



Section 32 Evaluation Report

Urban Development

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Section 32 Evaluation Report: Urban Development

1. Introduction

Section 32 of the *Resource Management Act 1991* (the Act) requires plan change proposals to be examined for their appropriateness in achieving the purpose of the Act, and the policies and methods of those proposals to be examined for their efficiency, effectiveness and risk (MFE, 2014). Accordingly, this report provides an analysis of the key issues, objectives and policy response to be incorporated within the QLDC District Plan Review for the Urban Development chapter (Chapter 4 of the Proposed District Plan); and outlines the decision making process which has been undertaken by Council.

The Urban Development Chapter will be positioned within the strategic hierarchy of the Proposed District Plan (Part 2); and as such, forms part of the high level strategic intentions of the District Plan as a whole. The Urban Development Chapter (Chapter 4) sits alongside Strategic Direction (Chapter 3), and has been developed to support Goal 2 of Strategic Direction (*Strategic and integrated management of urban growth*) by providing more targeted provisions for the strategic management of growth. This recognises Urban Development as a key strategic issue in its own right, and accordingly the provisions of the Urban Development Chapter have been taken into account when formulating the provisions of other chapters.

Section 32(1)(a) of the Act requires that a Section 32 evaluation report must examine the extent to which the proposed District Plan provisions are the most appropriate way to achieve the purpose of the Act (Part 2 - Purpose and principles). Accordingly, this report provides the following:

- An overview of the applicable **Statutory Policy Context (Section 2)**
- Description of the **Non-Statutory Context** (strategies, studies and plans) which inform proposed provisions (**Section 3**)
- Description of the **Resource Management Issues** which provide the driver for proposed provisions (**Section 4**)
- An **Evaluation** against Section 32(1)(a) and Section 32(1)(b) of the Act (**Section 5 and 6**)
- Consideration of **Risk (Section 7)**

2. Statutory Policy context

2.1 Resource Management Act 1991

The purpose of the Act requires an integrated planning approach and direction, as reflected below:

5 Purpose

(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.

(2) In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—

(a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and

(b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.

The remaining provisions in Part 2 of the Act provide a framework within which objectives are required to achieve the purpose of the Act and provisions are required to achieve the relevant objectives.

The assessment contained within this report considers the proposed provisions in the context of advancing the purpose of the Act to achieve the sustainable management of natural and physical resources. The Queenstown Lakes District is one of the fastest growing areas in New Zealand. Recent estimates predict that the District will continue to experience significant population growth over the coming years. A strategic policy approach is essential to manage future growth pressures in a logical and coordinated manner to avoid the adverse effects of ad hoc and sprawling urban settlements.

The Urban Growth Management Framework establishes the principles for managing future urban growth within the District which is experiencing significant population growth. By this means, the provisions will serve to sustain the potential of natural and physical resources, and avoid, remedy or mitigate potential adverse effects on the environment.

Section 31 of the Act outlines the function of a territorial authority in giving effect to the purpose of the Act:

31 Functions of territorial authorities under this Act

(1) Every territorial authority shall have the following functions for the purpose of giving effect to this Act 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

Section 31 provides the basis for objectives, policies, and methods within a District Plan, to manage the effects of development. With regard to urban growth management, the provisions outlined in this report have been developed in accordance with QLDC's function under Section 31 to manage the potential adverse effects of urban development on the Districts natural amenity, rural landscapes and infrastructure in an integrated manner. Providing direction around urban growth management, to ensure alignment with transport and infrastructure considerations, represents an integrated management approach.

Consistent with the intent of Section 31, the proposed provisions enable an integrated approach to the multiple effects associated with urban development, and integrated mechanisms for addressing these effects through the hierarchy of the District Plan. Section 31 reinforces the proposed multi-faceted approach to urban development, which is based upon the establishment of defined urban limits, integrating land use and infrastructure, and promoting density in strategic locations.

2.2 Local Government Act 2002

Sections 14(c), (g) and (h) of the Local Government Act 2002 are also of relevance in terms of policy development and decision making:

“(c) when making a decision, a local authority should take account of—

(i) the diversity of the community, and the community's interests, within its district or region; and

(ii) the interests of future as well as current communities; and

(iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii):

(g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and

(h) in taking a sustainable development approach, a local authority should take into account—

(i) the social, economic, and cultural interests of people and communities; and

(ii) the need to maintain and enhance the quality of the environment; and

(iii) the reasonably foreseeable needs of future generations”.

As per Part II of the RMA, the provisions emphasise a strong intergenerational approach, considering not only current environments, communities and residents but also those of the future. They demand a future focussed policy approach, balanced with considering current needs and interests. The provisions also emphasise the need to take into account social, economic and cultural matters in addition to environmental ones.

Section 14(g) is of relevance in so far as a planning approach emphasising urban intensification within defined urban boundaries, in areas well served by existing infrastructure, generally represents a more efficient and effective use of resources than a planning approach providing for more greenfield zoning and development.

2.3 Otago Regional Policy Statement 1998 (RPS, 1998)

Section 74 of the Act requires that a district plan prepared by a territorial authority must “give effect to” any operative Regional Policy Statement. The operative *Otago Regional Policy Statement 1998* (RPS, 1998), administered by the Otago Regional Council, is the relevant regional policy statement to be given effect to within the District Plan.

The operative RPS 1998 contains a number of objectives and policies that are relevant to this review, namely:

Matter	Objectives	Policies
To protect Otago’s outstanding natural features and landscapes from inappropriate subdivision, use and development	5.4.3	5.5.6
Sustainable land use and minimising the effects of development on the land and water	5.4.1	5.5.3 to 5.5.5
Ensuring the sustainable provision of water supply	6.4.1	6.5.5
To promote sustainable management of the built environment and infrastructure, as well as avoiding or mitigating against adverse effects on natural and physical resources.	9.4.1 to 9.4.3	9.5.1 to 9.5.5

The provisions of the Urban Development Chapter serve the intent of the objectives and policies listed above through ensuring urban development occurs in a way and at a rate which is consistent with anticipated demand. The provisions seek to move towards a more compact urban form, which is able to optimise the provision of public infrastructure and services, and minimises the encroachment of urban activities on the regions outstanding natural features.

2.4 Proposed Otago Regional Policy Statement

Section 74 of the Act requires that a District Plan must “have regard to” any proposed regional policy statement.

It is noted that the ORC is currently in the process of reviewing the RPS 1998. The first stage of the RPS review has already been undertaken and in May 2014 Otago Regional Council (ORC) published and consulted on the RPS ‘*Otago’s future: Issues and Options Document, 2014*’ (www.orc.govt.nz). The issues identified of particular relevance to the development of policies for the Urban Development Chapter in particular, included:

- **“Encouraging compact development:** *Poorly planned or scattered development leads to costly and less efficient urban services such as roads and water supply or health and education services, and can increase environmental effects”.*
- **“Having quality and choice:** *The quality of our built environment can affect our quality of life. Poorly planned settlements do not serve the interests of the community in the long term”.*

- ***“Managing our infrastructure: We depend on reliable energy and water supplies, good quality roading, wastewater services and telecommunications...Development of these structures can be affected by sensitive development such as housing”.***

These issues are of relevance to urban development in that they reflect the symptomatic outcomes which can result from a lack of physical boundaries around urban settlements, and point to the need for a compact urban form.

An option suggested by ORC to facilitate a more compact urban form and more efficiently utilise infrastructure could be to *“prioritise development in locations where services and infrastructure already exist over those that require new or extended services and infrastructure”* and *“avoid any development that would impact negatively on the use of essential infrastructure”*. In providing an urban environment which is well planned and provides choice, the discussion document suggested to *“ensure new urban areas provide a range of housing choice, recreation and community facilities”*.

The Proposed RPS was released for formal public notification on the 23 May 2015, and contains the following objectives and policies relevant to the Urban Development framework:

Matter	Objectives	Policies
Otago's significant and highly-valued natural resources are identified, and protected or enhanced	2.2	2.2.4
Good quality infrastructure and services meets community needs	3.4	3.4.1
Energy supplies to Otago's communities are secure and sustainable	3.6	3.6.6
Urban areas are well designed, sustainable and reflect local character	3.7	3.7.1, 3.7.2
Urban growth is well designed and integrates effectively with adjoining urban and rural environments	3.8	3.8.1, 3.8.2, 3.8.3
Sufficient land is managed and protected for economic production	4.3	4.3.1

Urban Growth Boundaries are established by Policy 3.8.1 and 3.8.2 of the RPS as a method to control urban expansion in a strategic and coordinated way. The proposed Urban Development provisions have had regard to the Proposed RPS by more readily facilitating a compact and efficient urban form through the establishment of strategic objectives and policies to manage future growth pressures; and the establishment of Urban Growth Boundaries for areas experiencing growth pressures.

The Proposed RPS also identifies responsibilities and methods for establishing and implementing urban growth boundaries. For example, the RPS provides for the incorporation of urban growth boundaries within the RPS, and the staging of development within urban growth boundaries. It is noted that QLDC is currently in the process of preparing a submission on the Proposed RPS which differs on these matters, and therefore the Proposed District Plan is does not entirely reflect the Proposed RPS at this time. However the general growth management principles proposed by Chapter 4 of the Proposed District Plan are consistent with the direction of the RPS, and its high level goals to ensure that urban development does not materially impact on the qualities and features of the District's natural environment that make it an attractive place to work, live and visit, and which contribute to its distinct and special character.

The Proposed RPS will be finalised following the completion of public notification, and hearings on submissions. Amendments to this evaluation may be required to accommodate any changes that may occur to the operative version of the RPS.

2.5 Queenstown Lakes District Council Operative District Plan

Urban growth is identified as a District Wide Issue under the operative District Plan. The provisions highlight the unique growth pressures experienced in the District, and the need to manage urban growth in a manner that avoids the adverse effects of development on natural and physical resources.

“4.9 Urban Growth

4.9.1 Introduction

The manner and rate in which urban growth occurs has a major bearing on resource use, social and economic well being and environmental quality. The District has faced major changes in the past as a result of cyclical urban growth pressures.

The District is a desirable place to live and work in, as witnessed by continued population growth. The people and communities who make up the District are facing new and different challenges. The fundamental consideration is to ensure continued growth is managed in a way which sustains the District’s resources, character and amenities.

4.9.2 Issues

The Council can play an important role in the sustainable management of growth as it relates to other important District wide issues, including protection and enhancement of the landscape and avoiding the adverse effects of development on the natural and physical resources of the District. It is not possible to be precise about the level of growth to be planned for, but increased growth is anticipated in:

- i tourism and visitor numbers*
- ii hotels and visitor accommodation*
- iii housing demand*
- iv increased range and scale of retail activity*
- v increased demand for educational and recreational facilities such as schools.*

The District Plan anticipates that most of the growth will occur within the existing and proposed residential zoned areas. This growth will comprise both residential and visitor accommodation units. Urban growth will result in changes to the natural and built environment and has the potential to affect the character of the District in terms of its impact on landscape amenity, provision of infrastructure, and the social and economic well being of the community.

The principal issues identified are:

- (a) the management of urban growth in order to protect water resources and ground water recharge, safeguard the life supporting capacity of soils, wetlands and air, avoid natural hazards including sheer slopes and flood plains and protect and enhance landscape values and visual amenity.*
- (b) the lifestyle preferences of the District’s present and future population.*
- (c) the effects of urban growth on the identity, cohesion, and economic and social well being of the existing residential, farming and settlement communities.*
- (d) the effects of expanding visitor accommodation development on the retention of residential housing and neighbourhoods.*
- (e) the provision of efficient public transport services for the benefit of both residents and visitors.*
- (f) how best to accommodate urban growth.*
- (g) the effect on energy use.*
- (h) the effect on access to facilities and services, i.e. health, education and shops.*

- (i) *the effect on the major infrastructure resources such as the airports, sewerage, treatment works, landfills, recreation facilities.*
- (j) *the needs of the takata whenua”.*

The above provisions, outline the issues relating to urban growth which warrant a policy response. The Operative District Plan further identifies potential implementation methods which may be used to address the above issues as:

“4.9.3 Objective 1 - Implementation Methods

i District Plan

- (a) Comprehensive policy and rules to ensure protection and enhancement of the District’s important natural resources and amenities.*
- (b) Identification of a pattern of land uses through zoning and policy supporting a strategy of urban consolidation.*
- (c) Subdivision and development policies which safeguard the life supporting capacity of the District’s soils and outstanding landscape areas.*
- (d) Residential and urban zones which protect the existing urban areas.*
- (e) To provide strong policy direction to ensure opportunities exist for new urban growth”.*

It is noted that District Wide Issues of the Operative District Plan are to be removed from the Proposed District Plan. Nonetheless, these operative provisions highlight the lineage of urban growth issues and the use of methods supporting urban consolidation; and as such have informed the provisions of the new Urban Development Chapter. The current Urban Development Chapter (Chapter 4) builds on the operative provisions, forming part of the Strategy of the Operative District Plan, and supports the implementation of Strategic Direction (Chapter 3).

