



TOWNPLANNING
GROUP

Further Evaluation under Section 32AA of Resource Management Act 1991:

Gibbston Valley Resort Zone

Gibbston Valley Station Limited ENV-2018-CHC-54

20 October 2019



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Executive Summary

1. This evaluation report has been prepared in accordance with section 32AA of the Resource Management Act 1991 (**RMA**) to support the proposal for a special zone called the Gibbston Valley Resort Zone (**GVRZ**) to replace the Proposed District Plan (**PDP**) Gibbston Character Zone and Rural Zone at the eastern end of Gibbston Valley.
2. The evaluation report concludes that collectively, the objectives of the proposal and implementation of the supporting provisions are the most appropriate way to meet the purpose of the RMA. In particular the GVRZ will enable visitor industry facilities, recreation and limited residential activity within appropriate locations where the landscape can accommodate change, while minimising the loss of productive soils.
3. The GVRZ will result in a more effective and integrated land use regime than the Gibbston Character Zone and Rural Zone in the context of the proposal.

Introduction

4. Gibbston Valley Station Limited (**GVS**) made a submission on the Queenstown Lakes Proposed District Plan (#827) proposing “*a zone that provides for a range of uses, including viticulture, residential, commercial, commercial recreation and visitor accommodation*”.
5. A decision was made by the Queenstown Lakes District Council (**Council**) on the proposal to adopt the recommendations of the Council’s hearing commissioners contained in in Report 17-12 titled “Report and Recommendations of Independent Commissioners Regarding Mapping of Gibbston Valley”.¹ The decision was appealed to the Environment Court by GVS (ENV-2018-CHC-54).
6. The purpose of this section 32AA evaluation is to accompany the amendments to the original proposal agreed through mediation, which resolve the appeal.

¹ This report is contained in **Appendix [A]**.

Site & Context

7. The site is located centrally within Gibbston, legally described as follows:
- Lot 2 DP 363931 – Gibbston Valley Station
 - Pt Section 7 Blk I Kawarau SD – Gibbston Valley Station
 - Pt Section 17 Blk I Kawarau SD – Gibbston Valley Station
 - Section 56 Blk I Kawarau SD – Gibbston Valley Station
 - Pt Section 2 SO 24636 – Gibbston Valley Station
 - Sec 58 Blk I Kawarau SD – Gibbston Valley Station
 - Lot 2 DP 27312– Gibbston Valley Station
 - Lot 1 DP 27312– Gibbston Valley Station
 - Section 38 Blk I Kawarau SD – Gibbston Valley Station
 - Pt Section 45 Blk Kawarau SD – Gibbston Valley Station
 - Section 72 Blk I Kawarau SD – Gibbston Valley Station
 - Section 73 Blk Kawarau SD – Gibbston Valley Lodge NZ, LLC
 - Lot 2 DP 27586 – Gibbston Valley Station
 - Lot 2 DP 387160 – Gibbston Valley Station
 - Lot 3 DP 387160 – Gibbston Valley Station
 - Lot 1 DP 444895
 - Lot 1 DP 343359 – Gibbston Valley Station
 - Section 3 SO 300818 – Gibbston Valley Wines Limited
 - Pt Section 43 Blk I Kawarau SD – Gibbston Valley Wines Limited
 - Section 55 Blk I Kawarau SD – Gibbston Valley Station
8. Gibbston Valley Station is a 330-hectare landholding that contains existing and consented development within the valley floor of Gibbston, with the higher reaches having a pastoral farming focus. The existing Gibbston Valley Winery complex is a key feature within the site and represents well established focal development node in the valley which currently contains vineyards, a large winery complex with associated cellar door sales, restaurant/café, cheesery, gift store, bike hire, wine cave, administration offices, function buildings, storage buildings, staff accommodation,

visitor accommodation and a lodge/spa building - all within the surrounds of a working vineyard. The wider site is also partly used for pastoral farming.

9. The site is part of the wider PDP Gibbston Character Zone situated in the Kawarau Gorge. This area contains a number of vineyards, wineries and farms.
10. The character of the wider setting of the Gibbston Valley comprises a mix of viticulture, pastoral, natural features, rural living at varying scales, visitor attractions, historical elements and infrastructure.²
11. Whilst much of the original vegetation has been modified or removed, the colour and texture of tussock grassland and grey shrubland of the farmed hillslopes contribute to the distinctive identity of the Gibbston landscape. In comparison to the hillslopes, the lower hillslopes, and valley floor is divided into a patchwork of mostly 'tended' pasture interspersed with vineyards predominantly on the southern side of the Gibbston Highway / Stage Highway 6 (**SH6**). The northern side of SH6 is dominated by open pasture and grazed. Exotic amenity and shelter trees punctuate the valley floor mostly clustered around buildings but for the most part the landscape character is open.

Relevant Resource Consents

12. The existing environment consists of large-scale consented development.
13. Resource consent RM080864 was granted 17 June 2009 with a lapse date 15 years from the date of approval (being 17 June 2024). The consented development on Gibbston Valley Station south of SH6 comprises of:
 - A Vintners Village with 13 buildings (3,000m² GFA)
 - 42 visitor accommodation units co-located with the Vintners Village
 - 14 visitor accommodation units accessed from Resta Road
 - Staff accommodation, service, and maintenance buildings
 - A spa complex adjacent to Toms Creek with 6 buildings

² Page 2 of Landscape Joint Witness Statement, dated 20 August 2019

- 50 visitor accommodation units and a luxury lodge near Gibbston Valley Winery
14. The consented development on Gibbston Valley Station north of SH6 comprises:
- An 18-hole golf course
 - 30 visitor accommodation units
 - A community building
 - 10 buildings containing 13 residential units
15. Extensive planting for mitigation and increased vineyard planting was included in the consent.
16. A plan showing the approved development under RM080864 is contained in **Appendix [B]**.
17. Resource Consent RM180550 was granted on 10 September 2018 for establishment of a visitor accommodation facility with 33 cottages with associated facilities (including a lodge, space and support buildings), roading, car parking, an underpass under SH6, earthworks and landscaping. This consent is being implemented and construction is ongoing, with the opening of the new facility expected in December 2019.
18. A plan showing the approved development under RM180550 is contained in **Appendix [C]**.
19. The Gibbston Valley River Trail has been developed through the property as a cycle trail with a further 25 km of trail established on Rabbit Ridge.

Gibbston Valley Station Submission on the Proposed District Plan

20. The GVS submission sought that most of the site be rezoned to provide for a range of uses, including viticulture, residential, commercial, commercial recreation, and visitor accommodation. The reasons given by GVS in support of its submission were:

- In granting Resource Consent RM080864, the QLDC has assessed the property in relation to its potential to absorb a high level of residential, commercial, viticultural and commercial recreational activity and found it can cater for change without significantly impacting on the landscape and environment.
- Areas identified for development would be constrained to the valley floor such that landscape values in the wider area can be maintained and protected.
- Access to the property will not adversely impact on the State Highway and its functioning.
- Providing for a range of activities on the property will help meet the needs of the community, provide for an appropriate level of growth, and would maintain rural productive land uses and landscape values.
- The property can be readily serviced by local infrastructure, such as water, sewer, telecommunications, electricity and stormwater.
- Buildings and development would be located so as to avoid increasing natural hazard risk.

21. No further submissions were received opposing the relief sought by GVS.

Council's Decision

22. The proposal that was put forward to the Council in the hearing of the submission in 2017, was the refinement of the existing Gibbston Character Zone through the creation of a sub-zone as opposed to a separate zone in the PDP.

23. The vision for the development was cited by the Commissioner's as "impressive". They concluded that:

"it would bring considerable economic and social benefit to the district through the promotion of tourism, recreation and economic production"

and

*“that environmental values such as landscape, ecology, and water quality can be managed, and that traffic and access issues have been well thought out and resolved in the proposals we were shown. In principle, we consider the proposal put forward is an excellent one”.*³

24. With regard to landscape, ecology, traffic and servicing, the Commissioner’s accepted GVS evidence on these matters and that these effects have been satisfactorily mitigated.⁴
25. The sub-zone approach ultimately did not find favour with the Commissioner’s, seeing this approach as “flawed” and ultimately leading to their decision not to authorise the new sub-zone.
26. The Commissioner’s remarked that:

*The proposal was presented to us as a Sub-Zone within the GCSZ. It is difficult to see how a subzone can diverge widely from the purposes of its underlying zone. In other examples of Sub-Zones in this PDP, Sub-Zones are used to include specific provisions to ensure localised issues are dealt with and the purposes of the underlying zone are achieved. This Sub-Zone does the opposite by enabling activities that diverge from the intentions of the parent zones.*⁵

...

