

Response ID ANON-URZ4-5FJN-8

Submitted to Fast-track approval applications
Submitted on 2024-05-01 16:27:01

Submitter details

Is this application for section 2a or 2b?

2A

1 Submitter name

Individual or organisation name:
RCL Homestead Bay Limited

2 Contact person

Contact person name:
Dan Wells

3 What is your job title

Job title:
Project Manager

4 What is your contact email address?

Email:
s 9(2)(a)

5 What is your phone number?

Phone number:
s 9(2)(a)

6 What is your postal address?

Postal address:

RCL Homestead Bay Limited
PO Box 6247
South Yara
Victoria
Australia, 3141

7 Is your address for service different from your postal address?

Yes

Organisation:
Remarkable Planning Limited

Contact person:
Amanda Leith

Phone number:
s 9(2)(a)

Email address:
s 9(2)(a)

Job title:
Resource Management Planner

Please enter your service address:

PO Box 2023
Wakatipu
Queenstown 9349

Section 1: Project location

Site address or location

Add the address or describe the location:

Lot 12 Deposited Plan 364700 and Lot 8 Deposited Plan 443832.
See AEE for map showing the location of the lots.

File upload:
No file uploaded

Upload file here:
No file uploaded

Do you have a current copy of the relevant Record(s) of Title?

Yes

upload file:
Title documents.pdf was uploaded

Who are the registered legal land owner(s)?

Please write your answer here:

RCL Henley Downs Limited
RCL Jack's Point Limited

Detail the nature of the applicant's legal interest (if any) in the land on which the project will occur

Please write your answer here:

RCL Henley Downs Limited, RCL Jacks Point Limited and RCL Homestead Bay are all subsidiary companies of the RCL Real Estate Holdings group of companies. RCL Homestead Bay has the ability to undertake the proposed works.

Section 2: Project details

What is the project name?

Please write your answer here:
Homestead Bay

What is the project summary?

Please write your answer here:

Application to undertake a master planned subdivision and development at the southern end of Queenstown on Lots 8 Deposited Plan 443832 and 12 Deposited Plan 364700 . This will provide up to 2800 residential lots consisting of standalone houses, terraced housing and low rise apartments. Additionally, approximately 1100m2 of retail floorspace is proposed along with parks, trails, native revegetation and supporting infrastructure. Land for schools can also be made available to the Ministry if desired.

What are the project details?

Please write your answer here:

The purpose of the project is to continue RCL's development programme in Queenstown to provide for additional residential land supply to contribute towards resolving the urgent need for housing in Queenstown. This project is a continuation as RCL is currently working on the final stages of development of a nearby subdivision project (Hanley's Farm – 1700 residential lots).

The objective of the project is to create a large, well designed urban neighbourhood which is well integrated into the wider Queenstown urban layout, and providing amenities for the day to day needs of the residents of Homestead Bay and surrounding areas.

Approvals will be needed for subdivision of land, infrastructure such as water bores, reservoirs, underground reticulation, wastewater pipes and pumps, roads, parks etc. Land use consents will also be needed to build houses and other non-residential buildings. Many sites will be sold as standalone sections with purchasers building their own homes, however a significant proportion of the higher density housing is expected to be built by RCL who would bring their Australian experience in modular construction to the district. The commercial centre would also entail large scale construction of buildings.

Describe the staging of the project, including the nature and timing of the staging

Please write your answer here:

The development of the subdivision will be staged. Attached to the AEE is a preliminary staging plan. Stages are expected to deliver between 150 and 400 lots per year. The project will start with a predominance of sections designed for the construction of stand alone houses (reflecting the profile of the established local building industry), transitioning over time to mostly terraced housing and low apartments.

What are the details of the regime under which approval is being sought?

Please write your answer here:

Resource Management Act - resource consents

If you seeking approval under the Resource Management Act, who are the relevant local authorities?

Please write your answer here:

Queenstown Lakes District Council and Otago Regional Council

What applications have you already made for approvals on the same or a similar project?

Please write your answer here:

None

Is approval required for the project by someone other than the applicant?

