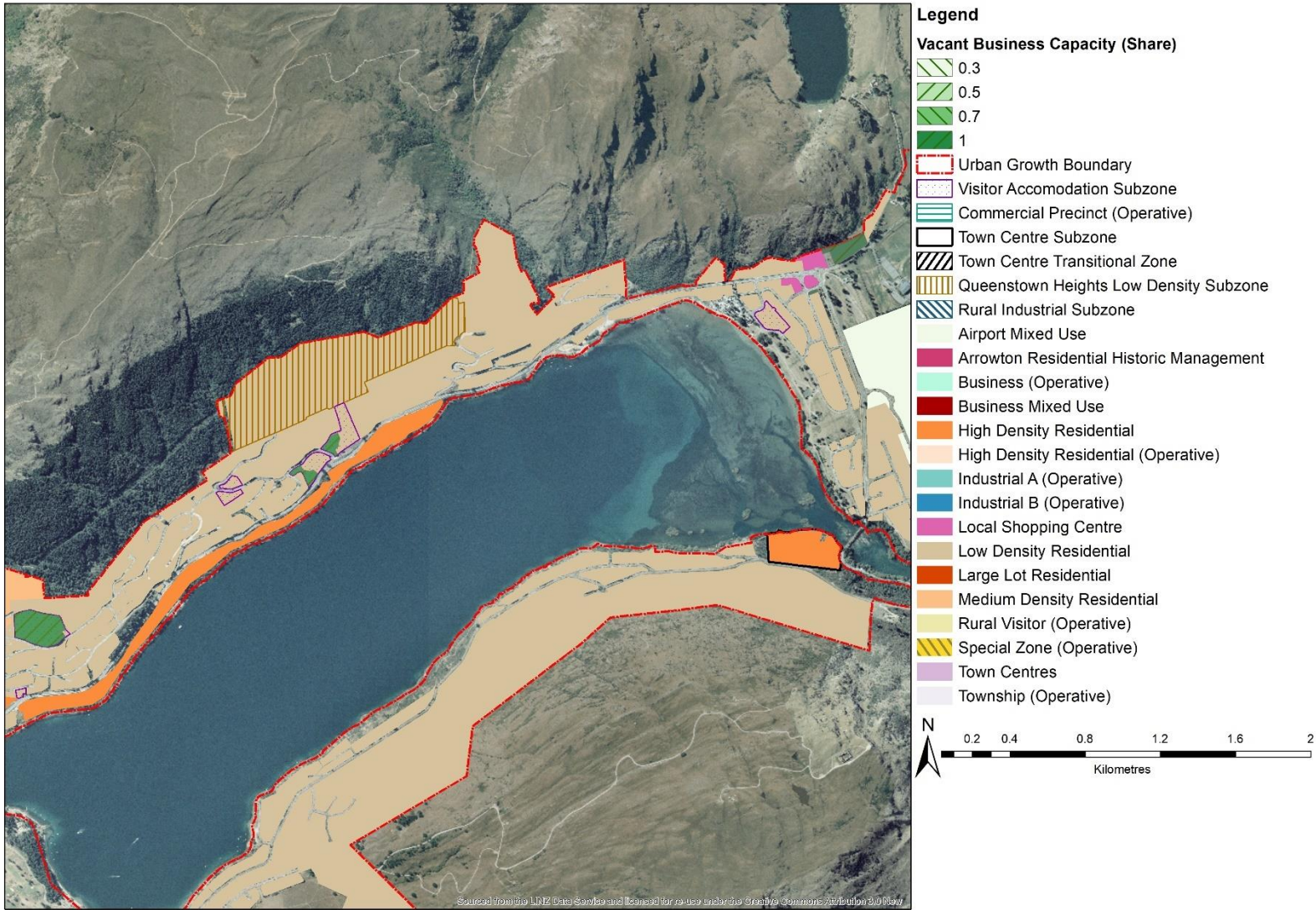
Jack's Point



Queenstown Central and West



Queenstown East



Appendix 10 – Residential Take-up Estimates

| Zones | Spatial Framework Area | Share of existing floorspace as residential | Storeys allowed in zone | Share of future new capacity (excl. existing stock) as residential | Implied storeys taken up by residential |
|--|------------------------|---|-------------------------|--|---|
| Local Shopping Centre | Wanaka | 0% | 2 | 33% | 0.67 |
| Local Shopping Centre | Albert Town | 0% | 2 | 25% | 0.50 |
| Local Shopping Centre | Arrowtown | 0% | 2 | 0% | 0.00 |
| Local Shopping Centre-Frankton | Frankton | 7% | 3 | 33% | 1.00 |
| Local Shopping Centre | Hawea Locality | 29% | 2 | 50% | 1.00 |
| Local Shopping Centre | Sunshine Bay | 36% | 2 | 50% | 1.00 |
| Business Mixed Use | Wanaka North | 1% | 4 | 20% | 0.80 |
| Business Mixed Use | Warren Park | 6% | 4 | 40% | 1.60 |
| Town Centre Queenstown | Queenstown Central | 2% | 4 | 10% | 0.40 |
| Town Centre Queenstown | Warren Park | 0% | 4 | 10% | 0.40 |
| Rural Visitor | Arthurs Point | 10% | 4 | 20% | 0.80 |
| Rural Visitor | Cadrona | 21% | 4 | 50% | 2.00 |
| Town Centre Wanaka | Wanaka Central | 4% | 3 | 10% | 0.30 |
| Town Centre Wanaka | Wanaka Waterfront | 5% | 3 | 10% | 0.30 |
| Town Centre Arrowtown | Arrowtown | | 2 | 0% | 0 |
| Medium Density Residential-Town Centre Transitional Zone | Wanaka Central | | 2 | 10% | 0.2 |
| Town Centre Queenstown-Town Centre Sub-Zone | Queenstown Central | | 4 | 10% | 0.4 |
| Town Centre Queenstown-Town Centre Sub-Zone | Warren Park | | 4 | 10% | 0.4 |
| Arrowtown Residential Historic Management Zone-Town Centre Transitional Zone | Arrowtown | | 1 | 0% | 0 |
| Township (Operative)-Commercial Precinct Overlay | Luggate Locality | | 2 | 0% | 0 |
| Structure Plan Precincts | Spatial Framework Area | Share of existing floorspace as residential | Storeys allowed in zone | Share of future new capacity (excl. existing stock) as residential | Implied storeys taken up by residential |
| Frankton Flats B---C1 | Frankton | | 3 | 0% | 0 |
| Frankton Flats B---C2 | Frankton | | 3 | 93% | 2.8 |
| Jacks Point Special Zone---Residential (HD) A-E | Jacks Point | | 1 | 0% | 0 |
| Jacks Point Special Zone---Village (HB) | Jacks Point | | 2 | 25% | 0.5 |
| Jacks Point Special Zone---Village (JP) | Jacks Point | | 3 | 33% | 1 |
| PC45---D | Wanaka Waterfront | | 3 | 33% | 1 |
| PC50---PC50 | Queenstown Central | | 2 | 0% | 0 |
| PC50---PC50 - Isle Street East Sub-zone | Warren Park | | 4 | 13% | 0.5 |
| PC50---PC50 - Isle Street West Sub-zone | Warren Park | | 4 | 13% | 0.5 |
| PC50---PC50 - Lake View Sub-zone - 12m Height Zone | Queenstown Bay | | 4 | 13% | 0.5 |
| PC50---PC50 - Lake View Sub-zone - 12m Height Zone | Warren Park | | 4 | 13% | 0.5 |
| PC50---PC50 - Lake View Sub-zone - 15.5m Height Zone | Queenstown Bay | | 5 | 20% | 1 |
| PC50---PC50 - Lake View Sub-zone - 15.5m Height Zone | Warren Park | | 5 | 10% | 0.5 |
| PC50---PC50 - Lake View Sub-zone - 19m Height Zone | Queenstown Bay | | 6 | 17% | 1 |
| PC50---PC50 - Lake View Sub-zone - 22.5m Height Zone | Queenstown Bay | | 7 | 29% | 2 |
| PC50---PC50 - Lake View Sub-zone - 26m Height Zone | Queenstown Bay | | 8 | 25% | 2 |
| Remarkables Park Activity Area---3 | Frankton | | 5 | 60% | 3 |
| Remarkables Park Activity Area---4 | Frankton | | 4 | 75% | 3 |
| Remarkables Park Activity Area---5 | Frankton | | 4 | 50% | 2 |
| Remarkables Park Activity Area---6 | Frankton | | 4 | 50% | 2 |
| Remarkables Park Activity Area---7 | Frankton | | 5 | 60% | 3 |
| Shotover Country---2a - Commercial | Shotover Country | | 3 | 0% | 0 |
| Three Parks---Commercial Core | Wanaka Central | | 3 | 0% | 0 |
| Three Parks---Def | Wanaka Central | | 3 | 0% | 0 |
| Three Parks---Med Density Res/Mixed Use | Wanaka Central | | 3 | 33% | 1 |
| Three Parks---Tourism & Commercial | Wanaka Central | | 3 | 0% | 0 |