*“We think it [the zone] should have been presented as a zone in its own right, probably as a Resort Zone, to overcome the issues about urban development”.*⁶

27. This was ultimately summed up in paragraphs 58 and 59 of the decision:

We have concluded that the concept that this submitter presented to us is attractive, very well thought out and expressed, visionary, economically very beneficial, and all its effects would be capable of being managed. However, the approach adopted to incorporate it in the district plan is flawed. It should have been presented as a zone in its own right, not sitting under the parent GCS [sic] which has proved to be an impossible task. For example, it could be presented as a Resort Zone, of which there are other examples in the district such as Millbrook.

Alternatively, perhaps it is time for the GCZ itself to be substantially revised and its purpose broadened to recognise a more tourism orientation which recognises and includes viticulture without being so narrowly focussed on it. We are aware that, although the submitter has a large

³ Paragraph 38 of Decision

⁴ Paragraph 39 of Decision

⁵ Paragraph 47 of Decision

⁶ Paragraph 56 of Decision

site, it is not the only landowner or winemaker in the Gibbston area, and others may be coming to similar conclusions. We offer these suggestions to the applicant and the Council in the hope that it may be helpful in finding a more appropriate way forward for what seems to us to be a very worthwhile project”.

28. As discussed below, there are policies in the Gibbston Character Zone Chapter 23 that make provision for a range of activities providing development avoids or mitigates adverse effects on landscape character and economic values. However, the scale, range of activities and opportunities for a more comprehensive, planned and integrated development available through a dedicated zone are considered to be more appropriate than retention of the Gibbston Character Zone.

Appeal

29. The Council accepted the Hearings Panel’s recommendation and retained the notified Gibbston Character Zone and Rural Zone. GVS filed an appeal on the Council’s decision and the Otago Regional Council joined as a party pursuant to section 274 of the RMA.
30. The GVS appeal was allocated to the Topic 16 group of rezoning appeals. Notwithstanding the importance of the changes proposed, the large area and potential complexity of the appeal, the placement of this appeal within Topic 16 was considered appropriate by the Council and GVS because the appellant had not appealed related provisions nor joined proceedings, in particular appeals on Topics 1 and 2. GVS and Council have held a site visit and several meetings and information exchanges from 20 August 2018, leading up to mediation which took place on 19 June 2019.

Structure of the Section 32AA Evaluation

31. The evaluation of whether the objectives of the proposal meet the purpose of the RMA [s32(1)(a)] are discussed further in this report.
32. The evaluation of whether the provisions are the most appropriate way to meet the objectives of the proposal [s32(1)(b)] are set out as follows:

- i. The identification of other reasonably practicable alternatives for achieving the objectives are addressed [s32(1)(b)(i)] for the entire proposal. This broadly examines the various processes and implementation options considered.
- ii. The efficiency and effectiveness [s32(1)(b)(ii)] of the provisions in achieving the objectives, and the assessment of the costs and benefits [s32(2)] are discussed by way of the following themes, which broadly relate to resource management issues:
 - Productive soil resource
 - Landscape values of the GVRZ and Gibbston Valley
 - Natural hazards
 - Visitor industry activities and the PDP definition of “Resort”
 - Transportation
 - Servicing
- iii. A summary of the reasons for deciding on the provisions [s32(b)(1)(iii)] are discussed following the above evaluations.

Supporting Information

33. This section 32AA evaluation is supported by the following information:
- Landscape Joint Witness Statement dated 27 August 2019 (**Appendix D**);
 - Viticulture and Land Viability Statement prepared by Chris Keys dated 25 September 2019 (**Appendix E**);
 - Natural Hazards report prepared by Geosolve Limited dated October 2018 (**Appendix F**);
 - Infrastructure report prepared by Ken Gousmet dated 12 June 2017 (**Appendix G**); and
 - Transportation report prepared by Andy Carr dated 12 June 2017 (**Appendix H**).

- Procedural Decision of the Environment Court relating to the Proposed Regional Policy Statement for Otago 2015 dated 15 March 2019 (**Appendix I**);
- Procedural Minute of the Environment Court relating to the Proposed Regional Policy Statement for Otago 2015 dated 29 August 2019 (**Appendix J**);
- Acoustic brief prepared by Mr Jon Styles of Styles Group dated 15 September 2019 (**Appendix K**);
- Acoustic modelling prepared by Dr Stephen Chiles dated 1 October 2019 (**Appendix L**); and
- Frost fan comments prepared by Mr James Dicey dated 24 September October 2019 (**Appendix M**).

Statutory Considerations

34. The following section identifies the relevant statutory documents:

Resource Management Act 1991 (RMA) – Part 2

Section 5

35. Section 5(2)(a) calls for the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations to be sustained. Section 5(2)(b) seeks to safeguard the life supporting capacity of air, water, soil, and ecosystems. Section 5(2)(c) calls for the adverse effects of activities on the environment to be avoided, remedied, or mitigated.

Section 6

36. Turning to the relevant parts of Section 6 of the RMA, sub-section (b) requires the protection of outstanding natural features and landscapes from inappropriate subdivision, use and development. Section 6 (c) calls for the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna.

Section 7

37. Section 7 requires particular regard to be had to the efficient use and development of natural and physical resources (s 7(b)); the maintenance and enhancement of amenity values (s 7(b)) and the maintenance and enhancement of the quality of the environment (s 7(f)).

Section 8

38. Section 8 requires that the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) are taken into account.

National Policy Statements

39. The two most relevant National Policy Statements (**NPS**) are the NPS Urban Development Capacity 2016 (**NPSUDC**) and NPS Electricity Transmission 2009 (**NPSET**).

National Policy Statement for Urban Development

40. The NPSUDC is not of primary relevance because the proposal does not constitute “urban development” as defined in the PDP (refer below to the discussion on the definition of “resort”), nor is the proposal occurring within the urban environment as defined in the NPSUDC. The NPSUDC provides the Council discretion as to how to apply the urban environment definition in the context of the district and for the purposes of capacity assessments, the Council has not included land in the rural zones as part of the Urban Environment (i.e. the Rural, Rural Residential, Rural Lifestyle, Wakatipu Basin and Gibbston Character zones (Chapters 21 to 24)).
41. Notwithstanding this, the proposed GVRZ is relevant insofar that it would make a small but targeted contribution toward accommodation opportunities for workers of the GVRZ and their family members who may also be involved in employment in the rural sector or hospitality through Activity Area 8 and the provision for a maximum of 90 bedrooms within a relatively small node of medium density residential activity (Rule 45.5.15(d)).

42. There is also the matter of a shortage in the provision for housing and accommodation for shorter term residents and lower income families in the District. Activity Area 8 is a targeted response for the GVRZ to provide accommodation opportunities for workers accommodation. Housing affordability in Queenstown Lakes District is currently less achievable than anywhere else in New Zealand. The ratio of house value to annual earnings for Queenstown (December 2016) is 20.6:1, with the national ratio being 10.9:1. This lower housing affordability in the district is a result of both high house prices and mean average earnings that are lower than the New Zealand average. In 2018, the average house value in the district was \$1,092,217 compared to the New Zealand average of \$639,536⁷.
43. These housing affordability issues result in constrained options for rental accommodation. The housing affordability issues result in constrained options for rental accommodation and Activity Area 8 would make a small yet useful contribution at alleviating shortages of worker accommodation.

National Policy Statement Electricity Transmission 2009

44. The National Grid corridor enters the District around the Nevis area and passes through the Rural Zone and Gibbston Character Zone. The National Grid Corridor passes through the proposed GVRZ affecting a small area of the Open Space and Recreation Activity Area. The National Grid Corridor is not located in proximity to any Activity Areas where buildings are readily anticipated. Provisions associated with the management of activity in proximity to the National Grid are principally provided for within Chapter 30 Energy and Utilities. Chapter 30, like all district wide chapters, would be applicable to the proposed GVRZ where relevant.

National Policy Statement for Freshwater Management 2014

45. The NPSFM sets out objectives and policies for freshwater management. This NPS provides a National Objectives Framework to assist regional councils and communities to more consistently and transparently plan for freshwater management.

⁷ <https://ecoprofile.infometrics.co.nz/Queenstown-Lakes%2bDistrict/StandardOfLiving>

46. Given its regional council focus, the NPSFM does not directly require specific provisions to be included within district plans, but the RMA requires all district plans to give effect to NPSs as well as regional policy statements.
47. If the ORC were to adopt a policy from a NPS in its regional policy statement which directs the management of contaminants such as sediment or nutrients, and those contaminants could be associated with particular land uses (such as earthworks or urban development), QLDC would need to give effect to those regional policies by way of district rules controlling land use. Such a direction could be applicable to the proposed GVRZ, however at this point in time there is no such direction to implement.
48. The proposed GVRZ does not include any rules that directly relate to activities on the surface of water. The identification of activity areas purposefully excludes waterbodies and in particular the area adjoining Toms Creek from development owing to its flood risk.

