

## Section 32 Evaluation Report: Matakauri Lodge

### 1. Strategic Context

Section 32(1)(a) of the Resource Management Act 1991 requires that a Section 32 evaluation report must examine the extent to which the proposed objectives are the most appropriate way to achieve the purpose of the Act.

The purpose of the Act requires an integrated planning approach and direction:

#### **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.

### 2. Regional Planning Documents

The Regional Policy Statement 1998 is currently under review, and is expected to be further advanced in that process by the time the Queenstown Lakes District Council's District Plan Review is notified.

As will be shown in the evaluation below, the proposed planning framework seeking to recognise and provide for Matakauri Lodge is consistent with these draft Regional Policy Statement provisions.

Amendments to this evaluation may be required to accommodate any relevant changes notified in the Draft Regional Policy Statement as the District Plan must *give effect to* the operative RPS and must *have regard to* any proposed RPS.

### 3. Site History

The Matakauri Lodge site is legally described as Lot 2 DP 27037. A copy of the certificate of title is contained within **Appendix [A]**. The site is 3.9ha in area and has access off Farrycroft ROW which provides access to the site and three other properties. The site is currently zoned Rural Lifestyle in the QLDC District Plan.

The use of the site for visitor accommodation purposes dates back to the late 1990's with a variety of consents authorising the use of the site for visitor accommodation purposes. In summary these consents authorise up to 32 guests to be accommodated on the site. A detailed history of the consents relevant to the site is provided in **Appendix [B]**.

Matakauri Lodge operates as a high end luxury accommodation facility with a number of individual 'cottage' buildings and central lodge/reception facilities. The existing buildings located on site can be summarised as follows:

- Main Lodge Building
- Four Chalets contained in two buildings
- Two Villas contained within one building
- A standalone Owners Cottage

- Logia Building
- Garage

The total combined footprint of these buildings is 1924m<sup>2</sup> equating to a building coverage of 5.35%.

Public dining for up to 10 people is also provided for onsite and authorised by resource consent along with provision for four functions per year and the use of the health care facility by the public for up to a maximum of two guests per hour.

The current owners acquired the site in 2009 and have undertaken a significant re-vegetation program as part of the overall development of the area.

#### **4. Resource Management Issues**

The Rural Lifestyle zoning and its purpose is not reflective of the visitor accommodation character and built form present on the Matakauri site. As a result alterations to or expansion of the operation is uncertain and makes planning for further investment in the operation challenging. As can be seen from the resource management history to date any expansion of the site has come with administrative costs associated with resource consent applications and their associated processes. Therefore it is evident that the Rural Lifestyle zone provisions are not ideally suited to providing for a visitor accommodation activity of the nature of Matakauri.

#### **5. Purpose and Options**

The purpose of the proposed changes is to simplify and streamline the provisions to better recognise the presence of visitor accommodation on the site and therefore reduce administrative cost and provide certainty to ongoing investment in the site and activity.

#### **Strategic Directions**

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

**Goal 1: To develop a prosperous, resilient and equitable economy.**

**Objective 3.2.1.3** *To enable the development of innovative and sustainable enterprises that contribute to diversification of the District's economic base and create sustainable employment opportunities.*

**Policy 3.2.1.3.2** *Recognise the potential for rural areas to diversify their land use, provided such diversification responds sensitively to the rural amenity and landscape character.*

**Goal 5: Our distinctive landscapes are protected from inappropriate development.**

**Objective 3.2.5.1** *To protect the natural character of specified Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development.*

**Objective 3.2.5.3** *To 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.*

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

- Recognising the Matakauri activity and providing for its continued operation and development on the site will ensure it can continue to invest and therefore support the economy. The form of the development and style of Visitor Accommodation (VA) activity on site has provided a sensitive response to the landscape and amenity of the area. The existing activity on site provides a basis for further activity to be accommodated in an area with the ability to absorb change without detracting from the landscape and rural amenity values.
- The history of consenting and the style and form of development that has occurred on the site has demonstrated that development can be absorbed on the site without detracting from the Outstanding Natural Landscape. Providing for the continued development of the site for VA purposes within controls can ensure the landscape values are appropriately recognised whilst reducing the uncertainty around further investment and administrative costs associated with the current consenting regime.

Determining the most appropriate methods to resolve the issues highlighted for the Matakauri site will enable the Plan to give effect to relevant parts of the Strategic Directions chapter, and ultimately meet the purpose of the Act.

As required by section 32(1)(b) RMA, the following section considers various broad options considered to address the issue, and makes recommendations as to the most appropriate course of action.

## Broad options considered to address issues

**Issue 1** The Rural Lifestyle zoning and its purpose is not reflective of the visitor accommodation character and built form present on the Matakauri site. As a result alterations to or expansion of the operation is uncertain and makes planning for further investment in the operation challenging

Option 1: Retain the operative provisions.