Source: QLDC and M.E

Appendix 11 – Zone : Land Use Matrix

Non-Structure Plan Zones

| Zone Full Subzone Combo | Residential (excluding ancillary) | Office-Commercial | Office-Retail | Shop-Commercial | Shop-Food and Beverage | Accommodation | Ware house | Factory | Yard-Commercial | Yard-Industrial | Other Built-Commercial | Other Built-Industrial | Education | Outdoor-Commercial | Outdoor-Industrial | Outdoor-Rural |
|--|-----------------------------------|-------------------|---------------|-----------------|------------------------|---------------|------------|---------|-----------------|-----------------|------------------------|------------------------|-----------|--------------------|--------------------|---------------|
| Airport Mixed Use Zone | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Town Centre Arrowtown | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Business (Operative) | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Local Shopping Centre-Frankton | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Local Shopping Centre | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Industrial A (Operative) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Low Density Residential-ARTHURS POINT VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Low Density Residential-FERNHILL VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Low Density Residential-FRANKTON ROAD VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Low Density Residential-FRANKTON VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Low Density Residential-QUEENSTOWN VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Low Density Residential-WANAKA VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Large Lot Residential-WANAKA VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Mixed Use | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Medium Density Residential-ARROWTOWN VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medium Density Residential-FERNHILL VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medium Density Residential-Town Centre Transitional Zone | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Town Centre Queenstown | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Town Centre Queenstown-Town Centre Sub-Zone | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Arrowtown Residential Historic Management Zone-ARROWTOWN VISITOR ACCOM | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Arrowtown Residential Historic Management Zone-Town Centre Transitional Zone | 1 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Rural-Rural Industrial Sub-Zone | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Rural Visitor | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Township (Operative)-HAWEA VISITOR ACCOMMODATION SUBZONE | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Township (Operative)-Commercial Precinct Overlay | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Town Centre Wanaka | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |

Source: QLDC, M.E



Structure Plan Precincts

| SP Zone Combo | Residential (excluding Ancillary) | Office-Commercial | Office-Retail | Shop-Commercial | Shop-Food Services | Accommodation | Ware house | Factory | Yard-Commercial | Yard-Industrial | Other Built-Commercial | Other Built-Industrial | Education | Outdoor-Commercial | Outdoor-Industrial | Outdoor-Rural |
|---|-----------------------------------|-------------------|---------------|-----------------|--------------------|---------------|------------|---------|-----------------|-----------------|------------------------|------------------------|-----------|--------------------|--------------------|---------------|
| Ballantyne Road---B | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ballantyne Road---C | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Ballantyne Road---D | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ballantyne Road---E | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Frankton Flats A---B | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Frankton Flats A---C | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Frankton Flats A---D | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Frankton Flats B---C1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Frankton Flats B---C2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Frankton Flats B---D | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Frankton Flats B---E1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Frankton Flats B---E2 | 0 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Jacks Point Special Zone---Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Jacks Point Special Zone---Lodge 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jacks Point Special Zone---Lodge 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jacks Point Special Zone---Lodge 3 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jacks Point Special Zone---Residential (HD) A-E | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jacks Point Special Zone---Village (HB) | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Jacks Point Special Zone---Village (JP) | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| PC45---D | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| PC50---PC50 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Isle Street East Sub-zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Isle Street West Sub-zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Lake View Sub-zone - 12m Height Zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Lake View Sub-zone - 15.5m Height Zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Lake View Sub-zone - 19m Height Zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Lake View Sub-zone - 22.5m Height Zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| PC50---PC50 - Lake View Sub-zone - 26m Height Zone | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Remarkables Park Activity Area---3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 |
| Remarkables Park Activity Area---4 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 |
| Remarkables Park Activity Area---5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 |
| Remarkables Park Activity Area---5 - No Res/VA/Community Ac | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Remarkables Park Activity Area---6 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 |
| Remarkables Park Activity Area---7 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Remarkables Park Activity Area---8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Remarkables Park Activity Area---8 - No Res/VA/Community Ac | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Remarkables Park Activity Area---Lot 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Shotover Country---2a - Commercial | 1 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shotover Country---3 - Education & Community | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Three Parks---Business | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Three Parks---Business/Mixed Use | 0 | 1 | 1 | 0 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Three Parks---Commercial Core | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Three Parks---Def | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Three Parks---Low Density Res | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Three Parks---Med Density Res/Mixed Use | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Three Parks---Tourism & Commercial | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Wanaka Industrial---Ballantyne Road Precinct Industrial B | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Wanaka Industrial---Connell Terrace Precinct A | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Wanaka Industrial---Connell Terrace Precinct Developable Area | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Wanaka Industrial---Industrial B Zone | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |

Source: QLDC, M/E

Appendix 12 – Vacant Land Capacity by Land Use (ha)

Wanaka Ward Urban Business Enabled Zones

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward |
|--|-------------------|---------------|-----------------|------------------------|---------------|-------------|-------------|-----------------|-----------------|------------------------|------------------------|-------------|--------------------|--------------------|---------------|
| | Office-Commercial | Office-Retail | Shop-Commercial | Shop-Food and Beverage | Accommodation | Ware house | Factory | Yard-Commercial | Yard-Industrial | Other Built-Commercial | Other Built-Industrial | Education | Outdoor-Commercial | Outdoor-Industrial | Outdoor-Rural |
| Airport Mixed Use Zone | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business Mixed Use | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | - | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | - | - |
| High Density Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Industrial A (Operative) | - | - | - | - | - | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | - | - | - | - |
| Industrial B (Operative) | - | - | 0.2 | 0.2 | - | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Shopping Centre | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | - | - | - | - | - | - | 3.6 | - | - | - |
| Low Density Residential | - | - | - | - | 1.6 | - | - | - | - | - | - | - | - | - | - |
| Medium Density Residential | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | - | - | - | - | 0.1 | - | 0.1 | - | - | - |
| Rural Visitor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rural | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Wanaka | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | - | - | - | - | 0.9 | - | 0.9 | - | - | - |
| Township (Operative) | 0.5 | 0.5 | 0.5 | 0.5 | 1.0 | - | - | - | - | - | - | 0.5 | - | - | - |
| Sub-Total Non-Special Zones | 5.7 | 5.7 | 5.9 | 5.9 | 7.8 | 14.7 | 14.2 | 14.7 | 14.7 | 15.8 | 14.7 | 5.7 | - | - | - |
| Special Zone - Arrowtown South | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 7.4 | - | - | - | - | 14.9 | 7.5 | 7.5 | 7.5 | - | - | - | - | - | - |
| Special Zone - Northlake | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | - | - | - | - | - | - | 2.1 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Frankton Flats B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Meadow Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Shotover Country | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Three Parks | 22.5 | 22.5 | 20.1 | 27.2 | 24.8 | 8.2 | 8.2 | 8.2 | 8.2 | 12.9 | 8.2 | 8.3 | - | - | - |
| Special Zone - Jacks Point | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Special Zones | 32.0 | 24.6 | 22.1 | 29.3 | 26.9 | 23.1 | 15.7 | 15.7 | 15.7 | 12.9 | 8.2 | 10.4 | - | - | - |
| Total Urban Business Enabled Zones | 37.7 | 30.3 | 28.0 | 35.2 | 34.7 | 37.8 | 29.9 | 30.4 | 30.4 | 28.6 | 22.9 | 16.0 | - | - | - |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
 Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
 Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward Urban Business Enabled Zones

