

**BEFORE THE HEARINGS PANEL
FOR THE QUEENSTOWN LAKES PROPOSED DISTRICT PLAN**

UNDER THE Resource Management Act 1991 ("**Act**")
IN THE MATTER OF Stage 3 Proposed District Plan - Settlement Zone
BETWEEN **CARDRONA VILLAGE LIMITED AND
KINGSTON LIFESTYLE PROPERTIES LIMITED**

Submitter 31019, and Further Submitter 31066
Submitter 3297 and Further Submitter 3439

AND **QUEENSTOWN LAKES DISTRICT COUNCIL**

Planning Authority

**SUPPLEMENTARY EVIDENCE OF TIMOTHY ADAM GRACE
NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT 2020**

29 JULY 2020

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1. Minute 28 issued by the Chair of the Independent Hearing Panel for Stage 3 and 3b of the Proposed Queenstown Lakes District Plan (**PDP**) has advised that any parties appearing on 28th and 30th of July 2020 for whom the new National Policy Statement on Urban Development 2020 (**NPS-UD**) is relevant may produce brief supplementary evidence that can be tabled when the witnesses give evidence.
2. The Government gazetted the NPS-UD on 23 July 2020. The NPS-UD replaces the National Policy Statement on Urban Development Capacity (NPS-UDC) that was introduced in 2016. I have not completed a detailed comparative analysis between the NPS-UD and the NPS-UDC. For the purposes of my evidence this was not considered necessary given the settlements relevant to my evidence relate to the small urban environments of Cardrona and Kingston, which are not considered to be “urban environments” in the context of the NPS-UD, which defines *Urban Environment* as follows:

is any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that:

(a) is, or is intended to be, predominantly urban in character; and

(b) is, or is intended to be, part of a housing and labour market of at least 10,000 people.¹
3. The NPS-UD replaces the NPS-UDC, but maintains and builds on some of its policies. Several policies are more directive than those in the NPS-UDC, particularly in the largest and fastest growing urban environments, which are identified as Tier 1 and Tier 2 urban environments in the NPS-UD. Queenstown is identified as a Tier 2 urban environment in the NPS-UD.
4. Key changes in the NPS-UD include:
 - (a) a requirement for planning decisions to contribute to well-functioning urban environments (as defined in Policy 1 of the NPS-UD), which is at the core of all of the policies in the NPS-UD;
 - (b) specific reference to amenity values, climate change, housing affordability and the Treaty of Waitangi (te Tiriti o Waitangi);
 - (c) a requirement for local authorities to enable greater intensification in areas of high demand and where there is the greatest evidence of benefit – city centres, metropolitan centres, town centres and near rapid transit stops;
 - (d) removal of minimum car parking rates from district plans;
 - (e) a requirement for local authorities to be responsive to unexpected plan change requests where these would contribute to desirable outcomes.²

¹ National Policy Statement on Urban Development 2020, 1.4, Interpretation.

² Ministry for the Environment. 2020. Introductory Guide to the National Policy Statement on Urban Development 2020. Wellington: Ministry for the Environment.