Regional Policy Statement

49. Section 75(3)(c) of the RMA requires that a district plan must “give effect to” any operative regional policy statement. Section 74(2)(a) of the RMA requires that a territorial authority “have regard to” any proposed regional policy statement when preparing or changing a district plan.
50. The Otago Regional Council resolved to make the Proposed Regional Policy Statement 2015 partially operative from 14 January 2019 (**PORPS**). As observed by the Court in *Darby Planning Ltd Partnership v Queenstown Lakes District Council*,⁸

The review of the Otago Regional Policy Statement 1998 (“RPS98”) is now well advanced with several of its provisions now superseded by operative provisions of the proposed Otago Regional Policy Statement 2017 (“pRPS”). Some of the pRPS provisions are before the court for consent order determination. It can be anticipated that the advance of the pRPS to becoming the only operative RPS will continue

⁸ [2019] NZEnvC 133 at [25].

through the process of the court's determination of PDP appeals. As such, in determining whether the PDP gives effect to the RPS, we leave aside all superseded RPS98 provisions and treat all operative pRPS provisions as, in essence, part of the emerging RPS. Further, our regard to yet-operative pRPS provisions is on the basis that provisions beyond contention on appeal are accorded weight that reflects their likely role as future operative RPS provisions.

51. In the following section those PORPS objectives and policies that have been appealed and subsequently settled between the parties and are waiting consent orders are prefaced with (CM), meaning consent memoranda version. Given that agreement has been reached on these objectives and policies it is considered that they can be given significant weight and the corresponding decisions version objectives and policies have not been recorded in this report. Likewise, the corresponding operative objectives and policies have not been recorded in this report in accordance with the Court's observations recorded above.
52. The key component of the PORPS that is relevant to this proposal and where resolution has not been reached is Part B Chapter 3 'Otago has high quality natural resources and ecosystems'. Following further consideration of Policy 3.2.4 which relates to outstanding natural features and landscapes as directed by the Court⁹ The PORPS and procedural decision relating to Chapter 3 are attached at **Appendix [I]**. A further Minute from the Environment Court on this matter dated 29 August 2019 is attached at **Appendix [J]**.
53. It is understood that presently the ORC and parties are yet to respond to the 29 August Minute. As set out below in the body of this evaluation, there is not considered to be tension between the proposal and the objectives and policies of the PORPS such that unresolved status of Policy 3.2.4 or any accompanying preamble text in Part 3.2 of the PORPS requires recourse to the partially operative 1998 RPS.
54. Many objectives of the PROPS are relevant and the PROPS directs that that in giving effect to the PORPS all objectives and policies must be considered together¹⁰. In the context of what are considered to be the four key matters, being productive soil

⁹ Procedural Decision of Jackson J dated 15 March 2019 NZEnvC42 [2018].

¹⁰ PORPS Part A introduction at [8].

resource, landscape values of the Gibbston Valley, natural hazards and tourism related activities, the following policies of the PROPS are considered to be particularly relevant.

55. The matter of the productive soil resource relates to the following policies:
- a. (CM) Objective 3 - The functions and values of Otago's ecosystems and natural resources are recognised, maintained or enhanced where degraded;
 - i. (CM) Policy 3.1.7 Soil Values
 - ii. (CM) Policy 3.1.8 Soil Erosion
 - b. (CM) Objective 3.2 - Otago's significant and highly-valued natural resources are identified, and protected or enhanced where degraded
 - i. (CM) Policy 3.2.17 Identifying significant soil
 - ii. (CM) Policy 3.2.18 Managing Significant Soil
 - c. Objective 5.3 – Sufficient land is managed and protected for economic production;
 - i. Policy 5.3.1 Rural Activities
56. The management of landscapes includes both amenity landscapes and the outstanding natural features and landscapes. The most relevant policies sit under Objective 3.2 and are:
- a. CM Policies 3.2.3 and 3.2.5 which relate respectively to the identification of outstanding natural features and landscapes and highly valued natural features, landscapes and seascapes, of which rural amenity landscapes fall into;
 - b. CM Policy 3.2.4 Managing outstanding natural features, landscapes and seascapes;
CM Policy 3.2.6 which relates to managing highly valued natural features, landscapes and seascapes.
57. With regard to natural hazards, the following policies of the PORPS are relevant:
- a. Objective 4.1 - Risk that natural hazards pose to Otago's communities are minimised.
 - i. Policy 4.1.1 Identifying natural hazards;

- ii. Policy 4.1.2 Natural hazard consequence;
 - iii. Policy 4.1.4 Assessing activities for natural hazard risk;
 - iv. Policy 4.1.5 Natural hazard risk;
 - v. Policy 4.1.6 Minimising increase in natural hazard risk; and
 - vi. Policy 4.1.10 Mitigating natural hazards.
58. The relevant PRPS provision relating to tourism activities is PORPS Policy 5.3.1 which recognises the social and economic value of some forms of outdoor recreation and tourism having access to and being located within outstanding natural features and landscapes. This policy is of limited relevant given that almost all of the GVRZ is located outside the ONF/L.
59. These, and other relevant provisions are discussed in greater detail below.

Proposed District Plan 2018 Decisions Version (PDP)

60. The proposed GVRZ is located within what is currently the Gibbston Character Zone and the Rural Zone. The most relevant objectives and policies of the PDP are in Chapter 3 Strategic Direction, Chapter 6 Landscapes and Rural Character, and Chapter 23 Gibbston Character Zone. Chapters 21 Rural Zone and Chapter 28 Natural Hazards are also relevant and are discussed below.
61. In undertaking this assessment, it is recognised that the only PDP objectives and policies that can be treated as operative are those in the Gibbston Character Zone Chapter 23, with the exception of Policy 23.2.9 relating to infrastructure which is subject to appeal. All remaining objectives and provisions are not settled and are subject to possible amendment in response to appeals. The Environment Court issued an interim decision on Topic 1 - A resilient economy¹¹ on 5 August 2019. Those components can therefore be afforded considerable weight.
62. The Topic 1 components¹² that are relevant to this proposal are:

¹¹ *Darby Planning Ltd and Ors v Queenstown Lakes District Council* [2019] NZEnvC 133.
¹² [2019] NZEnvC 142 Erratum. Interim Decision: Topic 1, Stage 1 – ‘A Resilient Economy’.

- a. Part 3.1B – that for the purposes of plan development, the strategic objectives (**SO**) and strategic policies (**SP**) in Chapter 3 provide direction for the development of more detailed provisions contained elsewhere in the plan, and that for the purpose of plan implementation the relevant objectives of the PDP including the SOs and SPs are to be considered together and no fixed hierarchy exists between them;
 - b. SO 3.2.1 The development of a prosperous, resilient and equitable economy in the District;
 - c. SO 3.2.1.1 The significant socioeconomic benefits of well designed and appropriately located visitor industry places, facilities and services are realised across the District;
 - d. SO 3.2.1.6 Diversification of the District’s economic base and creation of employment opportunities through the development of innovative and sustainable enterprises;
 - e. SO 3.2.6 The District’s residents and communities are able to provide for their social, cultural and economic wellbeing and their health and safety
63. All other parts of the PDP are as per the Council decisions notified on 7 May 2018 (Stage 1) and 7 March 2019 (Stage 2).
64. In broad terms, and subject to more detailed evaluation below, the PDP objectives contemplate diversification of land use in rural areas (SO 3.2.1.8 and SP 3.3.20) on the basis that the life supporting capacity of soil are sustained (SO 3.2.4.1), while retaining the District’s distinctive landscapes (SO 3.2.5).
65. Strategic Policies also recognise that commercial recreation and tourism related activities may be appropriate in the Rural Zone where these enhance appreciation of the landscape and on the basis that they protect, maintain or enhance landscape quality, character and visual amenity values (SP 3.3.21). Opportunities for rural living are also provided for on the basis that these are appropriate (SP 3.3.22) and encouragement is made to identify areas outside the ONL/F where areas cannot absorb further change and to avoid residential development in those areas (SP3.3.23). In relation to rural living, SP 3.3.34 seeks to ensure that the cumulative effects of new subdivision and development for rural living does not alter the character of the rural environment such that it is no longer rural in character.