| Zone | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|-------------------|---------------|-----------------|------------------------|---------------|---------------|---------------|-----------------|-----------------|------------------------|------------------------|---------------|--------------------|--------------------|---------------|
| | Office-Commercial | Office-Retail | Shop-Commercial | Shop-Food and Beverage | Accommodation | Ware house | Factory | Yard-Commercial | Yard-Industrial | Other Built-Commercial | Other Built-Industrial | Education | Outdoor-Commercial | Outdoor-Industrial | Outdoor-Rural |
| Airport Mixed Use Zone | - | - | - | - | - | 10.6 | 10.6 | - | - | - | 10.6 | - | - | - | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business (Operative) | 0.4 | 0.4 | - | - | - | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | - | - | - |
| Business Mixed Use | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | - | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 | - | - | - |
| High Density Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Industrial A (Operative) | - | - | - | - | - | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | - | - | - | - |
| Industrial B (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Shopping Centre | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | - | - | - | - | - | - | 1.9 | - | - | - |
| Low Density Residential | - | - | - | - | 12.2 | - | - | - | - | - | - | - | - | - | - |
| Medium Density Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rural Visitor | - | - | - | - | 12.5 | - | - | - | - | 12.5 | - | - | - | - | - |
| Rural | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Queenstown | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | - | - | - | - | 5.3 | - | 5.3 | - | - | - |
| Town Centre Wanaka | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Township (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Non-Special Zones | 11.8 | 11.8 | 11.4 | 11.4 | 36.1 | 16.4 | 12.2 | 5.8 | 5.8 | 23.6 | 16.4 | 11.8 | - | - | - |
| Special Zone - Arrowtown South | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Northlake | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Frankton Flats A | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Frankton Flats B | 11.9 | 11.9 | 11.9 | 9.0 | 9.0 | 27.2 | 24.3 | 24.3 | 24.3 | - | - | 11.9 | - | - | - |
| Special Zone - Meadow Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Remarkables Park | 13.5 | 13.5 | 13.5 | 13.5 | 41.2 | - | - | 60.0 | - | 75.8 | - | 30.6 | - | - | - |
| Special Zone - Shotover Country | - | 0.2 | 0.2 | 0.2 | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Three Parks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Jacks Point | 6.2 | 6.2 | 6.2 | 6.2 | 12.6 | - | - | - | - | - | - | 13.0 | - | - | - |
| Sub-Total Special Zones | 31.9 | 32.1 | 32.1 | 29.2 | 63.2 | 27.2 | 24.3 | 84.3 | 24.3 | 75.8 | - | 55.6 | - | - | - |
| Total Urban Business Enabled Zones | 43.7 | 43.8 | 43.5 | 40.6 | 99.3 | 43.6 | 36.5 | 90.1 | 30.1 | 99.4 | 16.4 | 67.4 | - | - | - |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Appendix 13 – Vacant Floorspace Capacity by Space Type (GFA)

Wanaka Ward Urban Business Enabled Zones

| Zone | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward | Wanaka Ward |
|--|-------------------|---------------|-----------------|------------------------|----------------|----------------|----------------|-----------------|-----------------|------------------------|------------------------|----------------|--------------------|--------------------|---------------|
| | Office-Commercial | Office-Retail | Shop-Commercial | Shop-Food and Beverage | Accommodation | Ware house | Factory | Yard-Commercial | Yard-Industrial | Other Built-Commercial | Other Built-Industrial | Education | Outdoor-Commercial | Outdoor-Industrial | Outdoor-Rural |
| Airport Mixed Use Zone | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business Mixed Use | 11,400 | 3,600 | 3,600 | 3,600 | 11,400 | 3,600 | - | 3,600 | 3,600 | 11,400 | 3,600 | 11,400 | - | - | - |
| High Density Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Industrial A (Operative) | - | - | - | - | - | 12,800 | 12,800 | 12,800 | 12,800 | 25,600 | 12,800 | - | - | - | - |
| Industrial B (Operative) | - | - | 500 | 500 | - | 49,900 | 49,900 | 49,900 | 49,900 | 99,300 | 49,900 | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Shopping Centre | 50,100 | 27,300 | 27,300 | 27,300 | 50,100 | - | - | - | - | - | - | 50,100 | - | - | - |
| Low Density Residential | - | - | - | - | 13,100 | - | - | - | - | - | - | - | - | - | - |
| Medium Density Residential | 800 | 500 | 500 | 500 | 800 | - | - | - | - | 800 | - | 800 | - | - | - |
| Rural Visitor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rural | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Queenstown | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Wanaka | 20,400 | 7,600 | 7,600 | 7,600 | 20,400 | - | - | - | - | 20,400 | - | 20,400 | - | - | - |
| Township (Operative) | 8,100 | 4,000 | 4,000 | 4,000 | 15,400 | - | - | - | - | - | - | 8,100 | - | - | - |
| Sub-Total Non-Special Zones | 90,800 | 43,000 | 43,500 | 43,500 | 111,200 | 66,300 | 62,700 | 66,300 | 66,300 | 157,500 | 66,300 | 90,800 | - | - | - |
| Special Zone - Arrowtown South | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | 63,600 | - | - | - | - | 54,300 | 22,500 | 22,500 | 22,500 | - | - | - | - | - | - |
| Special Zone - Northlake | 26,900 | 1,000 | 1,000 | 1,000 | 26,900 | - | - | - | - | - | - | 26,900 | - | - | - |
| Special Zone - Frankton Flats A | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Frankton Flats B | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Meadow Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Remarkables Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Shotover Country | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Three Parks | 220,800 | 51,300 | 41,500 | 63,100 | 226,800 | 27,000 | 27,000 | 27,000 | 27,000 | 116,300 | 27,000 | 78,400 | - | - | - |
| Special Zone - Jacks Point | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Special Zones | 311,300 | 52,300 | 42,500 | 64,100 | 253,700 | 81,300 | 49,500 | 49,500 | 49,500 | 116,300 | 27,000 | 105,300 | - | - | - |
| Total Urban Business Enabled Zones | 402,100 | 95,300 | 86,000 | 107,600 | 364,900 | 147,600 | 112,200 | 115,800 | 115,800 | 273,800 | 93,300 | 196,100 | - | - | - |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
 Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
 Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward Urban Business Enabled Zones

| Zone | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward | Wakatipu Ward |
|--|-------------------|----------------|-----------------|------------------------|------------------|----------------|----------------|-----------------|-----------------|------------------------|------------------------|----------------|--------------------|--------------------|---------------|
| | Office-Commercial | Office-Retail | Shop-Commercial | Shop-Food and Beverage | Accommodation | Ware house | Factory | Yard-Commercial | Yard-Industrial | Other Built-Commercial | Other Built-Industrial | Education | Outdoor-Commercial | Outdoor-Industrial | Outdoor-Rural |
| Airport Mixed Use Zone | - | - | - | - | - | 79,300 | 79,300 | - | - | - | 79,300 | - | - | - | - |
| Arrowtown Residential Historic Management Zone | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business (Operative) | 5,500 | 2,700 | - | - | - | 2,700 | 2,700 | 2,700 | 2,700 | 5,500 | 2,700 | 5,500 | - | - | - |
| Business Mixed Use | 76,000 | 31,700 | 31,700 | 31,700 | 76,000 | 31,700 | - | 31,700 | 31,700 | 76,000 | 31,700 | 76,000 | - | - | - |
| High Density Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| High Density Residential (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Industrial A (Operative) | - | - | - | - | - | 9,000 | 9,000 | 9,000 | 9,000 | 18,200 | 9,000 | - | - | - | - |
| Industrial B (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Large Lot Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Shopping Centre | 28,000 | 14,000 | 14,000 | 14,000 | 28,000 | - | - | - | - | - | - | 28,000 | - | - | - |
| Low Density Residential | - | - | - | - | 97,400 | - | - | - | - | - | - | - | - | - | - |
| Medium Density Residential | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rural Visitor | - | - | - | - | 279,200 | - | - | - | - | 279,200 | - | - | - | - | - |
| Rural | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Arrowtown | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Town Centre Queenstown | 56,500 | 20,400 | 20,400 | 20,400 | 165,900 | - | - | - | - | 56,500 | - | 165,900 | - | - | - |
| Town Centre Wanaka | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Township (Operative) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Non-Special Zones | 166,000 | 68,800 | 66,100 | 66,100 | 646,500 | 122,700 | 91,000 | 43,400 | 43,400 | 435,400 | 122,700 | 275,400 | - | - | - |
| Special Zone - Arrowtown South | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Ballantyne Road Mixed Use | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Northlake | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Frankton Flats A | 2,400 | 800 | 800 | 800 | 2,400 | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Frankton Flats B | 166,000 | 60,400 | 60,400 | 40,200 | 105,400 | 131,000 | 110,800 | 110,800 | 110,800 | - | - | 166,000 | - | - | - |
| Special Zone - Meadow Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Penrith Park | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Quail Rise | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Remarkables Park | 153,500 | 76,700 | 76,700 | 76,700 | 393,900 | - | - | 252,400 | - | 704,400 | - | 266,400 | - | - | - |
| Special Zone - Shotover Country | - | 1,100 | 1,100 | 1,100 | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Three Parks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Zone - Jacks Point | 70,400 | 36,500 | 36,500 | 36,500 | 89,800 | - | - | - | - | - | - | 185,900 | - | - | - |
| Sub-Total Special Zones | 392,300 | 175,500 | 175,500 | 155,300 | 591,500 | 131,000 | 110,800 | 363,200 | 110,800 | 704,400 | - | 618,300 | - | - | - |
| Total Urban Business Enabled Zones | 558,300 | 244,300 | 241,600 | 221,400 | 1,238,000 | 253,700 | 201,800 | 406,600 | 154,200 | 1,139,800 | 122,700 | 893,700 | - | - | - |