5. The overriding direction of the NPS-ND is to ensure that regional policy statements and regional and district plans provide adequate opportunity for land development for business and housing to meet community needs.
6. The NPS-UD is designed to improve the responsiveness and competitiveness of land and development markets, so that more homes can be built in response to demand. The NPS-UD provides direction to make sure capacity is provided in accessible places, helping people build homes in the places they want – close to jobs, community services, public transport, and other amenities our communities enjoy.
7. I do accept that the NPS-UD is intended to direct the Council to allow more urban development and housing through the district plan within the key growth areas of Queenstown and Wanaka, with the other smaller settlements in the district not strictly being relevant as they have populations of less than 10,000 people.
8. However, in terms of Kingston, this settlement has been identified as a more affordable housing location in easy reach of Queenstown. The Government has recently confirmed a \$52 million central government loan to the Council for infrastructure. This is to enable capacity for a further 950 new homes at Kingston primarily within the Kingston Village Special Zone, that will provide for more affordable housing to people working in Queenstown.
9. The development of Cardrona settlement has been constrained by the lack of reticulated wastewater infrastructure for some time. This will no longer be the case with the Council committed to the construction of a new wastewater treatment plant to service the settlement over the next few years. It is therefore expected that Cardrona will experience significant development within its zone enabled areas to service the surrounding visitor attractions (in particular the Cardrona Alpine Resort, which is planned for expansion). It is expected this will not only be for visitor accommodation, but also for housing for people working at the visitor attractions in the surrounding area. The settlement of Cardrona could also provide a more affordable housing location in easy reach of Wanaka.
10. As such, while I do accept that the NPS-UD is not intended to apply to the proposed Settlement Zones at Kingston and Cardrona, I do consider that the broader principles of the NPS-UD do have some relevance to these settlements, given the relationship that these settlements have to Queenstown and Wanaka, and the wider economy of the district.
11. In my view the NPS-UD highlights the need to consider alternatives to the use of somewhat 'draconian' planning approaches such as utilising minimum site areas to manage quality-built outcomes. Subdivision has in the past been considered to provide a vital framework for managing future development and activities, because it often precedes land use activities, and therefore affects the nature and form of future development. In my view this is no longer the case, especially in the context of the Settlement Zones at Kingston and Cardrona, which provide overlays for commercial and visitor accommodation development, which is far removed from a single residential dwelling.
12. I do not consider that minimum site sizes should be the driver for the nature and form of land uses that will ultimately be built within the areas identified

for commercial and visitor accommodation activities within the proposed Settlement Zone. In my view the broader direction of the NPS-UD that has a focus on “well-functioning urban environments” and a particular focus on the intensification of urban areas should be taken into consideration in the decision-making on the planning methods that would be most appropriate for controlling quality built outcomes at Kingston and Cardrona. A planning approach that provides for land-use to drive the outcomes within these areas rather than site size (and therefore subdivision) as detailed in my primary evidence will more appropriately give effect to the range of objectives and policies of the NPS-ND that cumulatively are focussed on ensuring that the Council provides for well-functioning urban environments through the district plan.

13. In my view, the proposed Settlement Zone provisions will result in sub-optimal development outcomes within the Commercial Precinct and Visitor Accommodation Sub-Zone at Kingston and Cardrona. The provisions will not encourage more intensive mixed-use development outcomes (for example retail at ground level and residential and / or visitor accommodation at upper levels) because of the lack of certainty provided by the requirement for only one residential unit per 800m² net site area.
14. In my view a requirement for 800m² of land to accommodate a single residential unit is a highly inefficient use of a valuable land resource that will not give effect to the broader direction of the NPS-UD. In my experience even given the relative size of the Kingston and Cardrona settlements, such a approach will simply result in upwards of 400m² of land being utilised as redundant lawn area, when it could be more efficiently be utilised to provide for more intensive housing or other commercial or visitor accommodation activities.
15. In terms of Cardrona, the proposed Settlement Zone provisions direct a development outcome that will provide for some 40 new dwellings on the submitters land, which comprises the majority of the vacant land resource available within the proposed Settlement Zone at Cardrona. It is likely that a large portion of any such dwellings would be used as “holiday accommodation” to service the demand for such use associated with the surrounding visitor attractions, in particular the ski fields. It is apparent that this level of development would not provide for a vibrant community, or justify the cost of providing for reticulated services to the village. A simple reduction of the site area standard by half, (to 400m² net site area per dwelling unit - which is a still a more than suitable site size for a dwelling), would double the development yield, on a land resource that is limited due to the constraint of the surrounding Outstanding Natural Landscape.
16. The development currently proposed on this land, which is primarily a Controlled Activity under the operative Rural Visitor Zone, provides for 38 residential units, 72 serviced apartments and 264 hotel rooms. This development clearly provides for the efficient use of the limited land resource available within the Cardrona village, while still maintaining the historic and amenity values associated with the village, and protecting the outstanding natural landscape values of the Cardrona Valley. In my view, it is clear which development outcome would more appropriately give effect to the NPS-UD.
17. Overall, while I accept the NES-UD strictly does not apply to the proposed Settlement Zone at Kingston and Cardrona, in my view it does support my opinion that more intensive development opportunities should be provided

for the Commercial Precinct and Visitor Accommodation Sub-Zone within these settlements, to ensure the sustainable management purposes of the Resource Management is achieved.

Tim Grace
29 July 2020