



Section 32 Evaluation Report

Strategic Direction

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Section 32 Evaluation Report: Strategic Direction Chapter

1. Purpose of the report

Section 32 of the *Resource Management Act 1991* (the Act) requires objectives in Proposed District Plan proposals to be examined for their appropriateness in achieving the purpose of the Act, and the policies and methods of those proposals to be examined for their efficiency, effectiveness and risk in achieving the objectives.

Accordingly, this report provides an analysis of the key issues, objectives and policy response to be incorporated within the Strategic Direction chapter of the Proposed District Plan.

As required by, or necessitated by, section 32 of the RMA, this report provides the following:

- An overview of the applicable **Statutory Policy Context**
- Description of the **Non-Statutory Context** (strategies, studies and community plans) which have informed proposed provisions
- Description of the **Resource Management Issues** which provide the driver for proposed provisions
- An **Evaluation** against Section 32(1)(a) and Section 32(1)(b) of the Act, that is:
 - Whether the objectives are the most appropriate way to achieve the RMA's purpose (s32(1)(a)).
 - Whether the provisions (policies and methods) are the most appropriate way to achieve the objectives (S32(1)(b)), including:
 - identifying other reasonably practicable options for achieving the objectives,
 - assessing the efficiency and effectiveness of the provisions in achieving the objectives, and
 - summarise the reasons for deciding on the provisions.
- A **level of detail** that corresponds to the scale and significance of the environmental, economic, social and cultural effects that are anticipated from the implementation of the proposal (s32(1)(c))

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 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 (refer to more detail under Issues discussion) predict that the District will continue to experience significant population growth over the coming years, largely off the back of strong forecasted growth in visitors. 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 Strategic Directions chapter together with Urban Growth Management Framework establishes the principles for managing future urban growth within the District and sets the overarching policy direction for the whole Proposed District Plan. 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 use, development or protection of land and associated natural and physical resources of the district.

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 Council's proposed multi-faceted approach to urban development, which is based upon the establishment of defined urban limits, integrating land use and infrastructure, promoting density in strategic locations, and protecting the District's landscapes.

The purpose of the Strategic Directions chapter is to set an appropriate planning / resource management direction for the District. Without this chapter, there will be no strategic chapter that seeks to address the inter-relationships between the diversity of issues across the District.

The chapter will be able to be referenced by decision makers both considering resource consent applications, and plan changes.

2.2 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.

In general terms, all of the RPS 1998 (with the exception of provisions obviously not relevant to the District, such as coastal matters) is of relevance to the Strategic Directions chapters, given the breadth of matters it addresses across urban, rural and natural environments.

Some particularly relevant provisions include:

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
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 Strategic Directions chapter serve the intent of the RPS 1998 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 minimise the encroachment of urban activities on the region's outstanding natural features and associated pressures on the biophysical environment.

2.3 Review of the 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. 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 Proposed RPS was released for formal public notification on the 23 May 2015.

With the exception of coastal matters, the whole Proposed RPS is of relevance to the Strategic Directions chapter, and regard has been had to it.

The proposed Strategic Directions chapter has 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. Urban Growth Boundaries will be utilised as a tool to contain urban development within defined limits, and support the efficiency of infrastructure, aiming to increase the viability of public transport and minimise reliance on fossil fuels, and avoid sprawl into rural or natural landscapes.

The chapter also reinforces the importance of the District's landscapes and rural areas, natural environments and tangata whenua values, and encourages a cautious approach to natural hazards and environmental threats, in line with the Proposed RPS. However it is noted, in particular, that the proposed RPS advocates for a more cautious approach with regard to natural hazards than the Proposed District Plan, seeking to avoid development where a significant hazard exists.

Therefore there is not strict alignment between the Proposed RPS and the Proposed District Plan on this matter. QLDC will be making a submission to the ORC on this matter, considering that the proposed ORC approach is overly risk averse and does not adequately account for the District's limited urban land resource and strong population growth (whilst noting that QLDC supports the notion, as expressed by the ORC, that development should not proceed where intolerable risk is present that cannot be adequately mitigated). An important matter relates to how “significant risk” is defined – there may be situations where significant risk is presented, and mitigation can be achieved to adequately address the risk (presuming ‘significant’ does not necessarily imply ‘extreme’ or ‘intolerable’ risk).

Other than this matter, and notwithstanding some matters or concerns at a more detailed (as opposed to strategic) level that will be addressed in the submission, the Strategic Directions chapter is considered to align well with the Proposed RPS.

3. Non statutory policy context

The following non-statutory documents have also been considered in identifying resource management issues relating to strategic planning matters:

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)
- HOPE Affordable Housing Strategy 2005
- 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

- Business Zones Capacity report prepared by McDermott Miller 2013, and peer review of the same document by Dr Phil McDermott 2014
- 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)
- Analysis of Visitor Accommodation projections (Insight Economics, 2015)

4. Resource Management Issues

The resource management issues set out in this section have been identified from the following sources:

- Strategic Planning documents
- Primary and secondary research (refer to bibliography)
- Monitoring and review of Operative District Plan
- Community consultation

Consultation on a preliminary draft of the chapter occurred in mid/late 2013. In addition, consultation on some other chapters in the District Plan – such as the Rural and Residential chapters – has informed Strategic Directions.

The Issues – which are a mix of economic, environmental and social factors - are given expression in the form of 7 goals (from proposed chapter):

- Goal 1: To develop a prosperous, resilient and equitable economy
- Goal 2: Strategic and integrated management of urban growth
- Goal 3: A quality built environment taking into account the character of individual communities
- Goal 4: Protection of our natural environment and ecosystems
- Goal 5: Distinctive landscapes are protected from inappropriate development
- Goal 6: To enable a safe and healthy community that is strong, diverse and inclusive for all people
- Goal 7: Council will recognise the significance of the principles of the Treaty of Waitangi and the importance of its relationship with Ngai Tahu.

Identification and analysis of these issues helps to focus and crystalize what the Purpose of the RMA (Section 5) means for this District, how it is expressed and applied in a regulatory sense. The Strategic Directions chapter brings all the issues together and seeks to create a strong 'strategic direction' for the District Plan that addresses these issues collectively and holistically.

The issues are summarised as follows:

Issue 1: Economic prosperity and equity, including strong and robust town centres (Goal 1: To develop a prosperous, resilient and equitable economy)

Social and economic wellbeing is a key consideration of both the RMA and LGA.

The district's economy is strong, however faces some issues including: a lack of diversification, a large number of jobs are relatively low paying and the viability and function of town centres can be challenged by ad hoc planning decisions.

In addition high housing costs (as well as housing availability and security of tenure) in the District are an issue in terms of employment (attraction and retention), and can impact on productivity. Furthermore, traffic congestion impacts on productivity and also the wellbeing of residents and visitors.

