

IN THE MATTER OF

the Resource Management Act 1991.

AND

IN THE MATTER OF

Plan Change 29 to the Queenstown Lakes District Plan.

REPORT AND RECOMMENDATION OF HEARING COMMISSIONERS

Report outlining the recommendations of M Garland and A Henderson, appointed as Independent Commissioners for the Queenstown Lakes District Council pursuant to section 34A of the Resource Management Act 1991 on Plan Change 29 to the Queenstown Lakes District Plan.

Ratified as a Council decision on 4 October 2010

Notified as a Council decision on 10 November 2010

Introduction

Plan Change 29 was publicly notified on 19 August 2009, prior to the Resource Management (Simplifying and Streamlining) Amendment Act 2009 [RMAA 2009] coming into effect on 1 October 2009. Therefore, under the provisions of Section 161 (2) of the RMAA 2009 the proposed plan change must be determined as if the amendments made by the Act had not been made.

The Section 32 report states that the scope of PC 29 is:

To define an urban boundary for Arrowtown.

This will incorporate land that will provide for the full range of activities needed to support the settlements urban population over a twenty year time horizon. Including land for reserves, schools, health care facilities and emergency services as well as residential, commercial and employment based development.

In order to achieve effective integration with other relevant plans and strategies it will utilise a time horizon of approximately 20 years.

Policies will provide specific provisions relevant to the local context and implementation of the Arrowtown boundary.

The Section 32 report also noted that Plan Change 29 does not include any provision for rezoning any land.

In summary, Plan Change 29 as notified sought to:

- Establish an urban boundary for Arrowtown in the District Plan (see map below for proposed growth boundary)
- Introduce new policies that:
 - Limit the growth of Arrowtown.
 - Promote urban design outcomes for future growth in accordance with the Arrowtown Design Guidelines and the Arrowtown Plan.

This report addresses the submissions made on Plan Change 29.

Late submissions

Three late submissions were received after the date specified in the public notice for the close of submissions, as advised in the Council Planner's report.

The submission from the Boxer Hill Trust was received on 9 November 2009, prior to the summary of decisions sought being completed and notified. This submission was reported to the Council's Chief Executive on 1 December 2009. The submission was considered in relation to Section 37A of the RMA, and a waiver under Section 37(1) of the RMA was granted for the failure to comply with the requirements of the Act. The submitter was advised of the decision on 15 December 2009. This late submission was included in the summary of decisions sought that was notified on 16 December 2009. We heard evidence from the Boxer Hill Trust and consideration of their submission is included within this report.

The two other late submissions were from Carol Bunn and Susan Cleaver. They were received on 28 January 2010. We were advised that this was too late for them to be included within the summary of submissions, and that the submitters were advised of this. We accept the Council Planner's advice that the nature of these submissions was similar to others received on time, and that the opportunity to make a Further Submission was available to the submitters. We did not hear any evidence from these parties and the late submissions are not therefore addressed in this recommending report.

The Hearing

The hearing was held on 26 and 27 April 2010 in the Arrowtown Athenaeum Hall. In attendance were the following:

Mike Garland	Commissioner and Hearing Panel Chair
Andrew Henderson	Commissioner
Mark Rushworth	Senior Policy Analyst
Desiree Limbach	Hearings Administrator

A summary of the evidence presented by each party is presented below.

Mr Mark Rushworth, author of the planner's report on Plan Change 29, provided comments on the Plan Change and discussed the changes he had recommended in his report to the Commission. Mr Rushworth considered that there is merit in Plan Change 29, and recommended that the urban boundary be expanded to include two areas, as follows:

- The area of the previous Council effluent treatment ponds at Jopp Street.
- An area known as the 'Adamson' Block on MacDonnell Road. These areas are shown on the following map, which was included within Mr Rushworth's report.

Ms Karen Swaine spoke to a series of photographs that showed how Arrowtown has developed over time. She noted that the ridge along Cotter Avenue and Advance Terrace is a feature that is at risk from further development. Similarly, she expressed concern at increasing development on the Hills Golf Course and at Millbrook. Ms Swaine did not consider the proposed extensions to the boundary were appropriate.

A letter was tabled from **Mr Scott McCulloch**, who considered that the urban growth boundary should include the land to the west of McDonnell Road bounded by the Lakes Hayes Road and the Hills Golf Course. The amenity of this land has been encroached upon by historical development on the eastern side of McDonnell Road, and it is logical that the land acts as a buffer between rural and intensive residential land. Any growth on this small site, some 6.17 hectares, would be of a limited nature and have a negligible effect on the character and amenity of Arrowtown.

Mr McCulloch noted that any planning strategy should not benefit a small proportion of the community to the detriment of the wider community. Arrowtown should be allowed to grow, but in a controlled fashion.

Mr Peter Roberts, a member of the Arrowtown residents group, considered that the view of the majority should prevail in any decision. He noted that the significant majority of submissions to Plan Change 29 favoured its adoption without amendment.

Mr Roberts noted that Arrowtown is the jewel of the tourist crown and has remained so because of tight planning control. 'Ambience tourism', a rapidly growing form of tourism in Arrowtown, involves residential tourism, golfing tramping, relaxing and similar activities. This kind of tourism relies on Arrowtown retaining its tranquil character. Allowing for growth will degrade this character.

Mr Roberts did not consider Arrowtown was dependent on growth, and noted that many towns around the world are protected from growth in order to preserve their character.

Arrowtown already has infrastructure problems, with air pollution, traffic and parking demands, and concerns that services such as water and waste water disposal systems are already at capacity. There is a high cost in improving the system to cope with the demand.

Affordable housing should be spread throughout the community. The Jopp Street extension will create a lopsided boundary for Arrowtown.

Mr Roberts also considered that the proposed Plan Change did not stand up well against the Council's Growth Management Strategy, the first principle of which is that "all settlements are to be compact with distinct urban

edges'. A further principle is that towns like Arrowtown are not to expand beyond their current planned boundaries.

Mr and Mrs Mahon live in Centennial Avenue and their property forms a small part of the Arrowtown South development. The boundary of Arrowtown should be extended along Centennial Avenue on the opposite side of the Arrowtown Golf Course up to the entrance to the golf club, and along McDonnell Road to the present boundary. The existing golf courses, the river and the mountains form a natural boundary around Arrowtown. Such an extension is not out of keeping with what was originally intended for Arrowtown.

Mrs Mahon spoke about the benefits of Plan Change 39 (Arrowtown South), and also considered that the McDonnell Road extension of the boundary would improve the visual experience. She also noted that despite change in recent years, the character of down town Arrowtown had not been affected as the historic zone is well protected by the existing rules.

Mr Ken Hardman lives in Centennial Avenue and supports Plan Change 29 as development should be restricted to within a defined area. The creation of boundaries will help to contain the township and retain its appeal as a place to live and work and as a travel destination. The alternative to having no boundary is a form of urban sprawl and ribbon development as the town spreads along exiting roads, filling whatever space is available.

