

## Queenstown Lakes District Proposed District Plan – Stage 1

### Section 42A Hearing Report For Hearing commencing: 7 March 2016

Report dated: 19 February 2015

Report on submissions and further submissions

### Chapter 3 Strategic Direction Chapter 4 Urban Development

File Reference: Chp. 3 and 4 S42A

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## **1. Executive Summary**

- 1.1. The Strategic Direction chapter 'sets the scene' for the whole Proposed District Plan (PDP). Within one chapter, it seeks to provide a high level policy framework that responds to all the major resource management issues of the District. The chapter should be able to be readily utilised by the public, planning administrators and decision makers in relation to resource consent applications, plan changes and notices of requirement.
- 1.2. The chapter is structured around seven Goals, each of which contain objectives and policies. The goals serve both as a structural tool to organise the chapter, and as an expression of key environmental outcomes sought by Council.
- 1.3. Given the diverse nature of the planning matters addressed in the chapter, there were diverse submissions. On a number of matters, there was both support and opposition. Submissions requested deletion or amendment of provisions, and additional goals, objectives and policies.
- 1.4. At a broad level, some of the more substantive matters raised in submissions related to:
  - The function and structure of the chapter
  - The lack of recognition of Remarkables Park / Frankton under Goal 1's objectives and policies
  - Lack of recognition of infrastructure's role and importance for the District, including the Queenstown Airport and major utility providers
  - The approach to urban growth management, including the promotion of Urban Growth Boundaries and intensification
  - The protection of the natural environment, and in particular the resource management approach to significant indigenous vegetation and wilding vegetation
  - The proposed approach to managing landscapes, and in particular the mapping of landscapes and the language employed in the objectives and policies.
  - The Council's proposed approach to acting in partnership with tangata whenua, largely in terms of the language employed.
- 1.5. Following analysis of submissions and further submissions, it is recommended that the fundamental structure and approach of the chapter be retained. Furthermore, it is recommended that a number of wording amendments are made, and that some additional objectives and policies are added.
- 1.6. Some of the key recommended amendments include:
  - Providing explicit recognition of Frankton's role under Goal 1, and an expression through new objectives and policies of the resource management outcomes sought
  - Some additional recognition of infrastructure, but in a manner less comprehensive than that sought by some submitters
  - Some subtle but significant amendments to the expression of objectives and policies relating to the natural environment
  - Some significant wording amendments to objectives and policies pertaining to landscapes, to provide better alignment with the RMA and also to provide a more flexible policy framework and one that is less absolute.
- 1.7. Submissions on the Urban Development chapter are also addressed in this evidence. I address them under Goal 2 of the Strategic Direction chapter, as this goal pertains to urban growth management policy that directs the policy content of the Urban Development chapter.

## **2. Introduction**

- 2.1. My name is Matthew David Paetz. I hold the qualification of Bachelor of Planning (Hons) from the University of Auckland, and Bachelor of Arts from Victoria University, and have been a Full Member of the New Zealand Planning Institute since 2003.

- 2.2. I have 20 years of professional planning experience obtained in planning and development roles in local authorities, other government bodies and private practice since 1996.
- 2.3. I was the District Plan Manager at Queenstown Lakes District Council (QLDC) between February 2014 and January 2016. The responsibilities of the District Plan elements of my role included:
- Developing the overall programme for the preparation and notification of Stage 1 of the PDP, managing resources and budgets.
  - Briefing and commissioning expert inputs
  - Preparing and undertaking workshops with Councillors in identifying issues and potential District Plan responses
  - Planning for and facilitating public consultation sessions
  - Preparing and reviewing PDP chapters and accompanying Section 32 evaluations
  - Providing strategic guidance and management throughout the District Plan review process.
- 2.4. I am currently employed by The Property Group as Auckland Planning Manager and am authorised to give this evidence on behalf of the Council.

### 3. Code of Conduct

- 3.1. Although this is a Council hearing, I confirm that I have read the Code of Conduct for Expert Witness contained in the Environment Court Practice Note and that I agree to comply with it. I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this evidence is within my area of expertise, except where I state that I am relying on the evidence of another person.

### 4. Scope

- 4.1. The focus of this evidence is the goals, objectives and policies of the Strategic Direction (3) Chapter, and the submissions and further submissions received by the Council on that Chapter. In addition, the report also addresses the provisions in the Urban Development chapter, which strongly relate to the Strategic Direction chapter.
- 4.2. I have identified a number of key issues raised by submitters. I will discuss these issues in broad terms. Where substantive changes to provisions are recommended, I will outline these and provide an assessment in terms of Section 32AA of the RMA. I have shown all the changes I have recommended via ~~strikethroughs~~ and underlining in **Appendix 1**.
- 4.3. My recommendation as to whether individual submission points should be accepted, accepted in part or rejected is contained in **Appendix 2**.
- 4.4. Although this evidence is intended to be a stand-alone document (and meet the Council's obligations under section 42A of the RMA), a more in-depth understanding can be obtained from reading the Section 32 evaluation reports which are attached at **Appendix 3**. The Section 32 reports also contain further links to a range of documents, including Monitoring Reports.
- 4.5. I have read and relied on, the technical evidence attached to this evidence as follows:
- **Appendix 4** – Evidence of Mr Clinton Bird (Urban Design)
  - **Appendix 5** – Evidence of Mr Ulrich Glasner (Infrastructure)
  - **Appendix 6** – Evidence of Mr Philip McDermott (Centres Strategy)
  - **Appendix 7** – Evidence of Mr Fraser Colegrave (Housing Supply and Population Projections)
  - **Appendix 8** - Evidence of Dr Marion Read (Landscape)
- 4.6. My evidence will also address the 'big picture' for the Council, that is, the key drivers and the strategic planning context underlying the structure, policy and intent of the PDP, including:

- Foundations and drivers of the PDP including compliance with higher order statutory documents and the RMA;
- The process undertaken by the Council to review the parts of the Operative District Plan (ODP) included in Stage 1 of the Review; and
- Provide a general overview of the PDP structure, purpose and intent.

4.7. I will then:

- Identify the major themes raised in submissions and further submissions on the Strategic Direction and Urban Development chapters of the PDP (set out in **Appendix 2** is my response to each submission point);
- Provide a general overview of my analysis and response to the matters raised in submissions; and
- Set out my conclusions.

## 5 Background – Statutory

5.1 The RMA is the key statutory driver for the Council in terms of the review of the ODP and preparation and implementation of Stage 1 of its PDP.

5.2 The purpose of the RMA is to promote the sustainable management of natural and physical resources. Sustainable management means:

*Managing the use, development and protection of natural and physical resources in a way and at a rate, which enables people and communities to provide for their social, economic and cultural wellbeing 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.*

5.3 The purpose and principles of the Resource Management Act 1991 (**RMA**) together espouse a holistic and integrated approach to planning, where the inter-relationships between issues (social, economic, cultural and environmental and various (sometimes competing) resources) need to be considered and responded to.

5.4 Section 31 of the RMA further supports an integrated planning approach. Section 31(1)(a) states that territorial authorities shall have the following functions for the purpose of giving effect to the RMA in its district:

- (a) *the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district*

5.5 This integrated and holistic approach to planning is particularly important and therefore appropriate in districts such as Queenstown, which face high levels of population growth and development within a sensitive and valued landscape.

5.6 Matters of national importance are identified in section 6 of the RMA and include:

- (a) *the preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development:*

- (b) *the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:*
- (c) *the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna:*
- (d) *the maintenance and enhancement of public access to and along the coastal marine area, lakes and rivers:*
- (e) *the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:*
- (f) *the protection of historic heritage from inappropriate subdivision, use, and development:*
- (g) *the protection of recognised customary activities.*

5.7 Other matters that the Council needs to have particular regard to are identified in section 7 of the RMA. Matters that have been particularly relevant to the development of the PDP and the Strategic Direction chapter are:

- (a) *kaitiakitanga:*
  - (aa) *the ethic of stewardship:*
  - (b) *the efficient use and development of natural and physical resources:*
  - (c) *the maintenance and enhancement of amenity values:*
  - (d) *intrinsic values of ecosystems:*
  - (f) *maintenance and enhancement of the quality of the environment:*
  - (g) *any finite characteristics of natural and physical resources:*

5.8 Section 8 of the RMA requires the Council to take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) when exercising functions and powers.

5.9 National Environmental Standards of relevance to the preparation of the PDP in terms of QLDC's regulatory functions are:

- National Environmental Standards for Telecommunication Facilities
- National Environmental Standards for Electrical Transmission Activities

5.10 Both the Operative Otago Regional Policy Statement and the Proposed Otago Regional Policy Statement (proposed RPS) are of relevance to the PDP. Section 75(3)(c) of the RMA states that district plans must give effect to any regional policy statement, while Section 74(2) of the RMA states that when preparing a district plan a territorial authority shall have regard to any proposed regional policy statement.

5.11 QLDC was actively involved in the analysis of issues and formulation of the Proposed Regional Policy Statement (Proposed RPS). QLDC submitted on the Proposed RPS, and I appeared on behalf of the Council at the hearing in Queenstown in November 2015. At the time of writing the Hearing Panel were deliberating.

5.12 For the most part the Proposed RPS incorporates the policy issues and responses that QLDC advocated for through the PDP. With a minor number of exceptions (such as some of the policy approaches advocated for in the Proposed RPS on natural hazards), the PDP is generally consistent with the policy direction espoused by the Proposed RPS. Although it occurred largely 'by accident' rather than 'by design' (although engagement by the Regional Council of QLDC in the process was very much intentional and well-conceived and executed), I consider that the fact that the two plans were developed to a significant extent in parallel has created good linkages and consistency between the documents.

## **6 Background – Council's process**

6.1 Section 79(1) of the RMA states that a local authority must commence a review of a provision of its district plan, if the provision has not been reviewed or changed by the local authority during the previous 10 years.

- 6.2 The ODP became operative through a number of stages, due to the large number of appeals lodged with the Environment Court on the plan. However a large number of the provisions became operative by 2004, necessitating the commencement of a part review by 2014.
- 6.3 A number of provisions became operative after 2004. Some of these have been excluded from the District Plan Review, whilst others are incorporated in the review. The decision to exclude parts of the ODP from the review was generally taken either where the provisions became operative within the last 5-7 years, or where the provisions relate to a specific discrete topic or special zone. Some provisions in the ODP which were introduced by way of plan change after 2004 have however been included in the review as they are fundamental to particular chapters subject to the review.
- 6.4 Council formally signalled a District Plan review in the Long Term Plan 2012 and noted that a 'comprehensive review of the District Plan over the next three years' would be undertaken. The approach to the District Plan review was considered at a Strategy Committee Workshop in May 2013. A 'chapter by chapter' approach to the review was supported, as was a rollover of the existing District Plan format.
- 6.5 No formal resolution was passed by Council through 2012-2013 to commence a review under Section 79 of the RMA.
- 6.6 Whilst the review had not formally commenced, a substantial amount of monitoring, policy development and community consultation occurred through 2012-2013. This provided a platform for the District Plan Review. Monitoring reports on a range of issues were prepared and have served to identify key issues to be addressed. Comprehensive community consultation included preparation of a series of brochures on specific issues and/or locations and written feedback was received and recorded.
- 6.7 At its meeting on 17 April 2014, Council considered a report prepared by me that, amongst other matters:
- Provided the background to the District Plan Review
  - Outlined the problems with the ODP
  - Set out the proposed approach to the structure and general philosophy and goals of the PDP, including the approach of breaking the review into two stages
  - Recommended formal commencement of the District Plan Review
  - Recommended that following provisions be excluded from the review:
    - Frankton Flats A
    - Frankton Flats B (once operative)
    - Remarkables Park Zone
    - Mount Cardrona Station Special Zone
    - Three Parks Zone
    - Kingston Village Special Zone
    - Registered Holiday Homes Appendix
    - Open Space Zone
    - Affordable housing provisions
    - Signs
- 6.8 At the 17 April 2014 meeting, Council resolved to formally commence the review, and exclude the provisions listed above from the review.
- 6.9 The review then advanced, with a key priority being the development of the draft Strategic Direction chapter. The policy analysis underpinning this included a review of the work that had been done to date, including reviewing monitoring reports and the outcomes of consultation. In addition, some consultation had occurred on an early draft of the Strategic Direction chapter in late 2013, which was pivotal in the development of the chapter (noting it did evolve significantly after that consultation had occurred).