These and other challenges are highlighted in Council's Economic Development Strategy.¹

In 2013 McDermott Miller was commissioned by Queenstown Lakes District Council (QLDC) to undertake a project that informed the District Plan Review². This project involved a review of the capacity of existing commercial zones in the District Plan and consideration of a policy structure that enables more effective management and integration of these zones. The study considered capacity issues for a minimum period of 10 to 15 years. The study considered a range of economic growth scenarios.

The report was prepared at least partly within the context of concern around the large number of private plan changes advanced since 2005, which collectively generate the potential to detract from the viability and vibrancy of existing centres.

The original intention was to frame a policy response based around establishment of a "Centres Hierarchy". However, following further consideration and analysis, and the undertaking of a peer review by Dr Phil McDermott³, a strict hierarchical approach was put aside in favour of a policy approach that seeks to optimise the performance and viability of existing town centres through statutory and non-statutory methods that do not seek to control inter-centre functions and hierarchies.

Such methods include but are not limited to:

- Establishing a more enabling District Plan framework for town centre development
- Establishing a more enabling District Plan framework for higher density residential and visitor accommodation development near town centres, to increase permanent or temporary populations next to centres
- Consider public realm improvement projects within centres
- Consider spatial planning
- Consider different financial charging approaches eg. reducing or removing reserve contribution changes in existing urban locations

Goal 1 and associated objectives and policies address these issues by:

- Reinforcing existing strengths and functions in the urban and rural economies
- Seeking to enable economic diversification
- Strengthening and protecting the function of exiting town centres and commercial locations by discouraging plan changes that propose new commercial centres that may detract significantly from existing centres

Issue 2: Growth pressures impacting on the functionality and sustainability of urban areas, and risking detracting from rural landscapes (Goal 2: The Strategic and Integrated management of urban growth)

The Queenstown Lakes District is one of the fastest growing areas in New Zealand. The Queenstown Lakes District is unique in that the region supports an estimated resident population of 30,900 people, and around 3

¹ Economic Development Strategy, 2015

² McDermott Miller Strategies Limited: Review of District Plan Business Zones Capacity and Development of Zoning Hierarchy (2013)

³ McDermott Consultants Ltd Peer Review of Review of District Plan Business Zones Capacity and Development of Zoning Hierarchy (2014)

million visitors per year⁴. Growth management approaches for the District must therefore consider the needs of both residents and temporary visitors.

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 2021⁵. 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 period⁵. 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 2026⁶.

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' predictions⁵ (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 predictions for the Queenstown Lakes District⁷. Insight builds on the projection work carried out by McDermott Miller, and it is worth noting that Dr Phil McDermott in his peer review noted that:

"The introduction of tourism-driven economic growth scenarios avoids reliance on the uncritical adoption of cohort based population extrapolation sourced from Statistics New Zealand without consideration of the economic factors driving labour demand and future migration prospects."

Insight Economics report indicates that between 2006 and 2013, the District again experienced growth in excess of national averages, with the highest 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 strong."⁷ It also highlights that such levels may be exceeded if the tourism industry continues to grow at a high rate, requiring a greater population base to support the industry.

The report notes high growth in dwelling demand and numbers of one person households and couples without children, in addition to a unique age profile with high proportion of population between the ages of 25 and 44. These patterns suggest a high proportion of population within the 'first home buyers' and renting bracket, and the need for more diverse and flexible accommodation options⁷. It reports a strong growth in detached dwellings, but that home ownership rates are lower than the national average, which could indicate affordability issues / lack of suitable housing as well as a transient population.

Strong growth in tourism, hospitality and associated industries is likely to see growth in the numbers of younger people living and working temporarily in Queenstown, and this will create greater demand for centrally located and relatively affordable⁸ rental townhouses and apartments. This also highlights the need to plan for increasing infrastructure demands by more efficiently utilising land within proximity to town centres to minimise the need for capital expenditure.

⁴ Shaping Our Futures 'Visitor Industry Task Force' Report 2014)

⁵ QLDC Growth Options Study, 2004

⁶ QLDC Growth Management Strategy, 2007

⁷ Insight Economics. Medium to High Density Housing Study: Stage 1a – Review of Background Data (2014)

⁸ The relativity of affordability is emphasised. New build flats/townhouses are unlikely to be 'affordable' in terms of housing costs viewed in isolation, however if centrally located may represent a relatively affordable buying/renting option when transport and heating costs are factored in.

Predicted levels of growth are estimated to require an additional 6,518 dwellings, or 362 dwellings each year⁹. In Arrowtown, there could be demand for an extra 690 to 870 dwellings over the next twenty years¹⁰. Whilst it is recognised that growth rates experience peaks and troughs in response to changes in market conditions and tourism patterns, it is evident that the District has, and continues to experience significant growth.

The District Plan must ensure that the necessary regulatory mechanisms are in place to manage such periods of growth in a coordinated and integrated manner (avoiding as far as possible reactive private plan changes in locations less desirable from transport, infrastructure and landscape perspectives).

Without such regulatory direction, the District risks more ad hoc planning outcomes, facilitated by plan changes advanced beyond existing urban areas.

Whilst the Operative District Plan provides a policy framework for managing urban growth, it does not apply sufficient regulatory methods to realise the policy framework. For example, other than in Arrowtown, Urban Growth Boundaries are not applied. In addition, the Operative District Plan applies a High Density Zone with objectives and policies around enabling intensification to help realise compact urban form, however in most cases the rules are so restrictive as to put up significant barriers to the realisation of the objectives and policies.

In addition, like many first generation District Plans, the Operative District Plan focusses overly on protection of amenity values at the expense of development potential and wider urban planning matters.

Goal 2 and associated objectives and policies address these issues by:

- Providing parameters around where and how growth should occur
- Providing the basis for these growth approaches
- Outlining how these objectives will be achieved eg. imposition of Urban Growth Boundaries, upzoning existing residential areas for higher density development
- Coordination and provision of infrastructure to support the promoted growth objectives

Issue 3: High growth rates can challenge the qualities that people value in their communities

(Goal 3: A quality built environment taking into account the character of individual communities)

High population growth rates can challenge the qualities that people value in their communities. If growth is facilitated largely by providing for new greenfield development beyond existing urban areas, then valued landscapes, vistas and general amenities can be adversely impacted. Roading and other infrastructure may be placed under greater strain.

Conversely, an urban growth management approach dominated by urban intensification, whilst protecting the countryside, can change character of existing urban areas, not always for the better.

The District Plan Review adopts an urban growth management approach of applying Urban Growth Boundaries and seeking to accommodate more growth through urban intensification. As a result, it is important for provisions to emphasise the need for good quality urban design approaches. This is emphasised in Council's Urban Design Strategy¹¹.

Goal 3 and associated objectives and policies address these issues by:

- Promoting quality built development and urban form
- Highlighting the need to protect heritage

⁹ QLDC Economic Development Strategy, 2015

¹⁰ Arrowtown Dwelling Supply and Demand, Insight Economics, 2015

¹¹ Urban Design Strategy 2009

- Having regard to the character of communities but balanced with the emphasis that urban intensification is necessary and character will change (ie. it is how change is managed that needs to be focussed on, rather than preventing change)

Issue 4 :Quality of the natural environment and ecosystems

(Goal 4: Protection of our natural environment and ecosystems)

The District's natural environment has intrinsic qualities and values worthy of protection in their own right. However, the natural environment also offers significant economic value to the district. The Council's Economic Development Strategy 2015 states:

'The environment is revered nationally and internationally and is considered by residents as the area's single biggest asset.'

