

PART E: QUEENSTOWN PARK

Submitter: Queenstown Park Limited (Submission 806 points 1, 2, 5, 7, 76, 94, 95, 147, 206)

Further Submissions

FS1057.1 Mandy Kennedy – Support
FS1085.8 Contact Energy Limited – Support
FS1229.29/30/32 NZSki Ltd - Support
FS1313.57/58/59/60 Darby Planning LP – Oppose
FS1340.145 Queenstown Airport Corporation –Oppose
FS1341.18 Real Journeys Limited – Support
FS1371 Queenstown Park Limited and Remarkables Park Limited– Support

14. PRELIMINARY MATTERS

14.1. Subject of Submissions

44. These submissions related to an area of approximately 2000 ha, predominantly on the south bank of the Kawarau River extending from opposite Remarkables Park, at Frankton, downstream for approximately 14 km. It also included land on the north bank, including a proposed gondola corridor (which was also over the river in part) and the location of a gondola station on the north bank.

14.2. Outline of Relief Sought

45. There is a complex history regarding the submissions and further information process which is summarised as follows.
46. The submitter sought originally that the subject land be rezoned from Rural to a new Queenstown Park Special zone. The "Additional map provided" (without a legend) included in the initial submission showed development areas, a gondola corridor which would extend from the Remarkables Park in Frankton along the Kawarau River and then up to the Remarkables Ski field as well as jetties and bridges over the Kawarau River. The submission stated that the gondola corridors were to be part of the Special Zone, although that was not clear from the map.
47. The original submission included an Appendix A that set out the wording for the Queenstown Park Special zone. The essence of the zone was "comprehensive multi-use of the site" providing "a playground for visitors and residents" with a high level of connectivity for walking and cycling access and gondola access to the ski field.
48. By letter dated 15 December 2015 the submitter clarified the area requested to be included in the proposed Queenstown Park Special zone and the location of the gondola corridor.
49. A further submission (1371) by the submitter dated 18 December 2015 stated that consideration should be given to either rezoning the corridors or other mechanism such as an overlay. That further submission included a plan of the corridors with an amendment to the alignment. The use of a further submission to alter the original submission was addressed in Council's legal submission, where the Council accepted that the amendments amounted to clarification and that no natural justice issue would arise.¹³

50. The Hearings Panel Chairman then issued a Direction on 11 February 2016 requiring further information about the land to which the submission applied including land not owned by the submitter, the areas from which the submitter sought the removal of the ONL and the extent of the Structure Plan and the various Activity Areas within it.
51. The submitter provided this information on 10 May 2016, and included also the location of several proposed bridges and jetties within the Shotover River.
52. This information was publicly notified by the Council for further submissions on 24 November 2016.
53. A letter from the submitter on 24 March 2017 provided a high-level overview and clarified the general intent of the requested zone. Clarification included: changing the name of the zone to "Queenstown Park Station"; identifying the development areas (or pods) as being either Rural Residential or Rural Visitor pods and the maximum number of dwellings being set at 90 in total; use of the balance land for commercial recreation, including a remote glamping pod; and access for vehicles and walking/cycling.
54. We note that the effect of showing the gondola corridor appeared to be to make the construction of the gondola itself within the corridor a controlled activity.
55. The other aspects of the submission related to the main request for the proposed zone as follows:
 - a. remove the ONL from the river and the river terraces and exempt the gondola corridor from the ONL.
 - b. if the requested zone was rejected, remove the SNAs from the submitter's land.
56. A revised Structure Plan and set of zoning provisions were submitted at the hearing of this submission.
57. In addition, the submitter requested the expansion of the Remarkables Ski Area Sub-Zone south to the Doolans and/or the renaming of the subzone to "Remarkables Alpine Recreation Area". No plan was provided to show the extent of this expanded subzone. From the associated requested amendments to the Rural Zone it would appear that the Remarkables Alpine Recreation Area was proposed to include the corridor from Remarkables Park to the ski field, although this was not clearly identified and the request to expand the Ski Area subzone south to the Doolans made no mention of the gondola.
58. At the hearing of the submission, the submitter withdrew two activity areas which had been proposed high on the Remarkables Range adjacent to the ski-field access road and did not pursue the aspects of the submission relating to removal of the ONL from the property or the expansion of the Remarkables Ski Area Subzone.
59. At the hearing the submitter also told us that there was no decision as yet as to whether or not the gondola would have an intermediate station at Lake Hayes Estate, necessitating a total of 3 crossings of the Kawarau River, or whether it would proceed directly from Remarkables Park, predominately down the south side of the Kawarau River to the large tourist village referred to as RV3 opposite Lake Hayes Estate. The proposed gondola corridor sought to be identified was wide enough to allow for both options.

14.3. Description of the Site and Environs

60. The site lies generally along the south bank of the Kawarau River over a length of approximately 14 km from Boyd's Rd to Chard Farm. The area includes terraces, fans, escarpments, incised stream gullies and the northern slopes of the Remarkables/Ben Cruachan mountain range.
61. The corridor sought for the gondola extended outside the submitter's land to cross the Kawarau River at three locations, and extended in part over land on the north bank of the river at Lake Hayes Estate. It was also shown extending into the Remarkables Park Zone which is outside the PDP and beyond the scope of the submission.
62. As notified, all the land the submission sought to be rezoned or have the gondola corridor applied to was zoned Rural, except for an area of unformed road which had no zoning. The Stage 2 Variations, notified after the hearing, propose zoning part of the land on the north bank of the river which would underlie the proposed gondola corridor as Informal Recreation.
63. The site is shown on Figure 8-4 below.



Figure 8-4 - the submission site. Note that the area shown in red was not part of the area sought to be rezoned.

14.4. The Case for Rezoning

64. The case for the submitter was essentially that the proposed development would be highly beneficial for the area, the whole district and the nation economically. At the same time any adverse environmental effects were considered to be no more than minor, and appropriate. To support this, the submitter presented evidence as follows.

14.5. Introductory and General

65. Mr Alastair Porter, the CEO of the submitter company, is an experienced property developer and development consultant. He gave evidence about the vision and concept of the proposal. He described how the site sits within an environment highly appealing to tourists and within close proximity to many other tourism facilities and activities. He discussed the run-down and declining state of the existing farming operation, how it could not be improved without outside support, and the desirability of not intensifying agricultural activity because of the

environmental impacts of this. He outlined the linkages possible between the site, the Remarkables Park Town Centre at Frankton, the publicly owned land south of Lake Hayes Estate and the Remarkables Alpine Recreation Area, which includes the ski field. He said that it had been possible to determine a highly scenic, albeit low visibility, alignment of the proposed gondola that could link all of the foregoing locations.

66. He discussed the range of activities proposed to be provided, including the gondola, a diverse range of tourist and local accommodation, food and beverage, tourist shopping, arts and crafts, mini-conferencing, wedding facilities, environmental education and agricultural production and recreational activities including extending the cycle trails. He described the advantages of the safe, high volume access that would be enabled to the ski field area, reducing pressure on the existing difficult road access and providing opportunities for year round activities in the Alpine Area.
67. With reference to the gondola he said that this would, in terms of views afforded to the rivers and landscapes, the excitement of its ride particularly on the uphill section, safety benefits, and access to Queenstown Park's accommodation/ environmental tourism facilities, and its commuter potential, present a potentially enormous addition to Queenstown's facilities infrastructure.