- 6.10 Workshops with Councillors were central to the identification of key planning and resource management issues and potential policy responses, building on the earlier work and engagement with the public. Generally, through 2014 and 2015 one workshop per month (sometimes two) was held with Councillors. The workshops provided a forum for me and other staff to present and discuss issues and policy responses in a frank and open manner with the Councillors. The Strategic Direction chapter was a particular focus through the months of May, June and July 2014. Policy development is a naturally iterative process, and even after the chapter was endorsed by Council in July 2014, it was still revisited through the year and again close and prior to the full Council approving public notification of the PDP in August 2015.
- 6.11 Another important aspect was the formation of a 'Resource Management Focus Group'. The group comprised a number of professionals related to the field of planning (including a Landscape Architect, Architect / Urban Designer, and Lawyer) as well as individuals with community or property development interests. Although the group was less active in 2015, it met several times in 2014, where consideration of bigger strategic issues was being undertaken. The group did not have a function of reviewing draft chapters as such, but rather was another forum to canvass key issues and consider and debate potential policy responses.
- 6.12 Although not directly related to the Strategic Direction and Urban Development chapters, public consultation on draft versions of the Residential, Rural and Landscape chapters occurred in early 2015. The consultation was well advertised across a variety of forums, and involved a significant number of drop-in sessions. The material subject to this consultation crossed over into some of the key planning issues addressed in the Strategic chapters notified in Part 2 of the PDP, and this allowed for further reflection, reconsideration and some amendment.
- 6.13 It is also worth noting that extensive public communications and drop-in sessions were held after the PDP was notified. Of particular relevance to this report, publication of Council's Scuttlebutt newsletter (sent to all ratepayers) shortly after notification printed the Strategic Direction chapter in full. This was undertaken so as to bring, as far as possible, some of the key planning issues and proposed policy responses to the community's attention.
- 6.14 Overall, although the timeframes for the development of the PDP were compressed, I consider that good community involvement was facilitated on key issues and there was also a very robust process of workshops with Councillors.
- 6.15 I also consider it relevant to briefly mention some of the key strategic planning work that was undertaken from the period 2004 – 2010, which also underpins the development of the PDP. A number of strategies were developed and prepared under the Local Government Act 2002, with extensive community consultation, on significant planning issues that are addressed in the Strategic chapters – in particular urban growth management, approaches to housing development (density and spatial considerations), urban design and landscape issues. I would go as far to say that at a strategic level, there is little in the Strategic chapters that departs in any material way from the direction espoused through these various strategies. In fact, for the most part I consider that the strategic chapters in Part 2 of the PDP (and associated lower order chapters and provisions) are the culmination and final expression of these many years of policy development and consultation. This may be reflected in the general lack of strong opposition to many of the strategic provisions contained within the Strategic chapters.
- 6.16 The following policies and strategies were of particular relevance to the development of the PDP:
- Queenstown and Wanaka Growth Management Options Study (2004)
  - HOPE Affordable Housing Strategy 2005
  - A Growth Management Strategy for the Queenstown Lakes District (2007)
  - Wanaka Structure Plan (2007)
  - Wakatipu Transportation Strategy (2007)

- Wanaka Transportation and Parking Strategy (2008)
- Urban Design Strategy (2009)

6.17 Certain policy approaches are advocated for in these strategies on a recurring basis, including:

- Managing urban growth
- Seeking to promote more compact urban settlements, and minimising 'urban sprawl'
- Seeking to reinforce these approaches through consideration of the application of Urban Growth Boundaries, and greater housing densities in strategic locations
- Promoting good urban design quality
- Giving greater consideration to District Plan approaches that can help promote better housing affordability

6.18 As I state above, many of these policy approaches are included in the PDP strategic chapters. To some extent, many of these objectives are also promoted in the ODP, but in my view not always particularly effectively. I address some of the issues with the policy settings of the ODP in Section 8 of this report where I address the intent and purpose of the Strategic Direction chapter, including how it seeks to address what I consider to be some of the ODP's shortcomings.

## **7 Overview of the PDP and key strategic planning issues**

7.1 The primary purpose of the PDP is to enable the Council to carry out its functions consistent with the purpose of the RMA – that is, to promote the sustainable management of natural and physical resources.

7.2 The PDP seeks to address issues that are prevalent in the District, and which form the basis for sustainable management in the District. Some of the major issues established in the District Plan Review and which underpin the Strategic Direction and Urban Development chapters are:

- Strong population growth
- Dwelling capacity
- High and increasing housing costs
- Function and viability of key commercial centres
- Protection and management of the District's unique landscape values
- Urban form: maintaining a relatively compact urban form in the face of increasing population, to maintain the amenity values of the countryside and to manage impacts on infrastructure

7.3 Each of these issues are addressed below. It should be noted that these issues are not exhaustive in terms of issues underpinning the PDP and the Strategic chapters, but represent what Council has considered to be the most pressing strategic planning matters.

### **Population Growth**

7.4 The District has been one of the fastest growing in the country over the past 10 years, and strong growth is forecasted to continue, largely off the back of projections for significant growth in tourism and multiplying effects. Such growth presents significant opportunities, but also challenges.

7.5 In 2014 Council's policy department commissioned Insight Economics<sup>1</sup> to undertake fresh population projections, as it was considered that the historic projections were too low and consistently exceeded by actual growth by a significant margin. A key element of Insight's projection work was to critically assess historic projections, and also to inform projections by linking them to economic growth projections. This was due to the fact that a report prepared

<sup>1</sup> Insight Economics. Medium to High Density Housing Study: Stage 1a – Review of Background Data (2014) (see Attachment A of **Appendix 7** (Mr Colegrave's evidence)).

by McDermott Miller<sup>2</sup> and subsequent peer reviewed by Dr Phil McDermott<sup>3</sup> strongly advocated for developing population and broader economic growth projections off tourism-driven economic scenarios.

- 7.6 As noted in Mr Colegrave's evidence (**Appendix 7**) Insight Economics predicted population growth of 3.4% per annum to 2031 (representing a possible increase in population from 32,000 in 2015 to 55,000 by 2031) and concluded "...that the district will continue to experience high population growth and...demand for new dwellings will also be strong." It also highlights that such levels may be exceeded if the tourism industry continues to grow at a high rate, requiring a greater population base to support the industry.

### **Housing Costs**

- 7.7 As one of life's basic requirements, shelter is fundamental to the wellbeing of people and communities. To take this a step further, good quality and well located housing that is preferably affordable, but as a minimum avoids 'severe unaffordability'<sup>4</sup>, is fundamental to social, economic and cultural wellbeing and the health and safety of people.<sup>5</sup>
- 7.8 Like some other districts or urban centres in New Zealand, housing in the District is generally unaffordable, and the issue of affordability is worsening. The district has the second highest median house price in the country, coupled with relatively low median incomes. This makes mortgages 101.8% of the median take-home pay of an individual<sup>6</sup>. Recent evidence suggests the problem is worsening, with significant growth in property values through 2015 - Quotable Value has reported that average property prices in Queenstown Lakes District increased 12.1% over 2015<sup>7</sup>.
- 7.9 At a broader level, a large and comprehensive body of evidence (such as referenced in the New Zealand Productivity Commission's Inquiry: 'Using Land for Housing')<sup>8</sup> shows or suggests that housing unaffordability, particularly if it is severe, can:
- Lead to increasing prevalence of overcrowding: affecting health and wellbeing.
  - Lead to difficulty in communities attracting and retaining workers in employment areas fundamental to the wellbeing of communities: healthcare, education, community services.
  - Undermine productivity and economic growth: for example through difficulty in attracting and retaining staff, or by reducing the potential discretionary income of residents.

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<sup>2</sup> McDermott Miller Ltd in association with Allan Planning and Research Ltd: Business Zones Capacity and Development of a Zoning Hierarchy (2013).

<sup>3</sup> McDermott Consultants Ltd: Peer Review: Review of Queenstown-Lakes District Plan Business Zones Capacity and Development of Zoning Hierarchy (2014).

<sup>4</sup> The relativity of affordability should be emphasised. There are different measures of affordability, one of the most well known measures is the median multiple (the ratio of median house price to median income), with a median multiple of 3.0 often considered to represent an affordable housing market. However, many consider achieving a median multiple of 3.0 to be unrealistic in existing markets where the median multiple is greater than 5.0. A more realistic goal is to lessen the severity of unaffordable housing markets eg. reducing the median multiple in a market from 8.0 to say 6.0.

<sup>5</sup> The literature on the fundamental impact of housing costs on social and economic wellbeing is large and comprehensive. The New Zealand Productivity Commission issued its final report on its Inquiry 'Using Land for housing' in 2015, and refers to a large body of domestic and international literature documenting these impacts. In the overview to its Inquiry report, the Commission states: *Housing is fundamental to our economic and social wellbeing. It plays a central role in individual and community health, family stability and social cohesion. A responsive housing market facilitates labour market mobility, allowing people to move to take up job opportunities, thereby enhancing the productivity of the economy. A poorly performing housing market leads to high housing costs (whether rented or owned), overcrowding, barriers to home ownership, and risks to macroeconomic stability. Providing an adequate supply of land and development capacity for housing has the potential to lift the living standards of many New Zealanders.*

<sup>6</sup> Queenstown Housing Accord, 2014.

<sup>7</sup> Quotable Value, Residential House Values Index, sourced online:  
<https://www.qv.co.nz/resources/monthly-residential-value-index>.

<sup>8</sup> New Zealand Productivity Commission: Using Land for Housing – Final Report (2015).

- Create significant macroeconomic risks: multiple international experiences have demonstrated the substantial adverse economic and social impacts that can result from the collapse of 'housing bubbles'.
- 7.10 Whilst gains in property prices can benefit those already owning property, prolonged and substantial increases in values substantially out of balance with income growth create a multitude of adverse social and economic impacts and risks.
- 7.11 These and other adverse impacts are borne out at a District level:
- The Council is increasingly concerned at the growing prevalence of overcrowding and its potential public health implications. This was raised in a submission made by the Southern District Health Board on the PDP.
  - Anecdotal evidence – such as from Council's own recruitment experiences, and some recent media articles highlighting concerns from other employers - suggests that it is at times challenging for employers to attract and retain staff and this is partly a result of the high housing costs and generally high cost of living in the District. This issue may worsen as economic and population growth continues, and a housing supply response remains sluggish.
- 7.12 In terms of planning, the two principal regulatory means of enabling greater housing supply to address housing affordability are through:
- Increasing density within established urban locations, and/or
  - Rezoning areas of rural land beyond existing urban locations.
- 7.13 These approaches are not necessarily mutually exclusive. However, planning approaches that seek to provide most housing supply through urban intensification may seek to minimise the rezoning of greenfield land. Historically, in Queenstown Lakes District, there has been relatively limited employment of planning approaches that increase density in existing urban areas, and dominant use of greenfield rezoning.
- 7.14 Substantial potential for housing supply exists in existing greenfield zones in the District, as shown in the Council's Dwelling Capacity Model (updated 2015). In the Wakatipu Basin, the Model shows the following remaining capacities in major greenfield zones:
- Kelvin Heights: 1032 dwellings
  - Remarkables Park: 2270 dwellings
  - Jacks Point: 3113 dwellings
  - Shotover Country: 520 dwellings
- 7.15 Regardless of any new potential greenfield zones, development of existing greenfield zones has the potential to generate potentially significant pressures on infrastructure, especially roading infrastructure (under both Council and NZTA ownership and management). In particular, growing traffic pressures through Frankton are well known and have been the subject of a number of Council and NZTA studies, and from the Jacks Point and Kelvin Heights Peninsula areas alone zoning capacity exists for at least a further 3000-4000 dwellings, which would need to pass through Frankton to access centres in Frankton or Queenstown. In addition, significant projected growth in tourist numbers will also place pressure on this infrastructure, with many visitors arriving in Queenstown through the airport. Mr Ulrich Glasner's infrastructure evidence, which I have relied on, provides more detail of the potential impacts of development already anticipated, and advocates for a planned approach to urban growth management which can more readily allow Council to plan for integration between land use planning and infrastructure planning, funding and delivery (as opposed to a more laissez faire, ad hoc approach to planning).
- 7.16 In response to these pressures on infrastructure arising from population growth, the strategic approach adopted in the PDP is to increase the potential for housing supply in existing urban locations to complement the existing greenfield opportunities. Intensifying in existing urban locations can take some of the pressure off greenfield locations, and has the benefit of

helping to support walking, cycling and public transport modes of transport. It also contributes to greater housing diversity and choice, as not all people want to live in large houses on large sections in locations remote from services.