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.



Appendix 14 – Alternative Capacity Scenario Assumptions

- In the Business (Operative) and Industrial A (Operative) zones in Arrowtown and Glenda Drive, capacity is allocated wholly to commercial activity and not industrial activity.
- In the Industrial A (Operative) Zone in Wanaka, capacity is allocated wholly to industrial activity and not commercial activity.
- In the BMU Zone, capacity is allocated wholly to commercial and retail activity and not industrial activity. This is on the basis that only very limited industrial activities can take place in this zone. Retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Albert Town, Wanaka and Frankton Local Shopping Centre Zones, the Queenstown and Wanaka Town Centre Zones, and the Commercial Overlay Zone in Luggage, retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Hawea Local Shopping Centre Zone, capacity is allocated wholly to retail activity and not commercial activity.
- In the Wanaka Town Centre Transition Zone, capacity is allocated wholly to commercial activity and not retail activity.
- In the Ballantyne Road Mixed Use Special Zone precincts B and E, capacity is allocated wholly to commercial activity.
- In the Ballantyne Road Mixed Use Special Zone precincts C and D⁷⁶, Industrial B Ballantyne Road Precinct, Connell Terrace Precinct and Wanaka Industrial Precinct, capacity is allocated wholly to industrial activity and not commercial activity.
- In the Frankton Flats A and Frankton Flats B C1 Precinct, retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Frankton Flats B C2 Precinct, capacity is allocated wholly to commercial activity and not retail activity. This is because only convenience retail is permitted in this precinct.
- In the Frankton Flats B D Precinct, capacity is allocated wholly to industrial activity and not commercial activity.
- In the Frankton Flats B E1 Precinct and Three Parks Business Precinct, 50% of capacity is allocated to industrial activity and 50% to commercial activity. With respect to the E1 Precinct,

⁷⁶ Noting that showrooms have been coded as 'Warehouse' for the purpose of this assessment, refer to Section 5.3.



commercial relates only to commercial – yards, which corresponds to the rental car servicing/parking activities enabled in the plan and which is treated as commercial land use for the purpose of this BDCA.

- In the Frankton Flats B E2 Precinct and Three Parks Business/Mixed Use Precinct, capacity is allocated wholly to commercial and retail activity and not industrial activity. Retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Jack’s Point Residential A-E Precinct and Shotover Country Commercial Precinct, capacity is allocated wholly to retail activity and not commercial activity.
- In the Jack’s Point Village Precincts, Northland D Precinct, PC 50 Precincts, Remarkables Park 3 and 5 Precincts and Three Parks Commercial Core, Deferred Commercial Core, Medium Density Residential Mixed Use and Tourism Precincts, retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).

Appendix 15 – MCA Scores and Ranks

Commercial Visitor Accommodation

| | | Range | 1 to 20 | 1 to 20 | 1 to 10 | 1 to 10 | 1 to 10 | 1 to 10 | 1 to 10 | 1 to 10 | 1 to 5 | 1 to 5 | 1 to 5 | |
|-----------------------------|-------|--|-------------------------------------|--|--|----------------------------------|---------------------|--|---|---------------------------------|---------------------------------------|---|--------|--|
| | | Maximum score | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 10 | 5 | 5 | 5 | |
| MCA Framework Final | TOTAL | Proximity to Queenstown Airport - transport to and from hotels | Proximity to Queenstown CBD returns | Proximity to other tourist activities - pick up and drop off spots | Potential for co-location or clustering with associated businesses or is contiguous with existing commercial/retail zoned land | Services - Waters Infrastructure | Proximity to labour | Height constraints - higher is better, capacity can be built up high reducing land requirements/ costs | Proximity to future development and attractions | Exposure / profile / visibility | Existing or proposed public transport | Access to complementary / supporting business services (Accommodation Sector Suppliers) | Rank | |
| Queenstown Central | 105 | 14 | 20 | 10 | 10 | 10 | 10 | 8 | 10 | 5 | 4 | 4 | 1 | |
| Queenstown East | 104 | 15 | 19 | 10 | 10 | 10 | 10 | 8 | 10 | 4 | 4 | 4 | 2 | |
| Queenstown Bay | 102 | 13 | 19 | 10 | 10 | 10 | 10 | 8 | 10 | 4 | 4 | 4 | 3 | |
| Remarkables Park | 100 | 20 | 14 | 8 | 10 | 7 | 10 | 9 | 10 | 4 | 4 | 4 | 4 | |
| Frankton Flats | 99 | 20 | 15 | 7 | 10 | 7 | 10 | 7 | 9 | 5 | 5 | 4 | 5 | |
| Frankton | 98 | 20 | 15 | 8 | 9 | 7 | 10 | 6 | 9 | 5 | 5 | 4 | 6 | |
| Warren Park | 93 | 13 | 18 | 9 | 9 | 10 | 8 | 6 | 9 | 3 | 3 | 5 | 7 | |
| Frankton Arm | 87 | 17 | 17 | 8 | 6 | 7 | 8 | 4 | 9 | 3 | 4 | 4 | 8 | |
| Sunshine Bay | 79 | 11 | 17 | 8 | 6 | 10 | 8 | 4 | 7 | 2 | 3 | 3 | 9 | |
| Arthurs Point | 71 | 12 | 15 | 7 | 6 | 8 | 3 | 8 | 5 | 2 | 3 | 2 | 10 | |
| Queenstown Hill | 70 | 14 | 16 | 7 | 2 | 10 | 7 | 4 | 6 | 2 | 1 | 1 | 11 | |
| Wanaka Central | 70 | 6 | 7 | 9 | 9 | 7 | 9 | 6 | 9 | 3 | 1 | 4 | 11 | |
| Arrowtown | 69 | 12 | 11 | 6 | 6 | 8 | 5 | 4 | 7 | 4 | 3 | 3 | 13 | |
| Kelvin Heights | 68 | 15 | 12 | 5 | 4 | 10 | 5 | 4 | 6 | 2 | 3 | 2 | 14 | |
| Wanaka North | 66 | 6 | 7 | 6 | 7 | 10 | 9 | 6 | 7 | 3 | 1 | 4 | 15 | |
| Quail Rise | 65 | 16 | 14 | 4 | 2 | 10 | 3 | 4 | 6 | 1 | 3 | 2 | 16 | |
| Shotover Country | 63 | 15 | 13 | 3 | 2 | 10 | 3 | 7 | 4 | 1 | 3 | 2 | 17 | |
| Wanaka Waterfront | 63 | 6 | 7 | 7 | 8 | 8 | 9 | 6 | 5 | 2 | 1 | 4 | 17 | |
| Lake Hayes Estate | 60 | 15 | 13 | 3 | 2 | 10 | 3 | 4 | 4 | 1 | 3 | 2 | 19 | |
| Lake Hayes | 59 | 13 | 12 | 3 | 2 | 10 | 4 | 4 | 4 | 2 | 2 | 3 | 20 | |
| Jacks Point | 54 | 12 | 9 | 3 | 5 | 8 | 3 | 2 | 5 | 2 | 3 | 2 | 21 | |
| Wanaka West | 54 | 6 | 6 | 6 | 7 | 6 | 8 | 4 | 5 | 2 | 1 | 3 | 21 | |
| Albert Town | 49 | 6 | 7 | 4 | 4 | 8 | 6 | 4 | 5 | 2 | 1 | 2 | 23 | |
| Wakatipu Basin | 47 | 13 | 12 | 3 | 2 | 5 | 1 | 4 | 4 | 1 | 1 | 1 | 24 | |
| Cardrona | 46 | 7 | 8 | 5 | 4 | 5 | 1 | 4 | 7 | 3 | 1 | 1 | 25 | |
| Hawea Locality | 29 | 2 | 2 | 4 | 2 | 7 | 2 | 4 | 2 | 2 | 1 | 1 | 26 | |
| Luggate Locality | 28 | 3 | 4 | 1 | 1 | 7 | 1 | 4 | 2 | 3 | 1 | 1 | 27 | |
| Kingston | 22 | 2 | 2 | 1 | 1 | 6 | 1 | 4 | 2 | 1 | 1 | 1 | 28 | |
| Outer Wakatipu | 22 | 5 | 1 | 1 | 1 | 5 | 1 | 4 | 1 | 1 | 1 | 1 | 28 | |
| Rest of Upper Clutha Valley | 21 | 2 | 3 | 1 | 1 | 5 | 1 | 4 | 1 | 1 | 1 | 1 | 30 | |

