

QLDC Council  
20 April 2017

Report for Agenda Item: 2

Department: Planning & Development

Title: Wakatipu Basin Land Use Study (WBLUS)

**Purpose**

- 1 The purpose of this report is to provide Council with a summary of the preliminary findings of the Wakatipu Basin Land Use Study (**WBLUS**). It also provides recommendations regarding the future steps in relation to the WBLUS. It is emphasised the release of the WBLUS is for information purposes only. This report does not represent Council's view on the preliminary findings. Further investigation into the findings of the report and its recommendations is required.

**Executive Summary**

- 2 The WBLUS was completed by external consultants in response to a minute (dated 1 July 2016) released by the Hearings Panel, as part of the Proposed District Plan (**PDP**) process. In this minute the Hearing Panel raised concern that the fully discretionary activity regime of the Rural General Zone would not achieve the Strategic Direction of the PDP in the Wakatipu Basin.
- 3 To complete this assessment the external consultants undertook a detailed investigation of a range of sources of information relating directly to the Wakatipu Basin (**the Basin**).
- 4 The research and analysis relating to the WBLUS has led the consultants to the following preliminary conclusions:
  - a. The Basin is a special landscape that is critical to retaining the high quality of Queenstown's environment. The Basin is integral to the visitor and resident experience of Queenstown and plays an important part in the local economy;
  - b. Increasing populations from both residents and visitor accommodation is a core driver of the development pressures on the Basin and contribution to cumulative adverse effects on its values;
  - c. Protection of the Basin from inappropriate development is the fundamental driver to establishing an appropriate planning regime. The existing rural character of the area is no longer derived from farming activities but a mix of rural activities that reflect lifestyle uses of land, with pockets of small scale "hobby farming". Larger farming blocks that are actively farmed for productive purposes are generally located in the outer 'peripheral parts' of the Basin;

- d. Areas within the Basin can be characterised as having High to Very Low capability to absorb additional development. This varying absorption capability commends a range of potential planning strategy responses;
  - e. The 'Discretionary Activity' planning regime promoted in the PDP is unlikely to achieve its Strategic Direction; and
  - f. Planning provisions of the Basin should stand alone and be clearly distinguishable from the general zonings that apply to the rest of the District.
- 5 It is important to emphasise the findings of the WBLUS do not represent Council's view at this point in time. It is being publicly released for information purposes only. Further investigation and input is required from Council officers in order to determine if the recommendations are appropriate, and if any changes to the PDP are required.

### Recommendation

That Council:

1. **Note** the contents of this report, and that the release of the Wakatipu Basin Land Use Study is for information purposes only and that it does not represent Council's view at this time; and
2. **Instruct** staff to review the Wakatipu Basin Land Use Study and to develop possible planning responses to be reported back to Council.

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4/04/2017

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## Background

- 5 The District Plan Review commenced in April 2014 and the Proposed District Plan (**PDP**) was notified in August 2015.
- 6 The Strategic Direction and Rural Chapters were heard as part of hearing streams 1B and 2. Upon completion of the hearing of submissions on the Strategic Direction, Landscape, Urban Development and Rural Zone chapters the Hearings Panel released a minute on the 1 July 2016 (contained in **Attachment A**) noting they had come to the preliminary conclusion that the “...*continuation of the fully discretionary activity regime of the Rural General Zone of the ODP promoted in the PDP is unlikely achieve the strategic direction of the PDP in the Wakatipu Basin*”<sup>1</sup>.
- 7 The Hearings Panel also commented that “*further development in the Basin has the potential to cumulatively and irreversibly damage the rural character and amenity values in the Basin*”. In addition, the Hearings Panel believed there was merit in the concerns raised by some submitters that the rural character and amenity values of the Basin do not derive from pre-dominantly farming and agricultural activities, as suggested by the PDP.
- 8 As a result, the Hearing Panel reached the preliminary view that a detailed analysis of the Basin was required to:
  - a) *Identify the environmental characteristics and amenity values of the area that should be maintained and enhanced, noting these will vary across the Wakatipu Basin floor;*
  - b) *Identify areas that are able to absorb development, without adversely impacting the values derived in (a) and without adversely affecting the values associated with the surrounding the Outstanding Natural Landscapes and Outstanding Natural Features;*
  - c) *Identify those areas unable to absorb development;*
  - d) *Determine whether, given the residual development already consented, there is any capacity for further development in the Wakatipu Basin floor and, if there is, where it should be located and what form it should take.*
- 9 The Panel suggested that the results of the study should provide the basis for evaluating the extent to which the PDP as notified, in the Basin, is the most appropriate method to manage natural and physical resources and the study may also inform:
  - a) The location of urban growth boundaries;
  - b) Whether a finer tuned regulatory regime such as a structure plan may be required; and
  - c) The basis of a variation, if an amended regime is recommended.
- 8 On 8 July 2016, Council confirmed its intention to carry out the WBLUS to inform the Council's position and evidence on the rezoning submissions. Council also noted its intention for the study to include infrastructure capacity (including