- 7.17 One of the key strategic tools to address these planning issues is the introduction of urban growth boundaries, as espoused in the Strategic Direction and Urban Development chapters as notified.

### **Dwelling Capacity**

- 7.18 QLDC's Dwelling Capacity Model was reviewed in 2014 by Council's policy team with assistance from Insight Economics, and the underlying assumptions were amended significantly. The existing model was overstating realistic capacity significantly, especially in existing urban areas (see Mr Colegrave's evidence at **Appendix 7**).

- 7.19 A number of changes in assumptions account for this, including introducing 'discount factors' for the following matters:

- Land that contains buildings that have relatively high values, relative to the underlying land value;
- Steeper topography; and
- Land use displacement: for example much of the land use in the High Density Residential zone is visitor accommodation rather than dwellings, and this is projected to increase.

- 7.20 Only relatively minor amendments were made for greenfield land.

- 7.21 The main conclusion of this review was that whilst the District is generally considered to be well served by zoned greenfield land (albeit with capacity concentrated in a relatively small number of ownerships, which may be contributing to 'land banking'<sup>9</sup>), there is very limited capacity within brownfield areas under the ODP which has resulted in a 'lopsided' greenfield / brownfield capacity composition. Brownfield development capacity is typically 'lumpier' and spread across a larger number of smaller land parcels than greenfield development sites. This has both advantages and disadvantages. Advantages include less potential for land banking (as there is far more competition and less scarcity, provided the district plan rule settings are appropriate (i.e. they sufficiently take account of land development economics and provide for a relatively 'de-risked' consenting process and greater development 'nimbleness'). Disadvantages include the lack of yield typically associated with each redeveloped parcel as compared to a greenfield scenario (however the cumulative yield of multiple redeveloped brownfield sites can become significant). Ultimately, in my opinion, the pros and cons of brownfield as compared to greenfield zoned land and capacity necessitates a mix of zonings and capacities, as proposed in the PDP.

- 7.22 The desire for greater brownfield zoning dwelling capacity has underpinned the proposed approach of providing for increased height and density in particular strategic locations, via proposed Medium and High Density Residential zones, and a Business Mixed Use zone. I also consider it important to emphasise that there is also growing demand for visitor accommodation in brownfield locations<sup>10</sup>, such as close to the Queenstown Town Centre, and this is another strong factor underpinning the proposed increases in height and density in the proposed High Density Residential zone.

- 7.23 These factors provide a strong basis for the strategic approach of applying urban growth boundaries around existing urban zoned land (and some limited additional land), and intensifying within these boundaries.

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<sup>9</sup> Refer to Insight Economics report: Brief Analysis of Options for Reducing Speculative Land Banking (2014) and the final report of the New Zealand Productivity Commission's Inquiry 'Using Land for Housing.' In particular, refer to pages 76 and 77 that advocate for zoning approaches that reduce the scarcity of zoned land as a way of helping to disincentive land banking.

<sup>10</sup> Analysis of Visitor Accommodation projections (Insight Economics, 2015).

### **Function and Viability of Key Commercial Centres**

- 7.24 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 functions have strong historical roots, and both centres retain elements of historic built fabric.
- 7.25 However, over the past 15 years new commercial centres have arisen and developed, such as Remarkables Park in Frankton. Concerns have been raised by Councillors and some members of the community and business community over recent years, through various forums, that the function and viability of traditional town centres such as Queenstown and Wanaka may be undermined by the growth of such centres.
- 7.26 To assess these issues, consultants McDermott Miller were engaged by Council in 2013. The nature of the brief was to consider a potential planning approach that took a hierarchical approach to regulating centres development, to protect and enhance the function and viability of centres such as Queenstown and Wanaka.<sup>11</sup>
- 7.27 Over the course of 2013/2014, Council's view on the potential planning approach evolved, and moved towards a viewpoint that held that the function of centres such as Queenstown and Remarkables Park are fundamentally different, and that the threats posed to existing centres were not as significant as previously thought. Henceforth, there was less merit in a hierarchical approach that sought to control inter-centre impacts.
- 7.28 A peer review of the McDermott Miller report, by independent consultant Dr Phil McDermott, confirmed and further informed this view. Dr McDermott's evidence, which I have relied on, elaborates on the way in which the key centres in the District have quite different functions, and how this supports the adopted approach of not promoting a strict hierarchical approach to planning through the PDP that seeks to control inter-centre impacts. As a result, following Dr McDermott's advice, the final proposed approach, as expressed through the Strategic Direction chapter and the balance of the PDP, was to provide a regulatory platform for centres to optimise their function and potential, building on existing strengths and strategic roles of centres rather than controlling impacts *between* centres.
- 7.29 Notwithstanding the fact that the threat posed by existing centres on other existing centres was not particularly significant, it was considered that future potential commercial rezonings may have the potential to undermine existing centres, and as a result policy providing for careful scrutiny of such potential impacts is provided in the Strategic Direction chapter.

### **Landscape Values**

- 7.30 The landscape values of the District are strongly valued by the community and visitors to the District, and recognised in both the ODP and PDP. They have strong intrinsic value, but also contribute significantly to residents' wellbeing and are a major tourism draw card. As opposed to low growth districts where there may be limited threat posed to landscape values, in a high growth District such as Queenstown Lakes the threats are very real from development pressure.
- 7.31 Under the ODP, outstanding natural landscapes are not mapped. This has led to uncertainty and potentially significant cost for applicants and objectors each time a resource consent application potentially relating to an outstanding natural landscape is made.
- 7.32 Given that the protection of outstanding natural landscapes from inappropriate use and development is a matter of national importance in the RMA, the PDP maps Outstanding Natural Landscapes, and this approach was articulated within the Strategic Direction chapter as notified.

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<sup>11</sup> The result was a report, 'Review of District Plan Business Zones Capacity and Development of Zoning Hierarchy' (2013).

7.33 However, as outlined later in this evidence, I have recommended that the policy in the chapter promoting the mapping of these features be deleted, as I consider on balance that the promotion of this approach is better realised through policies in the Landscape chapter of the PDP. Rather, the Strategic Direction chapter should be concerned with the higher order objectives the Council is seeking to achieve with regard to the management of ONLs and ONFs.

## **8 Strategic Direction Chapter**

8.1 In line with the Council's holistic and integrated approach to planning, in my opinion it is good planning and resource management practice for district plans to contain an overarching chapter that brings together all the issues a district faces and provides an integrated planning framework for managing those issues with a view to ensuring the sustainable management of the natural and physical resources of the District.

8.2 Without such a chapter, there is the risk that individual chapters that deal primarily with a specific singular issue or geography will lack overall cohesion or integration.

8.3 The Strategic Direction chapter brings together each of the issues identified above and provides a policy framework that is particularly directed towards significant plan change or resource consent applications (discretionary or non-complying) in the District. In addition to being utilised in the assessment of resource consent applications, it also provides a strategic context for the consideration of any proposed plan changes and designations.

8.4 In terms of the hierarchical structure of the PDP, the Strategic Direction chapter sits both over the other chapters in the Strategic Part (Part 2) of the plan and over the PDP as a whole.

8.5 As the Strategic Direction chapter is a policy framework, containing no rules (but provides the strategic basis for subsequent chapters and rules), it is important that it:

- Is underpinned by a sound analysis and understanding of the key resource management issues in the district, both present and future.
- Distils the meaning of the purpose of the RMA for the district, based on an understanding of those issues and expressed community views.
- Reconciles the competing issues in the District in a balanced manner, through providing for the social, economic and cultural wellbeing of people and communities balanced with the environmental objectives set out in Sections 5(2)(a), (b) and (c) of the RMA.

8.6 It is important that the chapter is a meaningful tool for decision makers, both with regard to resource consent applications, and any plan change applications that may be made. In order to be a meaningful regulatory tool, it should not only appropriately distil the key resource management issues of the District, but should provide a strong policy direction on how those issues should be managed. As far as possible, the aim should be to provide a policy direction that is meaningful and not so general or broad as to be of limited decision making value.

8.7 In my opinion and based on my professional practice experience working very closely with more than 10 operative district plans in my career, generality and lack of specificity is a common issue in 'first generation' district plans, and this is apparent with the ODP. A recurring theme in first generation district plans was for policy frameworks to often be so general and broad that they failed to provide meaningful assistance to decision makers. Of particular note, was the prevalence of first generation district plans in replicating RMA language, for example objectives or policies stating that effects should be 'avoided, remedied or mitigated'. Whilst such wording can be appropriate if used sparingly and within an appropriate framing specific to local issues, and where a spectrum of adverse environmental effects can be contemplated, too often such terminology provides little meaningful decision making guidance and lacks certainty and direction.

- 8.8 Similarly, first generation district plans have often focused on negative externalities, rather than promoting a positive policy framework to enable the multi-dimensional wellbeing contemplated by Section 5 of the RMA. This was borne out from dominant views in the first ten years of the RMA's life that the RMA was primarily about managing adverse effects on the environment. Over the last 10-15 years this view of the RMA's philosophical underpinning has changed significantly amongst planning practitioners. This has occurred organically through evolving interpretation, but has also been aided by legislative changes, for example:
- Section 32 has been amended, most recently in 2013, so that as district plans or plan changes are developed the economic and social impacts of regulation require explicit consideration.
  - Furthermore, the impacts of district plan provisions on employment was also introduced as an explicit consideration.
- 8.9 These changes have served to reinforce the economic and social wellbeing elements of Section 5 of the RMA, and that the avoidance, remediation or mitigation of adverse effects on the environment is not necessarily the dominant consideration in district plan policy development, but rather one of a number of important factors that need to be considered.
- 8.10 In terms of the ODP, the broad overriding chapters of the plan are presented by Chapter 3 Sustainable Management, and Chapter 4 District Wide. Whilst I consider most of the content of these chapters is generally sound, the chapters do in my view suffer from some of the problems described above. The chapters comprise a substantial amount of preamble and explanatory material, and the District Wide chapter is 70 pages long. I do not consider the chapters to be readily accessible, nor sufficiently direct and to the point, and I understand that consent planners and planning consultants do not make as much use of these chapters as they might (noting that the chapters also serve a function beyond direct consent administration such as informing consideration of plan change requests).

