

**BEFORE COMMISSIONERS  
APPOINTED BY QUEENSTOWN  
LAKES DISTRICT COUNCIL**

**QUEENSTOWN LAKES DISTRICT COUNCIL  
PROPOSED DISTRICT PLAN**

**IN THE MATTER**

of a proposed public plan change to the  
Queenstown Lakes District Plan — Inclusionary  
Housing

**AND**

**IN THE MATTER**

of a submission by Millbrook Country Club  
Limited

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**SYNOPSIS OF SUBMISSIONS OF MILLBROOK COUNTRY CLUB LIMITED**

**5 MARCH 2024**

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**MAY IT PLEASE THE COMMISSIONERS:**

**Introduction & Context**

1. Millbrook Country Club Limited (**Millbrook**) is a golf tourism resort at Arrowtown and the effective manager of the PDP's Millbrook Resort Zone (**MRZ**) (Chapter 43).
2. The MRZ is one of four golf tourism resort zones in the PDP. The others are the Hills, Hogans Gully and Gibbston Valley.
3. Resort is defined in the PDP as:

...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.

4. The single PDP Objective for the MRZ is:

Visitor, residential and recreation activities developed in an integrated manner with particular regard for landscape, heritage, ecological, and water quality values.

5. Millbrook was founded in the 1980's by a consortium of investors who aspired to develop it as one of New Zealand's pioneering golf tourism resorts. Its operations presently include:

Visitor Accommodation – 51 hotel rooms, 47 two-bedroom villas and approximately 36 cottages and fairway homes that are rented through a rental programme.

Golf - 36 golf holes made up of two individual 18-hole courses. A comprehensive practice and teaching facility.

Food and Beverage – Four restaurants and two conference facilities.

Wellness – A health and fitness centre together with a dedicated health spa facility.

6. The MRZ structure plan allocation for Visitor Accommodation enables the present visitor facilities to be doubled in capacity.

7. The MRZ structure plan has recently been extended to include an area to the west known as Mill Farm. This has enabled the development of a further 9 golf holes and the overall offering of an international tournament-quality 36-hole facility described by some as world class and enabling Millbrook to host the NZ Golf Open.
8. Pre-Covid, Millbrook was receiving approx. 84,000 guests annually. Guest numbers have now returned to those levels.
9. At any one time Millbrook employs 300 FTE's. It does not presently have staff accommodation facilities but now that a structure plan issue has been resolved, the building of a facility is in Millbrook's 5-year plan.
10. The present residential component of the resort includes approx. 285 completed dwellings, and 50 partly built or vacant sections with district plan scope for another 110. About 20% of the dwellings are occupied full-time; 25% are in the hotel/rental programme and the balance are used as holiday houses but not in the rental programme. All owners are subject to estate and membership fees (joining + annual).
11. All dwelling units at Millbrook have freehold titles but Millbrook has retained ownership of all common land and infrastructure (including roads, wastewater, water, the golf courses and commercial facilities) as opposed to being vested in Council or in a body corporate.
12. All dwellings are subject to restrictive covenants controlling design detail and activities down to planting, vehicle parking, the placement of clotheslines, external heat pumps and the keeping of pets, among other things. An overall design vernacular is strictly maintained.
13. This model enables Millbrook to retain greater control over the entire resort and to fund the construction and maintenance of these assets to higher standards than urban residential areas or typical urban communities.
14. The sale of dwellings and land for dwellings has, over time, funded development of the golf course and other visitor facilities.
15. The MRZ is presently the only fully operational golf tourism resort zone in the district.

16. Golf tourism as provided by Millbrook is one of the strongest economic contributors to the district.

### **Millbrook's Position**

17. In 2007 Millbrook executed a Stakeholder's Deed with Council. The relevant excerpt as to provision of Staff Accommodation is set out in the **Appendix**.

18. It is understood that the eventual development of Staff Accommodation will exempt Millbrook from the proposed Financial Contribution.