The proposed provisions of the Urban Development Chapter are consistent with, and seek to advance the issues statement of the Operative District Plan by adopting further implementation methods (including Urban Growth Boundaries) to manage identified issues and consolidate urban development within defined limits. Consolidating the provisions into a standalone chapter within the strategic hierarchy of the Proposed District Plan (Part 2) also highlights Urban Development as a key resource management issue in its own right, and will therefore inform decision making at lower levels.

2.6 Plan Changes

A number of plan changes have been progressed by QLDC over many years to firstly, enable the use of urban growth boundaries as a method to manage growth, and subsequently, to establish boundaries for the Districts key urban centres experiencing the most growth pressures. A summary of these plan changes and their status is provided in the table below.

To date, the ability of Council to appropriately manage urban growth with any conviction has been limited by the absence of a firm policy approach, hindered by the significant delays of legal challenges. The current District Plan review seeks to formalise Urban Development provisions on a District wide level, and integrate the various plan changes to establish urban growth boundaries for Arrowtown, Wanaka and Queenstown.

<i>Plan Change 30 – Urban Boundary Framework</i>	<p>Plan Change 30 (Urban Boundary Framework) was notified in August 2009 and sought to formally establish a policy basis within the District Plan to manage the scale and location of urban growth on a District wide scale. Plan Change 30 introduced a new objective into the District Wide Issues of the District Plan (Objective 7 Sustainable Management of Development) and supporting policies which enabled the use of Urban Growth Boundaries as a tool to:</p> <ul style="list-style-type: none"> • Establish a Settlement Hierarchy • Provide a process for maintaining a long term land supply for urban growth • Prioritise urban development within Urban Boundaries • Promote effective urban design and integration of new urban growth areas • Establish criteria for defining Urban Boundaries • Provide a Definition of Urban Growth and Urban Zones <p>Plan Change 30 was notified alongside Plan Change 29 (the proposed Arrowtown Boundary), Plan Change 21 (the proposed Wakatipu Urban Growth Boundary), and Plan Change 20 (the proposed Wanaka Urban Boundary) which each sought to establish defined UGB's for the respective areas.</p> <p>Plan Change 30 was made operative in November 2010.</p>
<i>Plan Change 20 (Wanaka Urban Boundary) and Plan Change 21 (Wakatipu Urban Growth Boundary)</i>	<p>Plan Changes 20 and 21 also commenced in August 2009 and sought to establish defined UGB's for Wanaka and Wakatipu. These Plan Changes were subsequently put on hold until the current District Plan review.</p>
<i>Plan Change 29 – Arrowtown Urban Growth Boundary</i>	<p>Plan Change 29 was notified in August 2009 alongside Plan Change 20, 21 and 30 and sought to establish an urban growth boundary for Arrowtown, as facilitated by the outcomes of Plan Change 30. This plan change was progressed and was only recently made operative in May 2015 after numerous years of appeals in the Environment Court.</p>

2.7 QLDC Long Term (10 year) Plan (2015-2025) - Consultation Document

The 10 Year Plan (2015-2025) Consultation document highlights the significant growth pressures experienced in the District contributed by both residents and visitors, and identifies anticipated population growth to 2025. The 10 year plan is relevant to the development of policy for urban growth management as it provides the mechanism for funding allocation and expenditure, in line with the expectations of the community. In order to ensure that development and infrastructure programmes are effectively integrated there is a need to ensure that there is co-ordination between the LTP and District Plan.

The implementation of a clear direction for urban growth, and particularly the formalisation of urban growth boundaries, will ensure that the Councils priorities can be better integrated with the District Plan direction.

3. Non statutory policy context

The following non-statutory documents have been considered in identifying the resource management issues relating to urban growth management:

Community Plans

- 'Tomorrows Queenstown' Community Plan (2002)

- Urban Design Strategy (2009)
- 'Wanaka 2020' Community Plan (2002)
- 'Wanaka Structure Plan' (2007)
- Arrowtown Community Plan (2002)

Strategies

- Queenstown and Wanaka Growth Management Options Study (2004),
- A Growth Management Strategy for the Queenstown Lakes District (2007)
- Economic Development Strategy (2015)
- Wakatipu Transportation Strategy (2007)
- Wanaka Transportation and Parking Strategy (2008)
- Queenstown Town Centre Draft Transport Strategy (Consultation Document 2015)

Studies

- Shaping our Future 'Visitor Industry Task Force' report 2014
- Medium to High Density Housing Study: Stage 1a – Review of Background Data (Insight Economics, 2014)
- Medium to High Density Housing Study: Stage 1b – Dwelling Capacity Model Review (Insight Economics, 2014)
- Brief Analysis of Options for Reducing Speculative Land Banking (Insight Economics, 2014)
- Analysis of Visitor Accommodation projections (Insight Economics, 2015)
- QLDC Growth Options Study, 2004
- QLDC Growth Management Strategy, 2007

Other relevant sources

- 'Does Density Matter – The role of density in creating walkable neighbourhoods', discussion paper by the National Heart Foundation of Australia
- The New Zealand Productivity Commission's Inquiry into the supply of land for housing 2014
- The New Zealand Productivity Commission's Housing Affordability Inquiry, 2012
- Using Land for Housing – Draft Report, New Zealand Productivity Commission, 2015
- *Cities Matter - Evidence-based commentary on urban development (2015)*, Phil McDermott, <http://cities-matter.blogspot.co.nz/>
- Shaping our Future: Energy Futures Taskforce Report 2014
- Shaping our Future 'Visitor Industry Task Force' report 2014
- Queenstown Airport Monthly Passenger Statistics (available at www.queenstownairport.co.nz)
- New Zealand Tourism Forecasts 2015-2021, Ministry of Business, Innovation and Employment, May 2015
- Queenstown, Dunedin and Wanaka Market Review and Outlook 2015, Colliers International
- Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development, Smart Growth America, 2013.
- Density, the Sustainability Multiplier: Some Myths and Truths with Application to Perth, Australia, Newman, P. 2014

4. Resource Management Issues

4.1 Overview

The community's desire for a strategic approach to the management of urban growth has been articulated over more than a decade, from the development of small community plans, to the *Queenstown and Wanaka Growth Management Options Study (2004)*, and the subsequent *Growth Management Strategy (2007)*. The consistent message through each of these documents is a concern regarding the relatively unplanned growth of urban areas, and the desire to contain urban growth for the Districts key urban areas

(Queenstown, Wanaka and Arrowtown) within defined limits. Acting on this mandate from the community, QLDC has commenced a number of plan changes over recent years seeking to establish urban growth boundaries for these areas.

The current District Plan review seeks to formalise objectives and policies for Urban Development on a District wide level, and integrate the intentions of the various plan changes to establish urban growth boundaries for Arrowtown, Wanaka and Queenstown. The Urban Development Chapter (Chapter 4) sets Councils clear direction for the location and form of future urban growth; based on the principles of urban containment which has its basis within the Proposed RPS, the Operative District Plan (Section 4.9.3 Objective 1 - Implementation Methods) and various Community Plans and Council strategies.

The key issues of relevance to the Urban Development Chapter are:

Issue 1 - Pressure for urban growth is predicted to continue

Issue 2 - Occurrence of resource consents and plan changes for intensive forms of subdivision in the Rural General and Rural Living areas

Issue 3 – Reducing the environmental impacts of urban development

Issue 4 – A compact urban form

Issue 5 - Better coordination of infrastructure and services and forward planning

Each of these issues is discussed in further detail below.

Issue 1 – Pressure for urban growth is predicted to continue

The Queenstown Lakes District is one of the fastest growing areas in New Zealand. There is ongoing pressure for more housing, business and commercial development within the District. The District also supports around \$3 million visitors per year¹, and the demand for visitor accommodation and services is also predicted to increase considerably. Urban growth must be managed within the context of protecting the significant natural landscapes and amenities for which the population depends upon for social and economic wellbeing.

Between 1991 and 2002 the resident population doubled across the District, and at this time, it was predicted under a high growth scenario, that the population might reach 29,000 to 30,000 people by 2021². Between 2001 and 2006, the QLDC Growth Management Strategy (2007) noted that the Queenstown Lakes District area was the fastest growing area in New Zealand, and experienced population growth of 30% over this period². In 2006, the resident population was 22,956 (www.stats.govt.nz), and predictions were for the resident population of Queenstown/Wakatipu to reach over 32,000 by 2026³.

Now, in 2015, the LTCCP (2015 to 2025) identifies a resident population of 30,700. This highlights firstly, that growth has already surpassed 2004 'high growth' predictions² (of 30,000 people by 2012), and is close to achieving 2006 predictions (of 32,000 by 2026) – some 10 years earlier than predicted. Alongside (and inherently linked to) growth in resident population, the District has also experienced considerable growth in tourism (LTCCP 2015-2025).

Between 2013 and 2015, the Council has commissioned a number of growth studies. Most recently, Insight Economics has undertaken a review of previous studies and predictions, and developed a fresh set of population predictions for the Queenstown Lakes District⁴. Insight Economics report indicates that between 2006 and 2013, the District again experienced growth in excess of national averages, with the highest

¹ Shaping Our Futures 'Visitor Industry Task Force' Report 2014

² QLDC Growth Options Study, 2004

³ QLDC Growth Management Strategy, 2007

⁴ Insight Economics. Medium to High Density Housing Study: Stage 1a – Review of Background Data (2014)

recorded growth in Wanaka of 3.7% per annum (compared to a national average of 0.7%). Following a review of background data, and considering likely scenarios influencing growth, Insight Economics predicted population growth of 3.4% per annum to 2031 (representing a possible increase in population to 55,000 by 2031) and concludes “...that the district will continue to experience high population growth and...demand for new dwellings will also be strong⁴.”

Tourism growth supported by the Districts natural amenities will continue to play a dominant part in the local economy, and will have a direct effect on the associated resident population growth and amenities enjoyed by the local community. A recent market report prepared by Colliers acknowledges that:

“Increasing visitor numbers continue to be one of the biggest forces behind the demand for residential and commercial property in Queenstown. The ongoing tourism boom is creating significant positive sentiment about the region’s economy, stimulating development, construction and investment activity”⁵

The tourism industry has experienced strong growth over recent years, with commercial accommodation nights and length of stay consistently exceeding national averages. The latest national tourism forecasts prepared by the Ministry of Economic Development predict growth in total visitor numbers of 4 per cent a year reaching 3.8 million visitors in 2021 from 2.9 million in 2014⁶. There is currently a lack of tourism information available to translate these forecasts to sub-national projections. However, the recent growth in visitor numbers is evident by Queenstown Airport arrivals information which identifies an increase in annual passenger numbers by 10.4% over the period from March 2014 to March 2015⁷).

Locally, the QLDC LTCCP (2015-2025) indicates a peak population (inclusive of tourism) in 2015 of 96,500, which is predicted to increase by almost 20% to 115,500 people by 2025. A recent study undertaken by Insight Economics⁸ predicts that total guest nights will continue to exceed the national average, increasing from a current value of 3.6 million per annum, to 6.9 million per annum in 2031 (based on a medium growth scenario)⁸. A number of proposed major projects, such as the airport expansion to cater for night flights and potential convention centres, if realised, will have a direct influence on the level of tourism growth, and figures may in fact exceed medium growth scenarios. The District depends heavily on tourism growth and solutions to achieve increased capacity are necessary to cater for anticipated levels of growth.

Proposed solutions for the management of urban growth are based on the premise that it is not the role of the RMA or the Proposed District Plan to restrict growth, but rather to manage the effects of such growth to meet the foreseeable needs of the community. Instead of being reactive, a strategic approach is necessary to manage the form and location of development in a sustainable manner. In the past some urban growth has occurred randomly and there has also been pressure to expand around the edge of settlements. The provisions of the Urban Development Chapter will enable better management of the risk of urban sprawl through the enforcement of urban growth boundaries.