The District contains a diverse range of habitats that support indigenous plants and animals. Many of these are endemic, comprising forests, shrubland, herbfields, tussock grasslands, lake and river margins. Indigenous biodiversity is also an important component of ecosystem services and the District's landscapes.

The Council has a responsibility to maintain indigenous biodiversity and to recognise and provide for the protection of significant indigenous vegetation and significant habitats of indigenous fauna, which are collectively referred to as Significant Natural Areas (SNAs).

Alpine environments are identified as areas above 1070m and are among the least modified environments in the District. Due to thin and infertile soils and severe climatic factors, establishment and growth rates in plant life are slow, and these areas are sensitive to modification. In addition, because these areas contribute to the District's distinctive landscapes, and are susceptible to exotic pest plants, changes to vegetation at these elevations may be conspicuous and have significant effects on landscape character and indigenous biodiversity.

The District's lowlands comprising the lower slopes of mountain ranges and valley floors have been modified by urban growth, farming activities and rural residential development. Much of the indigenous vegetation habitat has been removed and these areas are identified in the Land Environments of New Zealand Threatened Environment Classification as either acutely or chronically threatened environments, having less than 20% indigenous vegetation remaining.

The spread of wilding exotic trees is also a significant issue in the District. Wilding is the term used for the natural regeneration or seedling spread of exotic trees, occurring in unintended locations and not managed for forestry production.

The District values and relies on its distinctive landscapes, open spaces and rural productive land for its social, cultural and economic wellbeing. Wilding trees are spreading across parts of the District and have visually degraded parts of the landscape, biodiversity values and can threaten the productive values of the soil resource. The spread of wilding trees has left other areas vulnerable to landscape and biodiversity degradation.

Whilst one way of helping to protect these values and address an issue such as climate change is by promoting an urban form that avoids urban sprawl, as promoted by other goals and provisions, further provisions are required to emphasise important matters such as: significant indigenous vegetation ,air and water quality, invasive pest species, margins of lakes and rivers.

Goal 4 and associated objectives and policies address these and other natural environment issues by providing a strong and unambiguous policy framework for regulation pertaining to these issues.

Issue 5: The District's outstanding landscapes offer both significant intrinsic and economic value for the District, and are potentially at threat of degradation given the District's high rates of growth (Goal 5: Distinctive landscapes are protected from inappropriate development)

The District's landscapes are highly recognised and valued. The Council's Economic Development Strategy 2015 states:

'The outstanding scenery makes the District a highly sought after location as a place to live and visit.'

The Operative District Plan places substantial weight on protection of landscapes, and managing the effects of inappropriate subdivision and development. The importance of the landscapes, and the inherent tension that can arise between protection or management of the landscapes and growth and development pressures, has resulted in a large amount of Environment Court litigation.

The Operative District Plan has adopted a largely 'effects-based' approach to regulating subdivision and development. This provides flexibility and the opportunity for development or subdivision to be considered on its merits, but it can also result in uncertainty and difficulty in managing cumulative effects.

Fundamentally, however, the landscape provisions in the Operative District Plan are considered to function well. However, the District Plan review does propose to make some changes, and in particular provide a degree of greater definition and certainty by mapping landscape lines. This is realised both in provisions in the Strategic Directions chapter, and in the Landscape chapter of the Proposed District Plan.

Development pressure on the countryside and landscapes is addressed by provisions that seek to direct or prioritise development to locations that are less sensitive to landscape impacts – either urban areas, or areas in the countryside that are less sensitive.

It is also recognised that in addition to land in the conservation estate, farming activity on large landholdings is a key factor in the retention of large open landscapes with very low housing densities. That is, the ongoing viability of farming is important to the protection or management of landscape values. As a result, the provisions seek to underline the importance of farming, and recognise that farming practices change and evolve.

Issue 6: Whilst median household incomes in the District are relatively high, there is significant variation in economic wellbeing. Many residents earn relatively low wages, and the cost of living in the District is high – housing costs, heating in winter, and transport. This affects the social and economic wellbeing of some existing residents, and also reduces the economic competitiveness of the District and its ability to maximise productivity. The design of developments and environments can either promote or deter safety and health and fitness (Goal 6: To enable a safe and healthy community that is strong, diverse and inclusive for all people)

The cost of living in the District, and in particular housing, is underlined as a key economic challenge in Council's Economic Development Strategy 2015.

Home ownership is unaffordable in the Queenstown Lakes District, with the second highest median house price in the country, coupled with relatively low median incomes. This makes mortgages 101.8% of the median take-home pay of an individual (Queenstown Housing Accord, 2014).

The district has some unique characteristics to its housing challenge, which have flow on effects to housing supply and affordability. Firstly, the district has a high number of homes owned for holiday purposes, and there is high housing demand from people who work in the tourism and hospitality industries. Increasing tourist accommodation demand has an impact on removing the supply of long term residential rental housing from the market, and Colliers predicts "acute shortage of long term residential rental accommodation in Queenstown to continue, flowing through to rent increases".

Since 2013 rental availability has been considered poor, rents have increased significantly¹², and it is generally acknowledged that tenure security can be unpredictable. Evidence from complaints to Council's Enforcement division is that overcrowding is becoming more prevalent, and this is raising public health concerns at the Southern DHB. A significant number of houses in the District are poorly insulated or constructed, potentially contributing to health issues and also cost of living.

It is recognised that the supply of land for residential housing can be affected by a range of factors that are outside the scope of the District Plan. However, restrictive planning systems increase cost and time in the planning process and can limit the supply of land and housing, contributing to associated increases in both rental and house prices, and Motu consultancy recently quantified the impacts of some planning rules on housing costs,¹³. Motu's findings were recently supported by the New Zealand Productivity Commission's draft inquiry report 'Using Land for Housing.', which referenced other work undertaken by MRCagney¹⁴ The Productivity Commission confirmed that rules such as minimum balcony requirements, minimum car parking requirements, and building height controls can generate significant costs, which are likely to outweigh benefits. It is critical that District Plan provisions account for these factors through cost / benefit analysis in Section 32 assessments.

In addition, the design of public places and environments can have a significant impact on both safety, and the extent to which the places are utilised to their full potential and accessible to a wide range of people. The District Plan should promote design that optimises health and safety outcomes.

Goal 6 and associated provisions promote housing affordability and diversity, and explicitly underline the importance of designing regulation that, whilst providing reasonable amenity protection, does not unduly undermine housing supply and affordability. The provisions also promote strong consideration of safety, health and accessibility in public spaces and environments.