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<sup>1</sup> Memorandum concerning PDP provisions affecting Wakatipu Basin by Denis Nugent dated 1 July 2016

transport, wastewater and water supply), walking and trails, and environmental constraints such as hazards.

9 The WBLUS study area is highlighted in Figure One below:

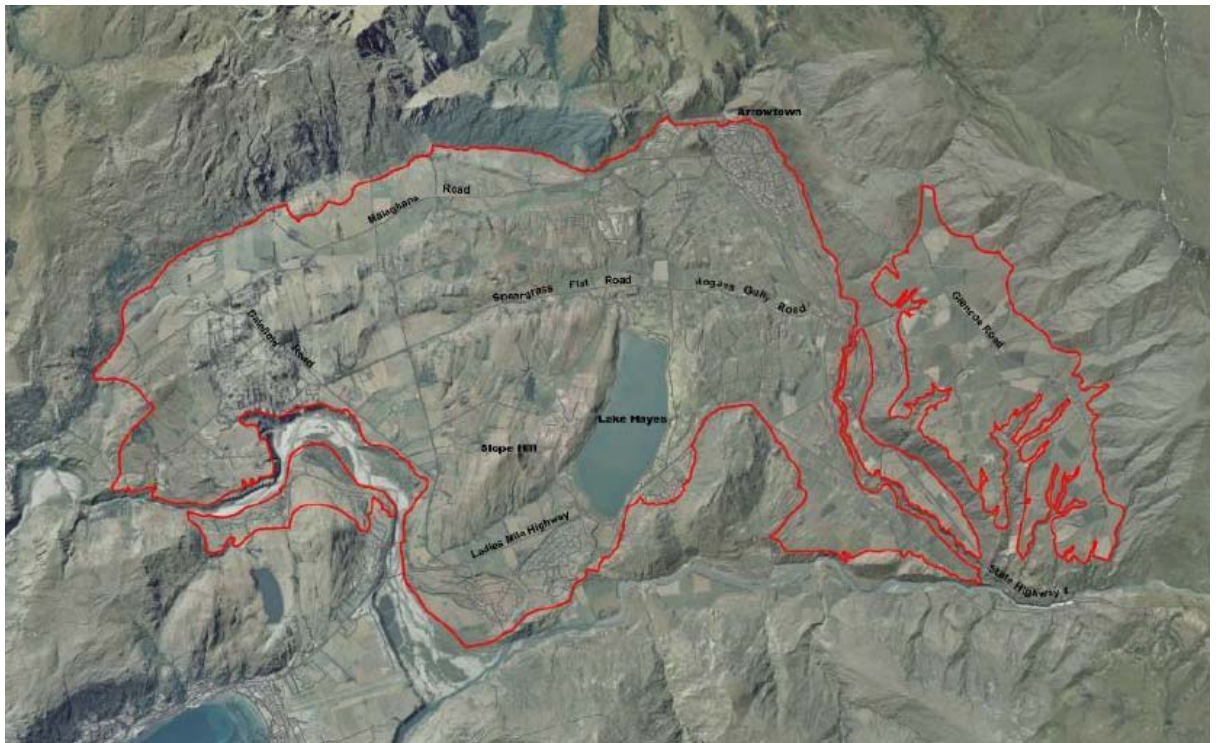


Figure One: The Basin Study Area

### The Preliminary Findings of the WBLUS

- 10 It is important to reiterate the WBLUS is being publicly released for information purposes only. Further investigation and input is required from Council officers in order to determine if the recommendations of the report are appropriate or not, and what, if any changes to the PDP may be required.
- 11 The WBLUS was completed by Barry Kaye Associates Limited, Bridget Gilbert Landscape Architecture and StrategEase (**the Consultants**).
- 12 A copy of the WBLUS is included with the agenda.
- 13 In order to undertake the assessment the Consultants undertook a detailed investigation into the following:
  - a. Reading through the PDP process and evidence;
  - b. Existing GIS data (hazards, slope, zoning, vegetation, hydrology, settlement and land use patterns e.g zoning, covenants, lot sizes and land ownership);
  - c. Analysis of existing reports and research and a desktop analysis of the character units in the basin;

- d. Field surveys;
  - e. Review of existing dwellings, consented platforms, subdivisions, SHA plans and Special Zone Structure Plans;
  - f. Analysis of rural production activities and their significance to the district as a whole;
  - g. Analysis of development capacity and growth projections for the study area and the District as a whole; and
  - h. Preparation of the proposed planning approach.
- 14 From an analysis of the above, the Basin was separated into 25 distinguishable landscape character units. In general, the landscape units were very similar to those identified by Dr Marion Read as part of the PDP process. A full description of these landscape units is contained in **Appendix G** of the WBLUS.
- 15 The analysis undertaken has included an assessment of: landform, vegetation, hydrology, settlement and land use patterning, zoning, aesthetic and recreational values and vulnerability to adverse cumulative landscape and visual effects as a consequence of development.
- 16 In addition, landscape units were identified based on factors such as their location relative to scenic routes, proximity to Outstanding Natural Landscapes and Features, visibility and prominence, views, the pattern of existing built form and consented but unbuilt developments and 'sense of place'.