Mr Hardman considered that there are substantial areas within the boundary proposed in Plan Change 29 to surpass a minimum of 5 years' supply. The boundary can be reviewed at such a time as the available land diminishes beyond a certain point. There is no need to accommodate (or exceed) the projected 2026 growth figure.

Mr Hardman also opposed the views expressed by the Boxer Hill Trust and the 'friends of Arrowtown South' as they were founded on a desire to 'ease the path' for future development and did not take in to account the special nature of Arrowtown.

While demand for additional residential development may be there, it can only be demonstrated after the event by looking at actual sales. Anything else is nothing more than an educated guess based on population growth statistics and historical data. Similarly, a large subdivision would generate interest and sales (demand). Following this logic, it is likely that a large development such as Arrowtown South would be a commercial success. This does not necessarily provide the best outcome for Arrowtown.

Mr Don Spary considered that many of the problems in Arrowtown are caused by the residents themselves, with cars, lawn mowers and so on. He believed that the retail area of Arrowtown is protected. You cannot stop people from coming to Arrowtown – the demand is inevitable. Arrowtown needs to enable modest

growth created by demand. He considered that Arrowtown should rely on its existing boundary, and have any changes assessed on their merits. Flexibility is required in planning for Arrowtown.

Mr Murray Hanan stated that no one is saying that change isn't inevitable. It's about managing change and controlling it sensibly.

Mr Hanan questioned the basis upon which the growth figures were based. The Hill Young Cooper relies on tourist growth. A 20 year projection for growth is a long period, and the figures may need to be reviewed during that period. The real growth in New Zealand is from immigration, and as such the growth figures in the Hill Young Cooper report are questionable.

Mr Hanan discussed the concept of "induced supply" demand, whereby the demand is induced by spec houses being built.

Arrowtown should be held at its existing boundary. It may be inevitable that the return on capital from farming will increase, resulting in a greater demand on land for production purposes. People in Arrowtown don't want expansion. The amendment to allow the McDonnell Road expansion is the beginning of ribbon development.

Dame Elizabeth Hanan considered that tourism is the heart of the Queenstown Lakes district, and Arrowtown is the jewel in the crown. Arrowtown's character has been assisted by the Design Guidelines, and its character is well appreciated by residents and visitors.

Car parking is already at a premium in town. The demand is coming from Millbrook and proposed further housing, so why is further expansion necessary?

In relation to the 2026 growth projections, Dame Elizabeth considered that the entire district should be looked at to determine the best place to accommodate the growth. Arrowtown should not be looked at in isolation. She noted that there are many vacant sections in Arrowtown, some of which have been vacant for years. There is no case for an expanded boundary, which may well lead to an over supply. The boundary for Arrowtown as originally notified in Plan Change 29 is appropriate and well thought out. Rural General land is coming under increasing pressure in the District.

Dame Elizabeth also considered that the proposed change to the McDonnell Road boundary was to appease the developers of Arrowtown South. She also raised concerns with the infrastructure servicing Arrowtown. Demand from within the town at present, as well as outlying developments such as Millbrook, places constraints on these services. Upgrades will be required to service new housing developments.

In conclusion, Dame Elizabeth stated that there needs to be a sustainable pattern of urban growth, and expanding Arrowtown's boundaries is contrary to that approach.

Mr Grant Dalbeth supported the boundaries as proposed in Plan Change 29 as notified. The present boundaries are essential for preserving the character of the village. Population growth can be contained within the current residential boundaries, by building on remaining empty sections and upgrading existing housing stock.

The proposal to develop the old sewage ponds area into housing is fundamentally flawed, as it places residential development on a site that has soil problems over a significant portion, resulting in the balance of the land taking on a density of development higher than anywhere else in the village.

There are many examples of villages in Europe where their boundaries have been tightly controlled in order to maintain their character. There are also examples of villages that have been lost through repeated Greenfield development and urban sprawl.

Ian Gordon (Solicitor, Morrison Kent) provided legal submissions on behalf of a group of submitters comprising the Mt Soho Trust, R Monk, Adamson Family Ltd & R Monk, Rebecca Monk, Sam Monk, Toni Lewis and Lisa Miles.

Mr Gordon noted that the submitters support the objective of Plan Change 29 and 30, being to ensure that a sustainable pattern of development is achieved through effective management of the scale and distribution of urban growth. He stated, however, that the submitters oppose the urban boundary as proposed in Plan Change 29 and consider it should include all that land subject to Plan Change 39. If excluded, then the purpose of Plan Change 29 will be defeated as the boundary proposed in the officer's report is inadequate to provide for any reasonable measure of future growth, and that concerns as to landscape and connectivity are unjustified.

Mr Gordon identified that three witnesses would be called to support the submitters' views, being Mr Fairgray (Economist), Ms Skidmore (Urban Designer) and Mr Edmonds (Resource Management consultant). He noted that the thrust of the evidence would be that Plan Change 29 would not faithfully capture the various concepts, studies, consultation and growth projections upon which is based unless the Plan Change 39 land is included. The boundary as proposed has no integrity to manage growth in Arrowtown over a 20 year period.

Mr Gordon set out the legal test under which a Plan Change is to be evaluated, drawing from the principles in *Eldamos Investments v Gisborne District Council (W047/2005)* and *Long Bay-Okura Great Park Society Inc v North Shore City Council (A078/08)*, being whether:

- (a) It is the most appropriate way to achieve the objectives of the Plan (section 32(3)(b)); and
- (b) It assists the territorial authority to carry out its functions in order to achieve the purpose of the Act (section 72); and
- (c) It achieves the objectives and policies of the Plan (section 76(1)(b)).

Mr Gordon considered that the evidence to be called would demonstrate that these tests were failed.

Mr Gordon discussed the relationship of the Plan Change with Plan Change 30. He noted that a decision on Plan Change 30 has not been made, and that the framework for locating an urban boundary may be different as a result of decisions on Plan Change 30 than when they were originally notified, which would correspondingly have an effect on the growth allocations for Arrowtown. He noted that it was not until Plan Change 29 that the focus shifts from managing urban growth to limiting it or the purpose of retaining Arrowtown's landscape and character setting, and promoting an urban scale that promotes walking and cycling. He then noted that these are reasonable management tools that do not seek to cap expansion per se, as the policies in the Plan Change focus on the essential requirements for expansion of urban areas.

Mr Gordon noted that in order for Plan Change 29 to satisfy the 'Eldamos' tests, the proposed urban boundary must demonstrably be the most appropriate way to achieve the objectives of the Plan, having regard to its efficiency and effectiveness and taking into account the risks arising from uncertain or insufficient information. Mr Gordon submitted that the inclusion of the Plan Change 39 land within the Arrowtown urban boundary will result in an urban boundary that successfully limits growth in a way that ensures that a sustainable pattern of development is achieved. If, however, the planner's recommendation to only include the Jopp Street land and part of the Plan Change 39 land was implemented, Arrowtown would be faced with unsatisfied demand as early as 2018. He then noted that the pressure to meet that demand through infill development within Arrowtown will adversely affect the character of Arrowtown the Plan Change is attempting to protect.

