

Highlights Package – Strategic Direction and Urban Development chapters

Matthew Paetz

1. The section 42A report that I have prepared covers both the Strategic Direction and Urban Development chapters of the Proposed District Plan (**PDP**) – these chapters are related but are also distinct. I discuss both of these chapters in turn.

Strategic Directions

2. The Strategic Direction chapter of the PDP sets the overarching framework for planning in the Queenstown Lakes District (**District**). It addresses all the major resource management issues in the District in an integrated manner.
3. The chapter seeks, in particular, to distil what sustainable management, which is at the heart of the purpose of the Resource Management Act 1991 (**RMA**), means for the District. In particular, it seeks to provide the strategic framework for providing for the social, economic and cultural wellbeing of people and the community whilst achieving the environmental objectives espoused in sub-sections a, b and c of Section 5(2) of the RMA.
4. In terms of the social, economic and cultural wellbeing of the Queenstown Lakes District community, some key issues have underpinned the approach of the PDP and the framework provided by the Strategic Direction chapter:
 - The District is one of the fastest growing in the country, and this is projected to continue into the mid to long term;
 - This growth creates significant opportunities, but also challenges;
 - The District's infrastructure is coming under increasing pressure from development, in particular roading infrastructure;
 - Strong population growth and an insufficient housing response has contributed to significant increases in house prices and rents. These trends have the potential to significantly undermine social and economic wellbeing, and even health and safety as overcrowding in housing becomes more prevalent;
 - The outstanding landscapes of the District have both strong intrinsic and economic value. Inappropriate or unmitigated development may detract from both the intrinsic and economic value of these landscapes;
 - Farming is an important part of the economy, and it needs the ability to evolve and respond to changing economic conditions. Much of the landscape character of the District derives from historic and current agricultural land use;
 - Increasing prevalence of housing developed in greenfield locations well away from centres, and at low densities, does not readily support public transport, cycling or walking and is inherently reliant on private transport. This places greater pressure on roading infrastructure. These issues are exacerbated in

this District as there are limited options in terms of routes into the main urban centres, and the low permanent population base makes it difficult to support public transport to far flung residential locations;

- Continuing to respond to an expansive, low density development pattern will be costly to the community – more costly than the proposed pattern that seeks to intensify development in strategic locations (whilst still providing, it must be added, significant potential for greenfield development); and
 - Whilst a strict hierarchical approach to managing commercial centres in the District is not considered necessary, a framework is still required to help optimise the form, function and role of the major centres.
5. I think it would be useful for the Panel if I briefly discuss the important matter of population growth and dwelling capacity. These factors get to the heart of the planning approach taken in the PDP.
 6. You heard from Mr Colegrave yesterday about population projections. Mr Colegrave has projected average annual population growth in the District of 3.4% up until 2031, which takes the estimated population of the District from approximately 30,000 to 55,000.
 7. The Dwelling Capacity Model estimates that under the Operative District Plan there is capacity for around 15,000 dwellings in the District's urban areas. If Northlake in Wanaka, recently approved by the Environment Court, is added that figure becomes something like 16,500 dwellings. In addition to this capacity there is significant latent capacity in rural areas, and obviously potential for a significant amount of extra rural residential housing subject to a discretionary planning process.
 8. Whilst we do not have precise figures and further work should be done, a preliminary estimate is the additional residential and mixed use zoning proposed in the PDP will take the urban dwelling capacity to circa 20,000 – 22,000 dwellings. If one assumes an average household occupancy of 2.5, that is provision for 50,000 – 55,000 additional people. This provides significant contingency relative to the population projections for 25,000 extra people in the District by 2031, noting further that housing in rural areas will accommodate some of that population growth. Significant contingency is required – not only because not all the capacity will be delivered, but because of the reality in this District that dwellings are often second homes, or used as 'Air B and B' type accommodation.
 9. It should be emphasised that this is not a precise science. Recent experiences in Auckland shows that there can be significantly divergent opinion between experts. However, I am satisfied that the work we have undertaken provides reasonable confidence that there is more than sufficient dwelling capacity to cater for the next 15-20 years of growth, and this provides me with confidence on the use of Urban Growth Boundaries (**UGBs**).
 10. Moving to the environmental objectives espoused in section 5(2) (a), (b) and (c), and sections 6 and 7 of the RMA, some of the key issues include:
 - The aforementioned landscapes of the District;
 - Indigenous biodiversity; and

- The threat posed to the environment and landscape by wilding species.
11. The detailed provisions for the latter two issues are to be considered in more detail in the Rural chapters, to come in the next hearing stream, whilst the landscape issues are considered in detail in the hearing in this stream on Landscape.
 12. In addition to these social, economic and environmental matters, it is critical to acknowledge section 8 of the RMA, in terms of the Treaty of Waitangi, and the principle of kaitiakitanga (Section 7(a) RMA).
 13. The Strategic Direction chapter provides a framework to address all of these matters.