14.6. Landscape

68. **Mr Stephen Brown**,¹⁴ a landscape architect, categorised the proposal as two interrelated projects, being:
- a. A gondola system running for some 10km from the Remarkables Park Zone, near Queenstown Airport, down the Kawarau River valley, then up the northern side of The Remarkables to The Remarkables Ski Area; and
 - b. The creation of a series of nodes designed to accommodate both tourism / visitor activities and rural-residential development – to be located on the southern side of the Kawarau River, extending from near Lake Hayes Estate and past Morven Hill, towards Chard Farm.
69. He said that, importantly, the gondola project would not affect the iconic, western faces of The Remarkables, but would instead focus on the Kawarau River valley and the range's more peripheral, northern slopes around the Rastus Burn stream catchment. These extend upwards to culminate in the existing Remarkables Ski Area. The various tourism and rural-residential nodes proposed would primarily occupy the terraces next to the Kawarau River, well below the main slopes of the northern Remarkables. However he agreed that the entire site was an ONL the boundary of which was on the north bank of the Kawarau River.
70. He said that the gondola proposal had the potential to be seen from a large number of receiving environments and by a broad range of both public and private audiences. However, it would have a low to very low level of impact on most areas exposed to the system. Viewed at quite close range – from areas including Lake Hayes Estate and the Arrowtown / Gibbston Valley cycle trail – it would remain a relatively lightweight, even ephemeral, component of the Kawarau River valley. Even where elevated well above the river corridor, traversing the higher slopes that flank the Rastus Burn, the gondola system would float relatively lightly above its alpine setting and would have little impact on public perception and appreciation of the Remarkables.

71. He said that the proposed Rural Visitor¹⁵ and Rural Residential development areas would be more substantial. Yet, they would also be more discretely located within the river corridor below the Remarkables' main slopes and more elevated tussock grasslands. As such, they would primarily impact productive rural land close to the river and would – with the exception of the RV3 tourist village – be substantially buffered from most areas of significant public activity. Although visible from Lake Hayes Estate, in particular, he said, views of the proposed tourist village would frequently be seen in the same context as the existing residential properties and dwellings next to most vantage points. Existing riverside trees, terrace banks above and lining the Kawarau River, together with a range of other factors, would further contribute to both screening of the proposed development and its integration into parts of the valley.
72. Finally he offered some proposed changes to the zone provisions to address some of the issues raised by Ms Mellsop, the Council's landscape witness.
73. **Mr Tim Johnson**,¹⁶ an expert in preparing visual simulations, presented visual simulations he had prepared of the proposed gondola systems which Mr Brown had relied on in reaching his conclusions. These simulations showed that the system would be difficult to see except at close range and have minimal visual impact except at very close distances. In answers to questions from the Panel, Mr Johnson expressed confidence in the accuracy of the modelling but said that he had not had the opportunity to "ground truth" any projects he has done using this methodology that are similar to this one by comparing the appearance of the finished project with the pre-construction simulations.
74. **Ms Rebecca Skidmore**,¹⁷ a landscape architect and urban designer, gave evidence focussing particularly on the Rural Visitor and Rural Residential Activity Areas, and the proposed rules that were designed to integrate these into their rural and landscape setting. She agreed that the entire site was within the ONL.
75. A large tourism hub known as RV3 was proposed located on two terraces opposite Lake Hayes Estate, at the point where the gondola would cross back to the south bank and then climb up the Rastus Burn to the Remarkables Ski field. This would contain visitor accommodation, retail and recreation activities and a gondola station where visitors and residents could get on and off the gondola. She expected that the coverage enabled would be 41,000m² for the lower terrace and 23,000m² for the upper terrace. She discussed the proposed rules and assessment matters intended to mitigate adverse visual effects. Her opinion was that, in the context of the expansive and dramatic rural setting, the built environment would be subservient to, and its character strongly influenced by its setting. Together with the requirements for the Comprehensive Development Plans and matters for control for new buildings, in her opinion, the village would have a rural rather than an urban character.
76. With regard to the rural residential activity areas, Ms Skidmore said that in her opinion, the two critical factors to consider in combination were, first, that the overall total number of residential sites across the zone was limited to 90 and secondly, that the minimum lot size would be 4,000m². In her opinion, these controls would ensure that the intensity of residential activity is suitable to ensure a rural character is achieved. She noted that the 4,000m² minimum lot size is comparable with the operative District Plan Rural Residential Zone.

¹⁵ Not to be confused with the ODP Rural Visitor Zone discussed in reports on other submissions.

¹⁶ T Johnson, EIC, 9 June 2017

¹⁷ R Skidmore, EIC, 9 June 2017; Supplementary Statement, 28 August 2017

77. Ms Skidmore also discussed the improvements proposed for the existing access road into the site which is at present a narrow, unsealed farm road. She understood that only minor widening and amendments would be necessary to accommodate vehicular access to the intended uses. As the gondola would provide a primary transport connection to the zone, traffic generation and requirements for parking will be limited. In her opinion, these features would be subservient to the wider landscape setting and would not serve to diminish the rural character or landscape values of the zone.
78. In his transport evidence, **Mr Tony Penny**,¹⁸ a traffic engineer discussed the improvements that would need to be made to the existing access road along the south bank of the river corridor, and confirmed that some limited widening and improvements would need to be made, but major upgrading was not anticipated, because the gondola was expected to be the primary means of transport into the area. This was to counter any suggestion that the road would become obtrusively visible, for example because of the formation of large cuts.
79. Landscape evidence was given for the Council by **Ms Helen Mellsop**, a landscape architect.
80. She summarised her views on this submission in her evidence in chief as follows:

In relation to the Queenstown Park Limited (806) submission, a rezoning and ONL boundary change:

- a. *the alluvial fans of the Rastus Burn and Owens Creek, and the adjacent terraces and floodplains within Queenstown Park Station are correctly classified as part of the ONL of The Remarkables and Ben Cruachan;*
- b. *the Kawarau River between Lake Wakatipu and Chard Farm is appropriately classified as an Outstanding Natural Feature (ONF) within a wider ONL; and*
- c. *the Queenstown Park Station Special Zone in this area would not be consistent with the landscape-related objectives and policies of the PDP. It would not protect the rural surrounds of Lake Wakatipu and the Wakatipu Basin from sporadic development and it is likely to result in significant degradation of the landscape quality, landscape character and visual amenity of the prominent and highly valued ONL of The Remarkables/Ben Cruachan and the Kawarau River.*¹⁹

81. She did not depart from this view after hearing the submitter's presentations at the hearing.

14.7. Economic Evidence

82. **Mr John Ballingall**²⁰ is an economist, and the Deputy Chief Executive of the New Zealand Institute of Economic Research Incorporated (NZIER). He presented the outcomes of economic modelling of the gondola proposal. His conclusion was the gondola would:
- a. create a present value of additional tourism spending over 35 years of \$1.43 billion, even under conservative estimates of the additional per-day spending of visitors split between spending on gondola tickets (\$280 million) and other tourism activities in the regional economy (\$1.15 billion);
 - b. Create a present value due to the gondola construction over two years of \$72million, and a present value of visitor accommodation construction over ten years of be \$84 million; and that
 - c. The construction of the gondola would expand Queenstown's real GDP by \$29.9 million from 2016 to 2019, and add 148 jobs;