Source: M.E, QLDC

Industrial

| | Range | 1 to 20 | 1 to 10 | 1 to 20 | 1 to 15 | 1 to 20 | 1 to 5 | 1 to 10 | 1 to 15 | 1 to 5 | 1 to 5 | 1 to 10 | 1 to 5 | |
|-----------------------------|---------------|---|---------------------------------|--|----------------------------------|---|---|---------------------|--|---|---------------------------------|---------------------------------------|--|-----------------------|
| | Maximum score | 20 | 10 | 20 | 15 | 20 | 5 | 10 | 15 | 5 | 5 | 10 | 5 | |
| MCA Framework Final | TOTAL | Access to major Road / transport routes; good transport access, especially road/motorway. Freight/heavy vehicle focussed. | Proximity to Queenstown Airport | Flat land, large land parcel, contiguous sites | Services - Waters Infrastructure | Area has potential for co-location or clustering with associated business activities or is contiguous with existing business land zoned for industrial activities | Single land ownership and potential for large sites | Proximity to labour | Ability to buffer adverse effects from residential and sensitive activities, distance from sensitive land uses | Low level of traffic congestion in vicinity | Exposure / profile / visibility | Existing or proposed public transport | Access to complementary / supporting business services (Industrial sector suppliers) | Rank (based on Total) |
| Frankton Flats | 115.5 | 17 | 10 | 18 | 10.5 | 15 | 4 | 10 | 10 | 2 | 5 | 10 | 4 | 1 |
| Remarkables Park | 113.5 | 16 | 10 | 18 | 10.5 | 15 | 5 | 10 | 10 | 3 | 4 | 8 | 4 | 2 |
| Frankton | 94.5 | 16 | 10 | 9 | 10.5 | 10 | 1 | 10 | 8 | 1 | 5 | 10 | 4 | 3 |
| Wanaka Central | 91.5 | 10 | 3 | 17 | 10.5 | 15 | 4 | 9 | 11 | 3 | 3 | 2 | 4 | 4 |
| Wanaka North | 87 | 10 | 3 | 11 | 15 | 15 | 3 | 9 | 8 | 4 | 3 | 2 | 4 | 5 |
| Warren Park | 77.5 | 8 | 6.5 | 2 | 15 | 10 | 1 | 8 | 10 | 3 | 3 | 6 | 5 | 6 |
| Jacks Point | 73 | 11 | 6 | 12 | 12 | 4 | 4 | 3 | 6 | 5 | 2 | 6 | 2 | 7 |
| Quail Rise | 70 | 12 | 8 | 7 | 15 | 4 | 1 | 3 | 6 | 5 | 1 | 6 | 2 | 8 |
| Lake Hayes | 68.5 | 10 | 6.5 | 7 | 15 | 4 | 1 | 4 | 7 | 5 | 2 | 4 | 3 | 9 |
| Lake Hayes Estate | 67.5 | 10 | 7.5 | 7 | 15 | 4 | 1 | 3 | 6 | 5 | 1 | 6 | 2 | 10 |
| Shotover Country | 67.5 | 10 | 7.5 | 7 | 15 | 4 | 1 | 3 | 6 | 5 | 1 | 6 | 2 | 10 |
| Frankton Arm | 67 | 10 | 8.5 | 1 | 10.5 | 8 | 1 | 8 | 4 | 1 | 3 | 8 | 4 | 12 |
| Queenstown Central | 65 | 6 | 7 | 1 | 15 | 5 | 1 | 10 | 2 | 1 | 5 | 8 | 4 | 13 |
| Rest of Upper Clutha Valley | 62.5 | 11 | 1 | 15 | 7.5 | 2 | 1 | 1 | 15 | 5 | 1 | 2 | 1 | 14 |
| Queenstown East | 61.5 | 6 | 7.5 | 1 | 15 | 2 | 1 | 10 | 2 | 1 | 4 | 8 | 4 | 15 |
| Queenstown Bay | 61.5 | 6 | 6.5 | 2 | 15 | 2 | 1 | 10 | 2 | 1 | 4 | 8 | 4 | 15 |
| Albert Town | 61 | 12 | 3 | 8 | 12 | 6 | 1 | 6 | 3 | 4 | 2 | 2 | 2 | 17 |
| Luggate Locality | 61 | 13 | 1.5 | 6 | 10.5 | 5 | 1 | 1 | 12 | 5 | 3 | 2 | 1 | 17 |
| Arrowtown | 60 | 8 | 6 | 2 | 12 | 7 | 1 | 5 | 4 | 2 | 4 | 6 | 3 | 19 |
| Kelvin Heights | 59.5 | 10 | 7.5 | 3 | 15 | 2 | 2 | 5 | 2 | 3 | 2 | 6 | 2 | 20 |
| Arthurs Point | 56 | 6 | 6 | 1 | 12 | 3 | 1 | 3 | 9 | 5 | 2 | 6 | 2 | 21 |
| Sunshine Bay | 55.5 | 6 | 5.5 | 1 | 15 | 2 | 1 | 8 | 3 | 3 | 2 | 6 | 3 | 22 |
| Wanaka Waterfront | 54 | 8 | 3 | 2 | 12 | 5 | 1 | 9 | 2 | 4 | 2 | 2 | 4 | 23 |
| Wanaka West | 51 | 8 | 3 | 2 | 9 | 4 | 1 | 8 | 4 | 5 | 2 | 2 | 3 | 24 |
| Wakatipu Basin | 50 | 8 | 6.5 | 6 | 7.5 | 5 | 1 | 1 | 6 | 5 | 1 | 2 | 1 | 25 |
| Kingston | 45 | 10 | 1 | 5 | 9 | 1 | 1 | 1 | 8 | 5 | 1 | 2 | 1 | 26 |
| Queenstown Hill | 44 | 1 | 7 | 1 | 15 | 1 | 1 | 7 | 3 | 3 | 2 | 2 | 1 | 27 |
| Hawea Locality | 43.5 | 6 | 1 | 2 | 10.5 | 3 | 1 | 2 | 8 | 5 | 2 | 2 | 1 | 28 |
| Cardrona | 38 | 5 | 3.5 | 1 | 7.5 | 2 | 2 | 1 | 6 | 4 | 3 | 2 | 1 | 29 |
| Outer Wakatipu | 30 | 2 | 2.5 | 3 | 7.5 | 1 | 2 | 1 | 2 | 5 | 1 | 2 | 1 | 30 |

Source: M/E, QLDC

Retail (and applicable to Commercial Office)