## **9 Urban Development chapter**

- 9.1 The Urban Development chapter follows the Strategic Direction chapter in sequential order within the strategic suite of PDP chapters. It builds largely on Goal 2 and associated objectives and policies of the Strategic Direction chapter. Goal 2 is:

*The strategic and integrated management of urban growth.*

- 9.2 The objectives and policies under Goal 2 of the Strategic Direction chapter are high level, and the Urban Development chapter seeks to articulate a finer grained policy framework that builds on, and is consistent with, the objectives and policies under Goal 2.
- 9.3 In terms of chapter structure, the Urban Development chapter comprises 6 objectives, below each of which sits policies. Simply put, the first three objectives and associated policies in the chapter deal with the key urban growth management issues and the tools with which the issues will be managed – in particular UGBs. The second three objectives and policies then deal with the specific urban issues and UGBs associated with each of the three main urban areas in the district – Queenstown, Arrowtown and Wanaka.

## **10 Section 32 evaluation reports**

- 10.1 Section 32 reports were prepared during the preparation of the two chapters to assist in and provide a record of the analysis and decision making undertaken. These are attached at **Appendix 3**.

## **11 Public Notification and Submissions**

- 11.1 The PDP was notified on 26 August 2015. The submission period closed on 23 October 2015. A summary of submissions was notified on 3 December. The further submission period closed on 16 December 2015.

- 11.2 128 submissions with 691 points of submission were received directly on the Strategic Direction Chapter. 99 further submissions with 939 further submission points have been received in relation to principal submissions. 85 submissions with 220 points of submission were received directly on the Urban Development chapter, and 57 further submissions with 359 further submission points.
- 11.3 I have read and considered all relevant submissions. Given the number, nature and extent of the submissions and further submissions received, I have identified a number of key issues (rather than addressing every single submission) and will address each of these below.
- 11.4 I have included in **Appendix 2** a list of all the submission points received relating to this chapter and whether my recommendation is that the submission is rejected, accepted, or accepted in part.
- 11.5 In response to the matters raised in submissions I have also recommended some amendments to the PDP text. Revised Chapters 3 and 4 are attached in **Appendix 1**.

## 12 Analysis

### **General Comments**

- 12.1 A broad mix of support and opposition was received in submissions on the chapters.
- 12.2 In terms of the structure and expression of the Strategic Direction chapter, some submitters considered that:
- The use of Goals is problematic and not anticipated by the RMA.
  - Many policies in the chapter are replicated in other chapters.
  - Some of the expression of objectives and policies is inconsistent with RMA language.
  - Objectives and policies in the chapter too often use the word avoid, and this is not appropriate.
- 12.3 Section 75 of the RMA specifies the contents of a district plan. There is a mandatory requirement in section 75(1) that every district plan must include the objectives for the district, the policies to implement the objectives and the rules (if any) to implement the policies. Section 75(2) also includes a list of other matters that a district plan may include (including methods). Resource management goals are not included in the mandatory requirements of Section 75(1). However, this does not mean they cannot be utilised.
- 12.4 In my view the seven goals identified in the chapter should be viewed both as policy category headings, that help to provide order to the various objectives and policies, and as the framing of the environmental results expected from the policies. Section 75(2)(d) of the RMA states that district plans may state 'the environmental results expected from the policies and methods'. I consider that the use of the term 'goals' to identify the 'environmental results expected' is appropriate.
- 12.5 It is acknowledged that a number of the policies in the chapter are similar to policies in other chapters of the Plan. Repetition can however, serve a reinforcing purpose, and I consider some overlap or replication is unavoidable within a document as complex and intrinsically interconnected as a district plan. In addition, a policy that is quite similar to another in a different chapter can serve quite different structural purposes. For example, a policy that espouses good urban design can be worded in a similar way but have quite different purposes within a strategic, as opposed to lower order chapter (eg. Residential). In terms of plan structure, and in particular the Council's objective of achieving conciseness the chapter is relatively short, and any replication does not add significantly to Plan length. Notwithstanding the above, I do consider that some replication can be reduced – in particular between the Strategic Direction, Urban Development and Landscape chapters - and this is addressed below.

- 12.6 An alternative option for the Strategic Direction chapter may have been to only provide high level objectives. Then, objectives and policies in the lower order chapters would have 'fleshed out' these high level objectives. However, whilst this is a potentially valid alternative plan-making approach (and I have read the Independent Hearing Panel's decision on the Christchurch Replacement District Plan that preferred this approach), I consider that this approach may risk resulting in a chapter that is so high level and divorced from policies to implement those objectives that it lacks meaning and utility. In particular, if the Council was considering plan change requests in the future, the chapter if drafted in that form may not provide a particularly meaningful framework for assessment. Then, the plan change assessment would fall back on numerous provisions scattered across multiple chapters.
- 12.7 The statement of policies within this chapter that are similar in nature to policies in other chapters could be problematic if inconsistencies are identified. There are limited instances of this, however where it has occurred I have recommended changes to correct these inconsistencies.
- 12.8 Notwithstanding these points, I consider that there is a case for some of the more 'mechanical' or 'applied' policies in the Strategic Direction chapter to be deleted, as they are also included in other chapters. It should be noted that to some extent some of these applied policies were located in the chapter as it was the first chapter developed and accepted by Council, and set the parameters for the balance of the PDP. Therefore some of the policies may now be superfluous. Examples include policies relating to the mapping of UGBs or ONLs, which also sit in the notified Urban Development chapter.
- 12.9 In terms of the wording of objectives and policies and the consistency or otherwise with RMA language, I have addressed this issue in more detail in the analysis below under each of the goals. In a general sense, I consider that language used in objectives and policies can vary from RMA language – there will often be a greater degree of specificity inherent in District-specific objectives and policies, which justify or demand different language. As stated earlier in this report, replication of broad and general RMA language with lack of specificity has been a significant flaw inherent in many 'first generation' district plans.
- 12.10 I have noted in particular that some recent proposed Plans – in particular the Proposed Auckland Unitary Plan – have made concerted efforts to be more specific and direct with objectives and policies, and to avoid generic RMA phrases which can lack meaning. I consider the former to be good planning practice. Another approach that the Auckland and Queenstown plans seek to adopt is being as direct, active and outcomes-focussed as possible with objectives and policies, whilst still seeking to provide for some scope for flexibility where that is considered to be justified.
- 12.11 In many first generation plans, the phrase '*and which will have minimal adverse effects*' would have been drafted '*and which avoid, remedy or mitigate adverse effects*'. The former is quite specific in terms of outcome sought, the latter much broader and arguably imprecise and uncertain. QLDC has sought to adopt this approach as far as possible.
- 12.12 I consider there are some instances where submissions have recommended wording changes which I consider are appropriate to ensure better legislative alignment, around Section 6 matters.
- 12.13 A number of submissions have raised concerns with objectives or policies that use the word 'avoid'. Concerns are expressed that this term is too absolute.
- 12.14 In response, as outlined above I consider that vagueness and non-specificity is fundamentally poor policy, in that in many instances it does not enhance certainty and the decision making functions of local authorities. I also consider that the use of the word is justified in the individual circumstances where it is used, with some exceptions where I have recommended changes .

- 12.15 A number of submissions raise the *King Salmon* Supreme Court case,<sup>12</sup> with regard to the use of the word 'avoid'. As the Supreme Court found in *King Salmon*, the use of the word 'avoid' has its ordinary meaning of "not allow" or "prevent the occurrence of".<sup>13</sup> As a result, care is required when utilising the word in policy. Depending on the particular drafting, policy that utilises the word 'avoid' in relation to the effects of an activity does not necessarily 'ban' a certain type of development. Rather, it effectively 'prohibits' a particular type of adverse effect resulting from a particular activity. Other uses of the word "avoid", may place a 'ban' on a certain activity.
- 12.16 In developing the PDP, Council and I have endeavoured to be conscious of this. When the word 'avoid' has been utilised, without the greater flexibility offered by the accompanying words 'remedy or mitigate', Council has been deliberate in that it really does wish to *avoid* a particular environmental effect, or activity (that results in a particular undesired effect). This relates to the points above around trying to promote objectives and policies that are direct, meaningful and outcome-focussed.
- 12.17 It is also important for policies to be read as a whole, in terms of meaning, rather than focussing excessively on one word 'avoid'. As an example, policy 3.2.1.1.2 of the Strategic Direction Chapter states (recommended revised wording shown: further discussion on the reasoning behind the revised wording is provided later in the report):
- 'Avoid commercial rezoning that could ~~fundamentally~~ undermine the role of the Queenstown and Wanaka central business areas as the primary focus for the District's economic activity.'
- 12.18 Clearly, this policy does not say 'avoid commercial rezoning'. It contemplates the potential for commercial rezoning outside the two major town centres, but on the proviso that it does not undermine the roles of the centres. Otherwise, such rezoning should be avoided.
- 12.19 Other provisions utilising the word 'avoid' are Policy 3.2.1.3.3 and Objective 3.2.4.4. Amendments to these provisions are outlined in my analysis under Goals 1 and 4 respectively.

#### Goal 1 – Develop a prosperous, resilient and equitable economy

- 12.20 Greater recognition of the wider functions (civic, cultural) of the Queenstown and Wanaka Town Centres, in addition to the commercial functions, was sought in some submissions. Whilst the focus of the goal and associated objectives and policies is on economic matters, I agree that the provisions do not sufficiently recognise the civic and cultural functions of these centres. In addition, civic and cultural functions are a strong component of the commercial function of the centres.
- 12.21 Several submissions sought that explicit reference should be made to the Remarkables Park centre, given its current and growing prominence as a centre in the District. The intent of the provisions as originally drafted was to recognise the Queenstown and Wanaka town centres as the pre-eminent centres of the district. Other centres are recognised in a non-specific sense in the provisions, but there is not further explicit geographic reference to particular centres.
- 12.22 I consider that given its critical current and future function, the wider Frankton commercial area should be recognised (for the reasons in the following paragraph), and doing this is more consistent with the overall approach of not adopting a centres hierarchy framework, at least in a strictly formal, inflexible and categorical sense<sup>14</sup>. Whilst it should be noted that a strict and

<sup>12</sup> *Environmental Defence Society Inc v The New Zealand King Salmon Company Limited* [2014] NZSC 38.

<sup>13</sup> *Ibid*, at paragraph [96].

<sup>14</sup> In a traditionally strict and formal sense, centres hierarchies seek to not only 'rank' and categorise centres according to a scale and function, but to also seek to impose rules that aim to regulate the growth and function of different centres. For example, historically throughout New Zealand and Australia 'retail floor area caps' on centres have frequently been imposed through Plans as a way of seeking to

formal centre hierarchy is not sought through the provisions of the Strategic Direction chapter or the PDP as a whole, the PDP does seek to recognise the major centres and their roles and functions.