The structure of the Strategic Directions chapter

14. In terms of plan structure, the Strategic Direction chapter sits at the top of both the Strategic Section of the PDP in Part 2, and at the top of the plan as a whole.
15. It is structured around 7 Goals, under which sit objectives and policies. The goals can be seen as anticipated environmental results or perhaps higher order objectives but also function in a structural way as a policy category heading.
16. The chapter seeks to be succinct, avoid long winded preamble and explanation, be accessible and unambiguous. It aims to assist planning administrators and decision makers in the assessment of resource consent applications, plan changes and designations.
17. In response to submissions and further submissions, I have recommended a number of changes. These range from relatively minor wording changes, to significant changes such as the addition of new objectives and policies, and the deletion of objectives and policies.
18. Some of the more significant recommended changes include:
 - Providing recognition of the important commercial role that Frankton fulfils, in addition to the Queenstown and Wanaka town centres, and enabling its integrated development. Several submissions raised this matter, with some focussing on Remarkables Park rather than the broader Frankton area. However, I consider it important to consider Frankton as a whole rather than its disparate parts, and the importance of recognising and providing for integrated development of the area;
 - Providing more explicit recognition of the tourism industry and seeking to enable its growth, balanced with environmental considerations. Tourism is critical to the District's economy, and given this deserves explicit recognition. Doing this does not come at the expense of the environment, as other objectives and policies in this and other chapters provides for counterbalancing consideration of such matters;
 - Providing greater recognition of the important role of infrastructure for the District, balanced with the need to protect landscapes and the environment. A number of submitters requested greater recognition. I have recommended changes that are relatively generic in terms of infrastructure, avoiding specific emphasis on

particular forms of infrastructure. Doing the latter would draw out the chapter, and I consider it more appropriate to emphasise and recognise the particular forms of infrastructure and their specific needs or issues in the lower order chapters;

- Deletion of a number of policies under Goal 2, as these are considered to unnecessarily replicate objectives and policies in the Urban Development chapter. Whilst I disagree with some submitters who argue that replication or mirroring of policy or policy themes between the Strategic Direction chapter and lower order chapters is inherently problematic, I consider that in the case of the policies under Goal 2 the replication of these with policy in the Urban Development chapter was unnecessary;
- Amend policy so that the policy approach is less absolute in prohibiting the planting of wilding species. The recommended changed policy still takes a strong stand, but provides a degree of flexibility that was lacking in the Proposed Plan as notified; and
- Amend wording under Goal 5, and delete policies that relate to mapping Landscapes or UGBs (as these are specific methods which are better espoused in lower order chapters – the focus on the Strategic Direction chapter is on high level resource management outcomes, rather than the methods to be implemented to achieve those outcomes).

I now turn to Chapter 4, the Urban Development Chapter

19. The Urban Development chapter sits under the Strategic Direction chapter in Part B of the PDP, and develops in greater detail the urban growth management approach sought through Goal 2 of the Strategic Direction chapter. This chapter was considered necessary given the significant urban growth pressures the District faces. Urban development or growth stands alone as a highly significant issue for the District.
20. The chapter is structured around 6 objectives, with policies under each of the objectives. The first three objectives (and associated policies) set out broad principles of urban growth management, whilst the final three objectives (and associated policies) apply location-specific provisions for Queenstown, Arrowtown and Wanaka.
21. Fundamental to the planning approach espoused in the chapter is the application of UGBs, promotion of higher density zones in strategic locations (near commercial centres), and an integrated approach to urban development.
22. This approach is considered to best realise the purpose and principles of the RMA for the District. In addition, I consider it the best option to satisfy Section 31(1)(a) of the RMA; achieving integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the District.
23. In my view, it is also a planning approach consistent with the framework set by the Proposed Regional Policy Statement. Objective 3.8 states 'Urban growth is well designed and integrates effectively with adjoining urban and rural environments.' Policy 3.8.1 under that objective – 'managing for urban growth' promotes managing urban growth 'in a strategic and co-ordinated way', and a particular focus is on

managing urban growth so that infrastructure is provided in an efficient and effective way, and avoids additional costs that arise from unplanned infrastructure expansion. The evidence of Mr Ulrich Glasner supports the efficiency, cost and certainty benefits realised from an urban growth management approach as advocated by the Council in the PDP.