Issue 7: Tangata Whenua status and values require recognition in the District Plan, both intrinsically in the spirit of partnership (Treaty of Waitangi), but also under Statutes.

(Goal 7: Council will recognise the significance of the principles of the Treaty of Waitangi and the importance of its relationship with Ngāi Tahu.)

Intrinsically, it is good planning practice to recognise tangata whenua status and values. This intrinsic value is supported by the principles of the Treaty of Waitangi, and the requirements of the RMA.

Goal 7 and associated objective espouses these principles. Further elaboration and reinforcement of these principles and values is provided in the Tangata Whenua chapter.

5. 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 the Strategic Directions chapter. In making this assessment, regard has been had to the following, namely whether the objectives and provisions:

- Results in a fundamental change in policy direction
- Sets a strong direction or basis for other chapters and provisions in the District Plan
- Result in a significant change to the character and amenity of local communities;
- Have effects on resources that are considered to be a matter of national importance in terms of section 6 of the Act
- Adversely affect those with particular interests including Maori

¹² Trademe data shows an increase in median rental in the District from \$380 per week in 2013, to \$500 per week in 2015. Economists consider rental price movements as a good indicator for housing supply/demand balance, more so than property prices.

¹³ Impacts of Planning Rules, Regulations, Uncertainty and Delay on Residential Property Development, Motu Economic and Public Policy Research and the University of Auckland, January 2015

¹⁴ New Zealand Productivity Commission, Using Land for Housing (draft report), 2015

- Involve effects that have been considered implicitly or explicitly by higher order documents;
- Involve regulations or other interventions that will impose significant costs on individuals or communities

The level of detail of analysis in this report is moderate-high. A number of elements espoused in the Strategic Directions chapter build on existing approaches in the Operative District Plan, so there is often not a radical change in policy direction. However a number of the provisions take general existing approaches further in terms of implementation. 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 in Arrowtown).

Other reasons for the moderate-high detail of analysis include: the provisions set an important direction for the balance of the District Plan.

The detail of 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 addition, the Strategic Directions chapter does not include rules that need to be assessed.

6. Evaluation of proposed Objectives

The identification and analysis of issues has helped define how Section 5 of the RMA should be expressed in Queenstown Lakes District, in terms of strategic objectives. 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 abstractly without due consideration to the issues that frame what sustainable management means for the district at this point in time and into the future. For example, without the issue context of high growth pressures, alternative objectives may have been recommended that provide less emphasis on density and more emphasis on amenity protection.

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 Strategic issues in the District:

<i>Proposed Objective</i>	<i>Appropriateness</i>
Goal 1 Objective 1: Recognise, develop and sustain the Queenstown and Wanaka central business areas as the hubs of New Zealand's premier alpine resorts and the District's economy.	The objective enables people and communities to provide for their social and economic wellbeing (S5(2) RMA) by seeking to consolidate and strengthen the function of these key centres. Whilst a number of other commercial centres, such as Remarkables Park, are serving important and evolving commercial and community functions, Queenstown and Wanaka have vitally important roles and functions rooted in their histories as the commercial and civic centres of the District. These centres will always benefit from lakeside locations, critical mass and intensity, and spatial centrality. Within the overall network of centres, the role of Queenstown and Wanaka, and other centres will continue to evolve. The objective, associated policies and town centre chapter provisions do not focus on restricting the growth and development of other centres to protect these two hubs. Rather, the policy setting seeks to optimise these centres building on

	their natural strengths and opportunities, retaining a moderate level of control but generally setting a more enabling and flexible District Plan platform. Not providing such an objective would be a less appropriate method as it would not provide the strategic emphasis necessary to provide the basis for subsequent District Plan provisions and methods. In addition, the objective provides a strong basis for critically assessing potential plan changes that may have an adverse impact on the function of the centres.
Goal 1 Objective 2 Recognise, develop and sustain the key local service and employment functions served by commercial centres and industrial areas outside of the Queenstown and Wanaka central business areas in the District.	As per option 1, this Objective reinforces the different but important and complementary role that other centres fulfil in providing for the social and economic wellbeing (S5(2) RMA) of the community, and offers similar benefits as outlined above.
Goal 1 Objective 3 Enable the development of innovative and sustainable enterprises that contribute to diversification of the District's economic base and create employment opportunities.	As noted in the analysis of the issues, the District's economy is strong, but has a relatively narrow base. Whilst it is acknowledged that several key sectors will always be core drivers of the District's economy, a more diverse economy could improve economic resilience and sustainability, helping to provide for social and economic (and potentially environmental) wellbeing (Section 5 RMA). This objective sets a framework for policies and rules to more readily enable diversification to support the wellbeing of people and communities.
Goal 1 Objective 4 – Recognise the potential for rural areas to diversify their land use beyond the strong productive value of farming, provided a sensitive approach is taken to rural amenity, landscape character and healthy ecosystems.	As above, farming is likely to remain a key sector of the rural economy, and this is recognised in the Objective. However greater economic resilience - supporting the wellbeing of people and communities - can be developed.
Goal 1 Objective 5 – Maintain and promote the efficient operation of the District's infrastructure, including designated Airports, key roading and communication technology networks.	Infrastructure in all its varied forms is essential to efficient functioning – both in economic and non-economic terms - of settlements. It is therefore a critical components of community wellbeing, as promoted in Section 5 of the RMA. This objective supports these key functions.
Goal 2 Objective 1 Ensure urban development occurs in a logical manner: • to promote a compact, well designed and integrated urban form; • to manage the cost of Council infrastructure; and • to protect the District's rural landscapes from sporadic and sprawling	As discussed in the Issues section, the District faces strong growth pressures and historically a large number of private plan changes – often in greenfield locations – have been promoted. Whilst many of these plan changes have offered significant benefits in certain respects, they have not necessarily resulted in an integrated, overall planning approach. It is noted that Section 31 of the RMA promotes an integrated approach to urban planning. The Council has signalled for many years the need for greater urban growth management and integration, and the Growth Management Strategy 2007 was a