19. In the interim, Millbrook is a PDP special zone which the Variation proposal (**Proposal**) would seek to tax at the rate of 1% of estimated sale value, i.e., a \$2m dwelling would be required to pay \$20,000.

20. Millbrook opposes the Proposal for the same general reasons that Queenstown Central Ltd. (**QCL**) articulates in its submissions.

21. Millbrook specifically opposes the Proposal being applied to property development for residential and visitor accommodation purposes in the district's resort zones.

22. The MRZ and Millbrook's commercial focus on visitor accommodation contributes supply to the top end of the short-term rental market.<sup>1</sup>

23. No evidence is offered that resort zone golf tourism or Millbrook's visitor facilities contribute to residential visitor accommodation (**RVA**) demand elsewhere in the district.

24. Nor is there evidence that golf tourism resort zone activities contribute to a district-wide shortage of affordable housing (**AH**).

25. The PDP purposefully continues to treat resort zone activities as discrete activities justifying their own site-specific special zones and provisions quite separate and distinct from residential activities.

26. The resort zones are not intended to provide for a typical range of residential typologies and settings.

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<sup>1</sup> In the QDLC District, RVA (Air BnB) operations take up 23% of the rental market compared to a national average of 2.3%: see Statement of Evidence of Fraser Colegrave at [25].

27. The MRZ is outside the PDP Urban Growth Boundaries.
28. The resort zones are not intended to provide for AH.
29. Applying the Proposal to the resort zones is simply adding a tax onto the cost of golf tourism / resort development.
30. Other legitimate planning methods are able to more effectively address the (unquantified) district AH issue.

#### **Other methods**

31. Other planning methods such as providing for a wide range of residential typologies and densities, streamlining consenting processes for new residential units to increase supply, or controlling short-stay accommodation in private residences, are ways in which housing availability can be addressed where housing supply and affordability are key issues.
32. Council's various initiatives are listed by Ms Bowbyes in her rebuttal evidence. She notes that the effectiveness of the RVA rules to constrain Air-BnB type short-term rentals is yet to be understood.<sup>2</sup>
33. Having listed the Council initiatives, Ms Bowbyes concludes that the Proposal is an appropriate method for the Plan to address AH.<sup>3</sup> She appears to be saying that, together with these other methods, this initiative will also be appropriate, which is not the legal test for a plan change method. Section 32 calls for the method to be the most appropriate.
34. It is submitted that Ms Bowbyes's evidence is equivocal at best. Having emerged from the witness conferencing process, she appears more enthusiastic about the *range* of methods available to the Council than the Proposal itself.
35. Ms Hoogeveen in her evidence for QCL refers to the FF-B provisions and how they call for consideration of housing affordability for low to moderate incomes if the required average density of 1 dwelling per 200m<sup>2</sup> is not going to be met. She points out that this is the

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<sup>2</sup> Statement of Rebuttal of Amy Bowbyes at [2.13].

<sup>3</sup> At [2.7].

recommended approach in the Te Pūtahi/Ladies Mile Variation where the density thresholds (50 dph minimum in the High-Density Residential Precinct – as at last week) are not being met.<sup>4</sup>

36. Ms Hoogeveen records her agreement with Ms Bowbyes that the Council is currently undertaking a number of measures to increase the supply of housing to the District,<sup>5</sup> including the Intensification Variation and the Te Pūtahi/Ladies Mile Variation. Ms Hoogeveen says:

In my view these recent measures are assisting the Council with achieving Objective 1 of the NPS-UD as it relates to “well-functioning urban environments”, and the enablement of a variety of homes<sup>6</sup>. It would be prudent to wait and see what effect these, and other recent variations will have on the cost of housing in the District.<sup>7</sup>

37. This view is consistent with Mr Ferguson's sentiment<sup>8</sup> and that funding from rates is more efficient and less likely to exacerbate the AH issue.
38. When these views are considered in the context of the economic evidence of Mr Colegrave and Mr Osborn it seems apparent that there is inherent jeopardy in the Proposal. It is unnecessary for the Council to run this risk when there is a range of other more cautious options.