66. SP 3.3.25 makes provision for non-residential development to locate within the rural environment where there is a functional need, while ensuring the maintenance and enhancement of the rural environment.
67. Chapter 6 Landscapes and Rural Character contains policies only and no objectives. The majority of the proposed GVRZ is located within the Gibbston Character Zone and the key policy is policy 6.3.4 that sets out that the only policies applicable to the Gibbston Character Zone are policies 6.3.4 to 6.3.11 inclusive.
68. Policy 6.3.4 seeks to avoid development to urban densities in rural zones, while Policy 6.3.7 enables continuation of the contribution low-intensity pastoral farming on large landholdings makes to the District's landscape character. Policy 6.3.9 encourages development proposals to promote indigenous biodiversity protection and regeneration while Policy 6.3.11 encourages any landscaping to be ecologically viable and consistent with the established character of the area.
69. Policy 6.3.10 requires proposals to ensure that subdivision and development in the outstanding natural landscapes and rural character landscapes adjacent to outstanding natural features does not more than minor adverse effects on the landscape quality, character and visual amenity values of the outstanding natural feature. The part of the proposed GVRZ zoned Rural and ONL is located adjacent to the Kawarau River which is noted in the Landscape Joint Witness Statement as being an ONF.
70. Chapter 23 Gibbston Character Zone is the decisions version zoning applying to the majority of the proposed GVRZ and is where the areas of building and vineyard development are anticipated to occur. Those parts of the proposed GVRZ zoned Rural and ONL are proposed to be rezoned to Open Space and Recreation.
71. The objectives of Chapter 23 that are most relevant to the proposed GVRZ are the matters of productive soil resource, landscape values of the Gibbston Valley, natural hazards and tourism related activities are Objective 23.2.1 and Objective 32.2.2.
72. Objective 23.2.1 is *'The economic viability, character and landscape values of the Gibbston Character Zone are protected by enabling viticulture and other appropriate*

activities that rely on the rural resource of the Gibbston Valley and managing the adverse effects resulting from other activities locating in the Zone'. The objective is implemented through 13 policies that individually and collectively:

- a. Prioritise rural productive activities by enabling viticulture and providing for appropriate other activities that rely on the rural resource of the Gibbston Valley while protecting, maintaining or enhancing the values of indigenous biodiversity, ecosystems services, the landscape and surface of lakes and rivers and their margins (Policy 23.2.1.1). That activities not based on the rural resources of the area only occur where the character and productivity of the GCZ and wider valley would not be adversely impacted (Policy 23.2.1.3), and while avoiding or mitigating the adverse effects of development on landscape and economic values (Policy 23.2.1.5);
 - b. The diversification of rural land uses to include commercial recreation, tourism, visitor accommodation and rural living that are complementary to the character and viability of the Zone, providing these do not impinge on rural productive activities (Policy 23.2.1.10);
 - c. Provision is made for buildings allied to rural productive activity and worker accommodation (Policy 23.2.1.4); and
 - d. Policy 23.2.1.2 seeks to ensure land with potential value for rural productive activities is not compromised by the inappropriate location of other developments and buildings.
73. Objective 23.2.3 is focused on soil in a broad manner and is '*The life supporting capacity of soils is sustained*'. The key policies that implement this objective seek to avoid the adverse effects of subdivision and development on the life-supporting capacity of soil (Policy 23.2.2.1) and enable activities to utilise the soil types and microclimates (Policy 23.2.2.2).

Section 32AA

74. In accordance with section 32AA(1)(a), a further evaluation is required in respect of the changes made to the proposal since the s32 evaluation was completed. In this case the proposal is the PDP Rural Zone and Gibbston Character Zone. The changes to be made to that are being evaluated is the proposed GVRZ.

75. Section 32AA(1)(b) states that the further evaluation must be in accordance with Sections 32 (1) to (4), while section 32AA(c) requires that the level of detail must correspond to the scale and significance of the changes.
76. Because of the difference in terms of the package of provisions between the submissions version and the final version, and the further evolution of the statutory provisions of the PDP and the PRPS, this evaluation report is from a first principles perspective, rather than as an addendum to the respective section 32 report for the Landscape, Rural Zone and Gibbston Character Zone that was prepared prior to notification of the PDP.

Section 32 (1) (a) – Evaluation of Objectives

77. The purpose of the following stage of the evaluation is to examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of the RMA [section 32 (1) (a)].
78. The overall objective of the proposal is to provide a policy framework and methods (rules and zoning) ‘package’ which will provide for a range of uses. These uses are the continuation and further development of productive vineyards, wine making and ancillary activities, provision for visitor accommodation and ancillary commercial recreation activities, but also including limited residential activity and commercial opportunities, while avoiding, remedying and mitigating adverse effects including on the productive soil resource, landscape values, transportation and appropriately managing natural hazard risk. The inclusion of a Structure Plan in the PDP is considered to be the most appropriate method to guide development within the GVRZ.
79. The most relevant objectives of the PORPS and PDP are identified above, in addition, the following two new statutory objectives are proposed:

Proposed Chapter 45 Gibbston Valley Resort Zone

Plan Reference	Objective
Objective 45.2.1	Visitor accommodation, viticulture, horticulture, commercial, tourism and limited residential activities developed in an integrated and planned manner with particular regard to the maintenance and enhancement of landscape, ecological values, soil values, productive land use and economic sustainability.

PDP Subdivision and Development Chapter 27

Plan Reference	Objective
Objective 27.7.X	Subdivision that provides for visitor accommodation, viticulture, horticulture, commercial, tourism and limited residential activities developed in an integrated and planned manner with particular regard to the maintenance and enhancement of landscape, ecological values, soil values, productive land use and economic sustainability.

80. These two proposed objectives would seek to achieve the following outcomes:

- a. Development would be undertaken in a planned and integrated manner. The key principles being the maintenance of soil values and productive potential of soil through the retention of existing viticulture and promoting additional viticulture and horticulture activities in locations that have been identified as being the most viable in the context of the soil and climatic factors affecting the proposed GVRZ;
- b. Development would take place where the landscape can accommodate land use and development while minimising the loss of productive soils through the retention of existing and proposed productive planting areas;
- c. Visitor accommodation and tourism related development would be the principal non-farming activity. Residential activity would be limited and comprise only a low proportion of the overall development within the resort;
- d. There would be an increase in worker accommodation availability and choice in a location that currently has limited supply, within a District that has housing affordability and accommodation constraints;

- e. There would be an increase in the supply and options for short-term visitor accommodation;
 - f. Inappropriate development within an ONL (and adjacent to the Kawarau River ONF¹³) would be avoided and the values of the wider ONL would be maintained through the identification of building restriction areas;
 - g. Commercial activity that supports viticulture will positively contribute to the Gibbston “valley of vines” concept and further promote Gibbston as a tourism destination in the district;
 - h. The proposed identification of the respective activity areas, productive and landscape planting areas and open space and recreation areas, and related controls will provide certainty as to the maintenance of the productive soil resource, landscape and would appropriately manage natural hazard risk.
 - i. Long term public access would be maintained and complimentary activity would be established that would foster increased access to the trails and experiences from guests to the district.
81. The outcomes identified above are considered to be implemented through the proposed amendments to the PDP, as set out in the proposed Chapter 45 and amendments to the PDP district wide chapters. Collectively these outcomes are considered the most appropriate way to achieve the objectives of the PDP, and PORPS and meet the purpose of the RMA.

Section 32 (1) (b)

Other reasonably practicable alternatives

82. The purpose of the following stage in the evaluation is to examine whether the provisions of the proposal are the most appropriate way to achieve the objectives by identifying other reasonably practicable options for achieving the objectives,

¹³ As directed by PDP Policy 6.3.10.

assessing the efficiency and effectiveness of the provisions in achieving the objectives, and summarising the reasons for deciding on the provisions [section 32 (1) (b)].

83. For the reasons as set out in this report, this evaluation contains 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 [section 32 (1) (c)].
84. The following alternatives are considered reasonably practicable options for achieving the objectives of the proposal:

Retaining the Gibbston Character Zone and provisions

85. Retention of the Gibbston Character Zone and provisions, and implementing the existing resource consent, or applying for a resource consent that is identical to the proposed GVRZ would be the obvious option should the appeal not have been made or not proceeded.
86. While the current consent is currently being implemented in part in terms of the parts of AA1 that are being developed, implementing consents would not provide sufficient flexibility for the resort to be developed in a nuanced way that responds to the dynamics of the market, tourism and productive trends. The existing consent is considered to have a number of limitations in terms of providing flexibility and resilience for GVS that can be overcome with a planning framework that provides for activities but subject to environmental limitations.
87. Realising the objectives of the proposed resort through consents, including a new consent that replicates the proposed GVRZ would be likely to result in a complex suite of conditions, potential for further complexities through variations or additional modifications.
88. As identified above, the Gibbston Character Zone provides for commercial activities such as visitor accommodation and activities with an affiliation to viticulture. However, the more intensive nodes of development (i.e. AA1, AA2, AA4 and AA8), if

viewed individually, run the risk of cutting across PDP Policy 6.3.4 that seeks to avoid development to urban densities in the rural zones. However the proposed GVRZ enables the development, productive and open space areas to be considered collectively with the benefit of certainty over the planning period; this is also consistent with the definition of “resort” which requires consideration of the “overall development” (discussed further below), and the definition of “urban development” which specifically excludes resorts.