- 12.23 Given the essentially contiguous nature of the Frankton commercial area (Remarkables Park – Airport – Five Mile), and the fundamental interrelationship between its disparate parts (borne out by proximity, and improving connectivity facilitated by new roading projects), I consider it more appropriate to recognise the various Frankton precincts as one entity, from a strategic perspective. This also partly addresses the submission by Queenstown Airport Corporation, which sought greater strategic recognition of the airport's important role. I recommend a new objective and associated policies, this is addressed below.
- 12.24 Several submissions and further submissions addressed Policy 3.2.1.2.3, which relates to seeking to avoid non-industrial land uses in industrial areas. Both Submitter 806 (Queenstown Park Limited) and Submitter 807 (Remarkables Park Limited) opposed the policy, on the basis that the use of the word 'avoid' is inconsistent with the RMA's effects-based philosophy. As stated earlier, I disagree with this submission and I recommend the rejection of this relief sought. However, I see merit in the submission of Submitter 361 (Grant Hylton Hensman et al) which requests an amendment to make the policy less absolute so that it is non-industrial activities 'not related to or supporting' industrial activities that should be avoided. This revision would allow the potential for supporting, ancillary retail or commercial uses (for example) to be contemplated, but not larger scale retail, or residential, activities (which have the potential to both generate potential 'reverse sensitivity' impacts, and also consume industrial-zoned land for non-industrial land uses). I recommend the wording requested by Submitter 361 as follows:

*'Avoid non-industrial activities not related to or supporting industrial activities occurring within areas zoned for Industrial activities.'*

- 12.25 Whilst it could be argued that this policy is still not sufficiently defined, I consider that the opportunity will be available to give finer grained meaning to this high level provision in Stage 2 when the Industrial zone provisions are reviewed. In addition, I consider this provision to be generally consistent with the policy framework of industrial zones in the ODP – this approach is not novel for the District. For example, objectives and policies for the Industrial B zone of the ODP seek to limit non-ancillary retail activity, as well as residential and office activity. Activity Area 1 in the Frankton Flats B zone similarly prioritises industrial land use and seeks to minimise non-industrial land use activity beyond ancillary activities.
- 12.26 Submitter 621 (Real Journeys Limited) sought greater recognition of tourism within the Strategic Direction chapter. The relief they sought involved an additional Goal specific to tourism, a new objective under that Goal, and a new policy.
- 12.27 I agree that tourism is a vital economic driver of the district's economy, and that this is not sufficiently recognised in the chapter. However, I do not support an additional goal pertaining to tourism. I consider that any objectives and policies pertaining to tourism activity can sit within Goal 1, which is concerned with the economy. Policy 3.2.1.1.3 provides support for tourism activity in town centres, while Policy 3.2.1.4 promotes diversification of rural land use beyond farming, which is an allusion to tourism activity amongst other potential land use activities.
- 12.28 However, I support the inclusion of a new objective that more explicitly recognises tourism activity, as requested by Real Journeys Limited, as follows:

*'Recognise and provide for the significant socioeconomic benefits of tourism activities across the District.'*

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ensure lower order centres do not grow above a scale that may challenge the function and viability of a centre higher up the hierarchy. Avoiding a strict hierarchical planning approach to regulating centres does not, in my opinion, prevent the application of a policy framework that still seeks to promote the prominence and function of what are considered to be the vital centres of the district. This is the approach taken in the Strategic Direction chapter.

12.29 I see some merit in the policy that Real Journeys Limited have requested, however I consider that its breadth is too great, that it is not sufficiently concise in drafting, and that some limbs of the requested policy are of arguable merit. I recommend that the fourth limb of the requested policy be adopted as a new policy:

*‘Enable the use and development of natural and physical resources for tourism activity where adverse effects are avoided, remedied, or mitigated’*

12.30 Although as stated earlier in this report Council has sought to minimise the use of the phrasing ‘avoid, remedy or mitigate’, in this case it is considered appropriate as the policy is not specific in the environmental effects it is concerned with, nor in the setting. In more sensitive landscapes or environments, a higher bar will be set in terms of environmental effects, by virtue of location – or more particularly landscape - specific provisions, which provide an additional assessment ‘layer’ over consideration against this enabling provision.

12.31 Several submissions have generally supported Objective 3.2.1.4 relating to rural areas, but have raised concerns with the use of the words ‘sensitive approach’.

12.32 I consider this to be a valid criticism, and it is recommended that the objective (renumbered 3.2.1.6) is accordingly rephrased as follows.

*Objective - Recognise the potential for rural areas to diversify their land use beyond the strong productive value of farming, provided ~~a sensitive approach is taken to~~ adverse effects on rural amenity, landscape character, healthy ecosystems, and Ngai Tahu values, rights and interests are avoided, remedied or mitigated.*

12.33 KTKO in their submission sought that the ‘Ngai Tahu’ in Objective 3.2.1.4 be replaced by the word ‘mana whenua’. This matter is addressed more extensively in the Section 42a report for the Tangata Whenua chapter. I refer to and adopt the reasons of Mr Tony Pickard (at section 7.6 of his evidence), in coming to a recommendation that it is not appropriate for this amendment to be made.

12.34 As a result of the submissions received in relation to Goal 1 I have recommended a number of changes which are set out in **Appendix 1**. A number of the recommended changes are considered substantive and of strategic importance. As a result, the following summary of further evaluation under Section 32AA of the RMA has been undertaken for those.

**Recommended Amended Policy 3.2.1.1.1**

Provide a planning framework for the Queenstown and Wanaka ~~central business area~~ town centres that enables quality development and enhancement of the centres as the key commercial, civic and cultural hubs of the District, building on their existing functions and strengths.

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
Nil	<p>Minimal material environmental benefit, however recognition of the diverse functions of the centres reinforces their more self contained nature, and the inherent transport benefits that can accrue from mixed use centres (as opposed to a larger number of widely dispersed and highly specialised centres).</p> <p>Reinforcement of the diverse functions of these centres helps reinforce and promote these</p>	<p>The recommended amended policy is more effective as it more appropriately expresses the diverse functions of the town centres.</p>

	<p>functions, their synergies, and the overall agglomerated economic benefits that can derive from this.</p> <p>Recognition of the inherent social and cultural functions of the civic and cultural aspects of the centres.</p>	
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**Recommended new Objective 3.2.1.2 and appropriateness**

Recognise, develop, sustain and integrate the key mixed use function of the wider Frankton commercial area, comprising Remarkables Park, Queenstown Airport, and Five Mile.

Appropriateness:

This new objective is considered to be the most appropriate way of achieving the purpose of the RMA as:

- It recognises the reality that Frankton is a key commercial hub in the District, along with the Queenstown and Wanaka town centres, and its role and function – which is quite different to the town centres - will continue to grow in scale and importance.
- It recognises that the Frankton area comprises several nodes that are interlinked, and in the interests of integrated planning and sustainable management, this inter-relationship should be recognised rather than addressing each of the commercial nodes in a disjointed manner.

**Recommended new Policy 3.2.1.2.1**

Provide a planning framework for the wider Frankton commercial area that facilitates the integrated development of the various mixed use development nodes.

**Recommended new Policy 3.2.1.2.2**

Recognise and provide for the varying complementary functions and characteristics of the various mixed use development nodes within the Frankton commercial area.

**Recommended new Policy 3.2.1.2.3**

Avoid additional commercial rezoning that will undermine the function and viability of the Frankton commercial area, or which will undermine increasing integration between the nodes in the area.

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
<p>May limit the ability of other landowners in the wider Frankton locality to attain commercial rezonings, affecting their economic wellbeing.</p>	<p>Emphasises the collective economic importance of the Frankton area, and sets a high bar for any potential commercial rezoning that may adversely affect the function and viability of the area.</p> <p>Provides for greater integration of the key nodes in the Frankton area, whether through statutory or non-</p>	<p>The new recommended policies aid in forming a more effective and appropriate suite of policies, that explicitly recognises and promote the importance of Frankton.</p> <p>Recommended new Policy 3.2.1.5.1 functions better as a policy than an objective, and gives effect to the outcome-focused emphasis of (notified) Objective 3.2.1.5.</p>

	<p>statutory approaches.</p> <p>Provides specific recognition of the Queenstown Airport's central role for the District's wellbeing.</p>	
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**Recommended amended Policy 3.2.1.2.3 (renumbered as Policy 3.2.1.3.3)**

'Avoid non-industrial activities not related to or supporting industrial activities occurring within areas zoned for Industrial activities.'

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
<p>Implies restrictions on the range of potential land use activity contemplated in Industrial zonings.</p> <p>This may place limits on the development potential of properties.</p> <p>Conversely, the policy is intended to help limit the establishment of sensitive activities (such as residential) within Industrial zones that may impose constraints on the development and use of land for industrial and associated purposes.</p>	<p>Helps to protect industrial and supporting land uses within Industrial zones from more sensitive land use activity that may generate reverse sensitivity effects.</p> <p>Helps to protect the Industrial zone land resource from significant utilisation by non industrial commercial or residential land use activity.</p> <p>The revised policy wording is less absolute than that notified, and provides for greater flexibility for non-industrial activities that support industrial activities to be contemplated.</p>	<p>The recommended amended policy is more effective as it will provide for the required level of flexibility for non-industrial activities that support industrial activities to be established, whilst maintaining a strong position of seeking to prevent the erosion of Industrial zoned land for industrial land use activity.</p> <p>This is considered particularly important given the proposed rezoning of Business zoned land in the ODP to Business Mixed Use zone land in the PDP</p>

**Recommended new Objective 3.2.1.4 and appropriateness**

'Recognise and provide for the significant socioeconomic benefits of tourism activities across the District.'

Appropriateness:

This new objective is considered to be the most appropriate way of achieving the purpose of the RMA as:

- It recognises and provides for the key economic role that tourism plays in the District's economy. This role is fundamental to the social and economic well being of the District.
- The objective, with it socioeconomic focus, helps to counter balance the strong (and important) landscape, amenity and environmental objectives and policies espoused in the Strategic Direction chapter. This is consistent with the purpose of the RMA which seeks to achieve this balance in providing for the overall holistic wellbeing of the community.

**Recommended new Policy 3.2.1.4.1 and appropriateness**

'Enable the use and development of natural and physical resources for tourism activity where adverse effects are avoided, remedied, or mitigated'

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
Contemplates adverse effects on the environment being generated, as a result of the establishment of tourism activities. However this is on the proviso that adverse effects are 'avoided, remedied, or mitigated'	Provides explicit policy around enabling tourism activity, which helps promote and support the establishment of tourism activities that help support the socioeconomic wellbeing of the District.	The recommended policy efficiently gives effect to the objective by providing the basis for tourism development occurring, provided environmental effects are avoided, remedied or mitigated.

12.35 Objective 3.2.1.5 as notified is:

*'Maintain and promote the efficient operation of the District's infrastructure, including designated Airports, key roading and communication technology networks'.*

12.36 Submitter 433 (Queenstown Airport Corporation) is concerned there are no associated policies that give effect to this objective. QAC has also sought to emphasise the importance of infrastructure and the associated functional, operational, technical or safety related requirements of Airports. Submitters 635 (Aurora) and 805 (Transpower) have also emphasised the importance of regionally significant infrastructure to the District.

12.37 QAC requests adding three policies under Objective 3.2.1.5 that recognise infrastructure and its contribution to the District, to ensure the efficient and effective operation of infrastructure is not compromised by incompatible development, and to recognise that Queenstown Airport is an essential lifeline utility.

12.38 In addition, QAC has requested an additional goal, objective and policy that provides for the ongoing operation and growth of regionally significant infrastructure. The requested objective relates to location constraints, while the policy reads as a broader statement that seeks to enable the operation, maintenance and upgrade of regionally and nationally significant infrastructure.

12.39 Objective 3.2.5.1 as notified acknowledges infrastructure. However, I consider that it could be understood as being centred on promoting the efficient operation of infrastructure which relates more to do with the location of future development and its dependence on infrastructure. That was not the intention of this objective and as a result, I consider that the focus of the objective on efficiency is too narrow, and does not recognise the necessity and importance of infrastructure in its own right. I have therefore recommended that Objective 3.2.5.1 is amended (and renumbered 3.2.1.6).

12.40 Submissions 433 (QAC), 635 (Aurora) and 805 (Transpower) are therefore recommended to be accepted in part. It is accepted that the Strategic Direction Chapter's objective for infrastructure as notified has too narrow a focus, and it is important to recognise and provide a more comprehensive planning framework for infrastructure.