Mr Gordon called evidence from **Dr Douglas Fairgray**, who provided detailed evidence on the demand for residential development in Arrowtown. He considered that the Council planner's report has misconstrued the data such that the report is based on a significant understatement of the 20 year shortfall of dwellings by 305. The basis for this assertion was that the Council has confused capacity and demand. The Growth Projection Study demonstrates an underlying demand for 699 dwellings in Arrowtown in the 20 years to 2029. Dr Fairgray's assessment was that there was a shortfall of 454 dwellings, 305 more than the Council's assessment.

Dr Fairgray's view was therefore that the context for evaluating the urban boundary alternatives for Plan Change 29 is different.

Dr Fairgray considered that the evaluation of land supply and demand that underpinned the Plan Change 29 process was flawed, and as a result all of the assessments of options and alternatives had been based on an inaccurate premise. He agreed with the Planner that capping growth in Arrowtown would be inappropriate, and that some degree of expansion of the Arrowtown boundary was required to strike a better balance between meeting the reasonably foreseeable needs of the community and the sustainable management of resources. He also noted that the planning officer's report recognised two principles, being that the Arrowtown urban boundaries should be defined to adequately cater for growth, and that if the boundaries proposed are seen as likely to not cater for expected growth, then alternative boundaries should be defined which do cater for that growth. He concluded that Plan Change 39 would cater for a significant portion of the estimated growth.

Mr Gordon also called evidence from **Ms Rebecca Skidmore** (Urban Designer and Landscape Architect) who considered that inclusion of the Plan Change 39 land within the Arrowtown Urban Boundary would satisfy the relevant objectives and policies of both Plan Changes 29 and 30. She considered that if spatial boundaries were to be defined, they should be based on a detailed analysis and understanding of individual settlements, with design testing to determine how future growth could be accommodated in a responsive manner. In this respect her view differed from the Council planner, who considered the strategic approach should be determined before detailed development provisions. She considered that it is not possible to accurately determine an appropriate boundary without an iterative process of considering details within a broader level strategic approach.

Ms Skidmore's evidence discussed the key elements on Arrowtown, and commented that there is limited opportunity within the established area of Arrowtown to accommodate and intensification of residential activity or expansion of employment opportunities without impacting on the valued character features of Arrowtown.

Further growth of Arrowtown can be accommodated within the Plan Change 39 area, for reasons including:

- The adjoining golf courses provide a logical open space boundary to Arrowtown;
- McDonnell Road and Centennial Avenue create clear boundaries and accessways to the site and existing township;
- Development exists along the terrace and McDonnell Road escarpment;

- The undulating nature of the land provides the potential for the creation of a high amenity living environment.

Overall Ms Skidmore considered it is possible to accommodate urban growth in the Plan Change 39 area in a manner consistent with the urban design aspirations set out in Plan change 30, which in turn reflects the Council's Urban Design Strategy.

Ms Skidmore agreed with the Council Planner's report that maintaining the current boundary and restricting expansion would not remove pressure for growth in Arrowtown, and could increase the pressure for intensification within the settlement resulting in development patterns that are not compatible with the character of Arrowtown. Ms Skidmore's overall conclusion was that the Plan Change 39 area would make a positive contribution to the continued evolution of Arrowtown.

Mr Gordon next called **Mr John Edmonds**, who provided resource management evidence relating to the inclusion of land proposed to be included within the Arrowtown Urban Boundary through the Plan Change 39 process. He noted that a decision was made to proceed with Plan Change 39 as the Council had confirmed Plan Change 29 would not be a rezoning exercise, and that there would be subsequent changes to rezone any land brought inside the boundary. The Plan Change 39 proponents considered this to be an inefficient and time consuming process that ultimately would result in the re-litigation of the Arrowtown boundary for years to come.

Plan Change 29 is an opportunity to define the Arrowtown boundary with certainty, and to identify and rely on obvious features that appear in the landscape. He considered that while extending the boundary to the Golf Course suited the submitter, it was also a pragmatic, certain and measurable outcome. The golf course creates a wide buffer so if any development was ever proposed beyond the golf course it would no longer be part of Arrowtown.

Mr Edmonds considered that neither the boundary proposed in the original plan change or in the Planner's report would achieve the designed urban edge sought in the policies. He considered that excluding the Monk land from Arrowtown would retain the boundary in the middle of a paddock. He expressed concern that the policies proposed to be introduced to address the Jopp Street extension and the McDonnell Road extension did not provide any direction to landowners or the community as to the preferred density of housing to occur on the land, which in turn provides no clarity that a subsequent re-zoning will necessarily provide for the demand identified by Dr Fairgray. Mr Edmonds further considered that the proposed boundary at the southern end of Arrowtown does not follow easily recognisable features, and is not logical. A reliance on cadastral boundaries that bisect a farm paddock to identify a 20 year growth boundary will be under threat at some stage. Instead,

extension of the boundary to the golf course will protect the most sensitive landscape resource, being the full face of the escarpment.

With respect to the proposed Jopp Street expansion, Mr Edmonds considered that the officer justified the inclusion of the land simply as it would allow for remediation of any residual contamination from the previous use of the site. He noted that remediation is a matter for the landowner and should not be used to justify a rezoning.

Mr Edmonds considered that Plan Change 29 had been properly assessed having regard to its efficiency and effectiveness. Efficiency relates to the ability to provide appropriately zoned land for development as it is required. He noted that the Plan Change 29 and 30 processes had been in process for about a year, and neither change involves the re-zoning of land. Such re-zoning is left to subsequent plan changes, which is an inefficient processes given the time and cost involved in the Plan Change process. Mr Edmonds considered that the proposed urban boundary for Arrowtown is inconsistent with the policy framework of the District Plan, which strongly focus on providing for and managing the effects of growth.

Mr Edmonds also echoed the concerns of previous witnesses, being that the proposed boundary would put pressure on the existing town to provide for the demand within that boundary, which will potentially have a range of effects including increased pressure for higher density development and the corresponding change and loss of the character of Arrowtown.

The risk of acting, as set out in Mr Edmonds' evidence, is whether an urban growth boundary should be set for Arrowtown where the reasoning and rationale for the location of that boundary is based on inadequate and incorrect data. The risk is that the shortfall in housing will occur within a much shorter timeframe than anticipated.

Mr Gordon lastly called evidence from **Mr Roger Monk** who stated that the only viable option for the orderly growth of Arrowtown was the Arrowtown South proposal. He opposed Plan Change 29 in its current form as it proposed a boundary that is neither logical nor defensible, and will create outcomes that are undesirable for Arrowtown, make affordable living beyond the reach of the average resident, barely satisfy half of the projected 20 year population increase, and create demand for inappropriate development on the fringes of Arrowtown. He also considered that the inclusion of Jopp Street would set a precedent for other residential development on the QLDC owned golf course.