89. For large-scale resort activities in the rural environment, best planning practice would direct that such activities are comprehensively provided for by way of zoning rather than through resource consent. Development within the Gibbston Character Zone requires a detailed evaluation of landscape values and impacts; the holistic management of these issues through zone provisions and a Structure Plan represents the most efficient way of enabling appropriate development to occur while providing some flexibility for staging and refinement to meet various conditions over a longer period of time (bearing in mind that resource consents are typically granted for a 5-year term).
90. Relying on resource consents could also likely lead to inefficient plan implementation through a high volume of discretionary activity resource consents for variations as invariably situations can change over the life of larger projects. The benefits of a dedicated zone identify where activities have been determined to be appropriate, and that development is appropriate on the basis other resources are retained (i.e. the Open Space and Recreation Activity Area) or provide for additional productive vineyards (i.e. Productive and Planting Areas).
91. Overall, the option of relying on resource consents is not considered efficient, and nor is it likely to be considered to be as effective as providing for a dedicated zone that provides for planned and integrated development that addresses a broad range of resource management issues.

Amend provisions in the Gibbston Valley Character Zone

92. This option would likely result in the creation of a sub-zone or overlay, and the Commissioner's for the Council considered this approach to be "flawed" (as referred to earlier in this report).

93. Consideration has been given to the definition of Resort in the PDP which is:

"Means an integrated and planned development involving low average density of residential development (as a proportion of the developed area) principally providing temporary visitor accommodation and forming part of an overall development focused on onsite visitor activities."

94. The proposal's objectives would be better achieved through a separate resort zone. This proposal accords with the definition of resort and is assisted by the entire area being held in common ownership (therefore providing a clearer path to enable "integrated and planned development"), and the various resource management issues can be addressed through the realisation of a planned and integrated development.

95. While a sub-zone is generally a practicable option, it has become clear through the overall package of policies and provisions that now form the proposed GVRZ Chapter 45 that, that a standalone planning framework is the most practicable option to manage the range of resource management issues that are present.

Summary of other reasonably practicable alternatives

96. The preferred option of creating a resort zone (that is located as a special zone within Part 6 of the PDP) is considered more favourable than the two alternatives identified above because:

- a. The site has the ability to be developed as a resort in a planned and integrated manner;
- b. The more intensive nodes of development (i.e. AA1, AA2, AA4 and AA8) are able to be balanced with the certainty of the overall package of provisions that maintain sufficient, and viable (in the productive vineyard sense) soil resource, and maintain the landscape and rural character values of the Gibbston Valley;

- c. A dedicated planning framework would be likely to result in a more efficient planning regime with reduced consenting requirements, and more certainty from an implementation perspective than retention of the GCZ;
- d. Areas dedicated for productive vineyard and limited horticulture production have been identified through an evaluation of where productive vineyards are likely to be viable and rules are proposed to ensure protection of these areas, which increases certainty in terms of protecting the District's soil resource.

Efficiency and effectiveness (and costs and benefits) of the provisions

97. The efficiency and effectiveness [s32(1)(b)(ii)] of the provisions in achieving the objectives, and the assessment of the costs and benefits [s32(2)] are discussed by way of the following themes, which broadly relate to resource management issues:
- Productive soil resource
 - Landscape values of the Zone and Gibbston Valley
 - Natural hazards
 - Visitor industry activities and the PDP definition of "Resort"
 - Transportation
 - Servicing

Productive soil resource

98. The two key matters in relation to the management of the productive soil resource are whether the use of land maintains or enhances areas of significant soils, and the economic values of rural production. The key factor being changes in land use from rural to buildings and residential, visitor or commercial activities. This proposal does not propose to remove any existing productive vineyards, rather the evaluation is focused the extent to which areas of the proposed GVRZ contain significant soils and the loss of land that has potential for productive vineyards.
99. A third matter is the potential for reverse sensitivity through residential and visitor accommodation activity that would be established as part of the proposed GVRZ to

constrain productive farming (specifically vineyards and frost and bird control defence measures) through complaints that constrain existing and potential intensification of productive farming.

Maintenance and enhancement of significant soils

100. The evaluation of the maintenance and enhancement of significant soils are to be assisted by way of consideration in the context of the following statutory provisions: (CM) PORPS (~~red underline and strike out~~ show changes to the decisions version policies as agreed by the parties to the PORPS appeals and submitted to the Court in the form of draft consent orders):

Policy 3.2.17 Identifying significant soil¹⁴

Identify areas of soil that are significant ~~according to one or more of, using~~ the following criteria:

- a) Land classified as land use capability I, II and IIIe in accordance with the New Zealand Land Resource Inventory;
- b) Degree of significance for primary production;
- c) Significance for providing contaminant buffering or filtering services;
- d) Significance for providing water storage or flow retention services;
- e) Degree of rarity.

Policy 3.2.18 Managing significant soil

~~Protect~~ ~~Manage~~ areas of significant soil, by all of the following:

- ~~a) Maintaining those values which make the soil significant;~~
- a) ~~Avoiding significant adverse effects on those values which make the soil significant;~~
- b) ~~Avoiding, remedying or mitigating other adverse effects;~~
- c) ~~Recognising that loss of significant soil to urban development urban expansion on significant soils may occur in accordance with any future development strategy be appropriate due to location and proximity to existing urban development and infrastructure;~~
- d) ~~Controlling the adverse effects of pest species, preventing their introduction and reducing their spread.~~

101. The statement from GVS's winemaker Mr Key's considers whether the soils of the proposed GVRZ qualify as significant in the context of Policy 3.2.17¹⁵ as follows:

¹⁴ Showing mark up resulting from appeals on decisions version text.

¹⁵ Mr Keys considers that limbs c and d of Policy 3.2.17 are outside his area of expertise.

- a. In terms of (a), the valley floor portions of the proposed GVRZ are identified as LUC IIIe;
 - b. With regard to limb (c), the significance for primary production for the purposes of productive vineyards is variable due to climatic constraints (namely mesoclimate constraints due to a combination of frost risk, lack of sunshine hours, poor drainage and high soil fertility that can individually or cumulatively affect the significance for primary production). Some areas within the GVRZ are more significant than others in terms of productive values (namely PL3 and PL7); and
 - c. In terms of limb (e), the degree of rarity in the context of viticulture is not significant outside context of site selection in Gibbston.
102. Mr Key's explanation (refer **Appendix E**) of the attributes of winemaking in Gibbston and specifically on the proposed GVRZ provide assistance with evaluation of Policy 3.2.18. The Structure Plan has identified PL areas where productive vineyards are most likely to viable from a productive perspective. From a planning perspective, given the explanation from Mr Keys' that irrespective of soil type alone, that there are challenges to productive vineyards in Gibbston, while those parts of the GVRZ that can support productive vineyards are not considered to be to 'rare' it does however focus consideration of the careful management for the ongoing viability for those areas to ensure that subdivision and land use is not contrary to Policy 3.2.18(a), and PDP Policy 23.2.1.2.
103. The proposed GVRZ has located non-productive farming development generally where vineyards would not be productive (i.e. AA1, AA2, and AA5 and LMA areas). Although, in some instances Activity Areas are proposed to be located in locations where productive vineyards are viable and share the same environmental attributes as PL5 and PL 6. These are AA3, AA4, AA6 and part of AA7.
104. It is noted that, while AA7 does not contain provision for establishing productive vineyards, buildings are limited within this area (i.e. the collective maximum building coverage for buildings is 1,000m²). The future use for productive vineyards in AA7 are not foreclosed.

105. Taking into account the loss of what are potentially productive soils due to development anticipated in AA3, AA4, AA6 and part of AA7 it is considered that the retention of, and requirement for additional productive vineyards over the proposed GVRZ provides sufficient amount of viable land that is required to be retained in productive vineyards. Rule 45.5.2 identifies the area of each productive planting area and collectively the total area of vineyards (existing and proposed) is 96 hectares.
106. It is considered that the proposed GVRZ would maintain those values that make the soil significant.
107. Rule 45.4.4 makes buildings within the PL and OSR areas a non-complying activity. This rule will assist with implementing proposed GVRZ Policies 45.2.1.6, 45.2.1.7, 45.2.1.11 and 45.2.1.22 that manage productive and soil values in the proposed GVRZ. In this regard the proposal is considered to implement limbs (a) and (b) of Policy 3.2.18.
108. The proposed GVRZ would provide benefits to the maintenance and enhancement of significant soils, and maintenance of rural productive land through the identification of productive planting areas that are required to be retained or installed as part of development of the Resort. This provides certainty that the soil resource would be maintained.
109. Costs associated with the proposed resort include the loss of areas to development in AA3, AA4 and part of AA6 that contain similar environmental attributes to PL5. The costs overall, are considered to be minimised through the identification and retention of PL areas on the Structure Plan. Overall, the proposal is considered to implement CM PORPS Policy 3.2.18 by maintaining those values which make the soil significant.

Reverse sensitivity

110. The matter of noise from frost fans and potentially from audible bird scaring devices is relevant where residential activity and visitor accommodation establishing within the proposed GVRZ has the potential to be affected by noise from these activities

and in turn constrain the ability for these frost and bird deterrent mechanisms to be deployed.