Issue 2 - Occurrence of resource consents and plan changes for intensive forms of subdivision in the Rural General and Rural Living areas

Urban growth boundaries have not been identified within the Operative District Plan until the recent adoption of the Arrowtown Urban Growth Boundary in May 2015. In the absence of defined boundaries, decision making has relied upon zoning to manage the location of development, however zoning alone does not indicate where longer term growth should be. As a result, various private plan changes have been implemented to subdivide rural land for more intensive residential density. The lack of defined boundaries for

⁵ Queenstown, Dunedin and Wanaka Market Review and Outlook 2015, Colliers International

⁶ New Zealand Tourism Forecasts 2015-2021, Ministry of Business, Innovation and Employment, May 2015

⁷ QAC Passenger Statistics, March 2015

⁸ Analysis of Visitor Accommodation projections, Insight Economics, 2015

key urban centres has resulted in a policy gap, whereby such proposals to subdivide rural land can be considered on their merits, giving rise to the potential for ad hoc or piece meal development.

The establishment of the Urban Development Chapter seeks to provide an additional policy layer, identifying the strategic objectives and policies for the management of growth across the District, and facilitating the containment of growth within defined limits. The establishment of defined urban boundaries provides the clear message that development outside these boundaries is not anticipated by the District Plan, providing the Council with greater control over proposed subdivision in rural zones which conflicts with these intentions.

Issue 3 – Reducing the environmental impacts of urban development

The environment is revered nationally and internationally and is considered by residents as the District's single biggest asset⁹. The natural environment underpins recreational and tourism industries and is a significant contributing factor to economic and population growth within the District. In addition, rural landscapes within the District are valued by the community in maintaining 'openness'¹⁰, and play a significant role in defining the character of urban settlements and their entrance from rural land¹¹.

Continued growth in population and visitor numbers increases demand for land at ever increasing distances from town centres. A sprawling urban form places increased pressure on the Districts highly valued landscapes and features, and exacerbates the environmental effects associated with population growth. In the past, there has been pressure for greater supply of greenfield land at the periphery of urban areas. For example, the Hearings Panel that considered the QLDC's proposal to include an affordable and community housing policy in its District Plan concluded that in "*an approach of zoning considerably more land for housing would quite likely be contrary to Part 2 of the RMA*" (QLDC, 2008, p. 31). The Hearings Panel reached this conclusion because "*[o]utstanding natural landscapes and features are notably present throughout the District*"; and that "*sprawling, unconsolidated urban areas would seem inconsistent with 'the maintenance and enhancement of amenity values'*" (QLDC, 2008, p. 19)¹².

To date, the absence of defined urban limits within the District Plan has resulted in sporadic developments encroaching into rural areas. The development of once rural areas also prompts the need for expansion of infrastructure networks, with associated capital expenditure and maintenance costs to Council and ratepayers. In addition, sprawling urban development exacerbates environmental effects associated with widening the footprint of development and reducing the efficiency of public utilities (such as water and wastewater treatment facilities) and waste management through increased energy costs and fossil fuel demands.

Conversely, a compact urban form that reduces reliance on the private vehicle; maximises use of public transport, walking and cycling; and improves the efficient operation of public utilities will reduce energy demand and minimise impacts to air quality. More intensive urban development can also help to minimise new housing and infrastructure development occurring in peri-urban locations which may be located within or close to sensitive environments.

Issue 4 – A compact urban form

Significant growth rates experienced in the Queenstown Lakes District results in ongoing pressure for the supply of greenfield land at the periphery of urban areas, leading to fragmented and disconnected settlements, and growing concern by the community at the lack of coordinated growth management.

⁹ QLDC Economic Development Strategy, 2015

¹⁰ The Arrowtown Plan, 6 March 2003

¹¹ Wanaka 2020, May 2002

¹² Using Land for Housing – Draft Report, New Zealand Productivity Commission, 2015.

The need for a compact urban form as a mechanism to manage growth, and achieve a more efficient and sustainable use of land has been articulated by the community for decades, beginning with the development of small community plans ('Wanaka 2020', Arrowtown Community Plan, 'Tomorrows Queenstown'). Each of these documents identifies the community's desire to contain urban growth within defined boundaries, and support increased density in appropriate locations to protect rural, heritage and natural amenity values.

Accordingly, in 2007, the Council commenced the development of the Growth Management Strategy (2007) (a non-statutory document) to guide community planning for future growth and development of the district. The strategy highlighted the need for consolidating development in higher density areas to support new growth; infrastructure to support high quality development in the right places; and good design to improve the quality of the environment.

The Growth Management Strategy resulted in the conclusion that growth should be located in the right places, with "*all settlements to be compact with distinct urban edges and defined urban growth boundaries*"³. To support a compact urban form, it was recognised that higher density residential areas should be realised close to main centres. Importantly, it also acknowledged that a compact urban form requires not only containment, but a managed approach to the mix and location of urban land uses enabled within defined boundaries.

Further streams of statutory and non-statutory forums involving community input have reinforced a compact urban form strategy:

<p><i>Wanaka Structure Plan Review (2007)</i></p>	<p>The original Wanaka Structure Plan, prepared in 2004, was subject to a comprehensive review in 2007. The Structure Plan was widely circulated for community input in August / September 2007.</p> <p>Three growth management responses were proposed in the Plan. Option 1 was to retain current development patterns, with a mix of infill and new greenfield growth. Option 2 was to accommodate all required development within existing zones. Option 3 (the preferred option) was a mixed approach, involving consolidation of development within defined urban limits, and encouraging medium density developments near retail nodes and centres.</p>
<p><i>Plan Change 30 – Urban Boundary Framework</i></p>	<p>Plan change 30 was notified in 2009 and made operative in 2012. It introduced the concept of urban growth boundaries as a strategic growth management tool into the District Plan.</p> <p>The Plan change sought that the majority of urban growth be concentrated in the urban areas of Queenstown and Wanaka, and it enabled the use of Urban Growth Boundaries 'to establish distinct and defensible urban edges'.</p> <p>Plan Change 30 was made operative in November 2010, introduced a new objective into the District Wide Issues of the District Plan (Objective 7 Sustainable Management of Development) and supporting policies which enabled the use of Urban Growth Boundaries.</p>
<p><i>Plan Change 20 (Wanaka Urban Boundary) and Plan Change 21 (Wakatipu Urban Growth Boundary)</i></p>	<p>These Council led plan changes were notified alongside Plan Change 30 in 2009, and sought to implement Plan Change 30 (and the outcomes of community plans) by establishing urban growth boundaries for Queenstown and Wanaka.</p> <p>Consultation and analysis on these proposed Plan Changes relating to urban growth boundaries for Queenstown and Wanaka occurred in 2007.</p> <p>These plan changes were subsequently abandoned, with a view to progressing these in the District Plan Review.</p>

<i>Plan Change 29 – Arrowtown Urban Growth Boundary</i>	Plan Change 29 was notified in 2009 and made operative in 2015. The plan change establishes an urban growth boundary for Arrowtown.
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It is evident that the issue of urban containment has been seen as the appropriate tool to manage growth pressures experienced at the three main centres of Queenstown, Arrowtown and Wanaka; and to protect the character for which each of these areas is recognised. A compact urban form can provide the following benefits:

- Coordinated delivery of infrastructure and services (refer further detail below)
- Provision for increased density, with associated benefits for:
 - Increasing the viability of public and active transport networks
 - Improving housing diversity and affordability
 - Improving social interaction
 - Reducing reliance on private motor vehicle and promotion of walking and cycling.

The Operative District Plan refers to the principles of urban containment as a District Wide Issue relating to Landscape and Visual Amenity (Section 4.2.5) and Urban Growth (Section 4.9). However these existing provisions do not carry sufficient weight without the establishment of urban boundaries. Therefore, seeking to add weight to this policy, Plan Change 30 (Urban Boundary Framework) was progressed, alongside Plan Change 29 (Arrowtown Boundary).

To date, the principles promoted by Plan Change 30 have been limited in application in the absence of defined urban growth boundaries being implemented for Arrowtown, Wanaka and Queenstown. The absence of defined boundaries has resulted in the occurrence of private plan change requests to subdivide land within the rural general zone, on occasions leading to poorly connected urban settlements and the ad hoc provision of water, wastewater and stormwater infrastructure with significant lifecycle costs.

Conversely, a growth management approach based around urban intensification is generally considered significantly more cost efficient than an approach based around sprawl. A number of studies support this notion. Studies from the United States of America have considered the financial costs of urban sprawl, and found that:

“Sprawl increases the distance between homes, businesses, services and jobs, which raises the cost of providing infrastructure and public services by at least 10% and up to 40%. The most sprawled American cities spend an average of \$750 on infrastructure per person each year, while the least sprawled cities spend close to \$500”¹³.

Furthermore, a comprehensive study from Smart Growth America in 2013 found that the upfront infrastructure development costs of ‘Smart Growth’ compared to conventional sprawling development reduces upfront infrastructure development costs by 38%¹⁴. This study cites a number of other studies supporting this notion. There is also a large body of research from Australia supporting these findings.

The ability of Council to appropriately manage urban growth with any conviction has been limited by the absence of a firm policy approach, hindered by the significant delays of legal challenges associated with Plan Change 29 and 30.

¹³ Analysis of Public Policies that Unintentionally Encourage and Subsidize Sprawl, The New Climate Economy, <http://newclimateeconomy.net/content/release-urban-sprawl-costs-us-economy-more-1-trillion-year>

¹⁴ Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development, Smart Growth America, 2013.

The establishment of Urban Growth Boundaries and the development of unambiguous objectives and policies will help to provide certainty as to where urban development should take place, including future growth and expansion. UGB's can enable provision to be made to achieve effectively designed urban edges that respond to the characteristics of local areas. It is however recognised that UGB's are only one of the tools necessary to manage urban growth, and that UGB's must be supported by an overall policy framework which enables the right type of development to occur within defined boundaries. In particular, enabling higher density in appropriate locations is central to the achievement of an efficient urban form, and the viability of strategic objectives and policies for managing growth.

It is acknowledged that the imposition of urban growth boundaries has the potential to result in adverse effects to housing affordability, if not combined with a suitably enabling framework that enables increased density within these boundaries. The New Zealand Productivity Commission notes that:

Whatever the case for their existence, considerable evidence shows that binding urban growth boundaries have major effects on new housing supply across cities and on housing prices (Malpezzi, et al, referenced in 'Using Land for Housing'¹²).

Whilst urban growth boundaries may be perceived to affect property values, similar effects on house prices are also expected when comparing the change between urban and rural zonings. To mitigate potential adverse effects on property values, it is necessary that areas within urban growth boundaries have sufficient opportunity for redevelopment via both greenfield and infill development. Therefore, enabling increased density within urban areas is essential to the successful functioning of a compact urban form; and forms part of the strategic housing approach sought by the Proposed District Plan. To achieve this, the District Plan must also liberalise current regulation which unnecessarily hinders increased density development.

The current District Plan review has sought to remove or liberalise operative provisions which were restricting housing development, and to simplify and streamline the development process. This is achieved through an integrated growth management framework, which is replicated throughout the District Plan, beginning from the Strategic Direction and Urban Development Chapter at the top hierarchy of the Proposed District Plan, through to the provisions of individual zones. In particular, the provisions of the residential zones have been formulated to support increased density and to provide greater scope for housing development to occur without the need for resource consent.

Additionally, the scale and location of urban growth boundaries has been determined to provide sufficient land for future growth either through greenfield subdivision, infill housing or brownfield development. In Queenstown, considerable land supply remains within approved developments which have either not yet started or are not yet fully implemented, such as Jacks Point, Henley Downs, Shotover Country, Remarkables Park and Frankton Flats. In Wanaka, opportunities exist within Three Parks and Northlake (subject to appeal) developments, as well as greenfield opportunities within the new Large Lot Residential Zone. For Arrowtown, it is noted that the need for housing has been balanced with objectives to protect character and heritage. As a result, there are limited greenfield opportunities within the boundary, however, increased density and scope for infill development is enabled through the proposed provisions of the Medium Density and Low Density residential zones.

It is also expected that the location of urban growth boundaries would be monitored and potentially revised over time, if necessary, to ensure they remain consistent with community needs.

Issue 5 - Better coordination of infrastructure and services and forward planning

In the past, the lack of strategic guidance within the Operative District Plan about where future development should be located has resulted in a number of subdivisions and commercial developments occurring in isolation, with little consideration to the impact on urban land use. This disconnected development pattern

has considerable impacts to costs associated with infrastructure provision, particularly where such settlements occur at increasing distances from a town centre.

Studies from the United States of America have considered the financial costs of urban sprawl, and found that:

“Sprawl increases the distance between homes, businesses, services and jobs, which raises the cost of providing infrastructure and public services by at least 10% and up to 40%. The most sprawled American cities spend an average of \$750 on infrastructure per person each year, while the least sprawled cities spend close to \$500”¹⁵.