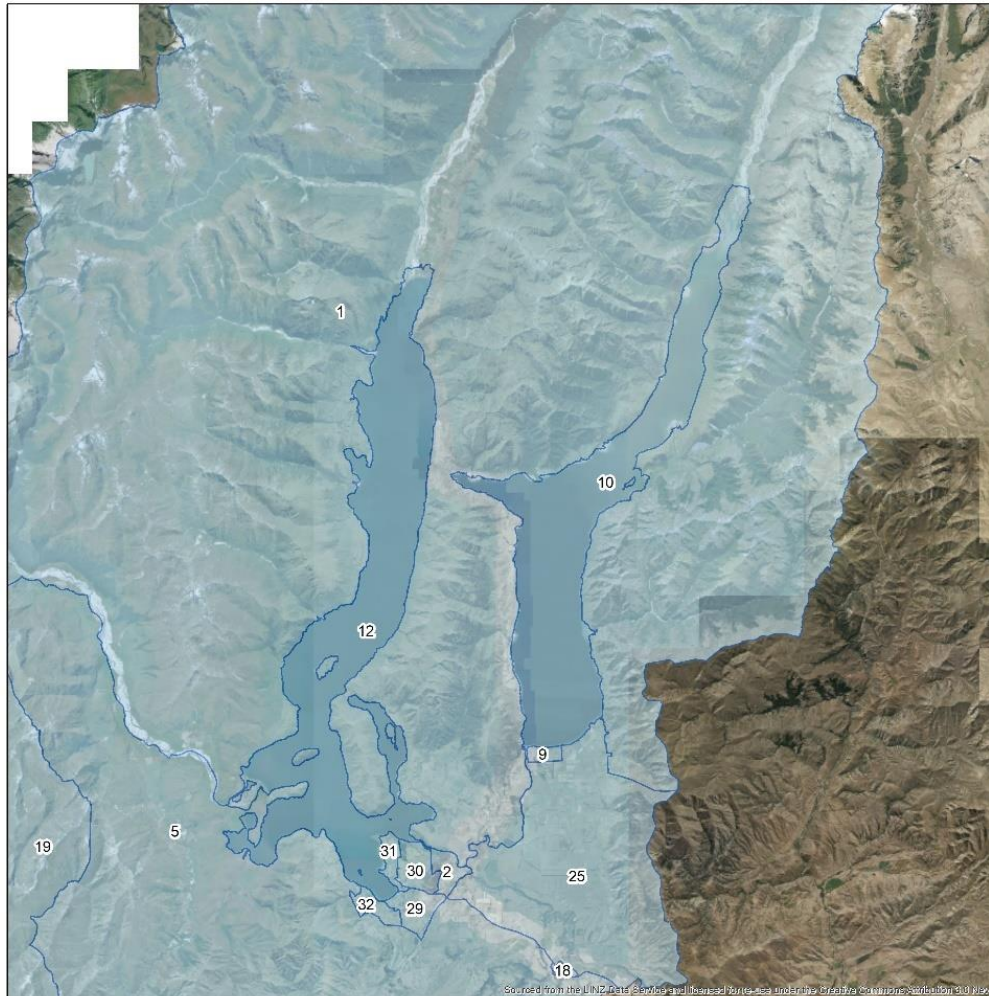
| | Range | 1 to 10 | 1 to 10 | 1 to 5 | 1 to 20 | 1 to 15 | 1 to 15 | 1 to 10 | 1 to 15 | 1 to 5 | 1 to 5 | 1 to 5 | 1 to 5 | Rank (based on Total) |
|-----------------------------|---------------|---|---|--|---------------------------|--|----------------------|---------------------|--|---|---------------------------------|---------------------------------------|--|-----------------------|
| | Maximum score | 10 | 10 | 5 | 20 | 15 | 15 | 10 | 15 | 5 | 5 | 5 | 5 | |
| MCA Framework Final | TOTAL | Located on main arterials (direct access for customer base) | Proximity to market - households within 5km | Proximity to market - households within 5km - 10km | Flat site - road frontage | Co-location or clustering with associated business activities - Retail Centres | Parking availability | Proximity to labour | Proximity to market - tourist accommodation within 1km | Low level of traffic congestion in vicinity | Exposure / profile / visibility | Existing or proposed public transport | Access to complementary / supporting business services (Retail sector suppliers) | |
| Frankton Flats | 108 | 10 | 10 | 5 | 20 | 12 | 15 | 10 | 10 | 2 | 5 | 5 | 4 | 1 |
| Remarkables Park | 107.5 | 10 | 9.5 | 5 | 20 | 12 | 15 | 10 | 11 | 3 | 4 | 4 | 4 | 2 |
| Wanaka Central | 94 | 8 | 9 | 3 | 18 | 12 | 10 | 9 | 13 | 3 | 4 | 1 | 4 | 3 |
| Frankton | 91 | 10 | 10 | 5 | 18 | 8 | 4 | 10 | 11 | 1 | 5 | 5 | 4 | 4 |
| Queenstown Central | 91 | 3 | 10 | 4 | 10 | 15 | 10 | 10 | 15 | 1 | 5 | 4 | 4 | 4 |
| Queenstown Bay | 90 | 3 | 10 | 4 | 10 | 15 | 10 | 10 | 15 | 1 | 4 | 4 | 4 | 6 |
| Queenstown East | 86 | 3 | 10 | 4 | 10 | 15 | 6 | 10 | 15 | 1 | 4 | 4 | 4 | 7 |
| Warren Park | 73 | 5 | 8 | 4 | 10 | 6 | 6 | 8 | 12 | 3 | 3 | 3 | 5 | 8 |
| Wanaka Waterfront | 71 | 5 | 8 | 3 | 10 | 8 | 4 | 9 | 13 | 4 | 2 | 1 | 4 | 9 |
| Wanaka North | 67 | 6 | 9 | 3 | 10 | 5 | 6 | 9 | 7 | 4 | 3 | 1 | 4 | 10 |
| Frankton Arm | 61 | 8 | 7 | 5 | 5 | 3 | 1 | 8 | 12 | 1 | 3 | 4 | 4 | 11 |
| Arrowtown | 61 | 4 | 4 | 2 | 8 | 10 | 6 | 5 | 10 | 2 | 4 | 3 | 3 | 11 |
| Sunshine Bay | 55 | 3 | 9 | 4 | 6 | 3 | 2 | 8 | 9 | 3 | 2 | 3 | 3 | 13 |
| Albert Town | 52 | 9 | 7 | 3 | 12 | 1 | 3 | 6 | 2 | 4 | 2 | 1 | 2 | 14 |
| Jacks Point | 52 | 5 | 2 | 3 | 13 | 5 | 4 | 3 | 5 | 5 | 2 | 3 | 2 | 14 |
| Wanaka West | 51 | 4 | 7 | 3 | 6 | 1 | 1 | 8 | 10 | 5 | 2 | 1 | 3 | 16 |
| Arthurs Point | 50 | 7 | 4 | 4 | 8 | 2 | 2 | 3 | 8 | 5 | 2 | 3 | 2 | 17 |
| Lake Hayes Estate | 44 | 5 | 6 | 4 | 10 | 2 | 2 | 3 | 1 | 5 | 1 | 3 | 2 | 18 |
| Shotover Country | 44 | 5 | 6 | 4 | 10 | 2 | 2 | 3 | 1 | 5 | 1 | 3 | 2 | 18 |
| Kelvin Heights | 43 | 5 | 4 | 4 | 5 | 1 | 1 | 5 | 8 | 3 | 2 | 3 | 2 | 20 |
| Quail Rise | 42 | 5 | 8 | 5 | 6 | 2 | 1 | 3 | 1 | 5 | 1 | 3 | 2 | 21 |
| Luggate Locality | 37 | 9 | 1 | 2 | 10 | 1 | 2 | 1 | 1 | 5 | 3 | 1 | 1 | 22 |
| Cardrona | 37 | 7 | 1 | 1 | 10 | 1 | 4 | 1 | 3 | 4 | 3 | 1 | 1 | 22 |
| Lake Hayes | 36 | 7 | 5 | 3 | 2 | 1 | 1 | 4 | 1 | 5 | 2 | 2 | 3 | 24 |
| Hawea Locality | 36 | 6 | 2 | 1 | 10 | 2 | 2 | 2 | 2 | 5 | 2 | 1 | 1 | 24 |
| Queenstown Hill | 30 | 1 | 5 | 4 | 1 | 1 | 1 | 7 | 3 | 3 | 2 | 1 | 1 | 26 |
| Kingston | 29 | 5 | 1 | 1 | 10 | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 27 |
| Wakatipu Basin | 24 | 6 | 1 | 3 | 1 | 1 | 1 | 1 | 2 | 5 | 1 | 1 | 1 | 28 |
| Rest of Upper Clutha Valley | 23 | 6 | 1 | 1 | 3 | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 29 |
| Outer Wakatipu | 16 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 30 |