¹⁸ A Penny, EIC, 9 June 2017; amended 14 June 2017

¹⁹ H Mellsop, EIC, 24 May 2017, paragraph 3.2

²⁰ J Ballingall, EIC, 9 June 2017; Supplementary Statement, 28 August 2017

- d. Household spending would increase by \$14.1 million over this period due to the construction creating more jobs and lifting the average wage in the Queenstown economy;
 - e. The gondola construction phase would benefit a wide range of industries, including non-residential construction, construction services, rental and hiring businesses, metal manufacturing, non-metallic mineral manufacturing, fuel and transport support services;
 - f. Other parts of the Queenstown economy would also benefit from higher levels of economic activity and household incomes during the gondola construction phase, such as accommodation, real estate services, wholesaling and retailing;
 - g. This additional tourism spending would boost economic activity in accommodation, sport and recreation services, travel agency and tour arrangement services, heritage and artistic activities, retailing; gambling activities and food and beverage services;
83. The economic model assumed that the presence of the gondola would result in all visitors to Queenstown staying an extra day, but that 50% of the spending on gondola tickets would be spent on other attractions if the gondola did not exist. He also carried out a sensitivity analysis assuming that visitors would only stay an additional half day due to the gondola. This still resulted in considerable economic benefit.
84. He concluded that building and operating the gondola as proposed would have a significant positive impact on the Queenstown economy, through additional spending on the gondola and its associated activities, and also in the wider regional economy.
85. In answers to questions from the panel, Mr Ballingall estimated the additional contribution of the gondola to the Queenstown economy.
86. He estimated that the gondola would generate:
- a. \$29.9 million of additional real GDP across the economy during the construction phase; and
 - b. \$20.4 million of additional real GDP across the economy annually once it is operational and bringing in tourists and when the visitor accommodation was constructed.²¹
87. By our calculation from Mr Ballingall's figures, the latter would be an increase of 6.9% annually to the Queenstown tourism-related real GDP economy of \$393m.
88. **Mr Stephen Hamilton**²² is a tourism consultant specialising in advice to hotels and other forms of commercial accommodation, visitor attractions and activities, events, and public assembly venues and, in particular, in undertaking market demand and supply analysis for new tourism projects, and preparing financial projections for new and existing tourism businesses. His evidence largely centred on the accommodation sector in Queenstown, and also discussed trends in new tourism activities around the world.
89. He said that there was an urgent need for additional tourist accommodation in Queenstown, and that this should be dispersed throughout the region not confined in tight geographical areas such as central Queenstown. He said that there was a need for more boutique forms of accommodation, as well as luxury accommodation. While the overall number of units proposed by Queenstown Park would be relatively small, nevertheless it would satisfy the need for dispersed, boutique and luxury accommodation. He also foresaw a need for more "soft adventure" activities which would have the capability of handling significant visitor numbers and were not weather dependent and he saw the proposal as an example of this. He

²¹ J Ballingall, Supplementary Statement, 28 August, paragraphs 7-8.

²² S Hamilton, EIC, 9 June 2017

said that the gondola and village would add a significant new dimension to the overall Queenstown visitor experience.

90. Professor **Simon Milne**²³ is a Professor of Tourism in the School of Hospitality and Tourism, Auckland University of Technology. His speciality is tourism research and consultancy. His main conclusions were
- a. Global evidence points to gondolas being relatively effective ways to generate direct and indirect economic benefits for communities and tourism destinations. While there are inevitable costs, these can be largely mitigated with effective planning and management.
 - b. The features of the proposed Queenstown Park gondola suggest it would deliver the positive economic benefits associated with many international examples: it would be located proximate to a major tourist hub, and create a link to an iconic winter attraction that faces transport capacity challenges. The gondola would open up opportunities to expand existing non-winter season visitor experiences and introduce new product dimensions to Queenstown, including the gondola itself, which would be an attraction in its own right.
 - c. The gondola would be well placed to meet critical shifts in demand for New Zealand from international tourism source markets and from the domestic market. The proposed offering would open up new experiences to a growing segment of the market who were seeking 'soft--adventure' opportunities and seeking to travel in an environmentally responsible fashion. The proposed gondola also represented a relatively sustainable and safe way for visitors to travel to an area currently serviced by a challenging road – something that would become even more important as visitor numbers grow.

14.8. Recreation

91. **Mr Rob Greenaway**²⁴ is an independent consultant, planner and researcher in recreation and tourism. His main conclusions were as follows:
- a. Tourism is fundamental to the Queenstown economy and community and is experiencing substantial growth beyond national averages. He relied on evidence Mr Philip Osborne had presented to the Hearings Panel on behalf of Council (6 April 2016). Mr Greenaway considered this growth was a cause of local traffic, accommodation and activity congestion, which could lead to visitor dissatisfaction and a negative commercial and community spiral. Congestion and access limits could either be used as a deliberate mechanism for controlling growth, and/or innovative methods could be used to accommodate growth while limiting its adverse effects. He considered the QPSZ proposal to be of the latter ilk.
 - b. The QPSZ proposal had very limited potential for adverse effects on existing local recreation values, while offering benefits by, for example, extending the regional trails network.
 - c. The proposal would respond well to local tourism congestion issues by creating a significant attraction with very little dependence on the local road network, while increasing the capacity of existing tourism infrastructure near Queenstown airport as a summer and winter destination.
92. He recommended some changes to the assessment criteria to strengthen opportunities for public access and to mitigate any effects on public access

²³ S Milne, EIC, 9 June 2017

²⁴ R Greenaway, EIC, 9 June 2017

93. **Mr Paul Anderson**²⁵ is the Chief Executive of NZ Ski Ltd, which owns and operates the Remarkables Ski Field in the Rastus Burn at the top of the proposed gondola. He gave evidence that the proposal would:
- a. Provide an alternative access to the ski field, relieving congestion on State Highway 6 at Frankton;
 - b. Improve safety by providing an alternative evacuation route if required;
 - c. Provide potential for expansion of the ski field area and reduce the need for parking on the mountain;
 - d. Provide opportunities for off-season recreation activities such as sightseeing, and mountain biking, which would improve the economic viability and performance of the ski field;
 - e. Enable opportunities for staff housing in the Lake Hayes Estate as well as provide more direct access to the ski field from that vicinity.