- 17 From this analysis the Consultants were able to provide comments on the potential landscape issues and constraints, potential landscape opportunities and benefits, and the environmental characteristics and amenity values to be maintained and enhanced for each of the landscape units.
- 18 The analysis concludes by rating each landscape unit's ability to absorb additional development from a 5-point rating scale ranging from Very Low to Very High. A detailed explanation of the absorption capability rating is contained in **Appendix K** of the WBLUS. It should be noted that High level of ability to absorb additional development doesn't equate to "High Densities/Levels" of development are suitable in these areas.

### Summary of Results

- 19 Table One provides a summary of the consultants view on the absorption capabilities of each of the landscape character units:

Very High	<ul style="list-style-type: none"> <li>• No landscape units</li> </ul>
High	<ul style="list-style-type: none"> <li>• Millbrook (small triangle at the far eastern end)</li> <li>• Speargrass Flat (around Lakes Hayes Rural Residential Area)</li> <li>• Fitzpatrick Basin</li> <li>• Dalefield</li> <li>• Wharehuanui Hills</li> </ul>

	<ul style="list-style-type: none"> <li>• Hawthorn Triangle</li> <li>• Lake Hayes Rural Residential</li> <li>• Arrow Junction Rural Residential</li> <li>• Ladies Mile</li> <li>• Arrowtown South</li> <li>• Shotover Country Margins (western portion)</li> </ul>
Moderate to High	<ul style="list-style-type: none"> <li>• Lake Hayes Terrace</li> <li>• Shotover Country Margins (eastern portion)</li> <li>• Tucker Beach (central and eastern end)</li> <li>• Domain Road River Terrace</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>• Hogans Gully</li> <li>• The Hills</li> <li>• Millbrook (with the exception of triangle at far eastern end of the unit)</li> </ul>
Moderate to Low	<ul style="list-style-type: none"> <li>• Morven Ferry</li> </ul>
Low	<ul style="list-style-type: none"> <li>• Shotover River Terrace</li> <li>• Tucker Beach Road (western end)</li> <li>• Speargrass Flat (excluding area around Lake Hayes Rural Residential area)</li> <li>• Slope Hill "Foothills"</li> <li>• Lake Hayes Slopes</li> <li>• Bendemeer</li> <li>• Morven Eastern "Foothills"</li> </ul>
Very Low	<ul style="list-style-type: none"> <li>• Malaghans Valley</li> <li>• Gibbston Highway Flats</li> <li>• Crown Terrace</li> </ul>