No

Please explain your answer here:

The proposed development can be undertaken within RCL's land. However, related planning approvals for transport upgrade works within the state highway are likely to be required. These will require Waka Kotahi / NZTA approval (although such Notices of Requirement and Outline Plans are not expected to be sought under this referral).

Disposal of wastewater may require approvals for upgrades to QLDC's reticulated wastewater network or approval from Remarkables Station National Trust Limited for land disposal on the neighbouring land (discussions are already underway). Notably, feasibility reporting has confirmed that an independent wastewater treatment and disposal system can be undertaken on RCL's land on Lots 8 and 12 if required which may result in these approvals not being necessary.

If the approval(s) are granted, when do you anticipate construction activities will begin, and be completed?

Please write your answer here:

Work on resource consents will commence shortly (mid 2024) with an application being anticipated to be made within 3 months of referral confirmation and enactment of legislation (before end of 2024).

Detailed design on initial stages commences after the application is made and is completed following the issue of consent (estimate mid-2025).

Bulk earthworks commence shortly after consent is granted (estimate mid 2025).

Civil construction of first stage of the subdivision, state highway connection, water bore and reservoir, wastewater infrastructure commences late 2025.

First stage residential titles in early / mid 2027. Rolling stages follow Stage 1.Commercial (primarily retail) development commences at about 2031.

Section 3: Consultation

Who are the persons affected by the project?

Please write your answer here:

Queenstown Lakes District Council
Otago Regional Council
NZTA / Waka Kotahi
Aukaha (an iwi authority)
Te Ao Marama (an iwi authority)
Remarkables Station National Trust Limited
Adjacent Properties

Detail all consultation undertaken with the persons referred to above. Include a statement explaining how engagement has informed the project.

Please write your answer here:

An account of exchanges with QLDC, ORC, and the two iwi authorities is attached. Although not individually detailed in the attached, further discussions have also been had with neighbouring landowners, including:

- the QEII Trust, owner of Remarkables Station National Trust Limited (particularly on the prospects of working together on wastewater disposal and state highway upgrades)
- Dickson and Jillian Jardine and their legal representatives, owners of a nearby land including Lot 2 Deposited Plan 452315, Lot 5 Deposited Plan 452315 and Section 1 Survey Office 389253 with development potential (on the subject of integrating their infrastructure requirements into schemes built by RCL and potentially joining a plan change application)
- Homestead Bay Trustees Ltd, owners of a neighbouring block (Lot 13 Deposited Plan 517771) with development potential (on the subject of integrating their infrastructure demands into schemes built by RCL and potentially joining a plan change application)
- Jacks Point Residents and Owners Association (primarily via the Chairperson, on the subject of RCL's development aspirations at Homestead Bay and likely community reaction)
- Various neighbouring homeowners in the southern part of Jacks Point (on an occasional basis).

It is notable that Homestead Bay was shown in the 2021 Queenstown Lakes Spatial Plan as a "future urban area" and this document was underscored by community consultation and was produced jointly by the QLDC, NZ Government and iwi organisations: Te Ao Marama and Aukaha.

Following RCL's purchase of the land, many meetings, email exchanges and phone calls have been had with QLDC, Iwi, ORC and Waka Kotahi at various levels. These discussions, in addition to the abovementioned discussions with surrounding landowners has informed the project by:

1. Increasing residential density – over several iterations of masterplans RCL shared with QLDC, the density of development has been increased and it now sits at the maximum RCL considers it can practically achieve, accounting for factors such as build cost and market acceptability of high density residential development in this location.
2. Integration of the proposed development with the wider corridor to accommodate consideration of existing development and development aspirations on other landholdings
3. RCL has commissioned extensive technical work on wastewater, water and provision of recreation and commercial uses for the whole corridor. Schemes have been sized and designed with other landholdings in the corridor in mind (RCL's land constitutes perhaps two-thirds of the future growth capacity in the corridor).
4. Integration with neighbouring landholdings in the southern part of the corridor has been facilitated through the RCL master planning work undertaken to ensure that legal access issues for roads and services are not created and are resolved (where possible) where they are existing. The master planning has also looked at integration in terms of physical connections, such as pedestrian, cycling and roading connections and provision of services easements.
5. Transport – extensive reporting has been undertaken looking at the future demands on the transport network and this reporting has been shared with the two Councils and NZTA / Waka Kotahi. Waka Kotahi in particular have expressed an interest in forward planning as to future transport effects and investments. Feasibility reporting has been undertaken on road and highway upgrades and alternative transport modes (ferries and gondolas). The reporting continues to be further developed and there is the potential for it to be progressed into a full Business Case (likely led by NZTA). RCL has expressed a willingness to consider funding such a business case, which is a considerable investment, if this helps to accelerate the work that would allow future public investment (with the proviso that progress is being made through the fast track referral process). Additionally, as conditions of consent, RCL proposes to offer approximately **s 9(2)(b)(ii)** in state highway upgrades north of Homestead Bay. This is expected to be focused on upgrading intersections (most of which are expected to be under capacity due to growth regardless of the development of Homestead Bay) and potentially promoting bus priority.
6. Stormwater – consultation with iwi identified stormwater management as a matter of particular interest. Initial reporting on how a scheme managing stormwater would look was shared with the two Councils and iwi in 2023. Further, more detailed reporting has now been prepared and will be shared shortly. This reporting will inform the future consent application.

Upload file here:

Engagement and Consultation record for Homestead Bay.pdf was uploaded

Describe any processes already undertaken under the Public Works Act 1981 in relation to the land or any part of the land on which the project will occur:

Please write your answer here:

None

Section 4: Iwi authorities and Treaty settlements

What treaty settlements apply to the geographical location of the project?

Please write your answer here:

There are no treaty settlements that relate to the land that RCL owns.

Lake Wakatipu is a statutory acknowledgement area. RCL's land does not directly adjoin the lake, however it is adjacent. No works are anticipated within

the statutory acknowledgement area.

Are there any Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 principles or provisions that are relevant to the project?

No

If yes, what are they?:

Are there any identified parcels of Māori land within the project area, marae, and identified wāhi tapu?

No

If yes, what are they?:

Is the project proposed on any land returned under a Treaty settlement or any identified Māori land described in the ineligibility criteria?

No

Has the applicant has secured the relevant landowners' consent?

Yes

Is the project proposed in any customary marine title area, protected customary rights area, or aquaculture settlement area declared under s 12 of the Māori Commercial Aquaculture Claims Settlement Act 2004 or identified within an individual iwi settlement?

No

If yes, what are they?:

Has there been an assessment of any effects of the activity on the exercise of a protected customary right?

No

If yes, please explain:

Upload your assessment if necessary:

No file uploaded

Section 5: Adverse effects

What are the anticipated and known adverse effects of the project on the environment?

Please describe:

See attached AEE

Upload file:

AEE - Homestead Bay fast track application.pdf was uploaded

Section 6: National policy statements and national environmental standards

What is the general assessment of the project in relation to any relevant national policy statement (including the New Zealand Coastal Policy Statement) and national environmental standard?

Please write your answer here:

See uploaded report

File upload:

National Policy Statement and Environmental Standard Assessment.pdf was uploaded

Section 7: Eligibility

Will access to the fast-track process enable the project to be processed in a more timely and cost-efficient way than under normal processes?

Yes

Please explain your answer here:

RCL is not realistically able to apply for a resource consent for urban development under existing rural zoning of the land under the Queenstown Lakes Proposed District Plan.

RCL is unable to lodge a private plan change to enable the proposed development under the RMA as the Proposed District Plan is not yet operative, even though it was notified in August 2015. RCL has prepared a draft plan change and submitted this to the QLDC in November 2023 with the aim of the QLDC proceeding with a plan variation, however QLDC has declined to proceed with a variation at this point. As it stands, RCL has been unable to make any tangible progress in rezoning the land in the two years it has attempted to do so even though the RCL land is identified as a “future urban area” under the Queenstown Lakes Structure Plan.

Furthermore, in spite of enquiries, QLDC have been unable / unwilling to provide a timeframe for the rezoning of the land. Council has advised that they want to complete a Southern Corridor Structure Plan before rezoning can be considered. The current indicated timeframe for this is December 2024.