14.9. Transport evidence

94. **Mr Tony Penny** is a traffic engineering and transport planning consultant. His main conclusions were as follows:
- a. The proposed rezoning of a corridor through Queenstown Park to enable the installation of the gondola would result in reduced transportation effects associated with the movement of people up to and down from the top of the mountain.
 - b. The proposed rezoning of rural visitor and rural residential pods within Queenstown Park could be provided with convenient and safe access via the gondola and/or via a new road largely within the existing road reserve along the south side of the Kawarau River and/or via jet boat ferries and/or walking and cycling tracks.
 - c. Car parking and drop-off facilities for private and public transport could be provided for the Remarkables Park Town Centre Base Station and for the Lake Hayes Estate Residential Transit Station.
 - d. The gondola could be used as an effective alternative form of public transport particularly for commuters and school children travelling between Remarkables Park and Lake Hayes Estate.
 - e. Overall, he concluded that the proposed rezoning was generally consistent with the transportation objectives and policies of the Proposed District Plan (**PDP**) and the regional planning documents. He expected that the infrastructure and development enabled by the rezoning could be designed to be compatible with the transportation rules in the District Plan, with the appropriate design codes and with the projects included in the respective transport strategies. Accordingly, the rezoning could be supported from a transportation perspective. He considered that there would be no need to introduce any new transportation objectives or policies. However, there would need to be a new rule regarding the possible upgrading of the intersection at State Highway 6 (SH6) and Boyd Road.
95. For the Council, Mr Denis Mander expressed concern about the lack of information presented about the intersection of the access road with State Highway 6, but this was written before the evidence of Mr Penny was received.

14.10. Geotechnical evidence

96. Geotechnical and natural hazards evidence was presented by **Mr Paul Faulkner**²⁶ for the gondola route and **Mr Robert Bond**²⁷ in respect of the activity areas. Their main conclusions were that any geotechnical or natural hazards that existed were capable of being managed by

²⁵ P Anderson, EIC, 9 June 2017

²⁶ P Faulkner, EIC, 9 June 2017

²⁷ R Bond, EIC, 9 June 2017

engineering techniques and the development would not exacerbate any existing natural hazards.

14.11. Gondola Route Selection

97. **Mr Rick Spear**²⁸ gave evidence discussing criteria for gondola route selection, various options that had been considered, and the reasons why the selected route corridor had been adopted. In particular he outlined why initial route options up the western slopes of the Remarkables were not pursued due to visibility and technical considerations and how the low level route down the Kawarau River came to be selected.

14.12. Agricultural Sustainability

98. **Ms Alison Dewes**,²⁹ an agribusiness specialist, provided written evidence³⁰ about farming sustainability issues on the Queenstown Park property. She said that prior to being taken over by the current submitter, the farm was an uneconomic unit. To improve profitability, it would be necessary to intensify farming activity on the terraces that are able to be irrigated or cropped. This would lead to a significant additional and detrimental load of sediment, pathogens and phosphorus, and nitrogen losses to the Kawarau River. In her opinion with a more flexible zoning, this would not be necessary, and the Queenstown Park Special Zone would be a better use of these areas.

14.13. Ecology

99. **Mr Simon Beale**³¹ is a consultant ecologist. In his summary of evidence, he said that:
- a. despite the significant modifications to the indigenous vegetation cover since human settlement, dryland plant communities and habitats of ecological value persisted on the site. These were associated with extensive areas of grey shrubland and the numerous cliff faces and rocky outcrops mostly contained within the Rastus Burn and Owen Creek catchments.
 - b. The distinctive landforms and extensive areas of shrubland and tussock land contributed significantly to the scenic and recreational appeal of the site.
 - c. A large proportion of shrubland on the site was contained within SNAs.
 - d. The PDP provided for grazing in SNAs as a permitted activity. Cattle grazing was considered to have an adverse effect on shrublands. Sheep grazing, however, could be beneficial to SNAs and other area of indigenous vegetation cover by controlling invasive herbaceous weed species.
 - e. Development of activity areas and a gondola on the site presented opportunities to maintain and enhance ecosystem health and indigenous biodiversity through active planting programmes and pest and weed management programmes.
 - f. The proposed provisions of the QPSZ, including a Comprehensive Development Plan, involved a range of ecological maintenance and enhancement measures within the activity areas and across the balance of the site including the gondola corridor.
 - g. The QPSZ provisions would be better than the PDP provisions in bringing about positive ecological outcomes because:
 - i They included provisions to implement ecological maintenance and enhancement measures including management of invasive plant/weed species, extensive indigenous plantings and advocacy measures aimed at promoting the ecology of the site; and

²⁸ R Spear, EIC, 9 June 2017

²⁹ A Dewes, EIC, 9 June 2017

³⁰ We had no questions of Ms Dewes' evidence and excused her from attending the hearing.

³¹ S Beale, EIC, 9 June 2017 (amended)

- ii They would better protect the SNAs by prohibiting cattle grazing, whereas the PDP allowed for grazing in the Rural Zone as a permitted activity, including within SNAs; and
- iii They would provide for grazing limits on the land above 600m between the Owen Creek and Rastus Burn.

100. For the Council, **Mr Glenn Davis**,³² an environmental scientist consultant gave evidence. He did not oppose the rezoning of the activity areas on the flatter more developed parts of the site because any indigenous vegetation had been removed from these areas. He did not oppose the gondola route, because its footprint did not affect any significant natural areas. However he was concerned about the proposed rezoning of the balance of the station because he considered this to be a more permissive planning regime that could adversely affect remnant ecological areas.

14.14. Planning

101. **Mr David Serjeant**³³ presented planning evidence for the submitter. We note that as with any planning expert, his opinions were heavily reliant on the assessment of adverse effects carried out by the technical experts.

102. Somewhat unusually, Mr Serjeant chose to frame his evidence around an issue he identified, in the following terms;

*With reference to the above evidence, it is evident that Queenstown has an excess demand for visitor activities based on the rural and open space resources of the district. The issue I identify for Queenstown and to be tested on the objectives for the QPSZ is therefore: Where is this demand to be met, and how can supply of the product be increased so as to ensure the quality of the resources on which it is based are sustainably managed?*³⁴

103. We will return to this later.

104. Mr Serjeant discussed the objectives and policies of the various higher level planning instruments and the PDP itself, with particular reference to the critical landscape issue and concluded that the proposed development would be consistent with these, while addressing the issue he had identified.

105. He discussed an alternative means of addressing the issue he had identified, which was attempting to proceed with the development under the provisions of the Rural Zone and concluded the creation of a dedicated zone was the more appropriate mechanism and consistent with the way the PDP deals with other major tourism activities, e.g. the Millbrook Resort.

106. He then presented a revised set of provisions for the QPSZ designed to respond to some of the concerns expressed by the reporting officers and also identified by him and the other witnesses.

107. For the Council Mr Robert Buxton opposed the rezoning, relying primarily on the conclusions of Ms Mellsop. He also pointed out that with regard to the proposed rules limiting cattle

³² G Davis, EIC, 24 May 2017, paragraphs 5.55 – 5.60; Rebuttal Evidence, 9 July 2017, paragraphs 3.10 – 3.18

³³ D Serjeant, EIC, 9 June 2017 (replacement); Supplementary Statement, 28 August 2017

³⁴ At paragraph 6.143 of his evidence in chief

grazing in the Significant Natural Areas, firstly that grazing would be protected by existing use rights, and secondly that the proposed rules would be difficult to enforce. He was also concerned that activities within the river corridor, including the gondola crossings, footbridges and jetties could adversely affect the values set out in the Water Conservation (Kawarau River) Order 1997.³⁵

15. DISCUSSION OF PLANNING FRAMEWORK

15.1. National Policy Statements

108. Both Mr Serjeant for the submitter and Mr Buxton for the Council said that the National Policy Statements (NPS) on Urban Development Capacity, Freshwater Management, Renewable Electricity Generation, and Electricity Transmission must be given effect to. We agree. Ms Dewes' evidence indicates that the QPSZ delivers good outcomes in relation to water quality thereby giving effect to National Policy Statement for Freshwater Management (Objective A1 and A2). These comments are equally relevant to the Regional Plan: Water. Nothing about this proposal would be inconsistent with the other National Policy statements mentioned.
109. The Section 42A Report also referred to the proposed NPS on Indigenous Biodiversity. We agree with Mr Serjeant that the QPSZ provisions, supported as they are by the specific assessment of indigenous biodiversity by Mr Beale, emphasise avoidance of Significant Natural Areas and the enhancement of biodiversity, and would give effect to the NPS, even though it is only proposed.