Ms Mia Bennie considered that the development proposed for the old sewage ponds is an inappropriate development, and is not in keeping with the current character of Arrowtown. The visually disjointed nature of the old sewage treatment ponds, the higher density proposed and the attached style will result in the

development being considered as a less desirable place to live. The best way to develop affordable housing is to buy existing houses. In addition, Ms Bennie considered that the inclusion of the Jopp Street area into the Arrowtown town boundary creates a bubble on the existing straight boundary.

Ms Bennie also considered that the development of the old sewage treatment ponds is inconsistent with the Council's HOPE strategy. Affordable housing should be located close to the households' places of work, and should be integrated into the community. She also considered that the potential public health issues associated with the site have not been fully considered.

Ms Margaret MacLachlan tabled a written submission. She did not agree with the extended boundary as recommended in the Council Planner's report, and considered that it should remain as was supported by the majority of submitters. She expressed concern that the character of Arrowtown would be lost if the existing village was allowed to get bigger and bigger.

With respect to the proposal to use the old sewage settlement pond site for affordable housing, Ms MacLachlan was of the view that such housing should be spread out throughout the village rather than all put in the coldest part of town.

Mr Roger Taylor (QLDC) spoke to the submission of the Council that sought the inclusion of the small portion of land adjoining Jopp Street for the purposes of Affordable Housing. He explained that the development of the site for affordable housing is consistent with a number of Council documents, including the Arrowtown Community Plan, the Arrowtown Design Guidelines, the HOPE Strategy and the Council's Heads of Agreement with the Queenstown Lakes Community Housing Trust. The Heads of Agreement confirms the nature of the proposed development, being some 25 – 30 homes, an approximate 2,000m² green waste mulching facility, and the balance of the land as reserve/open space/potential golf course uses.

Mr Taylor considered that Plan Change 29 presents an opportunity to deliver a high quality residential area in keeping with Arrowtown's character. A Zoning Change over the site would provide for the details of the development at a later stage.

The Arrowtown Plan (2003) provided an indicative plan for development of the site. The level of support following the Arrowtown Plan led the Council to enter into the Heads of Agreement with the Trust regarding the site.

Mr Taylor considered that the inclusion of the Jopp Street enclave within the Arrowtown Boundary was appropriate and would enable the development of the site for Affordable Housing, as anticipated in the Arrowtown Plan.

In response to a question, Mr Taylor noted that the decommissioning of the sewage ponds was done in accordance with Best Practice and was overseen by the Otago Regional Council.

Mr David Cole, Chair of the Queenstown Lakes Community Trust, and Mr Barry Robertson appeared before the Commission and provided background information on the formation of the Trust. He noted that the Trust supports the inclusion of the Jopp Street enclave within the Arrowtown Boundary, and noted it was a crucial part of the trust's delivery of Affordable Housing programmes across the District.

Mrs Paula McKenzie questioned why Arrowtown needed to grow geographically at all. Although the growth projections identify an increase of some 600 people by 2026, the population cannot grow if there is nowhere for them to live. There are several residential developments underway within the Arrowtown area that would adequately provide for any projected growth.

Mr David Clarke noted that Arrowtown is a treasure for many reasons, including its location, size, history and trees. These aspects are threatened if the boundary is expanded, and the town would be detrimentally suburbanised.

There has been unprecedented growth in Arrowtown over the past 25 years. However, this does not justify continuing to provide for the same growth rate. That is an illogical argument, and the form of growth that provides for is based on perceived demand. It is obvious that if land is opened up for development, and is taken up, then it is assumed the demand was there and so the boundaries are increased again.

Tourism studies show an exponential curve whereby a destination is desirable, people come in increasing numbers, changes are made to accommodate more people, and the place loses its attractiveness. This is not desirable for Arrowtown.

There will be growth in the District. However, it should not be forgotten that there are thousands of sections available in the wider Wakatipu Basin, and more in the pipeline.

Mr Clarke considered the advantages of having no growth or limited growth outweighs the negative in terms of community, amenity, heritage protection and protection of the Arrowtown Brand.

Mr Clarke did not object to the Jopp Street enclave being absorbed into the town boundary.

However, he considered that while a few additional houses could be located along the bottom of the McDonnell Road escarpment to line up with the end of Advance Terrace, and the Jopp Street enclave, there should be no more expansion of the existing boundaries.

Ms Judith Gillies stated that there will always be demand for growth in Arrowtown. The question is whether the demand has to be satisfied. She considered that while in the long term demand is inevitable and insatiable, using planning by way of Plan Change 29 to set boundaries is a legitimate means to sustainably manage the natural and physical resources of Arrowtown. If the Plan Change meets the reasonably foreseeable needs of the community, it implies that there will be growth beyond the 20 year period. The question then becomes what is the eventual boundary for Arrowtown.

Any increase in the size of the Town will result in more houses, people, cars and services and will have an adverse effect on the town, people, community and their well being. Increasing the boundary will dilute the town's character and the significance of the historic precinct. A pressure to infill or develop within Arrowtown will result in a loss of many of the trees that add to the existing character of Arrowtown.

Ms Gillies opposed the extension of the boundary to include land further along McDonnell Road. The boundary proposed by the Planner is absurd. Similarly, Ms Gillies opposed the inclusion of the Arrowtown South land in the Arrowtown boundary.

Ms Ange van der Laan supported PC29 as notified, but did not support the amendments proposed by the Planner. She considered the Plan Change to be a reactive rather than a positive process. Many residents are opposed to further development. It is time for the community to have an opportunity to determine its sustainable future.

She questioned whether the growth projections included the conversion of holiday homes to permanent residences. Ms van der Laan reiterated she was not opposed to development, but noted that it should be intelligent. It does not seem to be a sustainable choice to increase Arrowtown's boundary and allow more houses when there are few employment opportunities, the looming peak oil, cost of living and the availability of services.

Finally, Ms van Der Laan did not consider the Jopp Street enclave to be a suitable place for development, as it will lead to a smoky, cold, sunless and disconnected environment.

Mr Philip Blakely supports the intent of Plan Change 29. He noted that consultation undertaken by the Council and a separate petition since the 2003 Charette reinforced the desire for an urban boundary and to limit growth. He disagreed with the premise that growth in Arrowtown should continue ad infinitum based on the

District's growth projections. The character and qualities of Arrowtown cannot be sustained with continued growth and expansion.

Mr Blakely considered there was merit in including a small addition on McDonnell Road so there is a clear edge from Centennial Avenue to McDonnell Road. The Hawthorne hedge that partially marks the southern boundary from Centennial Avenue extending up on to the ridge provides an historic and green edge to the boundary.