Source: M.E, QLDC



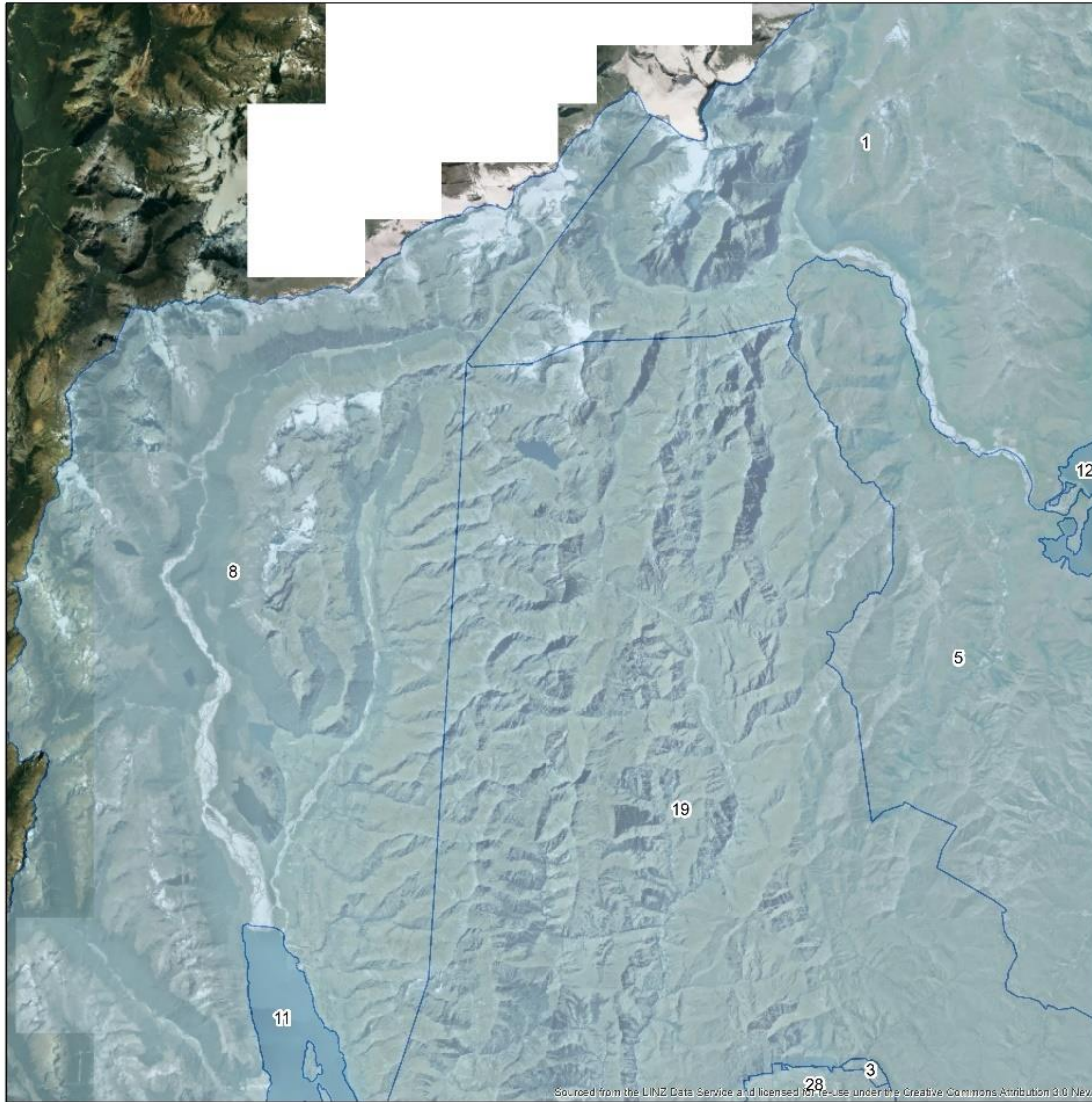
Appendix 16 – MCA Areas

Spatial Framework – North QLD



- 1 - Ahuriri (Queenstown-Lakes District)
- 2 - Albert Town
- 5 - Cadrona
- 9 - Hawea Locality
- 10 - Inland water-Lake Hawea
- 12 - Inland water-Lake Wanaka
- 18 - Luggate Locality
- 19 - Outer Wakatipu
- 25 - Rest of Upper Clutha Valley
- 29 - Wanaka Central
- 30 - Wanaka North
- 31 - Wanaka Waterfront
- 32 - Wanaka West

Spatial Framework - North West QLD



- 1 - Ahuriri (Queenstown-Lakes District)
- 3 - Arrowtown
- 5 - Cadrona
- 8 - Glenorchy
- 11 - Inland water-Lake Wakatipu
- 12 - Inland water-Lake Wanaka
- 19 - Outer Wakatipu
- 28 - Wakatipu Basin

Spatial Framework – South QLD



- 3 - Arrowtown
- 4 - Arthurs Point
- 5 - Cadrona
- 6 - Frankton
- 7 - Frankton Arm
- 8 - Glenorchy
- 11 - Inland water-Lake Wakatipu
- 13 - Jacks Point
- 14 - Kelvin Heights
- 15 - Kingston
- 16 - Lake Hayes
- 17 - Lake Hayes Estate
- 19 - Outer Wakatipu
- 20 - Quail Rise
- 21 - Queenstown Bay
- 22 - Queenstown Central
- 23 - Queenstown East
- 24 - Queenstown Hill
- 26 - Shotover Country
- 27 - Sunshine Bay
- 28 - Wakatipu Basin
- 33 - Warren Park

Evaluation Criteria Index

The following table identifies the section(s) of this BDCA that are relevant to each of the criteria identified in the MBIE Evaluation Sheet (DRAFT, November 2017). It is included as a check list for M.E and Council and to assist with MBIE's evaluation.

| Content | |
|---|--|
| The assessment produces an estimate of demand for business space in the short, medium and long term. | |
| Does the assessment provide a rigorous narrative on the key sectors, trends and possible future changes in the local economy? <i>Does this cover broad sectoral composition, employment densities, spatial characteristics and emerging trends and the sectors that are expected to drive future land/space demands?</i> | Section 3 |
| Does the assessment analyse different business demands for different locations, property types, sizes and tenure? | Section 4 |
| Does the assessment contain future medium and long term projections of demand (especially for industrial land) by discussing the key drivers to business demand space? | Section 3.4 Section 4.6 Section 7.3.4 Section 1.5.1 Section 1.5.2 Appendix 3 Section 3.1 Section 3.3.1 Section 3.4 |
| The assessment produces an estimate of capacity for business space | |
| Does the assessment reasonably identify all business development capacity enabled by relevant proposed and operative RPSs, regional plans and district plans (including a stocktake of vacant land by zone and type and redevelopment potential), and is the assessment clear about what enabled capacity is also supported by development infrastructure? | Section 5 Appendix 9 Section 6.2 Section 6.3 |
| Have these assessments been qualitatively assessed or ground-truthed? <i>For example have they been tested and supplemented by visual inspections or surveys of business occupiers?</i> | Section 5.1.1 |
| Does the assessment consider the feasibility of capacity, particularly for industrial land? <i>E.g. has a multicriteria analysis been used?</i> | Section 6 |