111. In terms of effects within the proposed GVRZ Mr Keys has confirmed that currently GVS does not contain any frost fans and it is unlikely that the identified PL areas would require frost fans. Audible bird scaring devices are also not used within the proposed zone because netting is deployed.
112. In this proposal the primary reverse sensitivity and compatibility issues are noise from frost fans outside the proposed GVRZ on inhabitants within the proposed GVRZ. In these circumstances frost fans are usually deployed during night time and early morning (i.e. the hour or so before and after daybreak) in early spring to protect buds, and then in autumn to protect foliage and fruit. The key matters are therefore the attenuation of buildings to alleviate effects from sleep within buildings more so than amenity effects associated with achieving compliance at a notional boundary of buildings. The other key matter is the location of activity areas anticipated to contain residential activity or visitor accommodation.
113. Although discussed in greater detail below, the following methods are recommended to address potential reverse sensitivity effects:
 - a. Matter of control for buildings (Rule 45.4.1) that requires consideration of attenuating noise in critical listening environments associated with existing or potential intensification of vineyards (i.e. frost fans or audible bird scaring devices) within the Zone;
 - b. Imposition of Rule 45.5.22 that within Activity Areas AA6 and AA8, any room within a residential unit or visitor accommodation that is normally used for sleep shall be designed and constructed to achieve an indoor noise level no greater than 35dB LAeq (15min). Applications for resource could be notified or limited notified (Rule 45.6(f));
 - c. Exempting Rules 36.5.7 and 36.5.8 that relate to compliance for audible bird scaring devices and frost fans to residential activity and visitor accommodation activity in the proposed GVRZ; and
 - d. Defining the location of activity areas where residential activity or visitor accommodation are anticipated in relation to existing and future potential intensification of productive vineyards.

114. On the basis of Mr Key's assessment and the existing land uses within the proposed GVRZ and on neighbouring properties, the only reverse sensitivity issue where residential activity or visitor accommodation of the proposed GVRZ could result in compatibility issues with surrounding productive farming, specifically vineyards is the 'Wentworth' property located to the east of AA6 and AA8 on the eastern side of Resta Road. The Wentworth property contains existing productive vineyards and those vines located near SH6 have existing frost fans.
115. Expert acoustic input has been provided by acoustic engineer Mr Jon Styles of Styles Group to prepare noise level predictions of an existing frost fan located on the neighbouring Wentworth Station to determine whether any acoustic insulation would be necessary to avoid sleep disturbance effects within the proposed GVRZ. This report is attached as **Appendix K**.
116. Two activity areas (AA6 and AA8) have potential to be affected by, and constrain the use of an existing frost fan located on an existing neighbouring vineyard east of AA6 and AA8. The existing frost fan is located approximately 270m to the east of Activity Area AA6, and a similar distance to proposed AA8 of the proposed GVS Resort Zone. Modelling prepared by Mr Styles shows that the noise levels from the existing frost fan over AA6 and AA8 will be no greater than 55 dB LA_{eq(15min)}.
117. Consideration has also been given to the prospect of additional frost fans being established on land outside the GVRZ, in proximity to activity areas where residential activity or visitor accommodation activity is anticipated to occur within the GVRZ.
118. In particular, the potential for further intensification of the existing productive vineyard on the property to the east of AA6 and AA8 has been considered. Mr James Dicey, a viticulturist has provided advice (**Appendix K**) as to whether it is likely an additional frost fan would be located on the Wentworth site, and has identified a likely location. Additional modelling based on this hypothetical frost fan has been provided from Dr Chiles to identify the likely noise contours that would result if that were to occur (**Appendix J**).

119. The modelling identified that 55dB LAeq(15min) would have been exceeded within the originally proposed AA8. As a consequence, the eastern boundary of AA8 has been pulled back westward (away from the location of the hypothetical frost fan), to meet the 55 dB LAeq(15min) contour. This will mean that irrespective of the proposed amendments to 36.5.8 that exempts the compliance of frost fans to residential activity and visitor accommodation in the GVRZ, a frost fan established in the location identified by Mr Dicey would not be likely to result in noise emissions greater than 55dB LAeq(15min).
120. Mr Styles considers that at 55 dB LAeq(15min) there is still the potential that this noise level would result in sleep disturbance if it is not sufficiently attenuated by the envelope of any building with rooms normally used for sleeping. To provide certainty that sleep disturbance effects will be managed, Mr Styles recommend a rule be drafted to require the necessary acoustic insulation in AA6 and AA8. We recommend that any building containing sleeping areas within AA6 and AA8 is designed and constructed to achieve an internal noise level of 35dB LAeq. This would also assist with the implementation of proposed GVRZ Policy 45.2.1.12 that seeks to ensure productive land is not compromised by the inappropriate location or sound insulation of buildings.

Costs and Benefits

121. These provisions are considered efficient in so far that they would not generate a substantial amount of resource consents for noise attenuation in AA6 or AA8. It is also noted that AA6 and AA8 are not developed so these rules (including the matters of control in Rule 45.4.1 throughout the Zone) would apply to new buildings and not require retrospective modifications to existing buildings.
122. From a health and wellbeing perspective, the effectiveness is somewhat constrained where Rules 36.5.6 and 36.5.7 would not apply to be able to protect persons within AA6 and AA8 from unreasonable noise, however the movement of the boundary of AA8 and the requirement for attenuation in AA6 and AA8 is considered to alleviate these effects. The location specific amendments to Rules 36.5.7 and 36.5.8 are considered important to not constrain productive viticulture while the location of activity areas where residential activity and visitor accommodation are proposed, and Rule 45.5.22 are considered sufficient at avoiding, and mitigating the adverse effects

of compatibility issues between existing and future frost fans outside the Zone, and anticipated activities within AA6 and AA8. As identified above reverse sensitivity effects are limited to AA6 and AA8 with the Wentworth property on the eastern side of Resta Road.

123. Consideration has been given to the impact of the proposed changes to Chapter 36 on the residents of and visitors to the proposed resort zone. In particular, the noise effects of frost fans on properties neighbouring the resort zone have been considered. Amendments to Rules 36.5.7 and 36.5.8 have the effect of meaning that frost fans and audible bird scaring devices both within and outside the GVRZ are not subject to assessment and therefore, compliance. This results in a potential cost in terms of noise (health and amenity) effects on future residential and visitor accommodation activity within the GVRZ. It is however considered important to not constrain productive viticulture. In this circumstance there are not likely to be audible bird scaring devices deployed within the GVRZ, and in the case of frost fans there are alternative methods proposed in the GVRZ that address both the effects of existing and future frost fans where these are likely to occur in relation to residential activity and visitor accommodation in the GVRZ (AA6 and AA8).
124. The adjustment of the boundary of AA8 is not considered to have any substantial costs, with the exception that this is a reduction in area development potential. It is noted that the development yield in each activity area is expressed as a total area coverage, rather than a percentage (Refer to Rules 45.5.13 and 45.5.14). The costs to development potential in AA8 are low.

Social and environmental costs associated with these methods are that residential activity and visitor accommodation within AA6 and AA8 could suffer from sleep disturbance associated with frost fans. Proposed GVRZ Rule 45.5.22 would require that within activity areas AA6 and AA8, any room within a residential unit or visitor accommodation that is normally used for sleep shall be designed and constructed to achieve an indoor noise level no greater than 35dB $L_{Aeq}(15min)$ and the design shall be based on an external noise level incident on the facade of 55dB $L_{Aeq}(15min)$ using the frequency spectrum of a frost fan. A breach of this standard would require a restricted discretionary consent. This method is considered appropriate given that expert

advice demonstrates that noise from current and potential frost fans on neighbouring vineyards is unlikely to exceed 55dB $L_{Aeq}(15min)$ within AA6 or AA8.

125. On the basis of the adjustment to the extent of AA8, proposed Rule 45.5.22 and the proposed amendments to Chapter 36 Noise, the potential reverse sensitivity effects on existing and potential productive vineyards outside the proposed GVRZ, and noise effects on the visitors and residents to the proposed GVRZ are low.

Summary

126. Collectively, the proposal enables productive viticulture while managing the adverse effects of other activities. The proposal also retains sufficient land in productive viticulture though ensuring that land with potential value for rural production activities is not compromised by the inappropriate location of other developments and buildings.
127. These provisions are considered efficient in so far that they would not generate a substantial amount of resource consents for noise attenuation in AA6 or AA8. It is also noted that AA6 and AA8 are not developed so these rules (including the matters of control in Rule 45.4.1 throughout the Zone) would apply to new buildings and not require retrospective modifications to existing buildings.
128. From a health and wellbeing perspective, the effectiveness is somewhat constrained where Rules 36.5.6 and 36.5.7 would not apply to be able to protect persons within AA6 and AA8 from unreasonable noise, however the movement of the boundary of AA8 and the requirement for attenuation in AA6 and AA8 is considered to alleviate these effects. The location specific amendments to Rules 36.5.7 and 36.5.8 are considered important to not constrain productive viticulture while the location of activity areas where residential activity and visitor accommodation are proposed, and Rule 45.5.22 are considered sufficient at avoiding, and mitigating the adverse effects of compatibility issues between existing and future frost fans outside the Zone, and anticipated activities within AA6 and AA8. As identified above reverse sensitivity effects in relation to neighbouring properties are limited to AA6 and AA8 with the Wentworth property on the eastern side of Resta Road.