20 For landscape units with a draft absorption capability rating of Moderate-Low or higher, the consultants recommend planning strategies intended to safeguard and enhance the environmental and amenity values of the landscape unit should additional development within this area be considered appropriate.

21 Due to the high growth demands in the Basin, the Consultants have recommended exploring the optimisation of the scope of areas with a rating of Moderate-Low and above. This will need to be further investigated by Council.

22 No landscape units were given a Very High rating. 11 landscape units (entire and parts of) were identified as having a High capability, while 10 were rated as being Low or Very Low.

#### Preliminary Recommendations from the WBLUS

23 The recommended framework promoted in the WBLUS would consolidate the established pattern of development in the Basin and refine the legibility/spatial demarcation of the specific landscape units. The key conclusion being the Basin should have its own standalone zoning, which is complemented by precinct overlays, and it is distinguishable from the general zonings of the other parts of the District Plan. This would be a significant departure to the current planning regime promoted in both the ODP and PDP.

- 24 The analysis finds that the identifiable and established amenity values of the Basin do not derive from predominantly rural productive/agricultural land uses and the characteristics of the area do not support a dominant rural production landscape character. The Consultants believe the dominant character of the area derives from a complex mix of established and approved land use activities, which have little connection to traditional productive farming.
- 25 The Consultants agree with the Hearings Panel and believe the fully 'Discretionary' regime of the Rural Zone is unlikely to achieve the Strategic Direction over the life of the PDP.
- 26 The Consultants have made a number of recommendations within the WBLUS, which the Planning Policy team will need to assess in detail, as part of the overall PDP process. A significant amount of work is required to fully understand the proposed recommendations. It is noted the Consultants recommendations would result in a changed planning framework for the Basin.

#### Where to from here

- 41 The Planning Policy team will need to undertake a significant amount of work, reviewing and assessing the recommendations contained within the WBLUS. This will include investigating the options that are available to the Council and understanding the implications of the recommendations, including whether or not a Plan Variation may be required. Further investigation is also required in terms of the implications the WBLUS on the Urban Growth Boundary, the National Policy Statement on Urban Capacity and the specific zoning considerations. Moving forward a better understanding of the increased total dwelling capacities and the implications of this will also be necessary.
- 42 If the Council decide to proceed with a variation, it is likely that this will be notified in July 2017. The implication for the Stage 1 Wakatipu Basin hearing stream will be that submissions that have been made on zones mapping and plan annotations for the Wakatipu Basin will have to be transferred to be part of any variation. People who have already submitted will also be able to submit on a possible variation. The work on the variation is likely to run in parallel with the work required for the Queenstown Mapping Hearings, which are scheduled to take place in August/September 2017. An implication of this is that the Wakatipu mapping stream hearing won't be able to occur this year.

#### **Options**

- 27 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 28 Option 1 Recommend a detailed review of the WBLUS.

##### *Advantages:*

- 29 Allows the Council the opportunity to further investigate the findings of the draft WBLUS, with the aim of achieving better outcomes for the Queenstown Lake District community and provides for better protection of the Basin;

- 30 Provides an opportunity for the planning regime of the Basin to better align with the Strategic Direction of the PDP.

*Disadvantages:*

- 31 Time and resourcing required by Council to undertake the review.

32 Option 2 – Retain the status quo – Wakatipu Basin continues to be zoned Rural

*Advantages*

- 33 Avoids further time and resources required to review the draft WBLUS.