development.	key document to give expression to this need, and outline recommended approaches. In a statutory sense, Plan Change 30 introduced a framework into the Operative District Plan to promote a stronger approach to urban growth management, and introduced the tool of urban growth boundaries for application in the District. In 2015 an Urban Growth Boundary in Arrowtown was made operative. Objective 1 is appropriate to achieve the purpose of the RMA as it addresses some of the key issues identified for the District which define what 'sustainable management' means for the District, including managing strong growth pressures, the importance of the District's countryside and landscapes, and the costs associated with providing infrastructure and social services to dispersed and lower density communities. The District's landscapes are particularly valued, and an integrated approach to urban growth management with a focus on urban intensification can help reduce the risks to amenity values (s 7c RMA) and landscape values (s 6b) posed by dispersal of urban growth.
Goal 2 Objective 2 Manage development in areas affected by natural hazards.	Natural hazards and the threat they can pose to communities require consideration in terms of the Act's purpose, with regard to the health and safety and general wellbeing of people and communities. However, in a high growth district with limited urban land it is not always practical to avoid development in areas which are subject to hazards. Therefore, in recognition of the need in Section 5 to balance competing environmental ,economic and social matters, Council proposes – via Objective 2 and other provisions and methods in the Proposed District Plan – to seek to manage development and risks posed by natural hazards in a balanced manner, as opposed to relegating – or conversely elevating - their significance relative to development needs. It is considered that an approach of managing natural hazard risk is therefore more appropriate to achieving the purpose of the RMA than an approach of avoiding hazards (other than where they pose intolerable risk that cannot be avoided or mitigated).
Goal 3 Objective Achieve a built environment that ensures our urban areas are desirable and safe places to live, work and play.	The quality of the built environment can have a significant impact on people's wellbeing and safety. The objective is appropriate as it gives effect to s7c of the RMA (the maintenance and enhancement of amenity values) and s 7f (maintenance and enhancement of the quality of the environment)
Goal 3 Objective Protect the District's cultural heritage values and ensure development is sympathetic to them.	Heritage is important to the wellbeing of communities, providing a link to the past and contributing to character and sense of place. This importance is reinforced by s6f of the RMA. The objective gives effect to this importance.

Goal 4 Objective Promote development and activities that sustain or enhance the life-supporting capacity of air, water, soil and ecosystems.	This objective is appropriate to achieve the purpose of the RMA as it gives effect to s5(2)(b) of the Act.
Goal 4 Objective Protect areas with significant Natural Conservation Values.	As outlined in the analysis of issues, the District has a number of areas of significant indigenous vegetation, some of which are under threat. This objective addresses this issue and is underlined by the fact that the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna is recognized as a matter of national importance under s6c of the RMA.
Goal 4 Objective Maintain or enhance the survival chances of rare, endangered, or vulnerable species of indigenous plant or animal communities.	As above.
Goal 4 Objective Avoid exotic vegetation with the potential to spread and naturalize.	As identified in the analysis of issues, wilding species are a threat to the landscape qualities of the district as well as habitats. This threat poses risks to the wellbeing of communities as well as the environment, and challenges a number of matters in sections 6 and 7 of the RMA. It is noted however that the objective may have some impact on social and economic wellbeing. However such impacts are considered to be outweighed by benefits, an alternative option of not providing this provisions is considered less appropriate. The objective is appropriate as it provides a direct and unambiguous expression of the risk and the need to avoid.
Goal 4 Objective Preserve or enhance the natural character of the beds and margins of the District's lakes, rivers and wetlands.	Gives direct effect to s6a of the RMA, which is a matter of national importance and therefore critical to supporting the purpose of the RMA.
Goal 4 Objective Maintain or enhance the water quality of our lakes and rivers.	Gives direct effect to elements of s5, and s7(f) and therefore the objective is appropriate in giving effect to the purpose of the RMA.

Goal 4 Objective Facilitate public access to the natural environment.	The magnificent natural environment is a key aspect that contributes to the wellbeing of the district's communities, and access to that environment is important to the community's enjoyment of it. Therefore the objective is appropriate to achieve the purpose of the RMA. It is also noted that the maintenance and enhancement of public access to and along lakes and rivers is recognized as a matter of national importance under s6d of the RMA.
Goal 4 Objective Respond positively to Climate Change.	The threats posed by climate change to communities have been well documented. These include potentially greater vulnerability as a result of more volatile weather patterns. Whilst climate change is a global issue, it has impacts at the local level. A sustained response to the issue is required by all communities and nations. The district can play its part through adopting a positive approach to the issue, and being a leader in fostering urban form that promotes lowering greenhouse gas emissions, or at least limiting their increase.
Goal 5 Objective Protect the natural character of Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development.	As outlined above, the outstanding landscapes of the district are central to community wellbeing. They offer great value scenically and in terms of recreation, and are fundamental to the district's economy. Therefore in terms of the purpose of the RMA it is critical that the protection of outstanding landscapes is underlined.
Goal 5 Objective Minimize the adverse landscape effects of subdivision, use or development in specified Visual Amenity Landscapes and other Rural landscapes.	As above. Whilst these landscapes do not have the same status as outstanding landscapes, they contribute significantly to visual amenity and together with outstanding landscapes contribute significantly to community wellbeing. At the same time, subdivision and development in these areas can make an important contribution to well being, as a result the objective focuses on minimization of adverse effects rather than avoidance. As a result, the objective appropriately balances competing economic and environmental concerns and is appropriate in achieving the purpose of the RMA.
Goal 5 Objective Direct new subdivision, use or development to occur in those areas which have potential to absorb change without detracting from landscape and visual amenity values.	The objective recognizes the centrality of landscapes to the district's wellbeing and seeks to encourage subdivision and development to occur in less sensitive areas.
Goal 5 Objective Recognize there is a finite capacity for residential activity in rural areas if the qualities of our landscape are to be maintained.	As above. And addresses the issue of cumulative effects.

Goal 5 Objective Recognize that agricultural land use is fundamental to the character of our landscapes.	Recognizes that farming is a central element of the rural economy providing for economic and social wellbeing and that landowners cannot be expected for retain large areas of land that contribute to landscape character if they are not able to make a viable living from the land.
Goal 6 Objective Provide access to housing that is more affordable.	As outlined in the Issues analysis the District faces significant housing challenges. Housing is a basic human need and is central to wellbeing and therefore S5 of the RMA. As a result, an objective promoting access to housing that is more affordable than has been typical in the district during recent years (largely as a result of high demand and insufficient supply) is appropriate to achieving the RMA's purpose.
Goal 6 Objective Ensure a mix of housing opportunities.	Related to the above, diversity of housing supply is as important as affordability. Much of the district's housing is detached and on larger sections. As the demographic profile of the community continues to change a greater diversity of housing is required, especially smaller flats and apartments.
Goal 6 Objective Provide a high quality network of open spaces and community facilities.	Open space and community facilities are important to the wellbeing promoted in s5 RMA. The promotion of high quality sets aspirations beyond basic functionality, as part of a goal to maximize wellbeing within constraints.
Goal 6 Objective Ensure planning and development maximizes opportunities to create safe and healthy communities through subdivision and building design.	The health and safety of people and communities is central to s5 of the RMA and it is appropriate to promote these aspects within a planning regulatory framework.

Overall, it is considered that the objectives in the draft Strategic Directions chapter are the most appropriate way to achieve the purpose of the Act within the framework provided by Part 2 of the Act, the RPS and the high level goals. This is based on the experience of the Council in managing the natural and physical resources of the District under the Act for the past 22 years, the further research relied on, and definition and analysis of key resource management issues. Without these objectives, the Proposed District Plan would lack a clear direction and an integrated statement as to the planning and resource management aspirations for the District.

Retention of the status quo approach was considered. The status quo is represented by the 'Sustainable Management' chapter of the Operative District Plan. This chapter is dominated by unfocussed and very lengthy preamble and is unwieldy, and does not set a strong and direct policy framework. It is very seldom referred to by District Plan administrators / decision makers. It does not help support the sustainable management of the District and retention of this approach is not supported.