15.2. The Operative and Proposed Otago Regional Policy Statements

110. The Operative Otago Regional Policy Statement must be given effect to³⁶. This states:

5.4.3 To protect Otago's outstanding natural features and landscapes from inappropriate subdivision, use and development.

111. The related policies identify the characteristics of ONFs and landscapes, but do not identify what is inappropriate. Effectively this restates s6(b) of the RMA, but it remains necessary to determine what is inappropriate, and there is no mandatory guidance here as to what the outcome of the case should be.
112. The Proposed Regional Policy Statement takes a very similar approach. Objective 2.2 and its related policies are;

Objective 2.2

Otago's significant and highly-valued natural resources are identified, and protected or enhanced

Policy 2.2.4

Managing outstanding natural features, landscapes, and seascapes Protect, enhance and restore the values of outstanding natural features, landscapes and seascapes, by:

- a. Avoiding adverse effects on those values which contribute to the significance of the natural feature, landscape or seascape; and*
- b. Avoiding, remedying or mitigating other adverse effects on other values; and*

³⁵ Robert Buxton, Supplementary Reply Evidence, 11 October 2017, paragraphs 4.1-4.3

³⁶ Section 75(3)(c) of the RMA

- c. *Assessing the significance of adverse effects on values, as detailed in Schedule 3; and*
- d. ...
- e. ...
- f. *Encouraging enhancement of those areas and values.*

113. Schedule 3 contains a set of criteria for assessing the significance of adverse effects.
114. As the Proposed RPS is not yet operative, and is subject to appeal, we do not consider it should be given significant weight. In any case, it contains no specific direction that would determine this case. It will still be necessary to consider whether the proposed development would be appropriate in the ONL. At most, the Schedule 3 criteria might assist in that consideration.

15.3. The Water Conservation (Kawarau River) Order 1997

115. Mr Buxton for the Council and the legal submissions for the submitter referred to this Order. A district plan must not be inconsistent with a water conservation order.³⁷
116. The site is adjacent to the Kawarau River, which is subject to the Water Conservation (Kawarau) Order 1997. Proposed jetties and footbridges would span the river, as would the gondola corridor. The qualities that this order seeks to protect are its wild and scenic characteristics, natural characteristics, in particular the return flow towards the lake which occurs in flood conditions, scientific values and recreational values. In fact, on reading the Order, its protections are all to do with the management of the actual waters in the river and its tributaries and nothing in it directly refers to adjacent land use or requires the territorial authority to have regard to the Order when managing land use adjacent. At most, it might be relevant to assessing the effects of the gondola crossings and the footbridges and jetties. For the Council, Ms Mellsop considered these crossings would be visually very prominent from the perspective of users of the river and adjacent trails and would detract from the natural character of the river. We do agree with the submitter that if the proposal reduced nutrient run-off into the river, that would be consistent with the Order.

15.4. Objectives and Policies of the Proposed District Plan

117. At a wider, strategic level, the following provisions of Chapters 3 4 and 6 are relevant.

Objectives

- 3.2.1 *The development of a prosperous, resilient and equitable economy in the District.*
- 3.2.1.1 *The significant socioeconomic benefits of well-designed and appropriately located visitor industry facilities and services are realised across the District.*
- 3.2.1.6 *Diversification of the District's economic base and creation of employment opportunities through the development of innovative and sustainable enterprises.*
- 3.2.1.8 *Diversification of land use in rural areas beyond traditional activities, including farming, provided that the character of rural landscapes, significant nature conservation values and Ngāi Tahu values, interests and customary resources, are maintained.*
- 3.2.2 *Urban growth is managed in a strategic and integrated manner.*
- 3.2.2.1 *Urban development occurs in a logical manner so as to:*

³⁷

Section 75(4) of the RMA.

- *promote a compact, well designed and integrated urban form;*
- *build on historical urban settlement patterns;*
- *achieve a built environment that provides desirable, healthy and safe places to live, work and play;*
- *minimise the natural hazard risk, taking into account the predicted effects of climate change;*
- *protect the District's rural landscapes from sporadic and sprawling development; and*
- *ensure a mix of housing opportunities including access to housing that is more affordable for residents to live in;*
- *contain a high quality network of open spaces and community facilities; and.*
- *be integrated with existing and planned future, infrastructure.*

Strategic Policies

- 3.3.13 *Apply Urban Growth Boundaries (UGBs) around the urban areas in the Wakatipu Basin (including Jack's Point), Wanaka and Lake Hawea Township.*
- 3.3.14 *Apply provisions that enable urban development within the UGBs and avoid urban development outside of the UGBs.*
- 3.3.15 *Locate urban development of the settlements where no UGB is provided within the land zoned for that purpose. (*
- 3.3.22 *Provide for rural living opportunities in areas identified on the District Plan maps as appropriate for Rural Residential and Rural Lifestyle development.*
- 3.3.24 *Ensure that cumulative effects of new subdivision and development for the purposes of rural living does not result in the alteration of the character of the rural environment to the point where the area is no longer rural in character.*
- 4.2.1.3 *Ensure that urban development is contained within the defined Urban Growth Boundaries, and that aside from urban development within existing rural settlements, urban development is avoided outside of those boundaries.*
- 4.2.1.7 *Contain urban development of existing rural settlements that have no defined Urban Growth Boundary within land zoned for that purpose.*
118. A question to be determined in respect of these provisions is whether some or all of the development would amount to urban development. We note that the Stream 10 Hearing Panel (differently constituted) is recommending that "urban development" be defined in the Chapter 2 of the PDP as:

Means development which is not of a rural character and is differentiated from rural development by its scale, intensity, visual character and the dominance of built structures. Urban development may also be characterised by a reliance on reticulated services such as water supply, wastewater and stormwater and by its cumulative generation of traffic. For the avoidance of doubt, a resort development in an otherwise rural area does not constitute urban development.

119. We have considered whether what is being proposed would be a resort, and therefore outside the definition of urban development. The Stream 10 Panel is recommending that “resort” be defined as:

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 on-site visitor activities.

120. Much of the residential development proposed is described as rural residential. As such this could be permanent accommodation, or perhaps holiday homes rather than visitor accommodation. Nor can we assume that residents would be primarily focussed on on-site activities. Some of the proposed activities would qualify as resort development, but there is probably too much permanent residential development (up to 90 units) and the potential site coverage in some of the pods has been calculated as up to 39%, which is an urban rather than a rural density. Therefore we do not consider this proposal qualifies as a resort under these definitions and therefore the provisions quoted above are applicable.