| | |
|--|--|
| <i>Are the methods and assumptions used in this assessment clear?</i> | Section 6 Appendix 15 |
| <p>Is there a rigorous conclusion on whether development capacity for business is sufficient now and in the short, medium and long terms?</p> <p><i>Is there a quantitative comparison between the demand and capacity assessments?</i></p> <p><i>Is sufficiency measured by zone type, geographical area and in the short, medium and long terms?</i></p> <p><i>Are there more detailed sufficiency measures for the short and medium terms?</i></p> <p><i>Are the industrial zone land price differentials used to inform a conclusion about whether zoning matches demand of different activities for particular locations?</i></p> | <p>Section 7</p> <p>Section 7</p> <p>Section 7</p> <p>Section 7</p> <p>Section 7.5</p> |
| Does the assessment analyse the contributing factors to any shortfall in sufficiency? <i>I.e. how do different factors (enablement in plans, development infrastructure or feasibility) contribute to a shortfall in sufficiency?</i> | Section 7.4 |
| The assessment considers interactions between housing and business activities and their impact on each other | |
| <p>Does the assessment consider the interactions between business and housing capacity?</p> <p><i>Does the assessment ensure that capacity is not double counted or under- or over-estimated?</i></p> <p><i>Does it consider the positive and negative spatial interactions between housing and business capacity, and impacts on accessibility and transport?</i></p> <p><i>Does it analyse barriers and opportunities for development and change?</i></p> | <p>Section 5.2.1</p> <p>Section 6</p> <p>Section 6</p> |
| The assessment explicitly uses market and price efficiency indicators | |
| Are results from the quarterly monitoring of market indicators reflected in the assessment and are they consistent with the final assessments of housing and business land sufficiency? | Section 7.5 |
| Does the assessment include consideration of price efficiency indicators as a package and an analysis of what these suggest about the sufficiency of supply and location of development capacity? | Section 7.5 |
| Communication | |
| <p>Clarity</p> <p><i>Is the capacity assessment easy to read and understand?</i></p> <p><i>Does it use appropriate headings, plain English, exec summary and visuals or spatial information where appropriate?</i></p> | <p>Yes</p> <p>Yes</p> |


| | |
|--|--|
| <i>Is it of a readable length?</i> | It is a necessary length to cover the material required. |
| <p>Narrative</p> <p><i>Does the assessment provide a clear narrative about the urban markets for housing and business space and their interaction with land use planning?</i></p> <p><i>Is the analysis of the indicators clearly grounded in the local context?</i></p> <p><i>Is it an appropriate level of detail for the local authority in question?</i></p> | <p>Section 2.2 Section 2.3 Section 4.1</p> <p>Section 7.5</p> <p>Yes</p> |
| <p>Usefulness to decision-makers</p> <p><i>Will the assessment inform targets, plan changes and future development strategies (where relevant), and long-term plans?</i></p> <p><i>Does it draw clear conclusions on the 'so what' and next steps (possibly through a recommendations section)?</i></p> <p><i>Does it link the HBA to other key responsive planning requirements under the NPS-UDC?</i></p> <p><i>Does it contain the key information necessary for further decisions?</i></p> <p><i>Are key risks and timing issues highlighted?</i></p> | <p>Yes</p> <p>Section 7.6 Section 8</p> <p>N/A</p> <p>Yes</p> <p>Section 8.2</p> |
| Process | |
| <p>Agreement between the relevant councils on the geographic area of focus for the assessment</p> <p><i>Is this clearly delineated, and does it have some logical basis e.g. the functional market, coordination arrangements, the application of planning decisions?</i></p> | Section 8.4 |
| <p>Local expertise sought and used</p> <p><i>Is there evidence that the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities, and the providers of development infrastructure and other infrastructure has been sought and used?</i></p> | Section 1.6 Section 6.1 Appendix 4 |
| <p>Transparency</p> <p><i>Are the methodology and assumptions clear, even when work has been procured?</i></p> <p><i>If there is a disclosure statement, does this detail key gaps, strengths and weaknesses?</i></p> <p><i>Are options for filling these gaps explored?</i></p> <p><i>Has consideration been given to releasing the report to the public?</i></p> | <p>Yes</p> <p>Section 8.4</p> <p>Section 8.4</p> <p>When finalised.</p> |



Acronyms

The following acronyms can be found in this report:

- ANZSIC – Australia New Zealand Standard Industrial Classification
- BDCA – Business Development Capacity Assessment
- BMU – Business Mixed Use
- COD – Central Otago District
- CODC – Central Otago District Council
- EFM – Economic Futures Model
- FDS – Further Development Strategy
- GDP – Gross Domestic Product
- GFA – Gross Floor Area
- GFC – Global Financial Crisis
- GU – Geographic Unit (Business)
- HA – Hectare
- HDCA – Housing Development Capacity Assessment
- LDR – Low Density Residential
- LTP – Long Term Plan
- MCA – Multi Criteria Analysis
- MDR – Medium Density Residential
- M.E – Market Economics Limited
- MEC – Modified Employee Count
- NPS-UDC – National Policy Statement – Urban Development Capacity
- NZTA – New Zealand Transport Agency
- ODP – Operative District Plan
- ORC – Otago Regional Council
- PDP – Proposed District Plan
- QLD – Queenstown Lakes District

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- QLDC – Queenstown Lakes District Council
 - RMA – Resource Management Act 1991
 - SHA – Special Housing Area
 - SNZ – Statistics New Zealand
 - SQM – Square meters
 - UGB – Urban Growth Boundary
 - VA – Visitor Accommodation

Memo

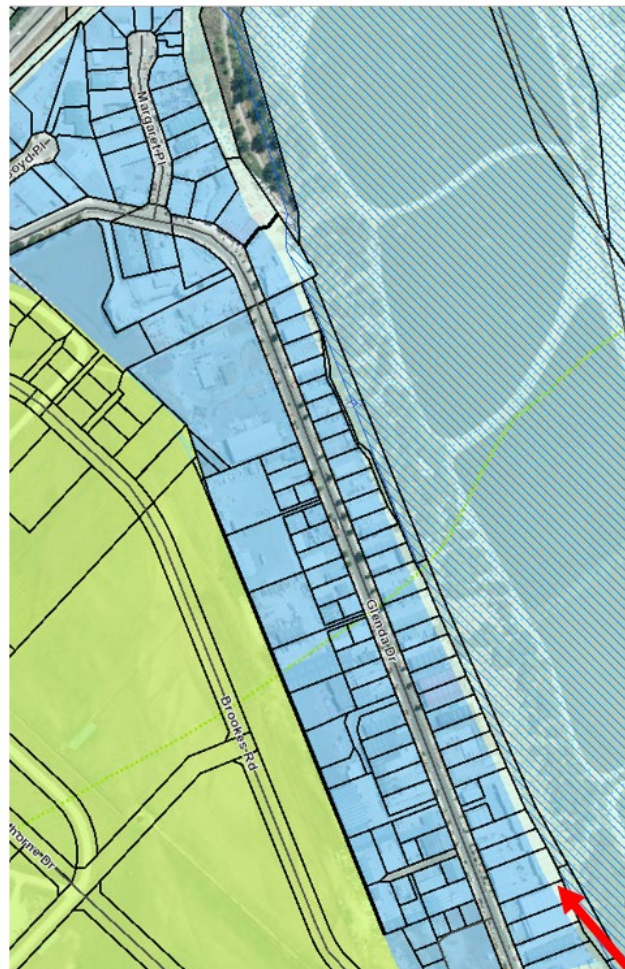
TO: Luke Place – Senior Policy Planner, QLDC

FROM: Helen Mellsop – Registered NZILA Landscape Architect

DATE: 21 February 2019

SUBJECT: Glenda Drive Rural General Zoning

1. I have undertaken a desktop assessment of the landscape effects of rezoning a strip of land north-east of Glenda Drive, Frankton, from Rural Zone to Industrial Zone. The area under consideration is shown in the figure below.



Subject Rural Zone

2. I am not aware of the reasoning behind the location of the zone boundary under the ODP, but imagine that this might have related to limiting the visibility of commercial/industrial development from vantage points to the east. These include SH6 as it descends and crosses the Shotover River, the Shotover River bed itself and rural and Shotover Country areas directly east across the river.
3. A desktop assessment has shown that about half of the properties traversed by the strip of Rural Zone have buildings that extend into that zone. The split zoning of the sites has not therefore been successful in ensuring a setback of buildings from the crest of the escarpment leading down to the river flats. There does not appear to be any vegetation within the Rural Zone strip that would screen development in views from the east. In addition the screening vegetation that *does* mitigate the visual impact of the building is located within the walking/cycling trail lot immediately to the east (zoned Informal Recreation in Stage 2 of the PDP) or else further down the escarpment within Council-owned Rural land.
4. In my opinion, rezoning the strip of land from Rural to Industrial would not have any more than a low level of adverse effect on the landscape character or on visual amenity values, as long as the height of any new buildings did not exceed that of current development.



Helen Mellsop
BLA, BHB, Dip Hort (Distinction)
Registered NZILA Landscape Architect