Based on this current timeframe, RCL’s best guess is that a plan change led by Council may be notified in mid 2025 at the earliest and a decision may be issued on that plan change / variation in mid 2026. Allowance for at least two years of appeals is not an unreasonable expectation given the current timeframes at the Environment Court. Therefore, the zoning of the land may not be resolved until 2028.

Once the land is rezoned, it will likely that 12 months for preparation and granting of a resource consent (based on recent processing timeframes with QLDC). With further detailed design approvals, construction and seeking s224c / titling (the latter final sign offs with QLDC and LINZ now frequently taking 4 months or more), first titles may issue around 2030/2031.

The above timeframe is a financially untenable situation for RCL and until the release of the Fast Track legislation, RCL had recently commenced work on divesting from the project and New Zealand in general to focus investment elsewhere. However, the announcement of the Fast Track process has led RCL to make a further effort at commencing the project. A referral later in 2024 could see a resource consent lodged shortly thereafter. A 2027 timeframe for first titles (as outlined in the staging section above) could make a fundamental difference in terms of financial viability of the project and for Queenstown’s housing supply.

What is the impact referring this project will have on the efficient operation of the fast-track process?

Please write your answer here:

The consenting of the proposed development is relatively straight forward in that similar subdivision and land use consents for residential and commercial developments are granted every day in New Zealand. The potential adverse effects of this type of development are well understood and there are standard conditions of consent that both QLDC and ORC have that will cover the majority of the consent conditions required for the development. Furthermore, based upon the investigations and assessments undertaken to date, the subject site does not contain/have any particularly sensitive ecological, environmental, geotechnical or landscape features and it is therefore anticipated that it will not result in undue pressure upon the efficient operation of the fast track process. If necessary, the approvals could also be undertaken in stages as the project allows for this.

Has the project been identified as a priority project in a:

Local government plan or strategy

Please explain your answer here:

Yes, the land corresponds with an identified “future urban area” in the Queenstown Lakes Spatial Plan 2021 and the Te Tapuae / Southern Corridor within which the land is located is identified as a “priority development area”.

The Spatial Plan was prepared jointly by QLDC, NZ Government, and iwi authorities: Aukaha and Te Ao Marama Inc.

Will the project deliver regionally or nationally significant infrastructure?

Regional significant infrastructure

Please explain your answer here:

The proposed development will provide regionally significant housing supply.

As part of the project, RCL proposes to undertake upgrades and increase safety and efficiency on sections of SH6 as part of the project. Such outcomes would be offered as conditions of consent. SH6 is understood to be regionally significant infrastructure.

Will the project:

increase the supply of housing, address housing needs, contribute to a well-functioning urban environment

Please explain your answer here:

Housing is one of the biggest challenges that our community faces according to the introduction in the QLDC Queenstown Lakes Homes Strategy 2021 – 2031. The Strategy states that the key challenges in the District centre on housing supply, housing choice, housing availability and quality. The proposed Homestead Bay project can play a part in resolving all of these issues.

The project will have a significant positive effect on housing supply in Queenstown. RCL, working with its land agents Bayleys, has assessed that its nearby project Hanley’s Farm has supplied more than 80% of the new affordable (sub \$500k) sections in Queenstown since 2018. Building companies attest the critical role Hanley’s Farm is playing in supplying land for new houses they are building (for example, a local franchise of Golden Homes advised that more than ¾ of the homes they are building in the district are in Hanley’s Farm). The fact that the Hanley’s Farm subdivision is just about complete (the final

stages is being built from this year) has caused concern within the community as to where future housing supply will come from. Consider: <https://www.stuff.co.nz/life-style/homed/housing-affordability/133307088/queenstown-affordable-sections-are-running-out--where-to-next>

RCL does not consider that there is a comparable scalable project that can fill the void left by Hanley's Farm within Queenstown aside from Homestead Bay. Other projects are either targeted at higher end purchasers, will be dominated by high density development (which is slower and more expensive to deliver and thus not expected to meet all of the housing demand in the short to medium term) and/or have constraints (such as requiring infrastructure upgrades). If Homestead Bay is referred for Fast Track processing, this offers an opportunity for RCL and its contractors to transition seamlessly from one project to another, avoiding a damaging interruption to local housing supply caused by approval delays.