Similarly, Mr Blakely gave qualified support to the inclusion of the Jopp Street enclave. Priority should be given to open space and recreation, with a density less than proposed at the Charette. The long term protection of the black poplar trees is a must.

Mr Blakely expressed concern that the open ended discussions with the Golf Club could result in an escalation of the scale of the housing development.

The Arrowtown Village Association supported the concept of Affordable Housing, but queried the suitability of the proposed ex-sewerage pond site for such a use. If it is used, then the plan should be revised to set a standard of design of which the whole community would be proud.

The AVA considered that all roads leading into Arrowtown should have a 50m setback. Any capital contributions taken from within Arrowtown should be designated wholly towards Arrowtown. Furthermore, there should be no further development on the escarpment within and around Arrowtown. Any development on the hillside faces of Arrowtown should be restricted to a minimum area of 1,000m². Under no circumstances should development at a greater density than is currently provided for should be permitted.

Mr James Feehly would prefer to maintain the present boundary, but accepted that expansion appears to be inevitable. He therefore adopted the view that it is best to put rules in place to reduce the impact on the town. He considered an inner and outer boundary was appropriate. The escarpment along McDonnell Road is an outstanding natural feature and should be protected.

The Arrowtown Promotion and Business Association believes that the boundaries should stay as they are in order to maintain the character, scale and heritage values of the town. Development outside the town boundaries can only lead to the need for more infrastructure, and will result in increases in vehicle movements, parking requirements schools and other infrastructure which will change the character of Arrowtown.

The Association agrees that the Jopp Street enclave should be developed to a mixed use concept including community housing, but no further development should be allowed along the escarpment above McDonnell Road.

There is ample evidence Arrowtown can expand with infill and small developments such as Jopp Street. There are thousands of developable lots around the Wakatipu Basin that can more than cater for the existing demand for residential land.

Mr Ervin 'Strauss' Steck read from his original submission. He noted the role of planning is to provide for the future, not for today. Restrictive planning does not stop development; it may delay it, but not stop it. The least planning should do is identify where development can be accommodated. PC29 provides a good example of how not to plan.

People want to protect the character of Arrowtown and the inner part of the town. The inner area of Arrowtown is already spoiled. Setting such restrictive planning will do nothing for affordable housing.

Planning is not a numbers game. It is about accommodating the inevitable and meeting the effects of change.

Mr Steck was against the inclusion of the Jopp Street enclave into the Arrowtown boundary. Places with good exposure to sun will always outperform areas of no sunshine. The area is not suitable for residential development.

Mr Ray Clarkson considered that the town's character comes from its compact size, the scale of the buildings, the limits placed on commercial development and emphasis on landscaping and trees. Expansion of the town will destroy these features. Development of places such as Jack's Point, Quail Rise, Lake Hayes Estate and Arthur's Point are a better solution to the problem than expanding the boundaries of Arrowtown.

Mr Peter Roberts read a letter from **Mrs Gillian Roberts** who considered the nature of tourism in Arrowtown is changing, catering more for people coming for leisure, the ambiance, lifestyle and activity tourism. Many of them require accommodation. However, the developing tourism potential requires Arrowtown to remain a small heritage village. Development outside the town boundaries will destroy the character. There is not a shortage of dwelling sites in Arrowtown. There will, however, be a shortage of tourist units. High value added tourism requires a standard of accommodation not yet provided in Arrowtown. Developers should be encouraged to offer higher end accommodation, rather than spoiling the rural landscape by allowing development beyond Arrowtown's boundaries.

Mr Jim Castiglione represented the Boxer Hill Trust and reiterated that The Hills have no development plans. The submitter wishes to preserve the opportunity for the community to enable growth and development, not just at The Hills but the wider area.

Mr John Kyle provided resource management evidence on behalf of the Trust. He did not consider that predetermining an urban growth boundary for Arrowtown would be of any benefit to the current provisions of the District Plan. The existing provisions and zoning already provide a comprehensive and well balanced framework upon which to assess new urban development proposals. With appropriate growth management principles in place, Arrowtown could continue to grow without detriment to its existing values.

Mr Kyle noted that since the Plan Change had been notified, the boundary had been revised, which shows the obsolescence and inflexibility of Plan Change 29. It has been necessary to identify more land to host projected growth from demand in the town. Between notification and the hearing, then, the urban boundary has become obsolete. Once the Plan Change is included in the Plan, future endeavours to accommodate demand will require further plan changes, requiring additional plan changes with associated input and cost.

The proposed urban boundary around Arrowtown will limit the supply of residential property which will result in a property price increases, frustrating the Council's work towards the provision of affordable housing in the District. Mr Kyle concluded that:

1. inclusion of an urban boundary around Arrowtown is not necessary to promote sustainable resource management;
2. The existing District Plan provisions provide effective and appropriate controls to manage urban growth within the District. These provisions have proved to be effective, and enable a robust assessment of the effects of proposals on the environment.
3. An urban boundary around Arrowtown will result in property price increases within the town.
4. An urban boundary will not provide the flexibility required to respond to the needs of the community in a manner responsive to change.

At the conclusion of the submitters' presentations, **Mr Rushworth** commented on matters raised at the hearing, as follows:

1. PC29 still has merit. Resources around Arrowtown are finite and important, whether for their landscape, recreation, productive value of farm land or for urban growth. Areas on the fringe need to

be carefully planned to ensure they are sustainably managed. The submitters raised a diverse range of perspectives and issues.

2. Most of the submitters support an introduction in an urban boundary for Arrowtown.
3. The plan change should take a place based approach, which is why PC29 is separate from PC30. PC30 establishes the principles, and PC29 is based on local issues.
4. Mr Rushworth did not agree in general that golf courses create a natural boundary. Golf courses are not a buffer or greenbelt that stops development. They do not manage urban growth or prevent urban sprawl.
5. The consequence of constraining growth is a real issue and Council needs to be aware of it. One key component of PC29 is to include Policy 7.13 which reinforces and promotes the character of urban development within the Arrowtown Boundary.

DISCUSSION

Does Arrowtown need an Urban Boundary?

The first matter we considered was whether an urban boundary was an appropriate approach to managing growth in Arrowtown. Plan Change 29 seeks to manage Arrowtown's urban growth in relation to its role as a Local Centre, and seeks to limit growth in order to achieve a balanced approach to providing for the social, economic and cultural well being of the community whilst at the same time avoiding, remedying or mitigating any adverse effects on the local environment.

The evidence presented to us clearly demonstrated that there is a demand for residential accommodation and development in the District, not just in Arrowtown. The principal arguments in the Plan Change therefore revolved around whether an urban boundary should be provided for in Arrowtown, and secondly where such a boundary should lie. The dominant view in the submissions to the Plan Change was that Arrowtown should remain as it is, with no provision for expansion beyond the existing extent of residential development, and that the existing rules be relied on to manage growth and development within Arrowtown.