Option 2: Retain the Rural Lifestyle zone but place a visitor accommodation sub-zone over the site.

Option 3: Re-zone the site to Rural Visitor Zone.

	Option 1: Status quo/ No change	Option 2:	Option 3:
<b>Costs</b>	<ul style="list-style-type: none"> <li>As the resource consent history has shown a significant administrative cost has been incurred in providing for the continued operation and expansion of the visitor accommodation activity that has been established on the site for over 15 years.</li> <li>The existing rural lifestyle zoning is not reflective of the activity and form of visitor accommodation that is present on the Matakauri site</li> <li>Given the use of the site for visitor accommodation has been long established it is not efficient to continue to retain a zoning that provides little recognition for the activity.</li> <li>The benefits of further investment and the contribution Matakauri can make to the tourism industry are not fully realised.</li> </ul>	<ul style="list-style-type: none"> <li>The Rural Lifestyle zoning would remain and therefore would not necessarily reflect the activity on the site. However, the VA sub-zone would balance this.</li> <li>The use of a sub-zone may not entirely reflect or enable expansion of the site for activity other than visitor accommodation if this was desired.</li> <li>The operative District Plan provisions that relate to VA sub-zones and 15% building coverage control would enable a significant increase in potential development on site. However, the topographical constraints of the Matakauri site would make realising this building coverage difficult and would also require a shift away from the current style and form of accommodation, therefore making it very unlikely that this would occur. Furthermore, the review of the Rural Rural Lifestyle Zone is looking at the</li> </ul>	<ul style="list-style-type: none"> <li>The Rural Visitor (RV) zone would enable a greater range of activity (commercial activity is provided for in the RV zone) that would potentially create a level of activity out of character with the surrounding area.</li> <li>Applying a RV zone would not recognise the amenity and character of the area given the intensity of development it enables. For example the RV zone provides for VA buildings up to 12m in height.</li> <li>Amenity to neighbours may be compromised given the intensity and form of development that would be enabled.</li> <li>This zoning does not recognise the particular qualities and characteristics of the Matakauri VA activity.</li> </ul>

		controls that apply to VA sub-zones.	
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Any neighbours may find comfort in the existing zoning and restrictions this places on development in terms of managing amenity to their properties</li> </ul>	<ul style="list-style-type: none"> <li>Retaining the Rural Lifestyle zoning will ensure the context of the site and rural lifestyle development in the vicinity is still recognised in the overall consideration of the site.</li> <li>The use of a VA sub-zone is a method already provided for in the QLDC District Plan and in particular already overlaid on sites in the Rural Lifestyle zone.</li> <li>Provides a consistent approach to how the QLDC District Plan has sought to balance visitor accommodation activity on specific sites within the Rural Lifestyle and other zones.</li> <li>Avoids introducing complicated or new plan provisions therefore contributing to the streamlining of the District Plan.</li> <li>Will ensure visitor accommodation activity is recognised and provided for on the site without enabling the activities on the site to expand beyond the provision of visitor accommodation.</li> </ul>	<ul style="list-style-type: none"> <li>The zoning would enable significant scope to expand the VA and diversify the activities on the site. However, given the particular nature of the Matakauri VA activity and investment in this to date this would be difficult to realise.</li> </ul>

		<ul style="list-style-type: none"> <li>• Simplifies the administrative process for consenting VA activity on the site and therefore providing certainty for planning of future investment in the site and Matakauri.</li> <li>• The use of a VA sub-zone can provide for activity onsite whilst the provisions applied to the sub-zone can ensure amenities to neighbours and the scale and form of development is in keeping with the broader character of the zone. Therefore, providing a balance between recognising the VA use of the site and wider rural living objectives and neighbouring properties amenity.</li> </ul>	
<b>Ranking</b>	<b>3</b>	<b>1</b>	<b>2</b>

The principal aims of the District Plan review is to simplify the plan where appropriate and to provide greater clarity and certainty around development matters in the District. It is anticipated that this will remove some of the uncertainties that can restrict potential economic growth and associated employment provision.

In accordance with these aims and based on the assessment above, Option 2 is considered the most practicable option.

## 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 for informal airports in the District Plan. In making this assessment, regard has been had to the following, namely whether the objectives and provisions:

- Result in a significant variance from the existing baseline;
- 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.

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

Section 32(1) of the RMA requires the Council to evaluate the extent to which the objectives are the most appropriate way to achieve the purpose of the Act.

Specifically, the proposed District Plan review proposes changes to the objectives and policies that relate to the Rural Lifestyle zone. A new objective is proposed with associated policies that seek to recognise provision for visitor accommodation within sub-zones and discourage it from other areas of the zone.