24. It is also particularly important to note that the approach of applying UGBs is not a novel concept, at all, for the District. Multiple community processes over the past 10 years and subsequent plans and strategies (such as Wanaka 2020, the Growth Management Strategy 2007, and the Urban Design Strategy 2009) espouse the approach of urban consolidation and the application of UGBs. I consider that the mapping of UGBs in the PDP is the ultimate realisation of that history of consultation and policy development.
25. I also note that when I was District Plan Manager at the council, a significant part of my role was working on the Queenstown Housing Accord and Special Housing Areas. Of particular relevance, is the feedback that was received during consultation on these processes. Overall, a very strong view was expressed that more urban development in the countryside is undesirable.
26. I have noted Mr Ulrich Glasner's view, from an infrastructure planning and funding perspective, for a growth management approach where UGBs are applied, and growth is directed towards certain strategic locations. Mr Clinton Bird also supports the approach, noting especially the importance of the District's landscape and his view that the Council's approach can help protect that landscape.
27. The Section 32 report prepared in support of this proposed approach considered alternatives to the proposed approach of applying UGBs. Two alternative options were considered – essentially the status quo, where urban growth management principles are espoused, but only the UGB in Arrowtown is retained, and an option of removing UGBs altogether.
28. It is acknowledged, that like many regulatory approaches, the application of UGBs will generate costs. Given the widespread utilisation of UGBs both nationally and internationally, there is a deep history and evidence base for their use, and their costs and benefits. Council called on this evidence base in assessing their application in the District, and also gave consideration to District specific factors.
29. In my view, there is not an argument that UGBs should be applied universally. I think there are some Districts in New Zealand, including growth Districts, where there may be a less compelling case for UGBs. However there are in my opinion a number of compelling reasons for the application of UGBs in the Queenstown Lakes District. Primarily, as I outlined previously, these relate to protecting the District's outstanding landscapes as well as rural areas with particular amenity value. I do not accept the view of some submitters that sufficient protection is provided to landscapes and rural amenity values in the District without the application of UGBs. I accept that protection is certainly offered, however I consider that the application of UGBs complements or builds on the protection provided by other regulatory methods.
30. In addition, the use of UGBs does not solely relate to a function of protecting landscapes or rural amenity values. It also relates to efficient use of the land resource, integrated management, infrastructure planning, delivery and costs.

31. One of the major concerns with the application of UGBs in terms of costs is adverse impact on land value and housing affordability. However, given the large capacity of greenfield land contained within the proposed UGBs in the District, together with the proposed utilisation of low impact or 'gentle' infill housing in the Low Density Residential Zone, the proposed Medium Density Zone, the more enabling High Density Zone, and the proposed Business Mixed Use Zone I consider such concerns are sufficiently mitigated. In addition, I note that increasingly within planning practice the overall holistic costs of housing are considered. To be more specific, cheaper housing located remote from employment centres may not be as affordable as it appears when, for example, transport costs are factored in. In addition, such a simplistic view of housing affordability does not necessarily factor in the costs to the community or the environment of far flung, low density residential development.
32. I think it is also critical to underline that provisions in the PDP acknowledge the need to monitor land supply and development, and provide the flexibility for the position of UGBs to be reassessed in the future. There is not an unbending inflexible commitment through the PDP to necessarily lock the UGBs down in perpetuity.
33. On this point, I note that the Council will continue to monitor zoned land supply and uptake of development, through its Dwelling Capacity Model. In addition, I am on the Government's working group on a National Policy Statement (**NPS**) on Urban Development, and this NPS is also highly likely to compel Councils to stay on top of monitory housing demand and supply, and recalibrate plans to respond if required. Such recalibration could, of course, include adjustment of UGBs.
34. Overall, I continue to support the proposed urban growth management approach. I think there are sufficient safeguards to ensure the costs of its approach are manageable, and I see this proposed approach as central to the whole PDP and giving effect to sustainable management in the District.
35. I have therefore not recommended significant changes to the Urban Development chapter.
36. The changes I have recommended largely relate to some phrasing amendments to assist with clarity.
37. I am happy to answer any questions.

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