7. Evaluation of the appropriateness of the proposed provisions to achieve the objectives

Section 32(1)(b) requires an evaluation of whether the provisions are the most appropriate way to achieve the objectives. The proposed policies are the mechanism by which the Strategic Directions chapter seeks to achieve the objectives. In examining whether these provisions are the most appropriate way to achieve the objectives, section 32(1)(b) requires this report to:

- Identify other reasonably practicable options for achieving the objectives; and
- Assess the efficiency and effectiveness of the provisions in achieving the objectives; and
- Summarise the reasons for deciding on the provisions.

With regard to these matters the following is noted:

- Policies are the logical means of achieving objectives;
- In a Strategic Directions chapter there is no need for the use of rules or other methods
- An option of not stating any policies would fail to ensure a robust strategic direction is set, and the planning framework would risk being too 'high level' and generic
- A key weakness of the Operative District Plan is the absence of a chapter with a clear hierarchy of goals, objectives and policies that strongly, directly, and unambiguously set a planning direction for the district

The policies "flesh out" the objectives with regards to the key resource management issues in the District, and therefore effectively and efficiently set a strong planning framework for the balance of the District Plan.

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.

Changes to Section 32 of the RMA in 2013 place greater, explicit emphasis on the economic costs and benefits of provisions, including the impact of provisions on economic growth and employment, in addition to consideration of social and environmental matters.

Goal 1: Develop a prosperous, resilient and equitable economy.

- Objective 1:** Recognise, develop and sustain the Queenstown and Wanaka central business areas as the hubs of New Zealand's premier alpine resorts and the District's economy.
- Objective 2:** Recognise, develop and sustain the key local service and employment functions served by commercial centres and industrial areas outside of the Queenstown and Wanaka central business areas in the District.
- Objective 3:** Enable the development of innovative and sustainable enterprises that contribute to diversification of the District's economic base and create employment opportunities.
- Objective 4:** Recognise the potential for rural areas to diversify their land use beyond the strong productive value of farming, provided a sensitive approach is taken to rural amenity, landscape character and healthy ecosystems.
- Objective 5:** Maintain and promote the efficient operation of the District's infrastructure, including designated Airports, key roading and communication technology networks.

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>	<i>Effectiveness & Efficiency (applies to all provisions)</i>
All policies under this goal.	<i>Environmental</i> None identified. <i>Economic, Social and Cultural</i> Provisions that seek to limit the potential for new commercial rezonings may affect the economic wellbeing of a small number of landowners who may consider that option in the future.	<i>Environmental</i> A focus on intensification of the major centres should help consolidate urban form and help promote public transport, walking and cycling. Policies provide for lower scale local centres, the existence and strengthening of which can generate environmental benefits by reducing the need for car transport. <i>Economic</i> Previous analysis has suggested the potential exists for existing and potential future commercial rezonings to detract from the function and viability of the Queenstown and Wanaka Town Centres. However such risks were somewhat downplayed through the peer review undertaken by Dr Phil McDermott, who concluded there are significant functional	The policies are an effective and efficient approach to achieving the objectives, being a logical structural approach, in terms of the Goal-Objective-Policy Hierarchy. The policies are small in number and this results in streamlined and direct provisions which avoid ambiguity and uncertainty.

		differences between the Queenstown and Wanaka town centres and other larger centres that are establishing, such as Remarkables Park. Notwithstanding this, there could still be threats by new commercial rezonings, and fundamentally at a strategic level it is considered that recognition of the Queenstown and Wanaka town centres as the hubs of the District is necessary to promote overall economic wellbeing. In addition, it is considered that the economic potential of township commercial precincts and local shopping centres is not fulfilled, and the policy provides the strategic platform to increase the economic benefits provided in these locations. Social & Cultural Optimisation of the function of the centres and greater critical mass will help support a greater range of cultural and social facilities and events.	
Alternative options considered less appropriate to achieve the relevant objectives:			
Option 1: Policies that provide a framework for a regulatory framework applying a strict hierarchical approach to centres rules		• Not considered necessary, effective or realistic	

Goal 2 The Strategic and integrated management of urban growth

Objective 1: Ensure urban development occurs in a logical manner:

- to promote a compact, well designed and integrated urban form;
- to manage the cost of Council infrastructure; and
- to protect the District's rural landscapes from sporadic and sprawling development.

Objective 2: Manage development in areas affected by natural hazards.

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>	<i>Effectiveness & Efficiency</i>
<u>Policies:</u> All policies under this goal.	<i>Environmental</i> The establishment of Urban Growth Boundaries and associated approach of urban intensification has the potential to detract from the amenity values and character of established urban areas. This cost is addressed in the Residential chapters and Section 32 evaluation reports, where rules are proposed that will provide a suitable balance between protecting amenity values and enabling the development necessary to provide for the District's well being. It is considered that appropriately managed urban intensification will generate less environmental costs than an approach focusing growth in greenfield locations. A balanced approach to natural hazard management may sometimes mean that some areas that are otherwise well suited to urban intensification may not progress if hazards are significant and cannot be mitigated. This will place more pressure on other urban areas, and potentially on greenfield locations. <i>Economic</i> The imposition of urban growth boundaries (via Chapter 4 of the Proposed District Plan) has the	<i>Environmental</i> The landscape values of many areas of the District's countryside are well recognised, and a key aspect of the compact urban form promoted is to help minimise greenfield development that may challenge these values. In addition, some of the District's urban roading networks are under substantial pressure, particularly in Queenstown. Further greenfield development has the potential to exacerbate these pressures, relative to compact urban development in locations near public transport hubs and centres. Such development can help limit the growth in private car transport on these increasingly congested roading networks, with resulting environmental benefits. Many studies have quantified the environmental benefits of a compact urban form, including those highlighted under the assessment of costs. Replacement of old and poorly insulated housing stock with new medium and high density housing development can also contribute to a number of environmental benefits, including improved air quality. The provisions seek to find a balance between enabling development that realises a compact urban	