<b>Objective</b>
<b>Objective 2</b>  <b><i>Ensure the predominant land uses are rural, residential and where appropriate, visitor and community activities.</i></b>

The objective seeks to identify the priority that the zoning gives to rural and residential land uses. This is considered appropriate in the context of the broader zone.

The provision for visitor accommodation sub-zones provides a method for identifying where visitor accommodation is appropriate within the zone. Therefore this objective sets a framework for guiding the provision of visitor accommodation. The objective also highlights the importance of recognising the Matakauri site within a visitor accommodation sub-zone to avoid uncertainty, where the objective is seeking to direct where visitor accommodation is provided for.

Therefore on the basis that the visitor accommodation sub-zoning provides a mechanism for identifying where visitor accommodation is appropriate and this applies to the Matakauri site this objective is the most appropriate for providing for the identified issue.

Accordingly, the proposed Objective is considered to be the most appropriate method of achieving the purpose of the Act.

## 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 Objective. In doing so, it considers the costs and benefits of the proposed provisions and whether they are effective and efficient.

(See also Table detailing broad options considered in Section 4, above)

**Issue 1:** The Rural Lifestyle zoning and its purpose is not reflective of the visitor accommodation character and built form present on the Matakauri site. As a result alterations to or expansion of the operation is uncertain and this makes planning for further investment in the operation challenging.

**Objective 2:** *Ensure the predominant land uses are rural, residential and where appropriate, visitor and community activities.*

Summary of proposed provisions that give effect to the objective:

<b><i>Proposed provisions</i></b>	<b><i>Costs</i></b>	<b><i>Benefits</i></b>	<b><i>Effectiveness &amp; Efficiency</i></b>
<p><b><u>Policies:</u></b></p> <p>15.3.2.3 Encourage visitor accommodation only within the specified visitor accommodation subzone areas and, control the scale and intensity of these activities.</p> <p>15.3.2.4 Discourage commercial and non-residential activities, including restaurants, visitor accommodation and industrial activities so that the amenity,</p>	<p>If the Matakauri site was not provided for by a visitor accommodation sub-zone these policies would place significant cost on the Matakauri site as there would be no recognition of the existing activity on the site. The issue identified would not be addressed and would make providing for the continued operation and any expansion potentially more difficult as the policies are more directive in seeking to direct visitor accommodation to sub-zones.</p>	<p>The policies clearly direct visitor accommodation activity to visitor accommodation sub-zones. Providing for the Matakauri site within a VA sub-zone will therefore be beneficial in recognising this long established use.</p> <p>The policies also provide certainty to future owners and neighbours that visitor accommodation via a sub-zone anticipates visitor accommodation activity on the site.</p> <p>The policies also ensure that visitor accommodation activity although provided for is still appropriately managed to ensure activity is compatible with the surrounding area. This is considered to provide benefits to neighbours to ensure the activity is not out of character with</p>	<p>This policies are effective in directing visitor accommodation to sub-zones. Enabling development within the sub-zones and providing for Matakauri as one location where a sub-zone applies will ensure the efficient operation of the Matakauri site without the current uncertainty and administrative costs. Therefore, this policy is considered efficient.</p>



quality and character of the Rural Residential and Rural Lifestyle zones are not diminished and the vitality of the District's commercial zones is not undermined.		the general amenity of the area.	
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## **Rules**

**The rules that are proposed to apply to visitor accommodation sub-zones are as follows:**

**Rule 15.4.3.10** controlled activity consent:

*Visitor accommodation within a visitor accommodation subzone, including the construction and use of buildings:*

*Control is reserved to:*

- (a) *The bulk and scale of buildings in the context of the scale of residential buildings in the surrounding area;*
- (b) *Access safety and transportation effects;*
- (c) *Noise;*
- (d) *Signs and Lighting;*
- (e) *Landscaping to mitigate effects associated with buildings, infrastructure and car parking areas;*
- (f) *Where buildings are located near waterbodies, ensuring the buildings are compatible with the scenic and amenity values of any waterbodies.*
- (g) *Whether the building will be located in an area subject to natural hazards including the effects of any mitigation to manage the location of the building.*

The following standards would also apply and if breached require restricted discretionary consent

### **15.4.4.2 Building Materials and Colours (Rural Lifestyle Zone)**

*All buildings, including any structure larger than 5m<sup>2</sup>, new, relocated, altered, reclad or repainted, are subject to the following in order to ensure they are visually recessive within the surrounding landscape:*

*a) Exterior colours of buildings:*

- (i) All exterior surfaces shall be coloured in the range of black, browns, greens or greys;*
- (ii) Pre-painted steel, and all roofs shall have a reflectance value not greater than 20%;*
- (iii) Surface finishes shall have a reflectance value of not greater than 30%.*