Landscape values of the Zone and Gibbston Valley

129. The proposed GVRZ manages effects on the landscape resource through the identification of activity areas¹⁶ where development is directed on the basis that the landscape can absorb development in those locations, and the identification of productive and landscape areas¹⁷, landscape management areas¹⁸ and the balance of the land to be retained in open space and recreation¹⁹.
130. While individually each activity area serves a particular purpose²⁰, these activity areas play an integrated and collective role that will overall maintain landscape values so as to implement the strategic policies identified above.
131. The joint witness statement of landscape experts Mr Milne and Mr Pryor (**Landscape JWS**) describes the values and attributes that individually and collectively make up the landscape character of the area. This statement has been used as a basis to inform and identify the landscape character of the proposed GVRZ as expressed in Proposed Chapter 45.1.2 so as to inform and guide development in the proposed GVRZ. For instance, the references to landscape character in policies 45.2.1.5, 45.2.1.6, 45.2.1.8, 45.2.1.11, 45.2.1.15 and 45.2.1.16, and the references to landscape character in rules 45.4.1 (buildings), 45.4.18 (service activities), 45.4.26 and 27 (farm buildings), 45.5.4 (integrated development) and Rules 45.5.5, 6, 8, 9 and 13 (standards for buildings and activities) deliberately refer to landscape character to utilise the descriptive text in 45.1.2 and the policy framework.
132. The Landscape JWS describes the elements and features that collectively contribute to the existing landscape character of the proposed GVRZ.
133. The majority of the proposed GVRZ is located within an amenity landscape in terms of section 7(c) of the RMA, and Policy 3.2.6 of the (CM) PORPS. The landscape JWS states that the proposed GVRZ would result in development that would be

¹⁶ Referred to in the proposed GVRZ text as Activity Areas 1 to 8.

¹⁷ Referred to in the proposed GVRZ text as PL areas.

¹⁸ Referred to in the proposed GVRZ text as LMA.

¹⁹ Referred to in the proposed GVRZ text as OSR.

²⁰ Refer to Part 45.1 of the proposed GVRZ Chapter 45.

appropriate with regard to the maintenance and enhancement of the existing landscape character.

134. The landscape JWS also records that in two areas of the proposed GVRZ near the northern boundary of the proposed zone, adjacent to the Kawarau River are zoned Rural Zone and classified as Outstanding Natural Landscape. The Landscape JWS notes that these two areas will be zoned Open Space and Recreation and support the rezoning on this basis. From a planning perspective, the Open Space and Recreation Activity Area appropriately manages those particular ONL landscape values, and acts as a buffer between the development nodes primarily through the following provisions:
- a. Policies 45.2.1.4 and 45.2.1.5 that seeks to ensure that any development in the Open Space and Recreation Activity Area does not compromise views from the Kawarau River, and that any development maintains openness;
 - b. Policies 45.2.1.15 and 45.2.1.16 that would ensure landscape character is maintained;
 - c. Buildings are a discretionary activity (Rule 45.4.3) and a non-complying activity over the no build area (Rule 45.4.4).
 - d. Farm buildings are a restricted discretionary activity (Rule 45.4.27)
 - e. Residential activity is non-complying (Rule 45.4.6) while visitor accommodation is a discretionary activity (Rule 45.4.11).
135. The proposed GVRZ and development within Activity Areas 1 to 8 would reduce the landscape character and values overall in the context and scale of those particular areas in terms of retention of the existing rural working character. These costs are tempered with the collective and integrated approach to the landscape management across the entirety of the proposed GVRZ through the respective PL, LMA and OSR areas. Rules 45.5.1 to 45.5.4 require that development is undertaken in accordance with the Structure Plan, and that at the time of development of the respective Activity Areas, the productive plantings or enhancement of LMA areas are undertaken to ensure the development is undertaken in a planned and integrated manner.
136. When considered across the entirety of the proposed zone, and in the context of the response to the wider Gibbston Valley the costs are outweighed by the benefits

associated with development being located where the landscape can absorb development, and the opportunity to enhance people's interaction with and appreciate the Gibbston Valley landscape and productive activities. The policies and controls for buildings within Activity Areas 1 to 8 also provide sufficient flexibility for innovative building design while ensuring landscape character overall would be maintained. Rule 45.4.1 requires a controlled activity resource consent for buildings within Activity Areas where development is provided for, while Rules 45.5.5 to 45.5.14 provide limitations on the scale and intensity of buildings relative to the ability of each Activity Area to absorb development.

137. In particular, Policy 45.2.1.9 and Rule 45.5.9 makes provision for buildings in AA1, AA2 and AA4 to be less visually recessive as generally expected in the rural environments of the District. This is on the basis that commercial and visitor accommodation buildings in those areas do not need to be finished in a manner that is as visually recessive, and to acknowledge and continue the appropriate development that has occurred to date within AA 1 which contains the Gibbston Valley Winery buildings.
138. The overall package of provisions is considered to be effective in that it would provide for buildings at the scale and intensity identified in the Structure Plan provisions (i.e. Policy 45.2.1.20 and Rules 45.5.13 and 45.5.14 that manage building coverage) while maintaining landscape character, as expressed in the Landscape JWS. The policies, and associated rule framework are considered to be thorough and will be effective at achieving the proposed Objective 45.2.1 and the PDP GCZ objective and strategic provisions identified above.
139. All buildings, including those within anticipated development areas will require resource consent. The requirement for a controlled activity for all buildings (Rule 45.4.1) is considered relatively inefficient but is considered necessary and appropriate in this context to ensure that careful management of landscape is undertaken. The controlled activity rule will also enable the ability for the required standards associated with achieving integrated development (Rules 45.5.1 to 45.5.4 that require compliance with structure plan, productive or landscape plantings in identified areas and installation of infrastructure).

140. While the controlled activity regime is relatively inefficient, the requirement for development to be integrated to implement the Structure Plan and to achieve Objective 45.2.1 justifies this level of intervention compared to other PDP zones that permit buildings in areas where development has been identified as appropriate.
141. The controlled activity rule for buildings where development is to be provided for is also considered to be effective in that it would provide the commensurate level of certainty for investment in the proposed GVRZ, and directs development to these areas where it has been identified that the landscape can absorb development. On this basis the respective non-complying activity status for buildings in the PL and OSR areas where there is a no build overlay is considered effective at ensuring that any development in these areas would maintain or enhance landscape character.
142. Overall, the landscape resource has been appropriately managed such that the benefits associated with the proposed GVRZ would outweigh costs, and that the provisions would be effective at achieving the objective. The provisions are considered to overall, be efficient in so far that the level of intervention is commensurate and appropriate to managing the landscape resource and ensuring the Structure Plan is implemented.

Natural hazards

143. The key natural hazard on the proposed GVRZ is flooding associated with Toms Creek. GVS engaged *Geosolve* to provide an evaluation of this hazard dated April 2018 [**Appendix F**]. Toms Creek is located centrally within the site and adjoins the Open Space and Recreation Activity Area and LMA2. The nearest activity area that is anticipated to contain buildings and vulnerable activities (i.e. accommodation) is AA5, which is located to the east of Toms Creek. The Geosolve report is prepared on the basis of activities associated with the resource consent. However, the report also refers to the proposed zoning. It is noted that the zoning plan shown in Figure 1 of the report is based on an earlier iteration and is not consistent with the current GVRZ structure plan. As discussed below the current structure plan and location of no build areas adjacent to Toms Creek and western extent of AA3 and AA5, provide further avoidance of the potential for buildings to be located within areas that could be affected by flooding of Toms Creek.

144. Other natural hazards evaluated over the majority of the site included landslides, rock fall, erosion, flooding/debris flow, earthquake, and liquefaction. These were addressed in the initial resource consent (RM080864) in a report from Tonkin and Taylor and attached as **Appendix [L]**. Table 5.1 of the report has been reproduced below which sets out the hazard, its likelihood, potential consequences and potential risk to property.