Furthermore, a comprehensive study from Smart Growth America in 2013 found that the upfront infrastructure development costs of ‘Smart Growth’ compared to conventional sprawling development reduces upfront infrastructure development costs by 38%¹⁶. This study cites a number of other studies supporting this notion. There is also a large body of research from Australia supporting these findings.

Conversely, a growth management approach based around urban intensification is generally considered significantly more cost efficient than an approach based around sprawl.

In order to ensure that development and infrastructure programmes are effectively integrated there is a need to ensure that there is co-ordination between the LTP and the District Plan. The establishment of urban boundaries and supporting policies will enable forward planning for infrastructure within defined limits; and provide the Council with greater control over development proposals with long term maintenance liability to the community.

4.2 Summary and outcomes

The identification and analysis of issues relevant to urban development has helped define how section 5 of the RMA should be expressed in the context of the Queenstown Lakes District. This has informed determination of the most appropriate objectives to give effect to section 5 of the RMA in light of the issues. The appropriateness of potential objectives cannot be assessed without due consideration to the issues that frame what sustainable management means for the district at this point in time and into the future.

The formulation of the Urban Development Chapter, and the associated objectives and policies has been developed following consideration of the significant growth pressures currently faced within the District and the potential risks associated with uncontrolled or piecemeal urban growth into the future. The provisions have been developed on the premise that the District is going to grow, and it is not the role of the RMA to limit growth, but rather to manage its form and location to promote the sustainable management of natural and physical resources.

For example, without the issue context of high growth pressures, alternative objectives may have been recommended that place increased reliance on the market to determine the location and form of future growth. In this situation, there may not be a need for the Urban Development Chapter, nor urban growth boundaries. However, growth is a cyclical issue experienced within the District which is influenced by a range of national and global economic factors. A reactive growth management approach would be detrimental to sustainable management principles, and takes only a short term view of the issue. Additionally, this would not act on the consistent message expressed by the community that physical boundaries are necessary to protect character and heritage. Therefore whilst the rate and significance of growth varies over time, the

¹⁵ Analysis of Public Policies that Unintentionally Encourage and Subsidize Sprawl, The New Climate Economy, <http://newclimateeconomy.net/content/release-urban-sprawl-costs-us-economy-more-1-trillion-year>

¹⁶ Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development, Smart Growth America, 2013.

Proposed District Plan is forward looking, and must address the foreseeable needs of current and future communities; and the principles of sustainable management in the context of urban development.

5. Evaluation

5.1 Purpose and options

In serving the function of a territorial authority provided by Section 31(1) of the Act, the Urban Development Chapter has the purpose to implement policy and tools to manage the effects of urban growth. The provisions form part of the overarching strategic hierarchy of the proposed District Plan (Part 2), which governs the high level intentions for resource management and informs the policy direction down to the zone and activity level of the District Plan.

Overall, the provisions seek to:

- provide the strategic framework to manage the form and location of future growth
- promote a compact, well designed and integrated urban form
- to ensure the efficient provision of infrastructure
- to protect the District's rural landscapes from sporadic and sprawling development
- to protect the encroachment of urban development on sensitive environments
- establish Urban Growth Boundaries for areas subject to growth pressures (Queenstown, Wanaka and Arrowtown) as the method to provide for the coordinated management of growth

Whilst the Operative District Plan shares many of these objectives, there is poor translation of these objectives into regulation that carries sufficient weight to deliver the outcomes sought. In particular, control over sporadic growth has been limited by the lack of defined urban growth boundaries.

Considerations in determining Urban Growth Boundaries:

The outcomes of community plans and growth management strategies have been particularly instrumental in providing the basis for the inclusion of a formal growth management response within the Proposed District Plan, and the determination of the form and location of urban growth boundaries. The '*Growth Management Strategy for the Queenstown Lakes District (2007)*' identified the following guiding principles for urban growth boundaries:

- *"Growth is to be accommodated mainly in the two urban centres (Queenstown/ Frankton and Wanaka), and existing special zones outside of these centres.*
- *Settlements in the Wakatipu Basin (Arthurs Point, Arrowtown, Lake Hayes Estate and Jacks Point) are not to expand beyond their current planned boundaries. Further development and redevelopment within current boundaries is encouraged where this adds to housing choices and helps to support additional local services in these settlements" (page 11).*

The strategy also identified preliminary urban growth boundaries for Queenstown and Wanaka, which stem from *Tomorrow's Queenstown 2002* and the draft *Wanaka Structure Plan*.

In Queenstown, the urban edge was defined to the west by Fernhill, to the east by the Shotover River, and to the south by the southern edge of Jacks Point (Refer Appendix Four and Figure 1 below).

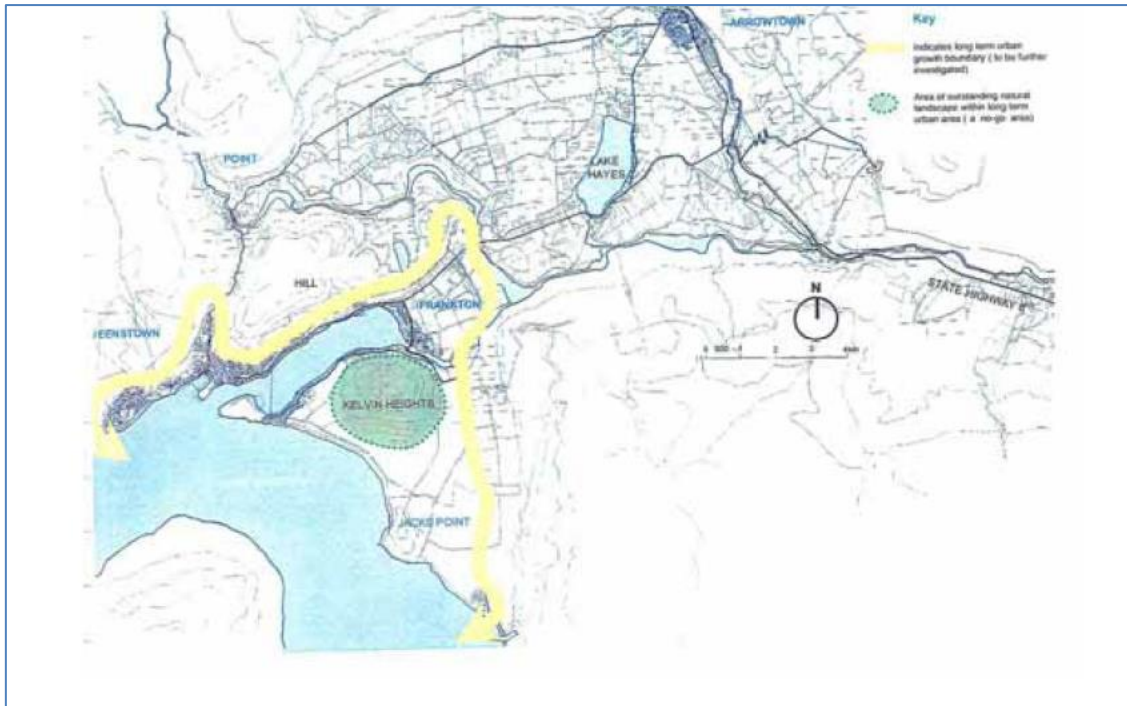


Figure 1 Growth Concept – Long Term Growth Boundary (Tomorrow's Queenstown 2002; Growth Management Strategy for the Queenstown Lakes District 2007)

Since this time, the advancement of private plan changes for greenfield subdivisions (such as Lake Hayes Estate, Quail Rise and Shotover Country) has further expanded this urban edge. Such developments have occurred as a response to growth pressures and their sprawling pattern is partially a product of a lack of a formalised growth management approach within the District Plan. Given the now established nature of these settlements, and integration with infrastructure and services (including schools, commercial centres (eg Five Mile), public transport routes and utilities) it is considered appropriate that these areas be included within the Queenstown Urban Growth Boundary. Accordingly, the Queenstown Urban Growth Boundary proposed within Chapter 4 is generally consistent with that presented by the Growth Management Strategy, however now also reflects the boundaries of existing urban settlements which currently exist. Further expansion outside of these boundaries and further east of Lake Hayes is currently not anticipated. Within the boundary, considerable land supply remains within approved developments which have either not yet started or are not yet fully implemented, such as Jacks Point, Henley Downs, Shotover Country, Remarkables Park and Frankton Flats.

For Wanaka, the Draft Wanaka Structure Plan identified both an inner and an outer growth boundary (Refer Figure 2). These boundaries were subsequently reviewed and refined within the Wanaka Structure Plan Review 2007 (Refer Figure 3).



Figure 2 Wanaka Inner and Outer Urban Growth Boundaries (Draft Wanaka Structure Plan 2004; Growth Management Strategy for the Queenstown Lakes District 2007)

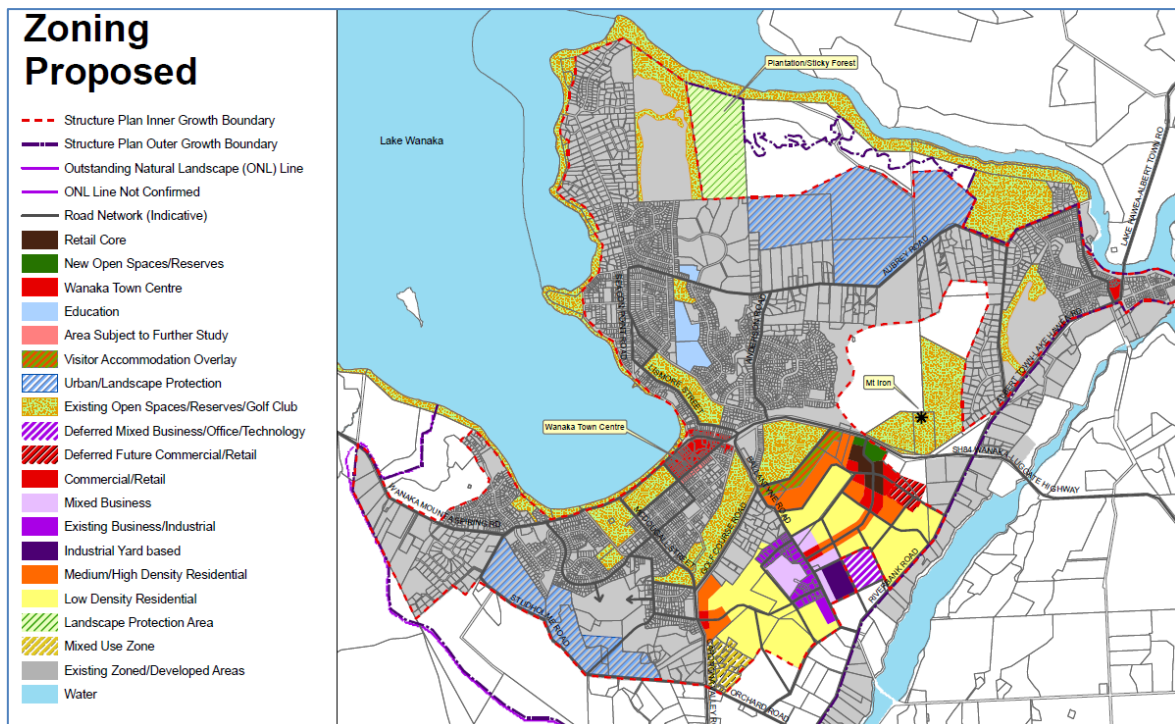


Figure 3 Wanaka Structure Plan Review 2007 – Proposed Zoning

In general, the urban edge in Wanaka is defined by the physical boundaries of the Cardrona and Clutha Rivers, and limited to the west by outstanding natural landscapes. The Wanaka Urban Growth Boundary currently proposed also stems from the Growth Management Strategy and previous structure plans, however

with some refinements. Firstly, an outer growth boundary has not been reflected. This is due to the effect of outer growth boundaries potentially creating development expectations earlier than anticipated, and watering down the effects of the inner growth boundary. The location of the growth boundary as currently proposed is considered to provide sufficient opportunities for both greenfield and infill development to meet future demand. In particular, opportunities exist within Three Parks and Northlake (subject to appeal) developments, as well as the new Large Lot Residential Zone.