We acknowledge the high level of community interest in this Plan Change, and understand the concerns raised that growth will impact on Arrowtown. We have noted and read the number of submissions in support of PC 29. We recognise, however, that one of the key aspects of the Resource Management Act 1991 is the effects based approach to the sustainable management of natural and physical resources. This requires an evidential approach to the assessment of actual or potential adverse effects, rather than reliance on public opinion. The

Section 32 report identifies relevant research and analysis that has been undertaken in relation to determining the Arrowtown boundary. The section 32 report, and the thrust of the planner's report on Plan Change 29, was that an urban boundary is a sound method of achieving the sustainable management of Arrowtown's resources.

We have already noted that there is demand for residential growth in Arrowtown, and indeed in the wider Wakatipu Basin. The evidence of Dr Fairgray in particular demonstrated this pressure, or demand, for growth, and the Council's own Growth Management Strategy identifies and discusses the future management of growth in the District.

The Council's own monitoring of the effectiveness of the rural zones, and analysis of growth projections and the supply and demand of land with development potential indicates that there is a need to manage urban growth in order to ensure that the sustainable management of Arrowtown's natural and physical resources (and those of the wider District), including its landscape setting, amenity and heritage values is achieved. We accept that there was some disagreement as to the level of this demand; however, there was no dispute that there is demand and that a determination needs to be made as to how it is to be managed.

Much emphasis was placed in evidence on projected population increases in the District, and the need to provide for that demand. The point was made, however, that the existence of demand does not automatically obligate the Council to provide for it. The concern was expressed that by providing for the demand, the characteristics of Arrowtown that contribute to its charm and attractiveness would be lost by the resulting expansion of the township. We consider this concern is very real.

We agree with the assessment in the Council planner's report that simply withdrawing the Plan Change, and having no boundary at all, would increase the risk of uncontrolled urban growth on the periphery of Arrowtown as development incrementally increased the town boundary. In the absence of any guiding policies or rules keeping such development in check, there is the very real possibility that this could have an adverse effect on the sustainable management of the natural and physical resources of the area.

We were told that the Council's monitoring of the effectiveness of parts of the District Plan (such as the Rural General and Rural Living zones) indicates that it is not fully achieving the anticipated environmental results. Plan Change 30 (PC 30) makes provision for establishing an Urban Boundary Framework within the Queenstown Lakes District Plan. It seeks to introduce a mechanism that provides a strategic approach to the sustainable management of urban growth. Given the level of growth projected for the District and local examples of development pressure we agree that it necessary to introduce further methods to ensure that the sustainable management of resources is achieved for Arrowtown.

The Commissioners' recommendation on Plan Change 30 notes that establishing firm urban growth boundaries for some settlements is a useful tool to protect sensitive landscapes, and there may also be some areas where further spread is environmentally unacceptable. The conclusion in that case was that in such instances an urban growth boundary can be put in place to say 'enough is enough'. We consider such an approach is warranted for Arrowtown, for reasons we have already discussed. Arrowtown presently sits well within the surrounding landscape, and further development would, in our opinion, adversely affect both the character of the existing township and that of the surrounding rural landscape.

We therefore consider that the inclusion of an urban boundary for Arrowtown in the District Plan is consistent with the approach in Plan Change 30, and that it is necessary given the high level of demand for residential development in Arrowtown.

Should the Boundary provide for Urban Expansion?

It is undisputed that the character and identity of Arrowtown is widely recognised and appreciated, both domestically and internationally. This is an important part of the town's attraction to tourists, which forms a significant part of the local economy. Arrowtown's heritage values (primarily derived from its gold mining past) and the landscape setting are of particular significance. The size of Arrowtown and the urban form also contributes to its character.

The definition of 'environment' in section 2 of the Act includes the following matters:

- (a) ecosystems and their constituent parts, including people and communities; and*
- (b) all natural and physical resources; and*
- (c) amenity values; and*
- (d) the social, economic, aesthetic, and cultural conditions which affect the matters stated in paragraphs (a) to (c) or which are affected by those matters*

We agree with the Council Planner's report that these are relevant considerations in assessing the effects of growth on the community.

The heritage values of Arrowtown are clustered to the north of town around the main shopping and commercial centre. These are identified in the Arrowtown Urban Boundary Resource Evaluation Report 2009. The District Plan already recognises the importance of the heritage values through Protected Features, Heritage Protection Orders, Historic Precinct and the Residential Arrowtown Historic Management Zone. We return to this point later.

Much of Arrowtown lies outside the historic core and has been incrementally developed to the south and west, with a significant amount of growth occurring since the 1970s. Of concern to the submitters was that an unchecked continuation of this growth would detrimentally affect the character of Arrowtown.

We acknowledge that these issues are important and that they should be taken into account when assessing growth proposals and defining the urban boundary of Arrowtown. Both PC 30 and PC 29 propose policy provisions that recognise the character and identity of settlements, including the need to promote social capital and good urban design. Policy 7.13.1 specifically addresses the need for urban growth within the Arrowtown boundary to be sympathetic to the character of Arrowtown and consistent with the Design Guidelines, although we note that where the Policy is presently located limits its relevance to the Residential Arrowtown Historic Management Zone.

Landscape Policies 3 & 4 in Section 4.2.5 of the District Plan provide protection for these areas from the effects of building and development.

We have come to the view that Arrowtown as it presently exists is, with one obvious exception, nestled well into the landscape. This view was reinforced by our site inspections, which included visits to public viewpoints such as Tobin's Track and viewpoints on the Crown Range Road. The obvious exception, in our mind, is the spill of development that has occurred over the ridge adjacent to McDonnell Road. The top of this ridge provides a clear topographical edge to the town, and it is unfortunate that development has spilled beyond it. Had it not, Arrowtown would have been well contained between the top of the ridge and the Arrow River. Our view was that it would not be appropriate to exacerbate this spill by providing for further development along the face or base of the escarpment.

Similarly, we consider that providing for further residential growth onto the rural land surrounding Arrowtown would give rise to adverse landscape effects. We are of the view that the environmental qualities in and around Arrowtown clearly have an impact on the character, identity and amenity value of the settlement. The majority of the surrounding rural areas are recognised for their landscape value, with the mountains to the north and east classified as Outstanding Natural Landscapes and the Wakatipu Basin categorised as a Visual Amenity Landscape. These values are best provided for and managed by ensuring that further residential expansion of Arrowtown is restricted.

Should there be an Inner/Outer Boundary?

A number of submitters addressed the idea of using inner and outer growth boundaries. The main purpose of this approach is to help to regulate the sequence of growth. It can help to achieve cohesive development, manage land release to avoid over supply, and enable staging of development and co-ordination with infrastructure programmes. We consider that typically this type of approach is used in large scale growth areas.