121. In relation to landscape matters, the following PDP objectives and policies from Chapters 3 and 6 are applicable:

Objectives

3.2.5 *The retention of the District’s distinctive landscapes.*

3.2.5.1 *The landscape and visual amenity values and the natural character of Outstanding Natural Landscapes and Outstanding Natural Features are protected from adverse effects of subdivision, use and development that are more than minor and/or not temporary in duration.*

Policies

3.3.29 *Identify the District’s Outstanding Natural Landscapes and Outstanding Natural Features on the District Plan maps.*

3.3.30 *Avoid adverse effects on the landscape and visual amenity values and natural character of the District’s Outstanding Natural Landscapes and Outstanding Natural Features that are more than minor and or not temporary in duration.*

Managing Activities in Outstanding Natural Landscapes and on Outstanding Natural Features

6.3.12 *Recognise that subdivision and development is inappropriate in almost all locations in Outstanding Natural Landscapes and on Outstanding Natural Features, meaning successful applications will be exceptional cases where the landscape or feature can absorb the change and where the buildings and structures and associated roading and boundary changes will be reasonably difficult to see from beyond the boundary of the site the subject of application.*

6.3.13 *Ensure that the protection of Outstanding Natural Features and Outstanding Natural Landscapes includes recognition of any values relating to cultural and historic elements, geological features and matters of cultural and spiritual value to Tangata Whenua, including Tōpuni and Wahi Tūpuna.*

6.3.14 *Recognise that large parts of the District's Outstanding Natural Landscapes include working farms and accept that viable farming involves activities that may modify the landscape, providing the quality and character of the Outstanding Natural Landscape is not adversely affected.*

122. The Stage 2 Variations were publicly notified on 23 November 2017, after the lodging of the submissions on Queenstown Park and after the hearing of the submissions. Stage 2 includes a new Chapter 29 which deals with transport. Submissions have closed on it with further submissions pending at the time of preparing this report. We have considered this new chapter, although it is at a very early stage and we would not be able to give it a great deal of weight had this submission raised issues that were inconsistent with or contrary to it.

123. Chapter 29 contains objectives and policies which seek to achieve safe and efficient roading and other transport systems, and to ensure land use is consistent with those. In particular Objective 29.2.1 seeks:

29.2.1 Objective:

An integrated, safe, and efficient transport network that:

- *provides for all transport modes and the transportation of freight;*
- *provides for future growth needs and facilitates continued economic development; • reduces dependency on private motor vehicles and promotes the use of public and active transport;*
- *contributes towards addressing the effects on climate change; and*
- *reduces the dominance and congestion of vehicles in the Town Centre zones.*

124. Objective 29.2.4 seeks:

2. An integrated approach to managing subdivision, land use, and the transport network in a manner that:

- *supports improvements to active and public transport networks;*
- *increases the use of active and public transport networks;*
- *reduces traffic generation;*
- *manages the effects of the transport network on adjoining land uses and the effects of adjoining landuses on the transport network.*

16. ISSUES

- a. Landscape
- b. Transport
- c. Ecology and sustainability
- d. Economic issues, Tourism and Recreation
- e. Urban Development

17. DISCUSSION OF ISSUES AND CONCLUSIONS

125. Overall, we accept most of the evidence put forward by the submitter, except in regard to landscape, planning, and to a very minor extent transport. In particular, we accept that the proposal would bring very significant benefits to the economy and employment, with spin-off

benefits to numerous other businesses. We do consider Mr Ballingall was perhaps a little too enthusiastic in describing the economic benefits of the proposal. The monetary amounts are impressive but a 6.9% increase in Queenstown's tourism-related GDP needs to be kept in perspective, especially considering how well that part of the economy is already doing, and the considerable difficulties Queenstown is experiencing with supporting infrastructure for the burgeoning tourism sector. We doubt his assumption that all visitors would stay an extra day in Queenstown or even half a day because of the presence of the gondola. Some would simply not be in a position to do that, or have the time or inclination to do so and would instead be choosing which of Queenstown's offerings to attend, but that is not a significant detractor from his overall conclusions. We accept that the proposal would produce substantial benefits for recreation, and would have excellent synergy with the Remarkables ski field and the Queenstown Trails network.

126. With regard to transport, our only quibble is that we thought the sketch of the proposed parking and drop-off area at the road end at Lake Hayes Estate would be unworkable, with the critical dimensions of the parking being far short of what would normally be expected for such a busy combination of vehicles and people on foot. However, if the proposal proceeded, no doubt that could be resolved with the Council through the acquisition or leasing of some of its adjoining reserve land. We accept that further detail of the access road, including its intersection with State Highway 6 would need to be provided as part of subsequent consent processes and that the proposed provisions could satisfactorily manage this.
127. We accept that the proposal, if instituted as put to us, would better protect the significant natural areas better than the PDP regime which would allow for unrestricted grazing, although we do question how effectively this could be monitored and enforced.

17.1. Landscape

128. With regard to the ONL, all three expert witnesses, including those appearing for the submitter agreed that the entire site is within an Outstanding Natural Landscape, the boundary of which is on the north side of the Kawarau River. Therefore the case has to be assessed as to whether it is the type of development that would be appropriate in the ONL, as allowed for in the objectives and policies of the PDP, the RPS and section 6(b) of the RMA.
129. The case for the submitter, as presented by Mr Brown and Ms Skidmore, was that the effects of the gondola, and the Rural Visitor and Rural Residential Activity areas would be no more than minor. They examined the site from all the places where it could be seen, including the Kawarau River, the Lake Hayes Estate residential area, the Queenstown Trail where it runs past the site adjacent to Lake Hayes Estate, more elevated parts of the Queenstown Trail, State Highway 6 north of Lake Hayes Estate, and lookouts on the Crown Range Rd and the Remarkables Ski Field Rd. Their conclusion was that from all these viewpoints the visual effects would be minor or less and that the landscape would be able to absorb the developments without adverse effect.
130. With regard to the gondola, Mr Brown described this as "ephemeral" and that it would "float lightly" above the landscape".
131. With regard to the Activity Areas, both witnesses considered that the proposed landscaping and tree planting would substantially assist in absorbing the development into the landscape.