An urban growth boundary was not identified for Arrowtown within the 2007 Growth Management Strategy, however it was noted that the settlement should not expand beyond its current boundary. The Arrowtown Urban Growth Boundary therefore has its foundation in *The Arrowtown Plan (2003)* and the recent outcomes of Plan Change 21. The Proposed Arrowtown Urban Growth Boundary is therefore consistent with the findings of Plan Change 21. It is noted that the need for housing has been balanced with objectives to protect character, landscape values and heritage. As a result, the boundary is limited to the extent of existing zoning (with the inclusion of Arrowtown South Special Zone) and as such there are limited greenfield opportunities. However, increased density and scope for infill development is enabled through the proposed provisions of the Medium Density and Low Density residential zones. This is consistent with the outcomes of *The Arrowtown Plan (2003)* which states:

“Because it was confirmed that the current boundaries should be retained, the ability to absorb future development within the current zones needs to be considered. The purpose of providing for infill would be to enable future development, particularly for elderly, while retaining the character of the residential zone” (Arrowtown Workshop. Part Two: The Arrowtown Plan, 2003).

It is also expected that the location of urban growth boundaries would be monitored and potentially revised over time, if necessary, to ensure they remain consistent with community needs.

Further location specific analysis of the costs and benefits of urban growth boundaries is provided in Section 8.

Strategic Direction

The following goals and objectives from the Strategic Direction chapter of the draft District Plan are relevant to this assessment:

Goal 3.2.2 Strategic and integrated management of urban growth

Objective: Ensure urban development occurs in a logical manner:

- *to promote a compact, well designed and integrated urban form;*
- *to protect the District’s rural landscapes from sporadic and sprawling development*

Objective: Manage development in areas affected by natural hazards

Goal 3.2.3 A quality built environment taking into account the character of individual communities

Objective: Achieve a built environment that ensures our urban areas are desirable places to live, work and play

Goal 3.2.4: The protection of our natural environment and ecosystems

Objective: Promote development and activities that sustain or enhance the life-supporting capacity of air,

<p><i>water, soil and ecosystems.</i></p> <p><i>Objective: Respond positively to climate change</i></p>
<p>Goal 3.2.5: Our distinctive landscapes are protected from inappropriate development</p> <p><i>Objective: Protect the natural character of Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development.</i></p> <p><i>Objective: Direct new subdivision, use or development to occur in those areas that have potential to absorb change without detracting from landscape and visual amenity values</i></p> <p><i>Objective: To recognise there is a finite capacity for residential activity in rural areas if the qualities of our landscape are to be maintained</i></p>
<p>3.2.6 Goal: To enable a safe and healthy community that is strong, diverse and inclusive for all people.</p> <p><i>Objective: Provide access to housing that is more affordable</i></p> <p><i>Objective: Ensure a mix of housing opportunities</i></p> <p><i>Objective: Ensure planning and development maximises opportunities to create safe and healthy communities through subdivision and building design</i></p>

In general terms and within the context of this review, these goals and objectives are met by:

- Establishing Urban Development as an standalone chapter which forms one of the four strategic matters at the highest policy level within the hierarchy of the District Plan, affording appropriate control in decision making
- Establishing policy to ensure urban development occurs within urban growth boundaries and is avoided outside of urban growth boundaries
- The establishment of urban growth boundaries as the tool to manage the potential adverse effects of urban growth on:
 - the natural environment and ecosystems
 - distinctive landscapes
 - rural amenity and productivity
 - heritage, character and amenity
 - sustainability
- Policies and objectives which promoting a compact urban form and higher density to ensure a mix of housing opportunities, improving affordability and maximising opportunities to create safe and healthy communities. These objectives and policies have informed the specific provisions of individual zone chapters, and the integrated management of urban development throughout the District Plan.

Broad options considered to address issues

The following section considers various broad options considered to address the identified resource management issues, and makes recommendations as to the most appropriate course of action with regard to advancing the purpose of the Act in the context of urban development.

- ***Option 1: Retain the operative provisions***

Option 1 would involve retaining the operative objectives and policies relating to urban growth management, including applying only the recently confirmed urban growth boundary for Arrowtown.

- ***Option 2: (Recommend): Comprehensive review. Establish a new chapter (including drafting of new objectives and policies) within 'Part 2 – Strategic' focusing on urban development and formalising urban growth boundaries for Queenstown, Wanaka and Arrowtown.***

Option 2 raises Urban Development to the strategic hierarchy of the proposed District Plan (Part 2), and integrates the various policies in existence. This lifts this important resource management issue out of the array of other District Wide policies and objectives; and places it within an individual chapter at the top of the hierarchy of the Proposed District Plan. Urban growth boundaries would be established for Queenstown, Wanaka and Arrowtown to provide an additional method to assist in the management of growth in line with strategic objectives.

- ***Option 3: Retain urban growth management policy but remove urban growth boundaries all together***

Option 3 involves retaining urban development policy but removing urban growth boundaries as an implementation method. This approach would result in the market having greater control over the location and form of growth.

The table below provides an assessment of the costs and benefits associated with the three options above.

Option 1: Retain the operative provisions

Option 2: (Recommended): Comprehensive review. Establish a new chapter (including drafting of new objectives and policies) within 'Part 2 – Strategic' focusing on urban development and formalising urban growth boundaries for Queenstown, Wanaka and Arrowtown.

Option 3: Retain urban growth management policy but remove urban growth boundaries all together

	Option 1: Status quo/ No change	Option 2: (Recommended): Comprehensive review, formalising urban growth boundaries for Queenstown, Wanaka and Arrowtown	Option 3: Retain urban growth management policy but remove urban growth boundaries all together
Costs	<ul style="list-style-type: none"> Does not address identified issues in sufficient detail, retains ambiguity and lack of clarity around the location of future growth for Queenstown and Wanaka. Does not afford urban growth sufficient weight as an issue in its own right. Does not act on the outcomes of community planning processes which also sought to establish defined urban limits for Queenstown and Wanaka Strength of policies is compromised due to the absence of defined urban growth boundaries for Queenstown and Wanaka Does not adequately address potential risk of uncontrolled urban growth on rural and outstanding natural landscapes Lacks integration with policy for increased density, limiting affordable housing opportunities and the potential to improve the vibrancy and social connection of urban areas Urban sprawl may compromise the 	<ul style="list-style-type: none"> Limits available land supply for urban development within urban growth boundaries Reduced role of the market Reduced availability of greenfield land potentially impacting on property values within urban growth boundaries Potential increase in plan change requests seeking to amend urban growth boundaries, or develop outside boundaries, with associated litigation costs to Council. Land allocation may not be sufficient to address demand for low density housing Requires a change in thinking about the form of urban development and impressions of density Limits reliance on the private motor vehicle in lieu of public transport, which requires a radical change in commuter behaviour and requires action by others (such as the regional council) outside of the District Plan Increased density has the potential to 	<ul style="list-style-type: none"> Potential for uncontrolled urban sprawl governed by short term commercial interests Increasing loss of greenfield/rural land to provide forms of low density housing, resulting in continuing urban sprawl and lack of coordinated infrastructure delivery. Risk to loss of character of major urban areas due to fragmented boundaries with a lack of defined edge. Limited effect on changing public perception/acceptance of density Costs associated with the installation and maintenance of public assets at increasing distances from town centres. Potential for encroachment of urban development on sensitive environment and landscapes Potential impact on character and heritage values, and the 'surprise' effect of Arrowtown Reduce social connectivity Compromise the economic viability of town

	Option 1: Status quo/ No change	Option 2: (Recommended): Comprehensive review, formalising urban growth boundaries for Queenstown, Wanaka and Arrowtown	Option 3: Retain urban growth management policy but remove urban growth boundaries all together
	<p>achievement of a viable public and active transport network</p> <ul style="list-style-type: none"> Does not promote the goal of a compact urban form 	<p>generate greater impacts on the amenity values of existing properties</p>	<p>centres</p> <ul style="list-style-type: none"> Promotes inefficient low density land use, compromising future growth opportunities and further intensifying urban sprawl.
Benefits	<ul style="list-style-type: none"> Retains the established approach which the community is familiar with. Protection of Arrowtown character and 'surprise' effect of entrance to the town Protection of rural land and amenity outside of the Arrowtown boundary Does not restrict development rights in Queenstown and Wanaka Does not restrict the spatial extent of growth and increases control to the market Would not add an additional layer of regulation which has the potential to inflate property values. 	<ul style="list-style-type: none"> Raises urban growth management to the strategic hierarchy of the proposed District Plan, and integrates the various policies in existence. Provides greater weight to decline proposals which result in poor planning outcomes and compromise urban growth boundaries. Certainty over the future pattern of growth Reduced pressure on rural land for greenfield expansion More efficient use of land resources Reduces potential impacts on natural resources and values affected by urban expansion Growth managed in accordance with planning principles and not commercial interests Better integration of land use and infrastructure planning May improve housing affordability through support for increased density and diversity of housing supply within urban growth boundaries. Protection of natural environment and 	<ul style="list-style-type: none"> Provides high level policy to guide the location and form of growth. Proposals can be assessed on their merits. Provides flexibility over land supply Supports low density housing forms which remain desired by the public Avoids potential economic impacts of reduced land supply Does not restrict development rights whilst maintaining high level growth management principles

	Option 1: Status quo/ No change	Option 2: (Recommended): Comprehensive review, formalising urban growth boundaries for Queenstown, Wanaka and Arrowtown	Option 3: Retain urban growth management policy but remove urban growth boundaries all together
		<p>landscapes</p> <ul style="list-style-type: none"> • Protection of rural amenity through limiting the spatial extend of development • Increased viability of public infrastructure achieved through support for increased density, and associated increases in patronage which may lead to reduced fees • Increased vibrancy and social connectivity due to consolidation of urban areas • Requires innovative design approaches to maximise development yields • Potential for reduced private plan change requests associated with a strengthened multi-layer policy approach • Amenity impacts can be managed through sensitive design controls • Potential impacts on property values can be mitigated through ensuring suitable opportunities remain within urban growth boundaries for greenfield, brownfield and infill development at higher densities; and a policy approach which liberalises restrictive planning controls. 	
Ranking	2	1	3

6. Scale and significance evaluation

The level of detailed analysis undertaken for the evaluation of the proposed objectives and provisions has been determined by an assessment of the scale and significance of the implementation of the proposed provisions. In making this assessment, regard has been had to the following, namely whether the objectives and provisions:

- Result in a significant variance from the Operative District Plan
- Have effects on matters of national importance.
- Adversely affect those with specific interests, e.g., Tangata Whenua.
- Involve effects that have been considered implicitly or explicitly by higher order documents.
- Impose increased costs or restrictions on individuals, communities or businesses.

The level of detail of analysis in this report is moderate-high. A number of elements of the Urban Development chapter build upon existing approaches in the Operative District Plan (namely the provisions of Operative District Wide Issues established by Plan Change 30 and 29), so there is often not a radical change in policy direction. Additionally, the provisions of the proposed Urban Development Chapter seek to implement the outcomes of various community planning processes and growth management studies undertaken over the past decade. However, a number of the provisions take general existing approaches further in terms of implementation, through removing ambiguous policy which lacks certainty and replacing it with clear policy statements to indicate the desired future pattern of growth.

For example, the Operative District Plan sets out a framework for growth management and for the application of urban growth boundaries but does not take this to the next level of applying urban growth boundaries (other than the recently adopted Arrowsmith Boundary). The operative provisions of Section 4.9 also have limited explanation or certainty over the intended function of urban growth boundaries, and how these relate to decision making under the District Plan.

The current analysis assesses the costs and benefits, and efficiency and effectiveness of the proposed changes. However, the detail of this analysis is not high as the provisions (with some exceptions) are by their very nature generally quite high level, and it is at the next level of provisions (in other chapters) that more specific provisions are provided, and assessed in greater detail. Other reasons for the moderate-high detail of analysis are that the Urban Development chapter does not include rules that need to be assessed. The provisions are however largely dependent upon recognition of predicted levels of growth, and as such more detailed analysis of growth rates and potential effects has been included, and forms the foundation for subsequent policy.