An outer boundary can also be used to provide a degree of certainty where there is agreement over the long term direction for growth. This can help to ensure effective management of interim development and activities, in order to ensure that they do not compromise the ability to ultimately achieve urban development within that area. Even if we held the view that there should be an expanded urban boundary for Arrowtown (which we do not), we note that there is limited area available for significant expansion without giving rise to adverse effects on the landscape setting of the township, as discussed above.

Inclusion of specific areas within the Urban Boundary:

A number of submitters requested inclusion of specific areas with any Arrowtown Urban Boundary. We address each of these in the following paragraphs.

Jopp Street Enclave:

The Jopp Street enclave lies immediately adjacent to the current urban edge on the south side of Arrowtown. It is situated within the terrace area between the glacial ridge and the Arrow River, where the urban development of Arrowtown has traditionally occurred. Part of the land at Jopp Street (Lot 2 DP 300390) was previously used as the sewage disposal works for Arrowtown. It has been decommissioned and partially reclaimed, and is now rough pasture. The other part of this area is adjacent to Centennial Avenue and forms part of the Arrowtown golf course. The whole of this area is zoned Rural General.

The Jopp Street Enclave is supported by both the Council and the Queenstown Community Housing Trust as a site for the development of affordable housing, and we acknowledge that the Arrowtown Plan and the previous Arrowtown Charette both identified that the use of the site for development of some kind was supported by the community.

We paid particular attention to this site on our site visits, and especially from the elevated position of Tobin's Track. From this viewpoint, the eastern edge of Arrowtown was easily visible, as was the Jopp Street area. We observed that as it presently sits, the edge of urban development is clearly defined, and there is a clear distinction between urban and rural land.

When approaching Arrowtown from the east, we considered that the existing residential area is well screened and provides a sense of 'surprise' for those approaching the town.

We considered that extending the urban boundary to include the Jopp Street enclave would erode the distinction between urban and rural land. We also considered that inclusion of the land may result in development pressure for the small portion of golf course land between the Jopp Street enclave and Centennial Avenue. To do so would further extend residential development, and potentially erode the surprise aspect of Arrowtown. We also considered that drawing a line around the Jopp Street enclave would result in

an illogical boundary for the township, and would undoubtedly result in pressure for development of some kind on the small portion of Golf Course Land between the Jopp Street enclave and Centennial Avenue.

Arrowtown South:

The Arrowtown South area spans the glacial ridge that runs between McDonnell Rd and Centennial Ave, and extends as far as the Arrowtown golf course. This area is zoned Rural General. A private Plan Change (PC 39 – Arrowtown South) has been lodged to rezone the land in this area. This provides for approximately 215 residential sections.

We have given careful attention to this proposal. The Arrowtown Plan refers to the need to contain Arrowtown largely within its current zoning, and that McDonnell Road is seen as an important urban edge. It gives specific consideration to the potential development of the area adjacent to McDonnell Rd. It notes:

The possibility of extending the residential zone along McDonnell Road so that it meets the LDR zone boundary existing on Centennial Road (sic) has the following disadvantages:

- *Reinforcing the adverse effects resulting from development along McDonnell Rd;*
- *Allowing ribbon development;*
- *Adverse effects of further development on the escarpment; and*
- *Expanding the development that does not relate to the town itself.*

Advantages:

- *Consistency with past development*
- *Providing further areas for growth of residential areas.*

On the whole, it was determined that the adverse effects of extending the residential zone would be inappropriate. Whilst there was a variety of community opinion on this boundary, the majority agreed that the town should not continue to spread along on or below this ice-shorn lip. It is noted that by maintaining the current rural general zoning, it can enable development of residences below the scarp when that is consistent with the rural context.

As part of our assessment of the submissions, we undertook several site visits and viewed the Arrowtown South area from a number of viewpoints. The overall view that we came to is that the disadvantages of extending the Urban Boundary to include this land outweigh the advantages of so doing.

We considered that from elevated viewpoints in particular, such as Tobin's Track, and viewpoints on the Crown Range Road, the top of the terrace above McDonnell Road forms a natural boundary to Arrowtown. It is

unfortunate that development has spilt over the edge of the ridge in the past, as we consider the sprawl of development along McDonnell Road has adversely affected the McDonnell Road area.

The Planner's report for the Plan Change assessed the proposal to include the Arrowtown South land in the Plan Change in some depth. Apart from the recommendation to include a small portion of the land in the Plan Change, we agree with that assessment, and draw from it in the following paragraphs. The principal reasons for not including the Arrowtown South land within the Arrowtown Urban Boundary are as follows:

- Landscape Impacts:

This area is situated within a Visual Amenity Landscape. The existing District Plan provisions (Section 4.2.5 Policy 4 in particular) seek to protect the landscape qualities of these areas, with a particular emphasis on avoiding the visual impact of buildings and development. The western side of the glacial ridge forms part of the wider Wakatipu Basin landscape, whilst the eastern side of the ridge to Centennial Avenue is more contained, being part of the Arrow River valley. Development of this area will be clearly visible from public vantage points, both close up and from a distance. The ridgeline and the escarpment faces are particularly prominent. Urban development would not be in keeping with the landscape character of this area.

- Effect on the setting of Arrowtown:

Development of the main body of this area would extend the urban environment approximately 675 m to the south of the current urban edge along Centennial Avenue. This would result in a lopsided entranceway, with urban development on the western side of Centennial Avenue and the eastern side of McDonnell Road facing rural areas on the opposite sides of these approach roads. We consider that this would create an abrupt transition from the surrounding rural area, which would be particularly noticeable on Centennial Avenue which is one of the main approach routes into the town. We do not consider that this form of development would be in keeping with the more compact urban form of Arrowtown. We also consider that it may lead to further pressure for development to extend out on the other side of these roads. If the Jopp Street enclave was included with the boundary, we also considered that there could be pressure to 'even out' the eastern end of the township by utilising some of the existing golf course land between the enclave and centennial Avenue.

We also considered that the Arrowtown South area is inconsistent with Policies 7.12.2 and 7.13.2 of PC 29 as notified, and Principle 1c of the Queenstown Lakes District Growth Management Strategy

2007. We also note that urban growth in this area would conflict with Policies 6 and 7 of Section 4.2.5 and Objective 1 of Section 5.2 of the District Plan.

- Accessibility/cohesion with the existing urban area and services,

Although it would be possible to provide connectivity between McDonnell Road and Centennial Avenue (as illustrated in PC 39), we considered that this area would still be poorly related to the main urban area of Arrowtown and its various services. As noted in the Planner's report the indicative access points in PC 39 are at least 100m beyond the current urban edge. We agree that combined with the topography and layout of development, this would be likely to encourage increased dependency on cars rather than other forms of transport. We agree that this would not be consistent with the Wakatipu Transportation Strategy's promotion of travel demand management and Policies 7.12.1 and 7.13.3 (PC 29).

- The potential over supply of development capacity.