The project is well aligned with housing needs. It will commence with a predominance of stand alone sections which, like Hanley's Farm, will be mostly affordable by local standards. The established building industry has been delivering in the order of 300 new houses a year at Hanley's Farm and is experienced in meeting customer demand. Additionally, RCL expects to retain a portion of sites at Homestead Bay to deliver affordable build-to-rent homes (as it has in Hanley's Farm). Over successive stages, the project is anticipated to transition into more terraced housing and low rise apartments, clustered around a local retail area and recreational amenities. This would be expected to add a greater proportion of rental homes, which is helpful in addressing widely acknowledged shortages of rental homes in the district which is important for supporting the tourism and service industries.

The AEE and statutory context documents uploaded as part of this application provide an assessment of how this project would contribute to a well functioning urban environment. The site sits within an identified area of future urban growth in the Queenstown Lakes Spatial Plan and an "indicative future expansion area" within Chapter 4 – Urban Development of the Queenstown Lakes Proposed District Plan.

Exhaustive reporting has been produced to underscore the master plan and the infrastructure that will service the development. Further reporting can be supplied on request, and will support a resource consent application if the project is referred, establishing how Homestead Bay would create and integrate within a well functioning urban environment.

Will the project deliver significant economic benefits?

Yes

Please explain your answer here:

Infometrics were recently engaged to undertake an economic assessment of the project (their report can be supplied upon request). To quote the report:

"Infometrics' analysis finds that the proposed urban development at Homestead Bay is likely to provide a non-trivial boost to economic activity in the Queenstown-Lakes District in the period from 2026 to 2041. The central estimate is for the development to provide an economic stimulation with a present value of \$ 9(2)(b)(ii) over this period. This stimulus is equivalent to 1.8% of baseline projections of total economic activity for the District. Slightly over three-quarters \$ 9(2)(b) of the economic stimulus is related to activity generated by the actual construction work.

However, we also estimate meaningful enduring economic contributions resulting from the proposed development. Additions to the supply of short-term accommodation, benefits from home occupancy, and reduced travel costs are estimated to provide economic contributions, which are like to endure beyond the completion of the development, equivalent to 0.4% of the District's contribution to GDP. In addition, the development is likely to contribute to wellbeing benefits equivalent to 0.2% of the District's GDP accruing to people who will potentially spend less of their lives commuting to and from work."

Additionally to the work undertaken by Informertrics, RCL has witnessed research by the Queenstown Chamber of Commerce showing the strain on businesses from a shortage of housing. In the last quarter of 2022 the most commonly cited factor for limiting business growth in a survey was "labour / finding staff" with 65% of businesses citing the factor. In another survey by that organisation in 2023 more than 73% of businesses responded that availability of accommodation for staff was either the "biggest barrier to achieving optimal staffing levels right now" or an "important" issue. RCL believes that a disruption in the supply of housing in Queenstown resulting from delays in commencing Homestead Bay after the completion could exacerbate what is already a concerning constraint on businesses in the region.

Will the project support primary industries, including aquaculture?

No

Please explain your answer here:

Will the project support development of natural resources, including minerals and petroleum?

No

Please explain your answer here:

Will the project support climate change mitigation, including the reduction or removal of greenhouse gas emissions?

Yes

Please explain your answer here:

A shortage of housing supply locally would likely cause displacement of workers into other towns in and beyond the district (such as Cromwell and Wanaka). Such towns are generally distant, being 55 minutes and 70 minutes drive from Queenstown respectively. There is already a notable pattern of people commuting long distances to Queenstown for work, and this can be expected to increase if a consistent supply of reasonably priced land for housing is not maintained to keep pace with population and economic growth. This manifests itself in increased carbon emissions from more vehicle

trips. It is therefore believed that approving Homestead Bay can help mitigate greenhouse gas emissions through providing options for housing within Queenstown to keep pace with employment demands.