12.41 The additional policies (3.2.1.5.1 – 3.2.1.5.3), goal, objective and policy (goal 8 and objective 3.2.8.1 and policy 3.2.8.1.1) as requested by QAC are recommended to be accepted in part, with the recommended wording remaining general in nature in terms of referencing 'regionally significant infrastructure' rather than specific infrastructure such as airports. With the exception that I consider this matter can be provided under an objective within Goal 1, without the necessity for an additional goal. Goal 1 of the Strategic Direction Chapter encapsulates activities that enables the social, economic, and cultural well-being and for the health and safety of people and the community. The recognition and provision for regionally significant infrastructure – including airports - fits within this goal.

**Recommended amended Objective 3.2.1.57 and appropriateness**

Maintain and promote the efficient and effective operation, maintenance, development and upgrading of the District’s regionally significant infrastructure, including designated airports, key roading and communication technology networks.

Appropriateness:

I consider that this new objective is the most appropriate way of achieving the purpose of the Act as:

- It recognises regionally significant infrastructure, this includes designated airports (Queenstown and Wanaka), electricity generators and suppliers.
- It recognises the operation, maintenance, development and upgrading of regionally significant infrastructure. The objective as notified could have been interpreted as being too narrow in that it contemplated efficiencies between infrastructure and development.
- The objective accords with Part 2 of the RMA in that it recognises for the importance of regionally significant infrastructure to provide for the social, economic, and cultural well-being and for the health and safety of people and communities. It is consistent with the objectives and policies of the Operative RPS, and the Proposed RPS (particularly Objectives 3.4, 3.5, 3.6) in terms of recognising and providing for regionally significant infrastructure, and the National Policy Statement on Electricity Transmission.

**Recommended new Policy 3.2.1.57.1**

Safeguard the efficient and effective operation of regionally significant infrastructure from new incompatible activities.

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
<p>Has potential to limit the establishment of new development that is sensitive to the effects of established or anticipated regionally significant infrastructure.</p> <p>Has potential to constrain intensification of activities that are sensitive to regionally significant infrastructure.</p>	<p>Recognises the importance of regionally significant infrastructure.</p> <p>Safeguards regionally significant infrastructure.</p>	<p>The amended objective and new policy provides a more effective framework to manage regionally significant infrastructure.</p> <p>It is efficient to have only one policy. There are multiple related objectives and policies within the lower order and more specific PDP chapters that address the provisions of infrastructure, and the management of the adverse effects of infrastructure.</p>

12.42 Submitter 805 (Transpower) recommends the addition of a new definition for ‘regionally significant infrastructure’. The term is derived from Policy 3.5.1 of the Proposed RDP. I recommend that the request is accepted in part and the definition is included on the basis of the following evaluation with additions that are relevant to the context of the District and PDP.

**Recommended new definition**

Regionally significant infrastructure

Means:

- a) Renewable electricity generation facilities, where they supply the National Grid and local distribution network and are operated by a electricity operator ; and
- b) Electricity transmission infrastructure; and

- c) Telecommunication and radio communication facilities; and
- d) Roads classified as being of national or regional importance; and
- e) Designated airports.

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
None identified.	<p>The addition of a definition will clarify the types of activities anticipated as being 'regionally significant infrastructure'.</p> <p>The recommended definition departs from policy 3.5.1 of the Proposed RPS: Otago, and requested definition from Transpower in that it clarifies that regionally significant infrastructure does not apply to small and community-scale electricity generators less than 3.5kw as managed in the PDP Energy and Utilities Chapter (30).</p> <p>The recommended definition clarifies that it applies to designated airports, and omits informal airports.</p> <p>The recommended definition has also omitted ports, marinas and rail. These are not applicable to the District at a regionally significant scale.</p>	The definition is efficient in that it will provide clarification as to what types of activities are applicable to the objective and policies.

**Goal 2 – The strategic and integrated management of urban growth and**

**All objectives (and associated policies) of the Urban Development chapter**

- 12.43 The key approach embedded within the objectives and policies under Goal 2 of the Strategic Direction chapter relates to the introduction of Urban Growth Boundaries (UGBs), seeking to intensify development within those boundaries, coordinating and integrating development and avoiding urban development outside of those boundaries. This approach is also central to the Objectives (and associated policies) of the Urban Development chapter.
- 12.44 A wide range of views were expressed in submissions relating to this approach, both in support and opposition.
- 12.45 A number of submitters opposed elements of this approach, including applying UGBs, and intensifying development. Some submitters, such as Remarkables Park Limited, consider that the District does not face risks associated with expansion of the urban footprint ('urban sprawl'), and that the need for both UGBs and intensification of development is unnecessary. I disagree with this viewpoint for the reasons set out below.

12.46 Ms Marion Read in her evidence (**Appendix 8**) explains the intrinsic value and importance of the District's landscapes, and states that coupled with this the high level of population growth in the District means that it is necessary to manage growth.

12.47 Mr Clinton Bird in paragraph 4.7 of his evidence (**Appendix 4**) clearly states the threat posed by development in the district and supports Council's proposed urban growth management approach:

*Without Council's adopted urban growth management approach, it is my view that the District's outstandingly scenic landscapes, together with the highly attractive and characterful towns of Queenstown, Wanaka and Arrowtown in particular, would be vulnerable to the typically adverse visual effects associated with urban sprawl. This would erode the unique identities of both the towns and their highly scenic landscape settings. Urban sprawl would also reduce the level of visual and environmental amenity currently enjoyed by both permanent residents and tourists alike.*

12.48 Similarly, Mr Ulrich Glasner in his engineering evidence (**Appendix 5**) supports the proposed approach. He argues that an approach based around the utilisation of UGBs, and the promotion of intensification in particular strategic locations, results in much greater certainty in terms of infrastructure planning and funding, and generally provides a more cost effective approach with community benefit.

12.49 A large number of private plan changes to the ODP have been advanced over the past 10 years, often in greenfield locations beyond the existing developed urban area. These numerous plan changes suggest that there is clearly pressure to extend the urban footprint within the District.

12.50 In addition, some submissions on the PDP seek zoning changes to facilitate residential development outside the UGB as shown on the planning maps, or alternatively industrial development, which reaffirms the pressures that exist in terms of urbanisation, especially in the Wakatipu Basin.

12.51 Furthermore, a common theme in various consultation forums between the Council and the community over the past 10 years, and in submissions on the PDP, is that significant expansion of the urban footprint in the District is undesirable and unsustainable.

12.52 The Queenstown Growth Management Strategy (2007), and Wanaka 2020, are two strategic planning documents that the Council has prepared under the LGA and that have been informed by significant community consultation. The fundamental message contained within these strategies is the need to better manage and co-ordinate growth, and to limit urban sprawl.

12.53 It is also worth noting Council's recent experience with the Queenstown Housing Accord, and associated Special Housing Areas (SHAs). In 2014 Council developed a Lead Policy to guide its approach to SHAs, and a key focus of the Lead Policy was to seek that SHAs be established in existing urban areas. Council ran a public Expression of Interest process in late 2014 for SHAs, and public feedback was sought on proposals in 2015. A number of the proposals were for greenfield development. Generally, there was significant opposition from the community to the notion of greenfield development for SHAs. This process and feedback further reinforces a strong community view of limiting greenfield development.

12.54 In my opinion, urban expansion is not necessarily automatically undesirable, and if well executed can generate significant benefits. For example, Shotover Country has been one of the few master planned responses to strong housing demand in the Wakatipu Basin in the last 5 years, and with minimal greenfield housing development elsewhere under major zonings and limited brownfield development (at least partly explained by restrictive ODP rules), has provided a form of 'release valve' for the major housing demand experienced. Without the development of Shotover Country, the housing availability and affordability issues in the District would have likely been more pronounced.

- 12.55 However, there comes a point when the cumulative impact of multiple greenfield rezonings and developments start to become significant and detrimental to the development of a District. Of particular significance in this district is the fact that much zoned greenfield land remains undeveloped, with large potential yield and associated latent infrastructure impact, regardless of any additional zoned areas.
- 12.56 Growing pressure on the District's roading infrastructure is evident, and in the Wakatipu Basin in particular there are particular pinch points, such as in Frankton. Notwithstanding planned infrastructure upgrades, there is likely to be growing pressure as large existing greenfield locations such as Jacks Point, Kelvin Peninsula and Remarkables Park are eventually developed substantively. In addition, significant growth in visitor numbers through the Queenstown Airport are projected which need to be factored in alongside the large potential residential growth.
- 12.57 In addition, widely dispersed greenfield developments, unless of a large scale and/ or high density that support a reasonable degree of mixed use and self-sufficiency do not readily support walking, cycling and public transport modes – and are inherently reliant on private transport modes.
- 12.58 Furthermore, a predominance of low density, greenfield development located remote from services does not necessarily provide for the diversity of housing choice that a community requires to provide for its wellbeing. Nor does it cater for the growing need for centrally located visitor accommodation that is required in Queenstown.
- 12.59 Some of the large greenfield sites in the Wakatipu Basin have facilitated very little development, despite high demand over the past 5 years (and a strong supply response in locations such as Shotover Country). Development may have been withheld for several potential reasons. However as the New Zealand Productivity Commission stated in its 2015 Inquiry<sup>15</sup> findings, where a large proportion of dwelling capacity is held in a small number of ownerships, such as occurs in the Wakatipu Basin, speculative land banking is incentivised. Whatever the reason for several of the major greenfield areas in the Wakatipu Basin not having been readily developed, there is clearly a situation of insufficient development being realised to the market, and this has contributed to sharp increases in house prices and rentals. The risk of these trends continuing – with resulting adverse impacts on the social, economic and cultural wellbeing of the community - can be mitigated through enabling development capacity to be increased and distributed across a wider number of ownerships and locations.
- 12.60 In order to discourage such behaviour, and enable a more efficient market that responds appropriately to demand and enables the provision of housing necessary to provide for social and economic wellbeing of our community, a more competitive land market is vital. This could be achieved by opening up new locations for greenfield development, however this has not always been successful in the past, or upzoning existing urban land, in both residential and commercial areas. The preferred approach through the PDP is to largely achieve this through the latter option, due to the previously stated reasons and I support this approach.
- 12.61 Related to this, Submitter 807 (Remarkables Park) considers it inappropriate to help provide for market competition in a policy (Policy 3.2.2.1.6), as in their opinion the RMA is concerned with 'environmental outcomes.' However, the policy needs to be read as a whole - it seeks to promote greater market competition as a planning-influenced means by which to help achieve a critical resource management outcome for the district (ie. addressing housing supply and affordability). And as stated earlier, I consider that district plans can and should contain a broad range of sustainable management objectives, which do not only concern strictly environmental outcomes. I note also that the definition of 'environment' in the RMA includes social and economic conditions.

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<sup>15</sup> New Zealand Productivity Commission: Using Land for Housing – Final Report (2015).

- 12.62 Some submitters have argued that whilst there is some merit to a degree of urban intensification, and the objective of limiting urban sprawl, UGBs are not necessary and are an inflexible constraint.
- 12.63 In my opinion the UGBs are an important tool intended to promote intensification of urban development in existing urban and commercially zoned areas, and the evidence of Mr Bird, Mr Glasner and Ms Read supports this, for different reasons. For the reasons set out above, this is the preferred option to address greater concerns regarding the provision of housing in the District. However, it does not prevent people seeking private plan changes to amend the UGBs (indeed this possibility is contemplated by Policy 4.2.2.5) or making resource consent applications with a similar intent in specific locations where there is sufficient evidence to support urban development in areas outside the established UGBs. These applications will be considered on their own merits, in terms of environmental effects and their appropriateness. Issues such as remaining development capacity within UGBs and demand for new development would most likely be highly relevant to such proposals.
- 12.64 However, I consider that the approach suggested by these submitters (ie, deletion of the UGBs) does not provide a strong strategic signal with regard to growth management and planning, to assist the Council in achieving sustainable management (Section 5 RMA). The ad hoc planning outcomes it could more readily facilitate also does not readily promote sound long term infrastructure and asset planning, nor readily assist Council in achieving its functions under section 31 of the RMA (achieving integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district). Again, I refer to and adopt Mr Glasner's evidence on these matters. I therefore do not consider that the approach recommended by these submitters is the most appropriate for the District.
- 12.65 Some submissions have requested amendments to the UGBs. Generally speaking, it is considered that such requests need to be scrutinised very carefully, as multiple shifts in the UGB could generate significant impacts on both the environment, affordability of the development due to infrastructure requirements and Council's overall strategic approach to planning. Those requests are not addressed here, but rather in a later hearing stream (mapping and rezoning requests).
- 12.66 A number of wording changes are recommended to the existing provisions, however fundamentally the proposed objectives and policies are recommended to be retained.
- 12.67 The fundamental relationship between the provisions under this Goal and Chapter 4 – Urban Development is acknowledged, and a number of the issues raised in submissions on these provisions are mirrored in those relating to Chapter 4.