7. Evaluation of proposed Objectives Section 32 (1) (a)

Section 32(1)(a) requires an examination of the extent to which the proposed objectives are the most appropriate way to achieve the purpose of the Act. The following objectives serve to address the key Urban Development issues. Reference is also made back to the Strategic Direction chapter of the Proposed District Plan which seeks to give effect to the purpose of the RMA (Section 5) in terms of the Queenstown Lakes District Council context:

<i>Proposed Objective</i>	<i>Appropriateness</i>
Objective 4.2.1 - Urban development is coordinated with infrastructure and services and is undertaken in a manner which protects the environment, rural amenity and outstanding natural landscapes and features.	<p>Sets the broad principles for sustainable urban growth which is consistent with the availability of infrastructure, and utilises land efficiently and with higher density in appropriate locations. The objective also recognises the potential for additional urban growth in the Districts smaller urban townships which may not have defined growth boundaries. Development of these areas must also adhere to overarching principles of sustainable and coordinated urban growth.</p> <p>Consistent with Goals 3.2.2, 3.2.3, 3.2.4 and 5 of the Strategic Direction chapter.</p> <p>Gives effect to RPS (operative) objective 9.4.1 to 9.4.3</p> <p>Gives effect to RPS (operative) policies 9.5.1 to 9.5.5</p> <p>Gives effect to RPS (proposed) objectives 2.2, 3.4, 3.7, 3.8, 4.3 and policies for the management urban growth in a strategic and co-ordinated way (3.8.1).</p> <p>This objective is considered appropriate in meeting the purpose of the RMA as it promotes the sustainable management of the Districts natural and physical resources (5(2)), through ensuring land is used efficiently to achieve maximum benefit to the community (5(2)(a)).</p> <p>The objective also seeks to avoid adverse impacts to the natural environment (5(2)(c)) and safe guarding the life supporting capacity of soil ((5(2)(b)) through avoiding development which would adversely impact the natural environment, rural amenity or landscape values.</p> <p>The promotion of an integrated urban form also enables people and communities to provide for their social and economic wellbeing (S5(2) RMA) through improving</p>

Proposed Objective	Appropriateness
	<p>connectivity and accessibility to services.</p> <p>However it does not in isolation address Section 5(2) in terms of avoiding, remedying or mitigating any adverse effects pertaining to impacts on amenity values and infrastructure, and this is where the objective must be read in conjunction with the remaining objectives which together seek to achieve the purpose of the Act.</p>
<p>Objective 4.2.2 – Urban Growth Boundaries are established as a tool to manage the growth of major centres within distinct and defensible urban edges</p>	<p>Establishes the role and function of urban growth boundaries in providing for future urban development. Sets the firm outcome that urban development should be directed to land within urban growth boundaries.</p> <p>Consistent with Goal 3.2.2 and its supporting Objectives of the Strategic Direction chapter.</p> <p>Gives effect to RPS (operative) objectives 5.4.3</p> <p>Gives effect to RPS (operative) policies 5.5.6</p> <p>Gives effect to RPS (proposed), in particular objective 3.8 and policies 3.8.1, 3.8.2 which support the use of urban growth boundaries to control urban expansion and ensure the efficient use of land. The Proposed RPS also considers that urban growth boundaries can be used to stage development through controlling the spatial release of land. The Proposed RPS policy 3.8.2 would specifically identify areas within the District subject to urban growth boundaries within Schedule 8, and is therefore intended to directly integrate with the QLDC District Plan in this regard.</p> <p>This objective meets the purpose of the RMA through its function in managing the way and the rate of the development of natural and physical resources (5(2)). It provides the tool to ensure the rate of growth is consistent with anticipated demand.</p>
<p>Objective 4.2.3 - Within Urban Growth Boundaries, provide for a compact and integrated urban form which limits the lateral spread of urban areas,</p>	<p>Identifies the desired land use and built form outcomes for land within urban growth boundaries; and sets the intention to achieve a compact urban form to</p>

<i>Proposed Objective</i>	<i>Appropriateness</i>
and maximises the efficiency of infrastructure use and provision.	<p>maximise the efficient use of land.</p> <p>Consistent with the Purpose, and Goal 3.2.2 and 3.2.3 of the Strategic Direction chapter.</p> <p>Gives effect to RPS (operative) objectives 6.4.1, 9.4.1 to 9.4.3</p> <p>Gives effect to RPS (operative) policies 6.5.5, 9.5.1 to 9.5.5</p> <p>Gives effect to RPS (proposed), in particular objective 3.4 and policy 3.4.1 which seeks to achieve the strategic integration of infrastructure with land use, and coordinating infrastructure delivery with the staging of land use change.</p> <p>This objective indirectly supports the purpose of the Act through the relationship of a compact urban form in sustaining the life supporting capacity of soil and avoiding, remedying, or mitigating any adverse effects of activities on the environment.</p>
Objective 4.2.4 – To manage the scale and location of urban growth in Queenstown within the Urban Growth Boundary.	<p>Sets the objective enabling the establishment of specific policies to apply to land within the Queenstown Urban Growth Boundary, to support the achievement of objectives 4.2.1 to 4.2.3 for development in Queenstown.</p>
Objective 4.2.5 – To manage the scale and location of urban growth in Arrowtown within the Urban Growth Boundary.	<p>Sets the objective enabling the establishment of specific policies to apply to land within the Arrowtown Urban Growth Boundary, to support the achievement of Objectives 4.2.1 to 4.2.3 and implement the outcomes of Plan Change 29 (Arrowtown Boundary).</p> <p>Advances the purpose of the Act through establishing a mechanism to preserve and enhance the Arrowtown character, which contributes to the social, economic, and cultural well-being of the community.</p>

Proposed Objective	Appropriateness
Objective 4.2.6 - To manage the scale and location of urban growth in Wanaka within the Urban Growth Boundary.	Sets the objective enabling the establishment of specific policies to apply to land within the Wanaka Urban Growth Boundary, to support the achievement of Objectives 4.2.1 to 4.2.3.

8. Evaluation of the proposed provisions Section 32 (1) (b)

The below table considers whether the proposed provisions are the most appropriate way to achieve the relevant objectives. In doing so, it considers the costs and benefits of the proposed provisions and whether they are effective and efficient. The proposed provisions are grouped by issue for the purposes of this evaluation.

<u>Use of urban growth boundaries</u>			
<ul style="list-style-type: none"> • Objective 4.2.2: Urban Growth Boundaries are established as a tool to manage the growth of major centres within distinct and defensible urban edges • Objective 4.2.3 – Within Urban Growth Boundaries, provide for a compact and integrated urban form which limits the lateral spread of urban areas, and maximises the efficiency of infrastructure use and provision. <p>Summary of proposed provisions that give effect to these objectives:</p> <ul style="list-style-type: none"> • Clear policy intention that future urban growth is located within defined urban growth boundaries, and is not located outside of these boundaries • Application of urban growth boundaries as a tool to manage the location and pattern of future urban development 			
Proposed provisions	Costs	Benefits	Effectiveness & Efficiency
Policies: 4.2.1.1 to 4.2.1.7 (These policies seek to address identified resource management issues and form the basis	Environmental Policies providing for the use of Urban growth boundaries may intensify land use to a level which exacerbates environmental effects associated with traffic congestion (if reliance on the private motor vehicle remains	Environmental Reduced pressure on rural land for greenfield expansion More efficient use of land resources Policies 4.2.1.6 supports the protection of	The use of urban growth boundaries is considered to provide the means to manage urban growth in an efficient and effective manner. Efficiency in land use requires mechanisms to ensure urban land supply is consistent with demand, and supporting infrastructure is effectively integrated with the

<p>for subsequent policies enabling the use of urban growth boundaries.)</p> <p>4.2.2.1 to 4.2.2.6 (These policies support the use of UGBs and their function)</p> <p>4.2.3.1 to 4.2.3.8 (These policies define the form of urban development sought within UGB's and support a compact and integrated urban form).</p>	<p>unchanged), water quality due to increases in impermeable surfaces which increases stormwater runoff to water bodies.</p> <p>Intensified use of urban areas reduces opportunity for integration of environment in urban areas and places pressure on existing greenspaces.</p> <p>Economic Identifying areas for development constrains development outside these areas</p> <p>The imposition of urban growth boundaries (via Chapter 4 of the Proposed District Plan) has the potential to result in adverse effects to housing affordability, if not combined with a suitably enabling framework that enables increased density within these boundaries. However, similar effects on house prices are also expected when comparing the change between urban and rural zonings. This effect is mitigated through enabling increased density within urban growth boundaries, and is an essential to the successful functioning of a compact urban form; and forms part of the strategic housing approach sought by the Proposed District Plan. Furthermore, the scale and location of urban growth boundaries has been determined to provide sufficient land for future growth</p>	<p>significant ecological features and landscapes through ensuring outstanding natural landscapes/features are not identified within urban growth boundaries. The policy also recognises that within urban growth boundaries there may still be land which should not be developed due to environmental constraints, and places the onus on the developer to undertake a site specific investigation, and a design which is reflective of the local environmental context.</p> <p>Urban growth boundaries seek to protect the Districts important natural landscapes from the impacts of urban sprawl.</p> <p>Policies which support the relationship of urban growth boundaries with increased density may reduce reliance on the private vehicle with associated environmental benefits.</p> <p>Productive capacity of rural land is protected from urban sprawl.</p> <p>Economic Policies for increased density may decrease development costs and improve housing affordability.</p> <p>Urban growth boundaries provide a clear signal where land may be considered appropriate for urban development, thus increasing development certainty.</p> <p>Reinforces role of existing urban areas and</p>	<p>intended land use. The policy overall, (and further supported by the provisions of urban zones) aims to avoid the inefficient use of land, which leads to unsustainable outcomes and adverse environmental, economic and social impacts. Direct and unambiguous policy detailing the function of urban growth boundaries, and the avoidance of growth outside of urban growth boundaries, affords urban growth boundaries with the necessary strength to prevent development which is inconsistent with these objectives.</p>
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	<p>either through greenfield subdivision, infill housing or brownfield development. Having available capacity within urban growth boundaries should ensure supply is able to meet demand, and a situation of scarcity does not arise. For example, in Queenstown, considerable land supply remains within approved developments which have either not yet started or are not yet fully implemented, such as Jacks Point, Henley Downs, Shotover Country, Remarkables Park and Frankton Flats. In Wanaka, opportunities exist within Three Parks and Northlake (subject to appeal) developments, as well as greenfield opportunities within the new Large Lot Residential Zone. For Arrowtown, it is noted that the need for housing has been balanced with objectives to protect character and heritage. As a result, there are limited greenfield opportunities within the boundary, however, increased density and scope for infill development is enabled through the proposed provisions of the Medium Density and Low Density residential zones. It is also expected that the location of urban growth boundaries would be monitored and potentially revised over time, if necessary, to ensure they remain consistent with community needs.</p> <p>Minor infrastructure upgrades may be required to support increased density</p>	<p>may increase the vibrancy of urban areas</p> <p>A strong policy direction may reduce the occurrence of private plan changes and associated costs for Council and developers.</p> <p>Coordinated approach to infrastructure planning within urban growth boundaries can reduce capital and lifecycle costs for the Council and wider community; and reduce costs of operation and maintenance</p> <p>Encourages forward planning and integration of urban growth and infrastructure</p> <p>Enabling increased density supports the functioning of urban growth boundaries such that potential land price increases should not be as pronounced.</p> <p><i>Social and cultural</i></p> <p>Urban growth boundaries implement the expectations of the community as expressed through various plans and strategies. The establishment of defined urban limits ensures the protection of elements contributing to local character and impression of a place (such as the 'surprise' effect of Arrowtown, and the natural boundaries of Wanaka provided by the Cardrona and Clutha Rivers).</p> <p>Policies seek to provide the clear direction that urban development outside of defined boundaries is inconsistent with the strategic intentions of the District Plan. This will avoid of</p>	
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	<p>within urban growth boundaries. This effect may be counterbalanced with the increase in rate payers which is also achieved with higher density; as well as efficiencies which may be created in maximising the use of existing infrastructure.</p> <p>Administration costs to manage and defend urban growth policies</p> <p>Restricts range of opportunities for urban growth and ability to respond to market demand</p> <p><i>Social and cultural</i> Potential adverse social effects associated with perceived change in amenity due to effect of intensification within urban growth boundaries. However this effect can be mitigated through the inclusion of policies and rules within zone chapters such as setbacks, height limits and maximum site coverage.</p> <p>Potential impacts on the affordability of housing supply due to potential price increases within urban growth boundaries.</p>	<p>disconnected urban settlements at increasing distances from town centres, which generally lead to reduced opportunities for social and cultural interaction; and increased reliance on the private motor vehicle with associated health impacts.</p>	
<i>Alternative options considered less appropriate to achieve the relevant objectives</i>			
<i>Option 1: Do not apply urban growth boundaries</i>	<ul style="list-style-type: none"> • Retains ambiguity and lack of clarity around the location of future growth • Does not act on the outcomes of community planning processes which sought to establish defined urban limits for Arrowtown, Queenstown and Wanaka • Strength of policy is compromised due to the absence of defined urban growth boundaries 		

	<ul style="list-style-type: none"> Does not adequately address potential adverse effects of uncontrolled urban growth
Option 2: Include urban growth boundaries, but adopt a more flexible drafting approach to rules and standards, allowing development outside urban growth boundaries to be assessed on its merits.	<ul style="list-style-type: none"> Lacks certainty Limits robustness/viability of urban growth boundaries Does not sufficiently control recognised issues associated with urban sprawl Does not sufficiently protect the Districts natural and rural landscapes

Use of urban growth boundaries – Location specific considerations (Arrowtown, Queenstown and Wanaka)

- Objective 4.2.4: To manage the scale and location of urban growth in Queenstown within the Urban Growth Boundary.**
- Objective 4.2.5: To manage the scale and location of urban growth in Arrowtown within the Urban Growth Boundary.**
- Objective 4.2.6: To manage the scale and location of urban growth in Wanaka within the Urban Growth Boundary.**

Summary of proposed provisions that give effect to these objectives:

- Adoption of the Arrowtown Urban Growth Boundary confirmed by Plan Change 29
- Adoption of the Wanaka Urban Growth Boundary reflected by the *Wanaka Structure Plan 2007* (with some variations to reflect changing urban context since 2007)
- Establishment of an Urban Growth Boundary for Queenstown, generally aligned with the extent of existing urban zoning (including special zones) and excluding rural areas and outstanding natural landscapes.