The provision of commercial space and schools within Homestead Bay will also over time reduce the need for residents of Homestead Bay and the adjacent residential areas to travel into Frankton and Queenstown for work, shopping and activities, thereby also reducing vehicle trips. Cycling and pedestrian connections into the adjoining residential areas and facilitation of public transport are also included in the proposal.

Will the project support adaptation, resilience, and recovery from natural hazards?

Yes

Please explain your answer here:

The main natural hazard identified for the site is that of flooding and debris flows off the Remarkables catchment to the east. Work has been undertaken to show how such flows can be safely diverted away from the development areas without causing downstream effects. Those findings have been incorporated into the masterplan work completed to date.

Will the project address significant environmental issues?

No

Please explain your answer here:

No significant environmental issues exist across the site and all potential adverse environmental effects are all intended to be addressed in the proposal (refer to the AEE supplied). But it is not thought that any effect would rise to the level of "significant".

Is the project consistent with local or regional planning documents, including spatial strategies?

Yes

Please explain your answer here:

Yes, the area has been identified as a future urban area within the Queenstown Lakes Spatial Plan, and that document also identified the site for a "local centre", which is being provided for in the proposal.

Anything else?

Please write your answer here:

This application has only provided a brief overview of the work undertaken in respect of this site and its integration within the broader Queenstown urban area. More information and reporting can be supplied. The scale of the landholding provides the opportunity to create a cohesive urban layout (without the challenges of highly fragmented landholdings) and funding for infrastructure. The principal challenge in proceeding with the project is that of timing of planning approvals. This affects financial viability, but also risks disrupting one of the major benefits of the project – the timely provision of additional housing supply to Queenstown which is experiencing significant housing issues.

RCL believe there are significant benefits for Queenstown and the region in allowing this project to proceed under fast track referral. And because Queenstown plays such a significant role in New Zealand's tourism industry (in attracting visitors and additional spending), and the risk of housing shortages affecting the tourism and service industry, it could be argued that the benefits are of national importance.

Does the project includes an activity which would make it ineligible?

No

If yes, please explain:

Section 8: Climate change and natural hazards

Will the project be affected by climate change and natural hazards?

No

If yes, please explain:

Climate change primarily affects the project from the perspective of increased flooding hazard. This has been accounted for in flooding hazard assessments that have been undertaken. As covered above, and in the AEE, natural hazard assessments have been undertaken, and the advice is that they can be suitably avoided or mitigated through the developed design of the proposal.

Section 9: Track record

Please add a summary of all compliance and/or enforcement actions taken against the applicant by any entity with enforcement powers under the Acts referred to in the Bill, and the outcome of those actions.

Please write your answer here:

Over the course of 7 years of civil construction at Hanley's Farm, entailing 1700 lots of construction, we recall one abatement notice and two infringements being issued to RCL. None of these have resulted in large scale pollution events.

In 2022 an infringement notice was issued by ORC to RCL and its contractors for a discharge from a temporary detention pond. The pond overtopped in a large rainfall event at a time when staff were attending to issues elsewhere on site, resulting in a temporary discharge.

In 2023, a prolonged cold winter period saw very muddy conditions and prevented washdown of roads due to freezing risks. At this time RCL and its contractors received an abatement notice from QLDC for excessive tracking of mud onto roads. The issue was rectified at the time and RCL has since reviewed its approaches to managing mud tracking risks, including investing in more street sweeping and purchasing portable plastic rumble strips. These methods appear to be improving results.

Also in 2023, ORC issued an infringement notice for runoff in a large rainfall event for a sediment laden discharge into a nearby wetland area. This was after construction was complete but before an effective grass strike had been established, and temporary controls such as silt fences were overwhelmed by the intensity of the rain. Since this occurred, RCL has invested more in alternative methods to establish a grass strike quicker, such as the more widespread use of hydroseeding. Indications are that these efforts may reduce the risk of a comparable situation in the future.

Load your file here:

No file uploaded

Declaration

Do you acknowledge your submission will be published on environment.govt.nz if required

Yes

By typing your name in the field below you are electronically signing this application form and certifying the information given in this application is true and correct.

Please write your name here:

Amanda Leith

Important notes