#### *Urban Development Chapter*

- 12.68 Remarkables Park Limited (807) has questioned the need for the Urban Development chapter, given the existence of the Strategic Direction chapter, and provisions within that chapter on UGBs, growth management and urban form.
- 12.69 Whilst it is acknowledged that there is a degree of repetition between the Urban Development chapter and policy in the Strategic Direction chapter, this is not considered fundamentally problematic. Rather, I consider it to be a reiteration, reinforcement and expansion of key principles articulated in the Strategic Direction chapter. In addition, the urban growth management objectives and policies of the Strategic Direction chapters are espoused at quite a high level, whilst those promoted in the Urban Development chapter are more comprehensive and 'finer grained', and also become geographically focussed. Rather than replicating the Strategic Direction chapter, I consider the Urban Development chapter builds on and 'fleshes out' the key strategic growth management principles.
- 12.70 Notwithstanding this position, I do consider that there is some replication that can be removed, and to this effect I recommend that policies 3.2.2.1.1 to 3.2.2.1.7 be deleted.

**Recommended deletion of Policies 3.2.2.1.1 to 3.2.2.1.7**

- ~~3.2.2.1.1 Apply Urban Growth Boundaries (UGBs) around the urban areas in the Wakatipu Basin (including Jack's Point), Arrowtown and Wanaka.~~
- ~~3.2.2.1.2 Apply provisions that enable urban development within the UGBs and avoid urban development outside of the UGBs.~~
- ~~3.2.2.1.3 Manage the form of urban development within the UGBs ensuring:~~
- ~~• Connectivity and integration with existing urban development;~~
  - ~~• Sustainable provision of Council infrastructure; and~~
  - ~~• Facilitation of an efficient transport network, with particular regard to integration with public and active transport systems~~
- ~~3.2.2.1.4 Encourage a higher density of residential development in locations close to town centres, local shopping zones, activity centres, public transport routes and non-vehicular trails.~~
- ~~3.2.2.1.5 Ensure UGBs contain sufficient suitably zoned land to provide for future growth and a diversity of housing choice.~~
- ~~3.2.2.1.6 Ensure that zoning enables effective market competition through distribution of potential housing supply across a large number and range of ownerships, to reduce the incentive for land banking in order to address housing supply and affordability.~~
- ~~3.2.2.1.7 That further urban development of the District's small rural settlements be located within and immediately adjoining these settlements.~~

12.71 QAC (433) has requested substantial changes to the chapter. In particular, it has sought major insertions of text into Section 4.1 Purpose. The intent of this is to ensure that the PDP incorporates material from Plan Change 35 in the ODP (Chapter X of the ODP).

12.72 Whilst it is considered important to translate substantive objectives, policies and rules from Plan Change 35 into the PDP, I do not recommend that the preamble that QAC requests be inserted into Section 4.1 Purpose be included. This would draw out Section 4.1 Purpose into a very lengthy section with an unbalanced focus on the airport's interests ahead of more general urban development considerations. I consider that QAC's key objectives are provided for in lower order chapters.

12.73 Some submissions raised concerns with Policy 4.2.1.1, in terms of the following phrasing:

*'Land within and adjacent to the major urban settlements will provide the focus for urban development...'*

12.74 Concern has been raised that this is contrary to the principle of applying UGBs, and seeking to prevent urban sprawl, due to the phrase 'adjacent to the major urban settlements'. The same concern relates to Policy 4.2.1.5.

12.75 However, the phrase is intended to recognise that there are significant areas of land that are undeveloped and are adjacent to existing developed urban areas, with suitable urban zoning, *within* the proposed UGBs. That is, the location of the UGBs will allow for further residential development in specific locations.

12.76 Notwithstanding this intent, it is understandable why the phrase as written has caused this confusion, and an amendment to the wording is recommended to provide greater clarity.

- 12.77 Some submissions raised concerns with Policy 4.2.1.6. For example, Darby Partners (608) requested that this policy be deleted, on the basis of a lack of clarity as to what 'sporadic urban development' means.
- 12.78 The Oxford Dictionary defines 'sporadic' as 'occurring at irregular intervals or only in a few places; scattered or isolated.' I consider the meaning to be clear with regard to urban development. The policy is seeking to avoid multiple dispersed and unconnected urban 'islands' through the countryside. I do not recommend deletion of this policy.
- 12.79 A number of agencies and network utility operators sought relief with regard to Objective 4.2.1 and associated policies. Most of the submission points related to relatively minor wording amendments, rather than major, substantive policy issues. Some wording amendments are recommended.
- 12.80 A number of other submissions focussed on wording amendments to some policies. Some of these requested amendments are recommended, as shown in **Appendix 1**.
- 12.81 Whilst some submissions supported Objective 4.2.2 (for example NZTA, Institute of Architects), a number of submissions opposed Objective 4.2.2 and / or the whole suite of provisions under this objective.
- 12.82 Many of these submissions opposed the application of UGBs, often on the grounds that the application of UGBs is unnecessary or undesirable. In particular, that sufficient strength of protection of rural areas is afforded by ONF/ONLs and further policies relating to management of rural land.
- 12.83 I agree that relatively strong protection of rural areas from urban development can be offered by non-UGB provisions. However, I consider the use of UGBs as a planning tool is justified to provide another layer of protection (noting the different forms of planning protection have quite different intrinsic purposes and functions ie. ONFs are purely concerned with landscape protection, UGBs are partly about landscape protection, but much more). I consider this to be justified given:
- The value ascribed to rural areas and landscapes (referring to the evidence of Ms Marion Read), both intrinsic and economic
  - The large capacity of greenfield zoned land within the proposed UGBs (referring to the evidence of Mr Fraser Colegrave)
  - The general Council desire underpinning the philosophical approach to the PDP for a greater degree of certainty, and less ambiguity. Related to this is greater forward certainty for infrastructure (referring to the evidence of Mr Glasner) and social service providers to plan for upgrades, new schools etc.

### Goal 3 – A Quality Built Environment taking into account the character of individual communities

- 12.84 A relatively limited number of submissions were received in relation to this goal and its associated objectives and policies.
- 12.85 Some minor wording changes have been requested, including requests for more specific references to urban design principles and the avoidance, mitigation or remediation of adverse effects. However, as a general comment, I consider it is more appropriate for these provisions to focus on broader resource management objectives because of their broad application to all areas of the District. In addition, the policies already address urban design matters or principles but without necessarily using the phrase 'urban design'. For example, the policies collectively promote a number of urban design principles, such as the promotion of development responding to character and context, and the need for development to be comprehensively designed. The risk of using terms such as 'well designed' is that it is not necessarily clear what 'well designed' means. In addition, it is within the lower order chapters that the provisions should focus at greater detail on amenity impacts and more specific urban design principles.

12.86 The proposed objectives and policies are recommended to be retained. I consider it is essential to emphasise the importance of well-designed communities and built environments at the strategic level. I consider it is appropriate to include an objective and policy on heritage under this goal, given built heritage is an important element of the built environment.

#### Goal 4 – The protection of our natural environment and ecosystems

12.87 A number of environmental groups and agencies submitted on the provisions under this goal.

12.88 The Department of Conservation (DOC) and Forest and Bird were generally supportive of the provisions however sought some changes. Areas of mutual interest included a desire for greater recognition of indigenous biodiversity, and concerns with Policy 3.2.4.2.2. The concerns with this policy related to the risk that the policy more readily contemplates, than it should, adverse effects on nature conservation values, subject to environmental compensation – as opposed to biodiversity offsets being utilised as a last resort to mitigate residual, non-significant adverse effects.

12.89 In addition, DOC and Forest and Bird suggested that Policy 3.2.4.2.2 as worded creates inconsistency with Policy 33.2.1.8 (Chapter 33 Indigenous Vegetation and Biodiversity).

12.90 Changes are recommended to address these matters. Specifically, I recommend that Policy 3.2.4.2.2 is deleted. This is not only because of the valid concerns raised by DOC and Forest and Bird, but also because I consider the policy is too fine grained and specific for the Strategic Direction chapter, and the matter is more appropriately addressed in the specific relevant chapter (Chapter 33).

12.91 Concerns were also expressed regarding Policy 3.2.4.2.1 – that it does not contemplate the potential to formally protect additional Significant Natural Areas not mapped in the PDP, through the resource consent process (and subsequent plan amendments). I consider that this is a fine grained concern that is more appropriately addressed in Chapter 33, noting that Policy 33.2.1.1 contemplates the ongoing identification of Significant Natural Areas.

12.92 In addition, a number of individuals and property and development entities submitted on the provisions under this goal. Some sought complete removal of the goal and associated provisions, or significant amendments.

12.93 Some other notable, substantive policy arguments included:

- Avoiding effects through the banning of exotic wilding species is too stringent and inflexible: and methods are available to mitigate adverse effects to a satisfactory level.
- Conversely DOC and Forest and Bird submitted in support of the proposed provisions advancing this approach.

12.94 In response, rewording of Objective 3.2.4.4 and related Policy 3.2.4.4.1 is recommended. This is to make the provisions less absolute, and also to more readily reflect a better objective – policy relationship (ie. the objective is reworded to focus more on the outcome sought, whilst the policy is concerned with delivering upon that objective).

12.95 The following further evaluation under Section 32AA of the RMA has been undertaken for some of the substantive policy changes that are recommended.

<b>Recommended amended Objective 3.2.4.1 and appropriateness</b>
<del>Promote development and activities that sustain or enhance the life-supporting capacity of air, water, soil and ecosystems.</del> <u>Ensure development and activities maintain indigenous biodiversity, and sustain or enhance the life-supporting capacity of air, water, soil and ecosystems.</u>
<u>Appropriateness:</u>
This amended objective is considered to be the most appropriate way of achieving the purpose of the

Act as:

- It 'rounds out' the biophysical concerns of the objective as notified by adding the related consideration of indigenous biodiversity.
- Indigenous biodiversity is not referenced explicitly in the objectives and policies under the goal, and this is considered a weakness with regards to the sustainable management of the environment in the District.

**Recommended amended Objective 3.2.4.4 and appropriateness**

Avoid ~~the spread of wilding exotic vegetation with the potential to spread and naturalise.~~ to protect nature conservation values.

Appropriateness:

This amended objective is considered to be the most appropriate way of achieving the purpose of the Act as:

- It more appropriately functions as an objective by focussing on an environmental outcome.
- In terms of sustainable management for the District, the spread of wilding exotic vegetation has been recognised as a threat to landscape values, and nature conservation values. Therefore, it poses a significant threat to the achievement of sustainable management in the District, and the objective provides a framework to manage this threat.