Table 5.1: Summary of the Natural Hazard Risk Assessment

Hazard	Likelihood	Potential Consequences (See Note 1)	Potential Risk to Property (See Note 1)
Large Scale Landslide	Unlikely	Medium	Very Low
Medium Scale Landslide	Possible	Medium	Low
Small Scale Landslide	Likely	Minor	Low to Moderate
Rock fall	Possible	Medium	Low
Erosion	Likely	Minor	Low
Flooding	Possible	Medium	Low
Debris Flow	Possible	Medium	Low to Moderate
Earthquake Fault Rupture	Very Low	Insignificant	Very Low to Nil
Earthquake Ground Shaking	Likely	Medium	Moderate
Liquefaction	Unlikely to Nil	Insignificant	Very Low to Nil

145. The areas identified for development in that resource consent are generally consistent with the activity areas identified on the proposed GVRZ structure plan. Tonkin and Taylor recommended that engineering solutions for the management of natural hazards on the land should be completed as part of detailed design for development. The response in the proposed GVRZ provisions is to include “natural hazards” as a matter of control (f) in Rule 45.4.1 for new buildings and development in the activity areas, which would allow consideration of potential natural hazards identified on the Council’s hazards register and more localised potential effects. Addressing these matters through a controlled activity resource consent is considered appropriate because the respective activity areas where buildings are provided for as a controlled activity are considered able to avoid or mitigate natural hazard risk within each area and that the knowledge of natural hazards does not preclude the anticipated development from occurring in those areas. PDP Chapter 28 would be engaged to assist with the management of natural hazards as required.



146. The exception is the natural hazard risk identified from flooding of Toms Creek. Specific analysis of Toms Creek was undertaken by Geosolve for GVS, at the request of the Otago Regional Council. Geosolve recommend²¹ development is setback from Toms Creek (as per Figure 4 in their report). The planning response is to ensure that Activity Areas 3 and 5 are not within these areas and that the “no build” area is extended along Toms Creek in the location specified in Figure 4 of the Geosolve Report. In addition, the land adjoining Toms Creek is within the Open Space and Recreation activity area. The following policy and rules are recommended to manage flood hazard at Toms Creek:
- a. Buildings within the No Build Area shown on the Structure Plan are non-complying activities under Rule 45.4.3;
 - b. Policy 42.2.1.5(a) which requires that any further development in the Open Space and Recreation area may be appropriate providing it does not result in significant risk from flooding hazard from Toms Creek;
 - c. Rule 45.4.27 that requires a restricted discretionary activity resource consent for farm building within the Open Space and Recreation areas. Matter of discretion (d) identifies flood hazard risk from Toms Creek;
 - d. Rule 45.4.3 that requires a discretionary activity resource consent for buildings within the Open Space and Recreation area;
 - e. Rule 45.4.6 that makes residential activity in the OSR area a non-complying activity; and
 - f. Rule 45.4.11 that makes visitor accommodation a discretionary activity within the Open Space and Recreation Area.
147. These provisions are considered to have the benefit of ensuring flood risk associated with Toms Creek is appropriately minimised. This method is also considered both effective and efficient in that buildings are not anticipated to locate within Toms Creek and this simple method will ensure Policy 45.2.1.5(a) would be implemented, that also ensure the natural hazards related PDP District Wide and PORPS policies would also be implemented.

²¹ Refer to Figure 4 At [7].

Visitor Industry activities and the PDP definition of resort

148. The proposed GVRZ would provide benefits through the creation of opportunities for additional visitor accommodation and recreation activities in the Gibbston Valley that is centred on viticulture and the productive rural resource. AA1 would provide continuation of grape processing and winery activities, while AA2 would provide primarily for visitor accommodation and ancillary commercial activities. AA7 would not involve buildings but would provide a dedicated area for temporary events such as the Gibbston Valley Concert that is currently held annually. AA4 will provide convenience retail and opportunities for small scale commercial activities that will serve both residents and visitors to Gibbston Valley.
149. Costs associated with these activities include adverse effects on landscape values, the maintenance of farming and retention of the soil resource. The costs associated with the effects on those values and resources are considered separately. The proposed GVRZ is considered to maintain landscape values through the location of development where it will accommodate development, and would retain sufficient areas in viticulture.
150. The fundamental objective of the proposed GVRZ is providing for visitor accommodation activities while ensuring that residential activity is maintained at a low average of the overall proportion of development. The PDP definition of resort is (noting that the definition is under appeal):

Means an integrated and planned development involving low average density of residential development (as a proportion of the developed area) principally providing temporary visitor accommodation and forming part of an overall development focused on onsite visitor activities.

151. The definition contains four key components that together form the meaning of “resort”:
- i. means an integrated and planned development;
 - ii. involving low average density of residential development (as a proportion of the developed area);
 - iii. principally providing temporary visitor accommodation; and

- iv. forming part of an overall development focused on onsite visitor activities.
152. Through the directive of the structure plan, the development will be planned and integrated. This is further assisted through policies and rules.
153. The quantum of residential activity proposed in the GVRZ is considered to accord with the definition of resort by being a low average density of residential development with limited rural living in AA3, AA4 and AA5, and the zone provisions requiring the principal activity to be visitor accommodation within an “overall development” that is focused on such activities. Policies 45.2.1.2, 45.2.1.5(b) and 45.2.1.24 and 45.2.1.30, facilitated by Rules 45.4.5- 45.4.7 and Standards 45.5.15 and 45.5.16, are considered effective to maintain a low proportion of residential activity as a portion of the developed area of the resort.
154. While not only providing for the growth of GVS and GVW viticulture and tourism operations, the proposal will introduce opportunities for new businesses affiliated with tourism and rural production. The provision of workers accommodation will not only benefit GVS and GVW by providing better access to worker resource, it could facilitate such benefits for other businesses in Gibbston. The Vintners Village at AA4 will have a community focus and provide economic resilience and diversification in Gibbston Valley at an appropriate scale that is commensurate to the existing scale of development in Gibbston.
155. The activities in AA4 would also encourage the fostering of community commercial activities (such as cellar doors, farmers markets, events and concerts) and the creation of a local hub for not only visitors but the local community. While predicated on a small node of commercial activities, AA4 is considered to derive support from SO 3.2.6.3 as expressed by the Environment Court in the interim decision on Topic 1:

3.2.6.3

The contribution that community social, recreational and cultural facilities and activities make to identity and sense of place for

residents of the District is recognised and provided for through sound location and design.

Transportation

156. Appendix H is a statement of evidence from transportation engineer Mr Andrew Carr that was presented at the Council hearing in support of the rezoning in June 2017. Mr Carr's evidence at paragraph 36 identifies the nature and scale of activities associated with the rezoning submission. The nature and scale of these activities are considered commensurate to the activities and nature and scale of development provided for in the proposed GVRZ provisions.
157. It is noted that the location of the vehicle crossing points onto SH6 has not changed since the submission version of the proposal, and the two underpasses remain proposed in the same locations.
158. The costs associated with traffic and transportation effects are considered low and the implementation for the Structure Plan (Rules 45.5.1 to 45.5.4) include the location of crossing places onto SH6, and installation of two underpasses commensurate with development.

Servicing

159. Appendix G contains a statement from Mr Ken Gousmett presented at the Council hearing in June 2017 that confirms that the proposed resort (as sought at the time of the Council hearing) is able to be serviced with regard to water, wastewater and power supply and telecommunications. The activities identified on the Structure Plan and provided for in the proposed GVRZ provisions are considered commensurate to the brief of evidence supplied by Mr Gousmett for that particular proposal.
160. It is considered that the proposed GVRZ can be serviced and the costs to the environment are able to be managed so that these are low. Policy 45.2.1.31 and Rule 45.4.1 relating to a controlled activity for buildings would also ensure that development would be serviced in accordance with Council's code of practice.

Section 32 (b) (1) (iii)**Summary of the reasons for deciding on the provisions**

161. The reasons for deciding on the provisions in the proposal are summarised as follows:
- a. The proposed GVRZ would provide for the socio-economic benefits of well-designed and appropriately located visitor industry places through:
 - i. directing development to occur where the landscape can absorb development;
 - ii. ensuring the scale and intensity of residential activity is low;
 - iii. making provision for workers accommodation;
 - iv. maintaining the values of significant soils as it relates to productive vineyards;
 - v. minimising effects of the establishment of residential and visitor accommodation activities on productive vineyards located on other land in Gibbston;
 - b. Retaining the status quo of the PDP provisions for the Gibbston Character Zone are not the most appropriate way of achieving the objectives of the proposal. Retaining the status quo and applying for resource consents would not be efficient and would generate a significant amount of resource consent processes, without the benefit of a holistic and integrated regime available through the proposed GVRZ and structure plan.
162. The proposed relief achieves a number of benefits through the following:
- a. encourage and foster tourism and visitor accommodation growth in Gibbston, bringing with it economic benefits to not only GVS but the wider community through greater use of existing attractions and amenities in the area (including the cycle trail and other commercial recreation activities, such as the Oxbow commercial recreation facility recently approved under resource consent RM171193 and the long established AJ Hackett Bungee);

- b. Maintaining the life-supporting capacity of soils for the purpose of retention of productive vineyards;
 - c. avoiding ad-hoc development through ensuring activities are undertaken in general accordance with a Structure Plan.
163. Overall, the proposal better achieves the PDP's objectives and thereby Part 2 of the RMA in a more efficient and effective manner than the framework as notified.