132. They relied heavily on what was described as context, i.e. that from all the viewpoints the development would be viewed either across or alongside and in the same view as the Lake Hayes Estate development

133. Ms Mellsop assessed the proposal from all of the same viewpoints and reached completely different conclusions. She wrote that:

From the vantage points described above, development within the proposed 'rural visitor' and 'rural residential' activity areas on the fans and terraces would be visible as isolated sporadic areas of urban or dense rural living at the base of the mountains. Development would detract from the visual integrity and perceived naturalness of the mountainous landforms and from closer viewpoints would adversely affect the pleasantness, aesthetic coherence and perceived naturalness of views towards the mountains.³⁸

134. With regard to the gondola, she accepted that the length along the river valley would be less intrusive from some of the more distant viewpoints. However she considered it would be significantly more visually intrusive from closer viewpoints, and in the section where it would ascend the mountain to the ski field, writing:

6.33. *The gondola access corridor has been located so that a gondola would not impinge on the line and form of the western face of The Remarkables. The relatively low elevation of the section of gondola between Remarkables Park and the Rastus Burn would limit the visual prominence of the structures. In my opinion this section of a gondola, if appropriately designed, would have moderate to low adverse effects on the amenity of views from SH6, Shotover Country and Lake Hayes Estate. The gondola pylons would be lower than the existing electricity pylons within the view, but moving gondola cabins would attract the eye and increase the prominence of the development.*

6.34 *Adverse effects on visual amenity would be greater from closer viewpoints in Remarkables Park and on the Eastern Access Road. I consider that a gondola within the proposed corridor is likely to have significant adverse effects on the visual amenities of people on the Kawarau River itself and those using the public walkways on the true left bank. The pylons, cables and gondola cabins would be viewed at close proximity and would be prominent human modifications in the otherwise relatively unmodified environment.*

6.35 *Where the gondola access corridor ascends the mountain, structures would be widely visible from much of the Wakatipu Basin. The cables, pylons, service structures and moving cabins would form an incongruous straight line up the mountain slope and would in my assessment significantly detract from the amenity of views towards The Remarkables. The adverse effects on the aesthetic coherence and perceived naturalness of the mountains would be cumulative with those of the skifield road.³⁹*

135. Because of this very clear disagreement, we have considered this matter very carefully. As well as considering the evidence, we have visited the various lookouts and walked the trails on the north bank of the river on several occasions.

³⁸ H Mellsop, EIC, 24 May 2017, paragraph 6.32

³⁹ H Mellsop, EIC, 24 May 2017, paragraphs 6.33 – 6.35

136. As a result, we agree with Ms Mellsop that the Activity Areas in particular would be prominent and intrusive from all the viewpoints and would degrade the Outstanding Natural Landscape. We considered whether the Activity Areas would be considered at all appropriate in the absence of the gondola, noting that this is a plausible outcome of the proposed zoning, as nothing in the package makes the Activity Areas dependent on the presence of the gondola. The gondola would be a much more expensive development to construct than the Activity Areas and may yet prove uneconomic. In answer to a question, Ms Skidmore said this would be a “less appropriate” outcome. Noting in particular Objective 3.2.5.1 and Policies 3.3.30 and 6.3.11 set out above, we consider the visual effects would be more than minor, would not be temporary, and that in such circumstances such activities would almost always be considered inappropriate in an ONL according to these provisions. Put another way, we consider it would be almost inconceivable that an application simply for dense commercial and rural residential activities on this scale without the gondola would succeed in this area.
137. We do not accept the assessment based on context. We consider the separation afforded by the river corridor and associated public lands on the north bank is simply too wide for this and creates a clear perceptual cut-off from every viewpoint, but particularly from the Queenstown Trail. We note that the Queenstown Trail is used by many thousands of people per annum. We note also that the south bank of the river and the mountain sides are almost completely undeveloped other than for low-intensity agricultural use and the skifield road, from Boyds Rd through to Chard Farm, a distance of 14 km.
138. Turning to the gondola, we briefly considered whether it would be able to be supported on a standalone basis. We do accept that at least in its lower portions along the river valley it would be much less intrusive than the built form of the Activity Areas. We note that Ms Mellsop considered it would be more intrusive after it turns to ascend the mountain side. We are a little cautious about the visual simulations of the gondola, and surprised that in many of the images it would be almost invisible, and we note that the computer technique employed to create these images has not been verified on a before and after basis with a comparable project. These images are of course two dimensional and do not demonstrate the constant movement of a gondola. We consider that the gondola would be much more prominent, in fact dramatically so where it crosses the river.
139. We concluded that there might have been a case for a standalone gondola with a scaled back Visitor zone. However it was not presented to us on that basis, and indeed Mr Porter made it clear that the gondola would be uneconomic without the Activity Areas, so we take that no further.
140. We also note that as a result of hearing submissions in Hearing Streams 2 and 11, the Panel is recommending that Passenger Lift Systems (which would include gondolas), except for terminal buildings, outside of Ski Area Sub-Zones be classified as a restricted discretionary activity in the Rural Zone. Thus, our recommendation on this submission will not preclude Queenstown Park Limited from applying for a gondola largely on the route they proposed.
141. Mr Brown also attempted to develop an argument that this part of the ONL is less “iconic” than the western face of the Remarkables and therefore more capable of absorbing the development. The trouble with that suggestion is that probably almost every part of the District’s outstanding natural landscape is less iconic than that western face, except perhaps the remote alpine areas along the Main Divide and in the National Parks. Accepting that argument would degrade most of the District’s outstanding natural landscape to a secondary

status. There is no support for such an approach in the PDP objectives and policies either. Even if it were possible to regard matters that way, we would not apply it in this setting.

17.2. Transport

142. Issues in relation to transport include ensuring a satisfactory connection of the access road to State Highway 6, and the adequacy of the access to the gondola at Lake Hayes Estate. The present access road does not connect directly to Boyds Rd but crosses private land and in any case the intersection of that road with the State Highway would need to be upgraded. We do not regard either of these issues as fatal flaws and consider that they would be able to be addressed if the proposal was to proceed. We also accept that the gondola would provide alternative access to the skifield and reduce traffic on what is a high and difficult alpine road in winter conditions, and would provide alternative public transport opportunities linking Lake Hayes Estate and Frankton, should that part of the proposal proceed.

143. We do note that there was no assessment provided to us of any transport-related effects within the Lake Hayes Estate roading system, such as safety and any potential for congestion, should the proposed gondola station there proceed. Obviously this could be an attractive option for residents in the Ladies Mile, Wakatipu Basin and Arrowtown area for access to the Remarkables ski field, and for residents of Lake Hayes Estate for public transport to Frankton, on a dropoff or park and ride basis. Therefore we consider an assessment of any such effects should have been provided.

144. With regard to the new Chapter 29 Transport in the Stage 2 Variations discussed above under the Planning Framework heading, we accept that the public transport aspects of the proposal would give effect to these provisions. We did not learn enough about effects on the local Lake Hayes Estate roading network to judge whether or not the proposal would satisfy those provisions. Regardless of the status of Chapter 29, we regard these as effects we should consider, whether or not they are referred to in that Chapter.

17.3. Ecology and sustainability

145. We accept the evidence of the ecologists and Ms Dewes that the proposed development would be beneficial in better protecting remnant indigenous vegetation on the site and would help to avoid intensification of farming on the terraces with attendant run-off and water quality issues. We note however that water quality is the primary responsibility of the Otago Regional Council, and any such intensification would be subject to its regulatory regime. We observe also that this property is a very small fraction of the total catchment of the Kawarau River and its contribution to water quality would be correspondingly small.

17.4. Economic issues, Tourism and Recreation

146. We accept that the proposal would be a highly attractive destination which would be beneficial to the growth of the tourism sector, with spin-off benefits across the Queenstown economy. As noted above, this does need to be kept in proportion, as that sector is already prosperous and growing rapidly, and that the area is experiencing quite severe growth pains particular in regard to infrastructure and housing

17.5. Urban Development

147. As discussed above under the Planning Framework heading, aspects of the development in our view amount to urban development, particularly the larger activity areas, and thus would be inconsistent with the objectives and policies cited above. We do not think in its present form this proposal qualifies for the exemption for resorts because of the extent of rural residential development, as discussed above.