	potential to result in adverse effects to housing affordability, if not combined with a suitably enabling framework that enables increased density within these boundaries, such as is proposed in Medium and High Density zones, and to a lesser extent in the Low Density Zoned. 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 landholdings which have either not yet commenced development 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. Theoretically no Urban Growth Boundaries and no protection of rural land beyond existing boundaries would be the optimal policy response in terms of housing affordability. However such a policy	settlement form, whilst maintaining a reasonable degree of amenity value protection. Economic The provisions support enhanced development opportunities and will improve development feasibility. This will help support economic growth and employment growth in the design and construction industries, with flow on to other areas. They help enable the visitor accommodation requirements of the district, which are so important to the economic wellbeing of the district, and also contribute significantly to the tourism offering of the nation. Increased population near town centres will help support existing businesses and provide for the growth of new businesses, helping to facilitate employment growth and employment. Greater density in strategic locations should help to support public transport services, and minimise growth in road congestion (and associated economic costs). New higher density housing will generally result in lower household heating costs, and also lower transport costs. As outlined in the analysis of costs, a number of studies demonstrate the economic benefits of a compact urban form, in terms of infrastructure provision, social service delivery, and healthcare costs. Social & Cultural The provisions are likely to enable economic growth and employment growth. The provision will enable greater population	
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	approach would generate the potential for a significant range of adverse economic, social and environmental impacts. 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. 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%¹⁵. This study cites a number of other studies supporting this notion. A study from 2015 by the New Climate Economy reaches similar conclusions.¹⁶ There is also a large body of research from Australia supporting these findings. Professor Peter Newman, of Curtin University, in particular has developed a substantial body of research quantifying the costs and benefits of compact urban development relative to urban sprawl.¹⁷ Addressing natural hazards may mean that some areas are precluded from redevelopment, with resulting costs, whilst in some cases development may proceed but subject to mitigation that may add significant development costs.	concentration close to town centres, which should help to support more cultural activity and a fuller range of social services. A more cohesive and integrated population, around existing town centres. Utilising existing infrastructure and amenity spaces. Some evidence suggests that compact urban development, especially if co-ordinated with good access to recreational facilities, reserves and trails, can contribute to better public health outcomes relative to urban sprawl. Provisions that seek to manage natural hazard risk provide a basis to prevent, or limit, development in areas subject to significant risk. This can help to protect human life and property.	
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¹⁵ Smart Growth America, 2013, 'Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development'

¹⁶ The New Climate Economy, 2015, Analysis of Public Policies that unintentionally encourage and subsidize urban sprawl'

¹⁷ Refer for example to:

Trubka., R.; Newman,P.; Bilsborough, D. Costs of Urban Sprawl (1)-Infrastructure and Transport. *Environ. Des. Guide* 2010, 83, 1-6.

Trubka., R.; Newman,P.; Bilsborough, D. Costs of Urban Sprawl (3)-Physical Activity links to Healthcare Costs and Productivity. *Environ. Des. Guide* 2010, 85, 1-13.

	Social & Cultural Increase in intensity of development could generate noise and traffic impacts.		
Alternative options considered less appropriate to achieve the relevant objectives:			
<i>Option 1: Do not apply UGBs, but rely on provisions / incentives to facilitate more compact urban form and minimise urban sprawl</i>		• Could be relatively effective, however would provide less certainty and strategic strength in the face of private plan change applications for new residential communities in rural areas.	
<i>Option 2: Apply more stringent policy in terms of managing natural hazards</i>		• Would better provide greater certainty in terms of addressing risk, however could come at the cost of preventing development in areas where risks can be adequately mitigated. In addition could be problematic given the limited urban land resource and very strong growth pressures.	

<u>Goal 3: A quality built environment taking into account the character of individual communities</u>			
Objective 4: Achieve a built environment that ensures our urban areas are desirable and safe places to live, work and play.			
Objective 5: Protect the District's cultural heritage values and ensure development is sympathetic to them.			
Proposed provisions	Costs	Benefits	Effectiveness & Efficiency
All policies under this goal.	Environmental None identified, other than an expectation of increased densities and some change in character. Economic The promotion of good quality design has the potential to add to development costs, however such potential is considered to be limited in this case as the provisions are not prescriptive, and do not have any strong implications in terms of expectations for higher quality materials etc. Good fundamental design approaches can add value rather than detract value.	Environmental The provisions are fundamentally focussed on providing environmental benefits. These relate to character and amenity, functionality, energy efficiency and sustainability and heritage protection. Economic Well designed developments can attract a premium, and also offer the ability to better hold and grow investment value. Energy efficient development can lead to lower operational costs. Heritage properties can accrue higher value, and potentially higher returns. Heritage properties can	

	Heritage protection can limit the development potential of sites, however the provisions seek to provide for development opportunities provided execution is appropriate / sympathetic. Maintenance costs can also be higher for heritage properties. Social & Cultural None identified.	also add to the tourist offering of places, especially where there is a high concentration of them (such as in Arrowtown). Social & Cultural Well designed development and neighbourhoods can enhance wellbeing, including enhancing community cohesion, social interaction and recreational opportunities. Heritage can contribute significantly to a community's wellbeing and sense of place, and connection to its past.	
Alternative options considered less appropriate to achieve the relevant objectives: None identified.			

Goal: The protection of our natural environment and ecosystems

- 3.2.4.1 Objective: Promote development and activities that sustain or enhance the life-supporting capacity of air, water, soil and ecosystems.
- 3.2.4.2 Objective: Protect areas with significant Nature Conservation Values.
- 3.2.4.3 Objective: Maintain or enhance the survival chances of rare, endangered, or vulnerable species of indigenous plant or animal communities.
- 3.2.4.4 Objective: Avoid Exotic vegetation with the potential to spread and naturalise.
- 3.2.4.5 Objective: Preserve or enhance the natural character of the beds and margins of the District's lakes, rivers and wetlands.
- 3.2.4.6 Objective: Maintain or enhance the water quality of our lakes and rivers.
- 3.2.4.7 Objective: Facilitate public access to the natural environment.
- 3.2.4.8 Objective: Respond positively to Climate Change.

<i>Proposed provisions</i>	<i>Costs</i>	<i>Benefits</i>	<i>Effectiveness & Efficiency</i>
All policies under this goal.	<i>Environmental</i> None identified, other than an expectation of increased densities and some change in character (3.2.4.8.1). <i>Economic</i> A number of the provisions will contribute to some lessened development rights for some properties, especially in rural areas in terms of significant indigenous vegetation. Promoting a compact urban form has the potential to adversely impact on housing affordability, especially if regulation within the urban area is not sufficiently permissive. <i>Social & Cultural</i> None identified.	<i>Environmental</i> The provisions are fundamentally focussed on providing environmental benefits. Significant conservation, biophysical and landscape benefits will be accrued. <i>Economic</i> Much of the District's appeal in terms of the visitor industry results directly or indirectly to the quality of the landscape. Therefore, provisions which seek to protect these vital attributes are important to the District's economic wellbeing. <i>Social & Cultural</i> Many residents and visitors have a strong attachment to the environment of the District, in terms of its visual and recreational attributes. Protecting these attributes are important to	

		wellbeing. Facilitating public access to this environment helps foster this connection, as well as providing more recreational opportunity with its benefits in terms of physical and mental wellbeing.	
Alternative options considered less appropriate to achieve the relevant objectives:			
Option 1: Provide a less onerous policy in terms of management of wilding species.		• More flexibility could be provided, including narrowing the species which should be banned. • However, this would provide less certainty, clarity and efficiency.	