*Disadvantages:*

- 34 The opportunity to review the WBLUS would be lost. As noted by the PDP Hearings Panel, the Strategic Direction for the Basin is unlikely to be met through the current provisions promoted within Chapters 21 (Rural) and 22 (Rural Residential and Lifestyle) of the PDP.

- 35 The planning regime of the Basin would be at odds with the Strategic Direction of the PDP, and the 'Discretionary Activity' regime is unlikely to achieve this.

36 Option 3 – Adopt WBLUS in Councils evidence for the Wakatipu Mapping Stream without further analysis.

*Advantages:*

- 37 Allows for the Wakatipu Basin Mapping to be concluded in 2017 as part of the PDP process.

*Disadvantages:*

- 38 The opportunity to review the draft WBLUS would be lost. Queenstown context and PDP integration needs to be further investigated. This may also prejudice submitters.

- 39 The recommendations of the WBLUS will not be reviewed and assessed in detail by the Planning Policy team as part of the overall PDP process. The recommendations propose a completely different and separate planning framework for the Basin and the implications of this will not be understood in detail.

- 40 The ability to partly adopt the recommendations of the WBLUS will be lost.

- 41 This report recommends **Option 1** as set above.

***Significance and Engagement***

- 42 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:



- **Importance:** the matter is of high importance to the District
- **Community interest:** the matter is of considerable interest to the community
- **Existing policy and strategy:** there is an opportunity for the Basin's planning regime to better align with the Strategic Direction of the PDP.

### **Risk**

43 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social, environmental and reputational risks.

44 A key element of this risk is meeting the current and future development needs of the community and providing for development that is consistent with the strategic direction of Council's Policies and Strategies. There is some social risk relating to the economic and social consequences of not meeting development needs, which includes housing provision and the protection of the environment from inappropriate development.

### **Financial Implications**

45 The review of the draft WBLUS will result in additional officer time, including input from various Council Departments; Planning and Development, GIS, Property and Infrastructure and Legal teams. The findings of the review will also be workshopped with Councillors.

### **Council Policies, Strategies and Bylaws**

46 The following Council policies, strategies and bylaws were considered:

- ODP, which regulates housing development and urban growth management.
- PDP, which sets out proposed changes to the ODP.
- Housing Our People in our Environment Strategy, which is relevant as it seeks to address the housing affordability issue in the District.
- Economic Development Strategy, a key action of which is to "investigate all options for improving housing affordability in the District".
- 2016/2017 Annual Plan, within which a number of Community Outcomes that are relevant as they relate to the economy, and the natural and built environment.
- 10 Year Plan 2015-2025.

47 The recommended option is consistent with the principles set out in the named policy/policies.

48 This matter is included in the 10-Year Plan/Annual Plan to the extent that it affects strategic regulatory functions and services, and will potentially lead to financial implications for the provision of core infrastructure and services.

### **Local Government Act 2002 Purpose Provisions**

49 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the best possible outcomes are achieved through out the PDP process;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

### **Consultation: Community Views and Preferences**

50 The persons who are affected by or interested in this matter are:

- a. residents/ratepayers of the Queenstown Lakes district community;
- b. the business, investment and tourism sectors located within and outside of the district;
- c. infrastructure providers; and
- d. Government.

51 The commissioning of the WBLUS is a matter of public record however the Council has not undertaken consultation or engagement with the community regarding the potential review of the WBLUS.

52 It noted that the community has been consulted through-out the PDP process.

### **Legal Considerations and Statutory Responsibilities**

53 Development of the PDP has occurred in accordance with the RMA. Particular clauses of relevance include Sections 5-11, 31 and 32 and Schedule 1. The recommendations accord with the provisions of the RMA. In particular section 73(3) that allows a district plan to be prepared in territorial sections.

### **Attachments (Presented separately)**

- A Memorandum concerning PDP provisions affecting Wakatipu Basin by Denis Nugent dated 1 July 2016
- B Wakatipu Basin Land Use Study