It is noted that the costs and benefits detailed below apply in addition to the more general costs and benefits identified by the table above.

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>	<i>Effectiveness & Efficiency</i>
<u>Policies:</u> 4.2.5.1, 4.2.5.2 <i>(These policies address the location specific resource management issues for Arrowtown; and the intended form and location</i>	<u>Arrowtown</u> <i>Environmental</i> Urban growth within defined boundaries may intensify land use to a level which exacerbates environmental effects. <i>Economic</i> May not address demand for additional	<u>Arrowtown</u> <i>Environmental</i> Protection of rural amenity values and retention of the effect of the golf courses, river and the mountains in providing a natural boundary. Focus growth and promote effective	The District is predicted to continue to experience considerable growth in both resident population and temporary visitors. As indicated by the outcomes of various consultation processes undertaken over the past decade, and the development of the <i>Growth Management Strategy (2007)</i> action is required to control the form and

<p><i>of development within the urban growth boundary).</i></p>	<p>housing supply. A study by Insight Economics (2015) predicts demand for an additional 730 to 920 additional dwellings over the next 20 years; with an existing theoretical capacity of only 152 new dwellings. However this effect should be mitigated by provision for increased density within the urban growth boundary.</p> <p>Reduction in greenfield land supply may require other urban settlements to make up the demand shortfall.</p> <p>May increase in house prices due to the effect of urban boundaries on limiting land supply, particularly in the absence of support for increased density within the boundaries. It is noted that the need for housing has been balanced with objectives of urban growth boundaries to protect character and heritage for which Arrowtown is recognised. As a result, there are limited greenfield opportunities within the boundary, however, increased density and scope for infill development is enabled through the proposed provisions of the Medium Density and Low Density residential zones.</p> <p>Potential limitation on visitor accommodation due to pressure for permanent residential housing if housing supply is limited within the boundaries. However, again this effect should be</p>	<p>utilisation of existing urban resources.</p> <p>Economic Protection of heritage and character of Arrowtown, which underpins the local economy and contributes to the growth of ambience and recreational tourism.</p> <p>Increased viability of the town centre through containment, which may stimulate an expansion of local services within the town, avoiding the need for residents to travel to Queenstown.</p> <p>Social and cultural Protection of heritage and ‘ambience tourism’ values of Arrowtown through control over the location of development</p> <p>Protection of the ‘surprise’ element at the entrance to Arrowtown through retention of a defined urban edge and landscaped gateways.</p> <p>The Urban Growth Boundary will contain the physical size of the settlement, supporting an accessible/walkable community</p> <p>A report by the Ministry of Education identified that the capacity of the Arrowtown Primary School may not be sufficient to cope with predicted levels of population growth. However, a physical limitation on the size of the settlement will</p>	<p>location of growth for the Districts main centres.</p> <p>Wanaka, Arrowtown and Queenstown are experiencing considerable growth pressures, and the absence of a clear cut growth management strategy has the potential to impact on the appreciation and enjoyment of these areas, affecting the social, economic and cultural wellbeing of the District.</p> <p>The adoption of urban growth boundaries for each of these areas provides the tool to maintain local character, heritage and amenity which underpins tourism and economic development; and to prevent fragmented and un-sustainable development which may impact on the efficient operation of these centres.</p>
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	<p>mitigated by the provisions of the residential zones which support infill development for residential flats and residential units which can be rented out for either temporary or permanent accommodation; and also provisions which support the occurrence of visitor accommodation within the town.</p> <p><i>Social and cultural</i></p> <p>Limited capacity to adapt to changing demographics and consumer preferences</p> <p>Limited ability to address anticipated demand for housing and services directly related to growth (such as schools).</p>	<p>naturally limit the resident population, thus minimising impacts to the school.</p> <p>Helps to maintain the setting of the settlement within the landscape, and recognises the contribution that the riverside reserves and Feehly's hill make to the recreational and amenity value of the town.</p> <p>It reflects the general community view on restricting urban growth.</p>	
<p>4.2.6.1, 4.2.6.2</p> <p><i>(These policies address the location specific resource management issues for Wanaka; and the intended form and location of development within the urban growth boundary).</i></p>	<p><u>Wanaka</u></p> <p><i>Environmental</i></p> <p>Urban growth within defined boundaries may intensify land use to a level which exacerbates environmental effects.</p> <p><i>Economic</i></p> <p>May increase in house prices due to the effect of urban boundaries on limiting land supply, however this effect should be mitigated by support for increased density within defined boundaries. Furthermore, the scale and location of urban growth boundaries has been determined to provide sufficient land for future growth either through greenfield subdivision, infill housing or brownfield development.</p>	<p><u>Wanaka</u></p> <p><i>Environmental</i></p> <p>Protection of rural amenity values and retention of the effect of the Clutha and Cardrona Rivers in providing a natural boundary.</p> <p>Protection of outstanding natural features and landscapes which surround the township.</p> <p>Provision for a sensitive transition between urban and rural land at the periphery of urban growth boundaries</p> <p>Protection of productive capacity of rural land</p>	

	<p>Having available capacity within urban growth boundaries should ensure supply is able to meet demand, and a situation of scarcity does not arise. For example, in Wanaka, opportunities exist within Three Parks and Northlake (subject to appeal) developments, as well as greenfield opportunities within the new Large Lot Residential Zone.</p> <p>Reduction in market control over greenfield land supply.</p> <p>Observed demand for low density and large housing forms in Wanaka, creates the potential risk of inefficient housing development within urban growth boundaries, restricting future infill opportunities. This effect is mitigated by specific policies of the Large Lot Residential Zone.</p> <p>Potential for an oversupply of greenfield land within boundaries, resulting in supply advancing before demand, and negatively affecting property values. This may be seen as a benefit for affordability, but may impact on existing property owners where their property values decrease.</p> <p><i>Social and cultural</i> Support for increased density within urban boundaries may impact noise, traffic and open space amenity.</p>	<p><i>Economic</i> Support for increased density to maximise the efficiency of land use within defined boundaries</p> <p>Support for increased density may enable a diverse housing supply and ease housing affordability</p> <p>Reduces speculative market influence on inducing supply of low density greenfield land.</p> <p>Facilitates integrated infrastructure delivery within defined boundaries.</p> <p>May improve housing affordability through enabling sufficient supply of greenfield land within the boundary.</p> <p><i>Social and cultural</i> Retention of local character and avoidance of sprawling housing and visitor accommodation which can impact on appreciation and enjoyment of the town.</p> <p>The Urban Growth Boundary will contain the physical size of the settlement, supporting an accessible/walkable community; and may support improvements or extensions to trail networks.</p>	
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<p>4.2.4.1 and 4.2.4.2</p> <p><i>(These policies address the location specific resource management issues for Queenstown; and the intended form and location of development within the urban growth boundary).</i></p>	<p><u>Queenstown</u></p> <p><i>Environmental</i> Urban growth within defined boundaries may intensify land use to a level which exacerbates environmental effects.</p> <p><i>Economic</i> May increase in house prices due to the effect of urban boundaries on limiting land supply, however this effect should be mitigated by support for increased density within defined boundaries. Furthermore, the scale and location of urban growth boundaries has been determined to provide sufficient land for future growth either through greenfield subdivision, infill housing or brownfield development. Having available capacity within urban growth boundaries should ensure supply is able to meet demand, and a situation of scarcity does not arise. For example, in Queenstown, considerable land supply remains within approved developments which have either not yet started or are not yet fully implemented, such as Jacks Point, Henley Downs, Shotover Country, Remarkables Park and Frankton Flats. In Wanaka, opportunities exist within Three Parks and Northlake (subject to appeal) developments, as well as greenfield opportunities within the new Large Lot Residential Zone. It is also expected that the location of urban growth boundaries</p>	<p><u>Queenstown</u></p> <p><i>Environmental</i> Protection of internationally renowned landscape which underpins tourism and supports economic development within the District and wider regions.</p> <p>Minimises urban sprawl and associated need to travel increasing distances to main centres for services.</p> <p>Protection of outstanding natural features and landscapes</p> <p>Avoids loss of rural land for urban development.</p> <p>Focusses growth and promotes effective utilisation of existing urban resources. Avoids environmental impacts associated with expanding infrastructure and transport networks.</p> <p><i>Economic</i> Supports consolidation of the urban environment and increased density within urban boundaries. This may increase patronage and viability of public transport services; and support funding for the provision of new services (such as schools, healthcare) triggered by increased population density.</p> <p>Maintains the character and role of</p>	
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	<p>would be monitored and potentially revised over time, if necessary, to ensure they remain consistent with community needs.</p> <p>Reduction in market control over greenfield land supply.</p> <p>Social and cultural</p> <p>Increase in town centre populations could have an impact on noise, traffic and crowding.</p>	<p>Queenstown of the primary urban centre, and the appreciation and enjoyment of the town by residents and visitors is not affected by increasing travel times.</p> <p>Focussing growth within defined boundaries will help minimise capital expenditure on road and infrastructure associated with a less compact urban form. Integrated infrastructure delivery will ensure efficiency of public spending, ultimately benefiting individual ratepayers.</p> <p>May improve housing affordability through enabling a diverse housing supply and limiting the gains to be achieved by landbanking.</p> <p>Promotes realisation of existing capacity within urban growth boundaries (such as Jacks Point, Henley Downs, Shotover Country, Remarkables Park and Frankton Flats).</p> <p>Social and cultural</p> <p>Creation of a more cohesive and integrated population, utilising existing infrastructure and amenity spaces.</p>	
Alternative options considered less appropriate to achieve the relevant objectives:			
<i>Option 1: Do not apply urban growth boundaries</i>		<ul style="list-style-type: none"> • Retains ambiguity and lack of clarity around the location of future growth • Does not act on the outcomes of community planning processes which sought to establish defined urban limits for Arrowtown, Queenstown and Wanaka • Strength of policy is compromised due to the absence of defined urban growth 	

	<p>boundaries</p> <ul style="list-style-type: none"> • Does not adequately address potential adverse effects of uncontrolled urban growth
<i>Option 2: Include urban growth boundaries, but adopt a more flexible drafting approach, allowing development outside urban growth boundaries to be assessed on its merits.</i>	<ul style="list-style-type: none"> • Lacks certainty • Limits robustness/viability of urban growth boundaries • Does not sufficiently control recognised issues associated with urban sprawl • Does not sufficiently protect the Districts natural and rural landscapes
<i>Option 3: Apply different urban growth boundaries</i>	<ul style="list-style-type: none"> • Would not acknowledge outcomes of Plan Change 29 (Arrowtown Boundary) and alternative boundaries may compromise the cohesion and character of the township. • Would not acknowledge the outcomes of the <i>Wanaka Structure Plan 2007</i> and alternative boundaries may compromise the cohesion and character of the township. • For Queenstown, alternative boundaries may be possible which include greater scope for greenfield development. However, there remains significant development opportunity over the current planning period within the current proposed boundary via increased density and infill development; and with the realisation of existing or proposed developments such as Jacks Point, Henley Downs, Frankton Flats, Remarkables Park and Shotover Country. Further expansion of the centre into surrounding rural areas may impact on the qualities and features of the District's natural environment that make it an attractive place to work, live and visit, and which contribute to its distinct and special character.

A compact urban form & infrastructure efficiency

Objective 4.2.3 – Within Urban Growth Boundaries, provide for a compact and integrated urban form which limits the lateral spread of urban areas, and maximises the efficiency of infrastructure use and provision.