<u>Goal: Our distinctive landscapes are protected from inappropriate development.</u>			
3.2.5.1 Objective: Protect the natural character of Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development. 3.2.5.2 Objective: Minimise the adverse landscape effects of subdivision, use or development in specified Visual Amenity Landscapes and other Rural Landscapes. 3.2.5.3 Objective: Direct new subdivision, use or development to occur in those areas which have potential to absorb change without detracting from landscape and visual amenity values. 3.2.5.4 Objective: Recognise there is a finite capacity for residential activity in rural areas if the qualities of our landscape are to be maintained. 3.2.5.5 Objective: Recognise that agricultural land use is fundamental to the character of our landscapes.			
Proposed provisions	Costs	Benefits	Effectiveness & Efficiency
All policies under this goal.	Environmental Whilst recognising the importance of Outstanding Natural Landscapes and other landscapes and provide protection for these landscapes, the provisions still contemplate development in certain locations. Such development has the potential to generate environmental effects, however	Environmental The provisions are fundamentally focussed on providing environmental benefits, in terms of landscapes. Economic Much of the District's appeal in terms of the visitor	

	safeguards are provided by both QLDC and ORC planning provisions. Economic Landscape protection inherently detracts from development rights. However scope is still provided for development, subject to locations and landscape characteristics, and design response. Social & Cultural None identified.	industry results directly or indirectly to the quality of the landscape. Therefore, provisions which seek to protect these vital attributes are important to the District's economic wellbeing. Provisions recognise the importance of farming in contributing to the maintenance of landscape values. Social & Cultural Many residents and visitors have a strong attachment to the environment of the District, in terms of its visual and recreational attributes. Protecting these attributes are important to wellbeing. Agriculture is a strong element of the District's economy, both historic and current.	
Alternative options considered less appropriate to achieve the relevant objectives:			
Option 1: Consider applying status quo in terms of limited mapping of landscape lines	Whilst potentially increasing flexibility, would continue the status quo of lack of certainty, lack of efficiency and expense		

Goal: Enable a safe and healthy community that is strong, diverse and inclusive for all people.

- 3.2.6.1 Objective: Provide access to housing that is more affordable.
- 3.2.6.2 Objective: Ensure a mix of housing opportunities.
- 3.2.6.3 Objective: Provide a high quality network of open spaces and community facilities.
- 3.2.6.4 Objective: Ensure planning and development maximises opportunities to create safe and healthy communities through subdivision and building design.

Proposed provisions	Costs	Benefits	Effectiveness & Efficiency
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All policies under this goal	Environmental Promotion of higher or mixed densities in some locations may generate the potential to adversely impact on amenity values/character. Economic Promotion of better designed and more functional public open spaces leads to additional cost relative to more basic expectations. However, much of these costs which relate to reserve improvements can be recovered via development contributions. Social & Cultural None identified.	Environmental The provisions will help promote better amenity and quality in private and public spaces. Promotion of higher density housing in strategic locations can help to minimise urban sprawl and associated environmental costs. Economic Housing affordability has been identified as a major economic issue for the District. For example, this issue is highlighted in the Queenstown Housing Accord, and in the Council's Economic Development Strategy 2015. A lack of affordable or mid range housing can impact on the ability of the District to attract and retain employees. More expensive housing also means that households have less disposable income to save / invest or spend in the local economy, and this is exacerbated in the District where costs of living beyond housing is generally high. These issues also impact on the extent to which New Zealanders from other parts of the country may consider employment opportunities in the District (cost of living issues may be less paramount for transient residents from overseas as opposed to New Zealanders who may consider settling in the District as a permanent option) The New Zealand Productivity Commission in its recent housing inquiries has also reiterated the economic costs and risks of unaffordable housing, and also clearly highlighted the impact that planning can create in terms of supply and affordability. The issue is not just around affordability, but also availability, and a relative lack of diversity in housing to response to change needs. The proposed provisions provide the platform to	
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		address all of these issues. Social & Cultural A lack of affordable housing can generate significantly adverse social costs, such as contributing to greater prevalence of overcrowding in housing. Poor tenure security for renters is also an issue, as regular moves are costly and can also be socially destabilising. The proposed provisions provide the platform to address all of these issues	
Alternative options considered less appropriate to achieve the relevant objectives: None identified.			

<u>Goal: Council will recognise the significance of the principles of the Treaty of Waitangi and the importance of its relationship with Ngai Tahu.</u> 3.2.7.1 Objective - Protect Ngai Tahu values, taonga and cultural sites and enable Ngai Tahu to express kaitiakitanga.			
Proposed provisions	Costs	Benefits	Effectiveness & Efficiency
N/A	N/A	N/A	N/A
Alternative options considered less appropriate to achieve the relevant objectives:			
Option 1: Apply more policies	The Tangata Whenua chapter sits at the same strategic level as the Strategic Directions chapter and it is considered unnecessary to replicate some of the provisions that are provided in that chapter		

8. The Risk of acting or not acting

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 more enabling provisions that respond to this projected growth within UGBs is that, for whatever reason/s, actual growth falls well short of projections. This would mean that a higher intensity of development may have occurred on certain sites or locations than might otherwise be needed. However, it is known that regardless of ultimate population and tourism growth over the next 30 years, hotel developments in particular require greater building height opportunity to be feasible. If growth is far less than projected, development will simply not occur in response to the potential enabled by the District Plan. Therefore, the risk of acting is considered fairly limited, may amount to some relatively limited impacts on amenity, which should not be excessive given the checks and balances provided by the proposed provisions.

The risk of not acting, by retaining or largely retaining the Operative District Plan approach, is that in the event that the projections are realised, or even realised to say 60-70%, the housing issues and visitor accommodation needs of the District will not be met, economic potential will be under-realised, and there will likely be flow on social and economic effects.

There is a risk in acting to apply UGBs. In the event that growth is even higher than forecast, and Operative and Proposed residential and mixed use zones do not adequately respond to demand, then rent and house prices may increase, with social and economic consequences. This risk is considered to be of relatively low probability, however, given that the District Plan Review has been based on relatively bullish growth expectations, and a number of “upzonings” are proposed to help improve the viability of urban intensification.

In addition, the opportunity exists for UGBs to be reviewed in the future if it is evident through monitoring that UGBs are having a significant impact on housing supply and costs.

The risk of not acting by not applying UGBs is that there may be less of a strategic growth management basis to avoid or minimise new greenfield residential zones in rural areas.

Overall the risk of not acting is considered significantly higher than the risk of acting.

References

A number of technical reports and assessments have informed the development of the objectives and policies. These reports and assessments are linked below:

- A number of District Plan Monitoring reports - [link](#)
- ‘Review of District Plan Business Zones Capacity and Development of Zoning Hierarchy’ prepared by McDermott Miller Strategies Limited, 15 November 2013 - [link](#)
- A peer review of the McDermott Miller Strategies Limited report by Dr Phil McDermott - [link](#)
- Various Council Strategies and Publications, including the following referenced documents: Growth Management Strategy, Economic Development Strategy 2015, QLDC Growth Options Study 2014, - [link](#)
- Wanaka Structure Plan - [link](#)
- Shaping our Futures ‘Visitor Industry Task Force’ Report 2014 - [link](#)
- A number of reports prepared by Insight Economics in relation to population projections, housing demand and supply
- Assessments of landscape lines and peer reviews