#### **Further Legal Submissions**

39. Millbrook adopts the legal submissions of Queenstown Central Ltd (QCL), other than where those submissions are confined to FF-B zone matters. Mr Colegrave's evidence is given on behalf of Millbrook (and a range of parties).
40. It is clear from the Joint Witness Statement of the economic experts that Mr Colegrave and Mr Osborn are aligned in their thinking and in their

<sup>4</sup> Recommendation of Jeff Brown, planning consultant to QLDC.

<sup>5</sup> Statement of Rebuttal of Amy Bowbyes at [3.4]–[3.10].

<sup>6</sup> National Policy Statement on Urban Development, Policy 1(a)(i).

<sup>7</sup> Hannah Hoogeveen Summary Statement 5 March 2023

<sup>8</sup> Chris Ferguson Statement at [68].

opposition to Mr Equab's high level approach.<sup>9</sup> For those reasons, Mr Osborn's evidence is also adopted.

41. Additionally, the QCL submissions turn in part on the evidence of Ms Hoogeveen. To that extent, Millbrook adopts her evidence.
42. Mr O'Malley, a director of Millbrook, will be available to answer any questions the Panel may have.

### **Conclusion**

43. For all of the reasons set out in these submissions and those advanced on behalf of QCL it is submitted that the Proposal is not the most appropriate method to address a district-wide AH issue, and should be rejected in favour of other methods.
44. If the proposal is to be accepted in full or in part, it should not apply to the MRZ, the development of which has no impact on any district-wide AH issue.



IM Gordon  
Counsel for the Submitter  
4 March 2024

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<sup>9</sup> The experts were unable to quantify the extent of the problem or the any extent to which the development of residential units contributes to it: see Joint Witness Statement (Economists) at [5(b)] and [23(b)].

## APPENDIX 1

### 9. Provision of Staff Accommodation by Millbrook

- 9.1 *Millbrook acknowledges the work of QLDC in addressing community housing.*
- 9.2 *Millbrook is committed to the concept of providing staff accommodation to assist in QLDC's strategy. Staff accommodation provided by Millbrook shall be subject to the following conditions:*
- (a) *The accommodation will be rented to persons employed in activity related to the operation of Millbrook Resort and its grounds.*
  - (b) *Subject to (a) above, Millbrook retains full discretion and control over:*
    - (i) *The built form, design and development of its staff accommodation, subject to existing Building Act and District Plan requirements;*
    - (ii) *The resident selection and operations policies related to the staff accommodation;*
    - (iii) *The specific rental amount charged to employees residing in the staff accommodation. Millbrook acknowledges that it is Council's objective that the rental rate be structured as approximately 30% of the employee's income, or structured as a percentage below market rent, whichever is lower.*
  - (c) *Millbrook shall not subdivide or in any way sell separately the buildings, titles, and units identified as staff accommodation.*
- 9.3 *Millbrook and QLDC acknowledge that there is uncertainty over the accuracy of the location of the Resort Services (S) area and the Residential (R) activity area situated immediately to the east of the Resort Services area, in the Millbrook Resort Zone structure plan. This is largely due to the inadvertent inclusion of the 100m scenic rural road building line setback into the zone structure plan through the course of the Council resolving references to the Rural part of the District Plan.*



- 9.4 Because of its **current** location in the structure plan Millbrook is presently unable to make use of the Residential activity area referred to in clause 9.3 to create staff accommodation, as it has been positioned over an existing golf hole.
- 9.5 QLDC agrees to use its best endeavours to facilitate the correction of the location of the two activity areas of the Millbrook Resort Zone Structure plan referred to in clause 9.3
- 9.6 Millbrook shall not be bound by the provisions of this section 10 after a period of 30 years from the date of this agreement.

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