We did not ascribe great importance to the development capacity of Arrowtown and the Arrowtown South compared to the importance of ensuring the character of Arrowtown is properly managed. We acknowledge that there is demand for residential development in the Wakatipu Basin, and that a portion of that demand could be accommodated in or around Arrowtown. However, we consider that determining there should be a tight urban boundary around Arrowtown does not disenable residential development elsewhere in the Basin. We are of the view that the protection of Arrowtown and the landscape within which it sits is appropriate, and that this is best achieved by not providing for greater expansion of its boundaries.

We also note that the planner's report recommended that a small portion of the Arrowtown South land be included within the Arrowtown Urban Boundary. This parcel of land is low lying and is adjacent to McDonnell Road, and extends to a point where it forms a continuous eastern boundary to Arrowtown with the development along Cotter Avenue.

We do not consider that it would be appropriate to include this parcel of land. While doing so might result in a straight edge to Arrowtown, such a boundary is not based on any topographical feature. In reality it would further isolate the rural zoned land that adjoins it.

Land West of McDonnell Rd:

Two separate but related submissions seek the inclusion of land between McDonnell Rd and Arrowtown-Lake Hayes Rd.

The area identified in these submissions forms part of a large rural triangle situated between Arrowtown and the Millbrook Estate. The Hills golf course extends across a substantial part of this area, which is presently zoned Rural General.

The Arrowtown Plan refers to the need to contain Arrowtown largely within its current zoning, and that McDonnell Road is seen as an important urban edge. We have earlier expressed the view that the urban boundary around Arrowtown should be limited to the extent of the existing urban area.

The Arrowtown Boundary Growth Scenarios report considers the potential of urban growth on the western fringe of the settlement and considers that these areas perform poorly in urban design terms. We agree that they are not well connected to the existing urban area, and would not contribute to an integrated and cohesive urban environment. Due to the distance and physical separation of this area from the main body of Arrowtown we consider it likely that any development would be more dependent on the private car than other more sustainable modes of transport. This would not be consistent with the Wakatipu Transportation Strategy.

In addition, we note that the area west of McDonnell Road is situated within a Visual Amenity Landscape. District Plan provisions (Section 4.2.5 Policy 4) seek to protect the landscape qualities of these areas, with a particular emphasis on avoiding the visual impact of buildings and development. Expansion of urban development into this area would not be consistent with the landscape characteristics of the Wakatipu Basin. It would be highly visible and would erode the open nature of the area that separates Arrowtown from the Millbrook Estate. This would conflict with Policies 6 and 7 of Section 4.2.5 and Objective 1 of Section 5.2 of the District Plan. We also note that the recent Resource Consent for rural residential development within the Hills golf course considered that there was a finite limit to how much development could be absorbed within the landscape and imposed controls to ensure that the open character and landscape values of the site were maintained. We consider that further growth would compromise these values.

We also note that no detailed analysis of the potential effects of urban growth in these areas, as set out in Section 32 of the RMA, has been provided with the submissions and conclude that there is no evidence to indicate that the expansion of the urban boundary to include these areas would achieve sustainable management of resources in accordance with the purpose and principles of the RMA.

Golf Courses:

A number of submitters consider the three peripheral golf courses should form the urban Arrowtown boundary. These areas are situated within the Rural General zone and form part of the Visual Amenity

Landscape of the Wakatipu Basin. Policy 4 (Section 4.2.5) of the District Plan seeks to protect the landscape qualities of these areas with particular emphasis on avoiding the visual impact of buildings and development.

The Arrowtown Plan refers to the need to contain Arrowtown largely within its current zoning. Consultation on PC29 indicates that there is little public support for extensive urban growth out to the golf courses, with the exception being on the south side of town.

There is public concern about unrestrained growth and urban sprawl, and the potential adverse effects that this could have on the character and setting of Arrowtown. These areas are all in prominent locations on the periphery of Arrowtown, close to the main entrances. Expansion of the urban area into these areas would be highly visible and have a marked impact on the setting of Arrowtown. Urban growth in these areas would conflict with Policy 6 and 7 of Section 4.2.5 and Objective 1 of Section 5.2 of the District Plan.

It appears that the golf courses are seen as a buffer to help contain the effects of urban development, rather than a more deliberately defined boundary which considers a wider range of issues as identified in Plan Change 30. We agree that golf courses in themselves do not provide logical or natural urban boundaries. Significantly, utilisation of the golf courses as boundaries appears to rely on the permanence of these features. However, we note that the ownership and management of these areas may change, and this could have an effect on whether they still perform as effective boundaries.

The submissions do not indicate what the purpose of including these areas within the Arrowtown boundary would be. No comprehensive analysis of the effects associated with including all of these areas within the Arrowtown boundary, as set out in Section 32 of the RMA, has been provided with these submissions. The Section 32 report for PC 29 considered and rejected this option, as do we.

Where should the Arrowtown Urban Boundary lie?

We have earlier determined that an urban boundary is appropriate for Arrowtown, and that so doing is consistent with the approach recommended in Plan Change 30. Having determined that the urban boundary should not be expanded beyond the existing extent of residential development, and that additional specific areas should not be included, our view is that Arrowtown should have a tight urban boundary, supported by policies that discourage significant expansion. The view we have ultimately come to is that the Arrowtown Urban Boundary should be defined as originally notified in Plan Change 29.

We do not consider this approach is disabling. Opportunities for residential accommodation in the wider Wakatipu basin abound, and we are confident that environmental and heritage qualities of Arrowtown will be managed and protected.

We are mindful that an urban boundary tightly drawn around existing urban zones and reserves will not in itself retain Arrowtown in its current form. The existing zoning provisions enable further development to occur within the boundary, and this may well result in change to the existing character of Arrowtown. Policy 7.13 seeks to ensure that growth within the boundary is in keeping with the character of Arrowtown and provides a statutory link to the Arrowtown Design Guidelines to help achieve this. Internal growth within the boundary will help to meet some of the identified growth needs of the community, and will enable property owners to utilise their property in an efficient and effective way.

We accept that this may result in increased pressure for intensification within the boundary and forms of development, such as apartments, that are not in keeping with the current character of Arrowtown. Redevelopment could also lead to the loss of older character buildings, such as traditional holiday cribs, as they are replaced with modern homes. We note however that such redevelopment could occur with or without Plan Change 29, and on the whole we consider that any adverse effects associated with having a tight urban boundary for Arrowtown are far outweighed by the adverse effects of enabling further expansion of Arrowtown into the surrounding rural areas.

RECOMMENDATION

In light of the above discussion, it is our recommendation that Plan Change 29 be adopted such that the Urban Boundary for Arrowtown is set as it was originally notified in Plan Change 29. Our recommended version of Plan Change 29, amended to reflect the above discussions, is attached as Appendix 1, and our recommendations in relation to each submitter and further submitter are attached as Appendix 2.

Mike Garland (Independent Commissioner, Chair)

Andrew Henderson (Independent Commissioner).