Objective - Urban development is coordinated with infrastructure and services and is undertaken in a manner that protects the environment, rural amenity and outstanding natural landscapes and features.

Summary of proposed provisions that give effect to these objectives:

- Policies which establish the desire to realise integrated and connected urban development which minimises environmental effects and improves the efficiency of infrastructure delivery and operation
- Support for a compact urban form within defined urban growth boundaries to provide the following benefits:
 - Higher density housing in appropriate locations
 - Coordinated and sustainable delivery of infrastructure and services
 - Maximise efficient use of land, public transport and community facilities
 - Improving housing diversity and affordability
 - Improving social and recreational connections

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>	<i>Effectiveness & Efficiency</i>
<u>Policies:</u> 4.2.1.1 to 4.2.1.7 <i>(These policies address the resource management issues of urban development and establish the desire to realise integrated and connected urban development which minimises environmental effects and improves the efficiency of infrastructure delivery and operation)</i> 4.2.3.1 to 4.2.3.8	<i>Environmental</i> Intensified urban land may exacerbate environmental effects associated with stormwater runoff, waste generation, water and wastewater treatment, energy consumption. <i>Economic</i> A compact urban form may require infrastructure upgrades to provide acceptable services with sufficient capacity to cater for an increased population density. However, typically these costs are less than for traditional low density development on the edges or urban areas.	<i>Environmental</i> Policies seek to contain urban growth within defined limits, therefore minimising encroachment to sensitive environments. Urban containment minimises the environmental effects of urban growth, in comparison with a sprawling scenario which allows a low density settlement pattern affecting a significantly larger development footprint. Increased population density within defined limits can improve infrastructure efficiency in favour of the expansion of	Policies for a compact urban form are essential for ensuring the effectiveness and efficiency of urban growth boundaries. Without more liberal controls on density, urban growth boundaries could not achieve the efficiency in land use desired, and land may quickly be consumed for low density housing. Conversely, increased density in proximity to urban centres has many benefits, and ensures land within urban growth boundaries is released/developed in an efficient manner over the current

<p><i>(These policies provide the strategic basis for the realisation of a compact urban form, essential for the efficient functioning of urban growth boundaries and informing the lower level policy of individual residential zones).</i></p>	<p>The imposition of urban growth boundaries has the potential to result in adverse effects to housing affordability, if not combined with a suitably enabling framework that enables increased density within these boundaries. However, similar effects on house prices are also expected when comparing the change between urban and rural zonings which occurs at the boundaries. This effect is mitigated through enabling increased density within all residential zones, and forms part of the strategic housing approach sought by the Proposed District Plan.</p> <p>Potential for traditional low density housing options to still occur within urban growth boundaries, which minimise achievable yield and compromises future use of the land for urban development. The inclusion of policy mitigating against such behaviour should mitigate this risk.</p> <p>Social and cultural</p> <p>Increase in town centre populations could have an impact on noise, traffic and crowding.</p> <p>Potential adverse social effects associated with perceived change in amenity due to effect of intensification within urban growth boundaries. However this effect can be mitigated through the inclusion of policies and rules within zone chapters to mitigate amenity impacts (such as recession planes, setbacks, height limits and maximum site coverage).</p>	<p>linear infrastructure networks, which consumes significant land resources with associated environmental impacts.</p> <p>Policy which enables density in appropriate locations may support increased uptake of public transport and use of active transport networks, reducing reliance on the private motor vehicle.</p> <p>Economic</p> <p>Enabling higher density land uses will facilitate a diverse housing market and open up new supply options (including provision of smaller, low maintenance dwellings), therefore improving housing affordability.</p> <p>Policies 4.2.3.1 to 4.2.3.8 which enable increased density within urban growth boundaries can increase uptake of community services and public transport, increasing their financial viability.</p> <p>Increased population density may generate funding for additional infrastructure and social services to meet community needs.</p> <p>Policy which limits the provision of infrastructure to land within urban growth boundaries avoids capital and lifecycle costs associated with expanding networks, ultimately benefiting ratepayers.</p> <p>High quality built forms will contribute to the character of the urban environment, which underpins economic wellbeing within the District.</p>	<p>planning period.</p> <p>Importantly, these policies appropriately integrate with the Proposed Regional Policy Statement (RPS) which has the objective to achieve well planned urban growth which uses land and infrastructure in an efficient and effective manner.</p> <p>It is recognised that these policies, to be truly effective, must also be supported by consistent policies at the zone and activity level. Accordingly, the strategic intent of these policies is also replicated through the provisions of individual zone chapters, for example, through the development of the Medium Density Zone and general discouragement of urban subdivision within the Rural General Zone.</p>
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		<p>High density development close to town centres and public transport routes can provide for more affordable living options. Whilst rent associated with new high density apartment living may not be affordable, transport and heating costs associated with such living on average will be significantly lower than traditional lower density housing located remote from town centres or places of employment. As a result, higher density development – in particular studio apartments – can represent a relatively affordable housing option.</p> <p><i>Social and cultural</i></p> <p>Policy for a connected urban settlement pattern will improve connections to recreational and community facilities, and enhance the amenity and vibrancy of urban areas.</p> <p>Increased density is recognised to improve health due to its relationship in increasing the uptake of walking and cycling, and relationship in localising services and amenities within walking distance to residences.</p> <p>Enabling increased density supports the functioning of urban growth boundaries and their role in protecting local character and heritage.</p>	
<i>Alternative options considered less appropriate to achieve the relevant objectives:</i>			

<p><i>Option 1: Apply urban growth boundaries, without consideration to the form of development within them</i></p>	<ul style="list-style-type: none"> • Compromises the purpose of the urban development principles through lack of integration with desired on the ground outcomes. • Risk of uncontrolled and inefficient land use, jeopardising the achievable development capacity • Lack of provision for high density may adversely impact on housing affordability and not address expected growth rates
<p><i>Option 2: Include urban growth boundaries, but adopt a more flexible drafting approach, allowing development outside urban growth boundaries to be assessed on its merits.</i></p>	<ul style="list-style-type: none"> • Lacks certainty • Limits the robustness/viability of urban growth boundaries • Does not protect local character • May enable progressive watering down of the boundaries • Allows speculative market behaviour which may adversely impact local economies • Does not sufficiently

9. Efficiency and effectiveness of the provisions

The Urban Development chapter (Chapter 4) of the Proposed District Plan has the purpose to implement policy and tools to manage the effects of urban growth. The provisions are drafted to specifically address the resource management issues identified with the current provisions, and to enhance those provisions that already function well. They have been developed in the context of managing high levels of anticipated growth and its potential effects, not preventing it.

The provisions form part of the overarching Strategy of the proposed District Plan which seeks to achieve a compact and integrated urban form within defined limits. The establishment of urban growth boundaries provide the method to manage the location and form of growth, and to avoid the risk of sporadic urban development which threatens the cohesion, character, heritage and natural amenity of the Districts key urban centres. This method has its basis within previous community planning processes undertaken for Queenstown, Wanaka and Arrowtown; and the outcomes of Plan Change 30 (Urban Boundary Framework) and Plan Change 29 (Arrowtown Boundary).

The key factors which will support the efficiency and effectiveness of the provisions for Urban Development are:

- Ensuring the scale and location of urban growth boundaries provides sufficient land for future growth;
- Enabling increased density within urban growth boundaries; and
- Clear and unambiguous policy which provides certainty over the future location of growth.

The scale and location of urban growth boundaries has been determined to provide sufficient land for future growth either through greenfield subdivision, infill housing or brownfield development. In Queenstown, considerable land supply remains within approved developments which have either not yet started or are not yet fully implemented, such as Jacks Point, Henley Downs, Shotover Country, Remarkables Park and Frankton Flats. In Wanaka, opportunities exist within Three Parks and Northlake (subject to appeal) developments, as well as greenfield opportunities within the new Large Lot Residential Zone. For Arrowtown, it is noted that the need for housing has been balanced with objectives to protect character and heritage. As a result, there are limited greenfield opportunities within the boundary, however, increased density and scope for infill development is enabled through the proposed provisions of the residential zones.

Policies which support urban growth boundaries by enabling a compact urban form are essential for ensuring the effectiveness and efficiency of this method of urban containment. Increased density in proximity to urban centres has many benefits, and ensures land and infrastructure within urban growth boundaries is developed in an effective and efficient manner. Without more liberal controls on density, urban growth boundaries could not achieve the efficiency in land use desired, and land may quickly be consumed for low density housing.

By simplifying the objectives and policies and consolidating these into a single chapter, the subject matter becomes easier to understand for users of the Plan both as applicant and processing planner. Positioned within the Strategy section of the District Plan (Part 2) the provisions enable an integrated approach to the multiple effects associated with urban development, and are reinforced through objectives, policies and rules through the hierarchy of the District Plan. Removal of ambiguous or confusing wording, also encourages correct use. With easier understanding, the provisions provide certainty to users of the plan, and will discourage proposals which seek to compromise the intentions of the policy.

Importantly, the provisions of the Urban Development Chapter appropriately integrate with the Proposed Regional Policy Statement (RPS) which has the objective to ensure that urban growth is well designed and integrates effectively with adjoining urban and rural environments.

10. The risk of not acting

Section 32(2)(c) of the Act requires, in the evaluation of the proposed policies and methods, the consideration of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules or other methods.

The Urban Development provisions have been developed to address growth pressures experienced within the District, and the potential environmental, social and cultural effects of uncontrolled or piecemeal urban growth. Population and economic growth projections provide a strong basis for the proposed approach. Although the projections are considered robust and sound, there is never certainty associated with projections, and population and economic growth scenarios can be disrupted by a wide range of domestic or international events.

The risk of acting by establishing urban growth boundaries to respond to projected growth is that, for whatever reason/s, actual growth falls well short of projections; or that economic development is stifled to a point at which landowners/developers are unwilling to re-develop their land to achieve increased density. Whilst this may be a potential scenario, the practical effects of retaining urban growth principles would not be significant. Growth is a cyclical issue experienced within the District, and the intended function of urban growth management policy, and urban growth boundaries in containing urban growth and increasing density will still be relevant during periods of limited growth.

The risk of not acting, by retaining or largely retaining the Operative District Plan approach, is that is that in the event that the projections are realised, or even partially realised, the cohesion and integration of the Districts urban areas may be compromised by ad hoc and sprawling urban growth. Such development poses an unacceptable risk to the quality of the urban environment, with flow on effects to economic, social and cultural wellbeing; and potential irreversible impacts to the Districts important natural landscapes and features.

Overall, based on the analysis undertaken throughout this report, the risk of not acting is considered significantly higher than the risk of acting.

11. Summary

In reviewing the District Plan, the Local Government Act provides that in decision making, a local authority should consider not only current environments, communities and residents but also those of the future.

It is noted that the opportunity to rollover many of the existing provisions exists. This may also be improved by some minor amendments to the provisions in response to the resource management issues raised. Neither of these approaches reflect the current changing nature of the RMA with its drive to simplify and streamline, nor do they address the significant growth pressures affecting the District. The Proposed District Plan is a forward planning mechanism and the current review provides the opportunity to make bold changes in order to make a more noticeable difference; and provide for a growing population in a more sustainable and coordinated manner.

The Urban Development chapter (Chapter 4) provides one of the four strategic guiding chapters of the Proposed District Plan, and informs the lower level provisions of individual zones. The proposed amendments highlight urban growth as a particular resource management issue for the District, and raise this subject to the top hierarchy of the Proposed District Plan.

This approach is considered to improve on the operative version whereby urban growth management is buried within a myriad of several District Wide Issues. The proposed changes also formalise the use of urban growth boundaries, and clearly identifies the development outcomes sought within these boundaries. This policy approach provides certainty and reduces the current ambiguity about the future location and pattern of growth.

It is recognised that alternative options exist to achieve these objectives, such as defining alternative boundary locations, or not implementing urban growth boundaries at all. However, following a review of the costs and benefits associated with alternative options, and the costs and benefits of the proposed provisions; it is considered that the benefits to be gained by the proposed approach outweigh the risks associated with poorly coordinated urban growth policy.

Whilst growth pressures can vary over time, the provisions better reflect a long term view and will enable sustainable management of urban growth during a range of economic conditions.

Attachments/References

1. *Queenstown Visitor Accommodation Projections*, Prepared by Insight Economics for Queenstown Lakes District Council, 8 April 2015. – [link](#)
2. *Medium to High Density Housing Study: Stage 1a – Review of Background Data*, Prepared by Insight Economics for Queenstown Lakes District Council, 30 July 2014 - [link](#)