*Discretion is reserved to:*

- (a) Whether the building would be visually prominent, especially in the context of the wider landscape, rural environment and as viewed from neighbouring properties.*
- (b) Whether the proposed colour is appropriate given the existence of established screening or in the case of alterations, if the proposed colour is already present on a long established building.*
- (c) The size and height of the building where the subject colours would be applied.*

**15.4.4.4 Building Size**

*The maximum size of any building shall be 500m<sup>2</sup>.*

*Discretion is reserved to:*

- (a) Visual dominance*
- (b) The effect on open space, rural character and amenity;*
- (c) Effects on views and outlook from neighbouring properties;*
- (d) Building design and reasons for the size.*

**15.4.4.5 Setback from internal boundaries**

*The minimum setback of any building from internal boundaries shall be::*

- Rural Residential zone - 6m*
- Rural Lifestyle zone - 10m*
- Rural Residential zone at the north of Lake Hayes - 15m*

*Discretion is reserved to:*

- (a) Visual dominance;*
- (b) The effect on open space, rural character and amenity;*
- (c) Effects on privacy, views and outlook from neighbouring properties;*
- (d) Reverse sensitivity effects on adjacent properties;*
- (e) Landscaping.*

#### **15.4.4.13 Visitor Accommodation in the Rural Lifestyle Zone Visitor Accommodation Subzone**

##### **(a) Building Coverage**

*The maximum building coverage shall be 10% and on sites greater than 1ha the maximum building coverage shall be 10% or 2500m<sup>2</sup>, whichever is the lesser.*

*Discretion is reserved to:*

- (a) The scale and intensity of the activity and the extent to which it is compatible with surrounding activities.*
- (b) The effect on open space, character and amenity;*
- (c) Effects on views and outlook from neighbouring properties;*
- (d) Ability of stormwater and effluent to be disposed of on-site*

The following standards would also apply and if breached require non-complying consent

##### **15.4.4.6 Setback from roads**

*The minimum setback of any building from a road boundary shall be 10m, except in the Rural Residential zone at the north of Lake Hayes the minimum setback from Speargrass Flat Road shall be 15m.*

##### **15.4.4.9 Building Height**

*The maximum height for any building is 8 metres.*

<b><i>Proposed provisions</i></b>	<b><i>Costs</i></b>	<b><i>Benefits</i></b>	<b><i>Effectiveness &amp; Efficiency</i></b>
<b>See above</b>	<p>The provisions require controlled activity consent for any new building or visitor accommodation activity. In addition bulk, location and external appearance controls would apply.</p> <p>The Matakauri site is over 1 ha in area and therefore would be permitted to have 2500m<sup>2</sup> of building coverage. Taking into account current building this would enable an additional 576m<sup>2</sup> of building coverage. This would equate to a building coverage of 6.5% approximately.</p> <p>This will place limits on the future expansion of the facilities. Any breach of this rule would require restricted discretionary consent and could be notified. Therefore it will create some uncertainty to the expansion of the facilities if this coverage was to be exceeded.</p> <p>In a similar manner the 500m<sup>2</sup> footprint control would limit the potential for a larger individual building which may not necessarily give rise to any additional adverse effects.</p>	<p>The primary benefit of these provisions is that visitor accommodation activity and buildings would be a controlled activity (provided the standards are complied with). This provides certainty that consent would be granted on a non-notified basis. Therefore reducing administrative cost an uncertainty around the ability in the future to provide for and potential further development the facilities on the Matakauri site.</p> <p>The standards ensure an overall cap on the scale and intensity of development to ensure effects to neighbours are managed therefore ensures their amenity is provided for.</p> <p>Ensuring standards manage the scale and intensity of development will also ensure the ONL context of the site is appropriately considered in any future development.</p>	<p>The balance between providing for visitor accommodation on the site and controls of the future scale and intensity of development are considered to provide an effective and efficient framework.</p>

	<p>The other site standards that would apply to the site reflect those that currently apply and therefore would not create an additional constraints and therefore cost to the continued operation of the Matakauri site.</p>		
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## **9. Efficiency and effectiveness of the provisions**

The above provisions will address the resource management issues by recognising the existing visitor accommodation activity on the site and ensuring future development and the visitor accommodation activity sits within a balanced framework.

## **10. The risk of not acting**

The proposed approach reflects the current regime where visitor accommodation activity is provided for in visitor accommodation sub-zones within the Rural Lifestyle zone whilst assisting to simplify and streamline the District Plan through the recognition of the existing visitor accommodations activity on the site.

The provision for controls over future visitor accommodation development will ensure a balance to enable visitor accommodations activity whilst setting a baseline for amenity and character for the wider environment and neighbours.

### **List of Attachments:**

**[A]** Certificate of Title

**[B]** Consent History