**Recommended Amended Policy 3.2.4.4.1**

~~That Prohibit~~ the planting of identified exotic vegetation with the potential to spread and naturalise is ~~banned.~~

<b>Costs</b>	<b>Benefits</b>	<b>Effectiveness &amp; Efficiency</b>
<p>Minimal environmental costs. As compared to the policy as notified, the recommended amended policy is less absolute, and intended to potentially enable the planting of species that may pose less threat than others.</p> <p>Minor economic costs, and less than the policy as notified as it enables the potential for some less threatening species to be planted.</p>	<p>A strong degree of environmental protection is still offered by the amended policy, although as noted above is less absolute than the provision as notified.</p> <p>The amended policy provides more flexibility, and the potential ability for one or more species that may be less threatening to be able to be considered through a resource consent process, potentially providing economic benefit for landowners.</p>	<p>As the amended objective has been amended to focus more on an environmental outcome, the amended policy gives effect to that and contemplates some flexibility where nature conservation values may not be threatened. To that extent it is a more 'effects-based' planning provision, and is considered more effective in achieving the objective.</p>

Goal 5 – Our distinctive landscapes are protected from inappropriate development

12.96 The landscape is one of the key resources of the District, and has been subject to intense planning scrutiny and litigation over the past 20 years. The centrality of landscape to planning in the District is reflected in the large number of submissions relating to landscape protection

approaches in the PDP, both in term of the Strategic Direction Chapter, and the Landscape Chapter (6).

12.97 No submissions dispute the intrinsic environmental value, and importance of landscape to the District in terms of social, cultural and economic wellbeing. The key areas of contention articulated through submissions relate to:

- the mechanism for protecting landscapes (in particular – the mapping of outstanding natural features and landscapes)
- the location of the mapped lines that define outstanding natural features and landscapes
- the language used in provisions.

12.98 The first and third of these key areas are relevant to the Strategic Direction chapter, whilst the second key area is not (it is addressed in the mapping component of the Landscape Chapter hearing). The two relevant areas to this hearing are addressed in the subheadings below.

#### *The Mechanism for protecting landscapes*

12.99 Overall, there was support, or at least neutrality, in submissions for mapping Outstanding Natural landscapes and Outstanding Natural Features. There was limited opposition.

12.100 A notable exception is the submission made by Upper Clutha Environmental Society (Inc.) (145). This submission opposes the mapping of landscapes, with some of the main reasons being:

- The ODP approach of a case by case approach to categorising landscapes, whilst creating some uncertainty, functions well and there is no other practical approach available. The existing approach where the Environment Court defines landscape lines is the most accurate, practical and efficient process available.
- The ODP approach allows a finer grained approach to be taken, with a more specific level of detail and scrutiny.
- The PDP approach is inefficient because the proposed lines may be the subject of numerous appeals.

12.101 The matter of the location of landscape lines will be addressed in detail in the mapping component of the Landscape Chapter hearing. Whilst landscape mapping, as a method, was proposed in Policies 3.2.5.1.1 and 3.2.5.2.1 of the Strategic Direction Chapter as notified, I consider that the Policy is one of a number of policies that unnecessarily replicates policy in the Landscape chapter (which also forms part of Part 2 of the PDP) and I recommend that the policy is deleted. This is further covered in the evidence of Mr Craig Barr on the Landscape Chapter (6), and I also consider the approach taken in the PDP is the most effective and efficient option to ensure the landscapes within the district are protected from inappropriate use and development, and it is not recommended that this approach is modified. The evidence of Ms Marion Read also strongly supports this approach

#### *The language used in provisions*

12.102 A common theme in submissions relates to wording of objectives and policies under the Goal. This relates, in particular, to Objective 3.2.5.1 (and related Policy 3.2.5.1.1) and to Objective 3.2.5.2 (and related Policy 3.2.5.2.1).

12.103 In terms of Objective 3.2.5.1, concern has been expressed in some submissions that the proposed wording does not align with RMA language. As noted earlier in this report, I consider that broad replication or borrowing of RMA language without tailoring it to specific district issues or objectives, can be problematic – such generality may serve no real meaningful purpose. However, there are instances where it is more sound to align policy language with RMA phrases. This is particularly so for matters relating to Section 6 of the RMA. I consider that the wording of Objective 3.2.5.1 is one of those cases, and have

therefore recommended changes to remove the word 'natural character', which is considered unduly narrow and not consistent with RMA terminology. I have not recommended insertion of the word 'inappropriate' to precede the words 'subdivision, use and development.' Section 6(b) provides this context to any resource consent application. In addition, in saying 'Protect the quality of the Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development' the 'inappropriate' test is implicit ie. Development that doesn't protect the quality will be inappropriate.

- 12.104 In terms of Objective 3.2.5.2 relating to Rural Landscapes, concern has been expressed that the proposed wording does not align with RMA language, that the word 'minimise' is unnecessarily or inappropriately restrictive. Some submissions have stated that it does not use the defined terminology of 'Rural Landscape Classification'.
- 12.105 The word 'minimise' was utilised in order to provide greater District-specific direction around desired resource management outcomes. Fundamentally, I consider that the word 'minimise', which is not used in the RMA, can be used in the PDP to give expression at the district level to the RMA's purpose and principles. Further, the use of the phrase 'avoid, remedy or mitigate' provides for a variety of outcomes along a spectrum of potential adverse effects, and can result in a lack of certainty. However, I acknowledge that an objective that seeks to 'minimise' adverse landscape effects in such a large area as the Rural Landscape Classification (which is not recognised as possessing 'outstanding' landscape attributes) is potentially overly restrictive. As a result, I have recommended alternative wording that seeks to 'maintain and enhance the landscape character of the Rural Landscape Classification' but provides the potential for 'managed and low impact change'.

#### *Other matters*

- 12.106 Concern was raised regarding Objective 3.2.5.3 (and related Policy 3.2.5.3.1), particularly in terms of the language of 'directing'. In response, I consider it appropriate to seek to 'direct' urban development to areas which are capable of absorbing growth, as part of Council's approach to sustainable management (Section 5 RMA), and integrated management (Section 31 RMA), through Policy 3.2.5.3.1. Whilst I do acknowledge that rural subdivision and development can be contemplated on more of a case by case, effects-based perspective, I consider it is appropriate for urban development to be directed to particular locations with a firmer policy approach taken on spatial grounds. However, I have recommended that Policy 3.2.5.3.1 be deleted – I consider its finer grained nature relating to UGBs is better addressed in the Urban Development Chapter.
- 12.107 I consider that an amendment is appropriate to make it clear that Objective 3.2.5.3 relates to 'urban' subdivision, use or development.
- 12.108 Whilst there was some support for the principle behind Objective 3.2.5.5, and Policies 3.2.5.5.1 and 3.2.5.5.2 – that farming land use and its evolving nature is fundamental to the character of the District's landscapes – a number of submissions sought that the provisions make broader reference to other non-farming land uses, which fundamentally locate in rural areas and are part of rural character. However, I consider this is potentially somewhat of a 'slippery slope', and whilst there are other land use activities that are typically located in rural areas, they do not have the same fundamental connection (both historic and current) to the landscape and its character that agricultural land use activities do. I therefore consider that the wording of these provisions as notified is the most appropriate.
- 12.109 Some infrastructure agencies sought greater recognition of the importance of infrastructure and the need for this to be recognised within provisions pertaining to landscape – on the basis, essentially, that landscape may in certain circumstances need to be degraded to provide for essential utilities. While I consider these submissions do have some merit, it is my opinion that this goal of the Strategic Direction chapter should be focussed more on landscape character and the general outcomes sought, rather than drilling down to potentially acceptable exceptions. It is considered that this is better addressed in the lower order chapters and provisions and on a case by case basis through resource consent applications.

**Recommended amended Objective 3.2.5.1 and appropriateness**

Protect the ~~natural character~~ quality of the Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development.

Appropriateness:

This amended objective is considered to be the most appropriate way of achieving the purpose of the Act as:

- The amendment of the phrase 'natural character' to 'quality' clarifies that the importance of Outstanding Natural Landscapes and Outstanding Natural Features is not solely related to its 'naturalness' or character, but a number of aspects or qualities. It provides for better alignment with Section 6(b) of the RMA.

**Recommended amended Objective 3.2.5.2 and appropriateness**

~~Minimise the adverse landscape effects of subdivision, use or development in specified Rural Landscapes. Maintain and enhance the landscape character of the Rural Landscape Classification, whilst acknowledging the potential for managed and low impact change.~~

Appropriateness:

This amended objective is considered to be the most appropriate way of achieving the purpose of the Act as:

- It is less absolute than the objective as notified, which was considered to set too high a bar with regard to the objective to 'minimise' adverse landscape effects. This high bar may have made it unduly difficult for people and communities to provide for their social, economic and cultural wellbeing within a landscape that, whilst of landscape character value, doesn't demand the same level of protection as an Outstanding Natural Landscapes.

Goal 6 – enable a safe and healthy community that is strong, diverse and inclusive for all people

12.110 Few submissions raised issue with the general intent of Goal 6 and its objectives and policies. A number of submissions sought wording amendments.

12.111 Submission 238 (NZIA Southern and Architecture + Women Southern) requested several amendments to objectives and policies. One of the more substantive amendments sought was deleting Policy 3.2.6.1.2. Concern was expressed that this policy does not sufficiently address design quality.

12.112 I consider that other objectives, policies and assessment matters in this and other chapters provide sufficient design guidance, acknowledging that improvements may be possible in those other areas. This policy is concerned with one particular planning issue, and provided design quality is addressed in other areas I do not consider that this policy, in itself, will result in or contribute to poorly designed and executed development. It should be emphasised too that non-statutory approaches to design can and are being utilised by the Council, such as the Urban Design Panel. I refer also to Mr Clinton's evidence, that considers the appropriateness of objectives and policies.

12.113 As outlined earlier in this evidence, a large and credible body of domestic and international research demonstrates the significantly adverse impact that planning regulation can generate on housing affordability. The impacts of unaffordable housing on social and economic wellbeing are well documented – therefore this matter is fundamental to the promotion of sustainable management under Part 2 of the RMA. Several inquiries of the New Zealand Productivity Commission have reinforced this.<sup>16</sup>

<sup>16</sup> *New Zealand Productivity Commission: Housing Affordability Inquiry – Final Report (2012).*  
*New Zealand Productivity Commission: Towards Better Local Regulation – Final Report (2013).*

12.114 This policy responds to that evidence, and provides the platform for the more liberal density and development flexibility promoted through the PDP, within the lower-order chapters.

Goal 7 – Council will act in accordance with the principles of the Treaty of Waitangi and in partnership with Ngai Tahu

12.115 A small number of submissions were made on this goal and associated objectives and policies. A number of wording amendments were sought, including that the wording of Objective 3.2.7.1 should be amended from ‘Protect Ngai Tahu values...’ to ‘Recognise and provide for Ngai Tahu values.’ I consider this wording is more balanced and overall more appropriate.

12.116 Remarkables Park Limited (Submission 807) sought that the Goal and both objectives be deleted, as it replicates provisions in Chapter 5 Tangata Whenua. I do not agree with this submission. As stated previously, provisions in the Strategic Direction chapter, by necessity, will sometimes closely mirror those in lower order chapters. I consider this to be a reinforcement and integration approach, rather than one that is unnecessarily repetitive.

12.117 As stated earlier in this report, Kāi Tahu ki Otago Limited submitted seeking that the word ‘Ngai Tahu’ is replaced with ‘Manawhenua’. This is addressed in more detail in the Tangata Whenua hearing, however in terms of the Strategic Direction chapter I do not consider this change is appropriate.

### 13 Conclusion

13.1 In response to the submissions received on the Strategic Direction and Urban Development (part) Chapters and on the basis of my analysis within this report, I recommend that the changes within the revised versions (in **Appendix 1**) are accepted.

13.2 The changes will improve the clarity and administration of the Plan; contribute towards achieving the objectives of the Plan and Strategic Direction goals in an effective and efficient manner and give effect to the purpose and principles of the RMA.



Matthew Paetz  
19 February 2015