148. We think the key factor with respect to the definition of urban development is the height and intensity of commercial development enabled in RV3. We gained the impression from the evidence of Mr Porter and Mr Brown that the proposed provisions are intended to enable a significant amount of commercial development in RV3, the village at the gondola switch station.

149. Mr Brown said at para 8.22:

Looking at the proposed village and residential development more holistically, it is clear that the proposed QPZ would establish some urban and peri-urban type development on the south side of the Kawarau River. However the QPL land, as a whole, would still retain a pronounced rural to rural-residential aesthetic, while the proposed development activities would primarily affect land that is already hallmarked by agricultural uses. In other words the landscape change anticipated would remain within that part of the Kawarau River valley landscape that is already very markedly characterised by cultural elements and patterns – even if its wider setting is predominantly natural to highly natural.⁴⁰

150. The only land available for urban (or resort) development within QP Station is the river terraces. The rest of it is steep. If the land available for development on the south side of the river is developed into a village and Rural residential pods, then in our view this is likely to look urban. In our opinion, Mr Brown can only say that a “rural to RR aesthetic can be retained” by encompassing the whole west face of the Remarkables in this frame of reference.

151. The proposed zone provisions specify limits on the number of residential units in the RR areas but are silent on the maximum gross floor area/extent of commercial activity enabled in RV3. These provisions are open-ended and therefore there is a real possibility that development on the terraces could be of an urban intensity and character as a result.

152. We think that the proposed development around RV3 is highly likely to be ‘urban’ and there is the potential for the RR areas to become similarly ‘urban’ because they can have quite a lot of ‘commercial’ activity given the proposed rules. If the RR areas were solely residential and RV3 was excised, then we would acknowledge that the proposal could be characterised as rural residential. But that is not the case under the proposed rules.

17.6. Rural Residential Development

153. Strategic policies are clear that rural living opportunities are to only to be located in areas able to absorb such development. Policies 3.3.30 and 6.3.11 require that adverse effects of development in ONL’s be limited to those that are minor or temporary in nature. We consider the Strategic Direction set by Chapters 3 and 6 is such that rural living is not appropriate in areas identified as ONL.

17.7. Overall conclusion on the planning framework

154. Our conclusions on how the proposal fits within the overall planning framework are as follows

- Nothing in the proposal, except perhaps the footbridges and jetties is inconsistent with or contrary to any of the National Policy Statements or the Water Conservation (Kawarau River) Order 1997.
- The tests under the Operative and Proposed Otago Regional Policy Statements with regard to landscape are essentially the same, and similar to those in the PDP and Section 6(b) of the RMA, i.e. is the proposal appropriate in an ONL? We have concluded that it is not.

- c. The proposal would give effect to the objectives and policies in the PDP relating to economic development, especially the development of the tourism sector including visitor activities and visitor accommodation. It would also give effect to provisions relating to ecology and transport.
- d. The proposal is not consistent with objectives and policies relating to urban development or rural living.

17.8. The Overall Judgement

- 155. Despite our finding that the proposal would be contrary to such an important set of objectives and policies relating to landscape, we have considered whether this is one of those cases where we should exercise an overall judgement under Part 2 of the RMA in favour of the submission.
- 156. We acknowledge that we were not explicitly asked to do this by the submitter, because its case was based on demonstrating that any adverse effects would be minor or less and could be satisfactorily mitigated. However we think it was implicit, particularly in Mr Serjeant's evidence, that this would be a possibility if we did not accept the evidence on effects.
- 157. This brings us to the issue identified by Mr Serjeant, which is;

*With reference to the above evidence, it is evident that Queenstown has an excess demand for visitor activities based on the rural and open space resources of the district. The issue I identify for Queenstown and to be tested on the objectives for the QPSZ is therefore: Where is this demand to be met, and how can supply of the product be increased so as to ensure the quality of the resources on which it is based are sustainably managed?*⁴¹
- 158. The evidence referred to is that of Mr Ballingall, Mr Hamilton, Professor Milne and Mr Greenaway. However, as we read it, none of that evidence actually identifies an excess of demand over supply. All of them agree that the proposal would be a highly valuable addition to the existing range of tourist facilities in Queenstown and we accept that. However, none of them took the additional step of identifying an undersupply of visitor activities. In fact, all of them discussed a large and appealing supply of attractions and continuing growth in visitor numbers. Undersupply of visitor accommodation was discussed by Professor Milne, but in fact this proposal would add only a relatively small supply of that and would probably put additional pressure on accommodation rather than resolving the problem, in our view.
- 159. Mr Ballingall identified that the addition to the tourist sector economy would be in the order of 6.9%. In our opinion, that would be valuable, but is far from essential or necessary, in the context of what is already a prosperous and growing economy.
- 160. Another problem with Mr Serjeant's issue is that it is likely to be self-perpetuating. Increasing the supply of visitor activity would be likely to generate further visitor growth, leading to need for yet more facilities and even more pressure on infrastructure and housing. We were reminded of the well-known adage about the effects of adding extra lanes on the Auckland Harbour Bridge. In answer to a question, Professor Milne accepted that this would eventually become a problem and that growth would be unable to continue indefinitely in Queenstown.
- 161. Also, as presented, the issue was very convenient for the submission, because it jumped straight from the issue to the identification of this proposal as the best solution to the problem. At the very least we would have thought it appropriate to examine the extent to which other

⁴¹ D Serjeant, EIC, 9 June 2017, paragraph 6.13

growth in visitor activities might satisfy the perceived demand, or whether, because of costs and adverse effects, it might even be more appropriate not to address this issue at all. To us, that is what section 32 requires.

162. For all these reasons, we did not find this issue as identified to be helpful.
163. We note that it was not necessary to identify this issue at all. It is not required under the RMA to prove necessity for development proposals. The sustainable management purpose of the RMA under section 5 accepts economic activity and development subject to safeguards, and we prefer to examine it on that basis, as we think the other evaluative experts, such as Mr Brown, Ms Skidmore, Mr Penny and Mr Beale all did.
164. However, evidence of compelling need or appropriateness can be a trigger for exercise of an overall judgement that favours development over environmental protection. For the reasons we have stated, we do not consider this to be such a case.

17.9. The Alternative Requests

165. For completeness we note that as summarised in Mr Buxton's Section 42A Report, the submissions before us also included two alternative forms of relief. Mr Buxton's comments were as follows:

The alternative request for a "Remarkables Alpine Recreation Area" is not clearly defined and is not supported for the same reasons as the requested zone.

The other alternative request for the deletion of the Significant Natural Areas is not supported by the evidence on the significant values of these SNA's.

166. Neither of these matters was pursued at the hearing by the submitter and we agree with Mr Buxton and take them no further.

18. RECOMMENDATION

167. For the reasons set out above, we recommend that:
- Submission points 806.1, 806.2, 806.5, 806.7, 806.76, 806.94, 806.95, 806.147, 806.206 be rejected; and
 - Further Submissions FS1057.1, FS1085.8, FS1229.29/30/32, FS1341.18 and FS1371 in support be rejected; and
 - Further Submissions FS1313.57/58/59/60 and FS1340.145 in opposition be accepted.