

IN THE MATTER OF the Resource
Management Act
1991

AND

IN THE MATTER OF Proposed (Private)
Plan Change 39 to
the partially
Operative
Queenstown Lakes
District Plan

REPORT AND RECOMMENDATION OF THE COMMISSIONERS

Ratified as a Council Decision on 4 October 2010

Notified as a Council Decision on 10 November 2010

INTRODUCTION

Proposed Plan Change 39 is a privately requested plan change in terms of section 73(2) of the Act. The purpose of the plan change is to rezone approximately 30ha of rural land for urban uses adjoining the Low Density Residential zone in Arrowtown. The proposal amounts to a southern extension of the urban area of Arrowtown between Centennial Avenue and McDonnell Road bounded to the south by the Arrowtown Golf Course. The applicants propose a comprehensive development involving some 17.7ha of residential land with up to 226 residential units on section sizes ranging between 450m² and 1,700m². A small commercial area (8,374m²), approximately 12.2 ha of public open space, an extensive system of public trails and a road connection between McDonnell Road and Centennial Avenue are to be included in the development.

The plan change application was publicly notified on 9 December, 2009 and a total of 504 original submissions and 5 further submissions were received.

BACKGROUND

The Queenstown Lakes District is currently processing two other plan changes: Plan Change 30 which is designed to set down a policy framework for establishing urban growth boundaries and Plan Change 29 which seeks to establish such an urban growth boundary around Arrowtown's existing urban zoning. Plan Changes 29 and 30 were publicly notified on 19 August, 2009. All three plan changes are closely related in terms of the District Plan provisions and the land areas involved and are being processed concurrently. The hearings for Plan Changes 29 and 30 were held just prior to Proposed Plan Change 39. Little, if any weight has been given to these earlier plan changes and Proposed Plan Change 39 is not affected by the urban growth boundary constraints proposed in those earlier plan changes.

THE HEARING

This took place in the Athenaeum Hall in Arrowtown on 10-11-12 May 2010. At the hearing the commissioners were assisted by Karen Page, Senior Policy Analyst for the Queenstown Lakes District Council. Ms Page had prepared a report pursuant to section 42A of the Act. This report had been pre-circulated. The following parties presented or were represented at the hearing.

For the applicants:

Mr I M Gordon (Counsel) for the Adamson Family Ltd, and Monk and Others

Mr Roger Monk

Ms Rebecca Skidmore

Dr Douglas Fairgray

Mr Paddy Baxter

Mr Peter White

Ms Dawn Palmer

Mr Andy Carr, and

Mr John Edmonds

Submitters:

Mr Ken Hardman

Dame Elizabeth and Mr Murray Hanan

Mr Bruce Gibbs on behalf of the Arrowtown Promotion and Business Association

Mr George and Mrs Sandra Page

Mr Don Spary

Ms Paula McKenzie

Mr Ervin Steck

Mr Peter Roberts (on behalf of the Arrowtown Residents' Group)

Ms Debbie MacColl

Ms Judith Gillies

Mr David Clarke

Mr Noel Beggs

Ms Gaynor Shepherd

Mr Grant Reid

Mr Ray Clarkson

Mr Gerard Hall (linked with Mick Burdon and the Arrowtown Village Association)

Ms Ange van der Laan

Mrs Jill Rutherford

Ms Christine Peters

Submissions tabled from:

Mr Richard Parkes

Mr Philip Winstone

Ms Kirsten Klitscher (on behalf of the NZ Transport Agency)

The hearing commenced with Ms Page giving a brief overview of the circumstances surrounding the plan change. She noted that the applicant had provided some further information on the subject of infrastructure on 30 April 2010. This had not been available during the preparation of the section 42A report. However, an internal Council engineering assessment had since been undertaken and this was tabled. She considered that there was merit in the plan change application but she was not satisfied that the proposed development would achieve the sustainable management of the natural and physical resources of Arrowtown.

The Applicant's Case

Mr Gordon opened for the applicants. He traversed some of the significant features of the plan change which involved a structure plan dividing the land into 18 different neighbourhoods each with a Development Plan and design guidelines. Each of these would require a Restricted Discretionary Consent and an opportunity for a designed gateway to the town on Centennial Avenue. His clients had produced evidence at the hearing of Plan Change 30 which did not seek to change Objectives 1 and 2 of the relevant section of the District Plan and it added Objective 7. All of these, he considered were an accord with Proposed Plan Change 39 which sought to add two new objectives which broadly echoed the sentiments in Part 2 of the Act. These all shared a consistent theme and importantly were consistent with existing policies in the District Plan which were not proposed to be changed. The common theme was to manage development rather than constrain it and this was what Proposed Plan Change 39 sought to do.

His clients had also submitted on Proposed Plan Change 29. The officer's s.42A report on that plan change had recommended the urban growth boundary be located so as to include only 65 new Greenfield sites. The expert evidence was that this would meet demand until only 2019 and after that date would seek to locate elsewhere in Arrowtown.

Proposed Plan Change 39 offers the opportunity to satisfy anticipated demand until 2024 at a much high quality than would be available than with an extension of the Low Density Residential Zone.

In support Mr Gordon called Rebecca Skidmore to cover the urban design qualitative aspects, Mr Baxter for landscape issues, Dr Fairgray who examined the likely economic and wider urban effects of Proposed Plan Change 39, Mr Peter White to deal with servicing, Mr Carr for traffic issues and Mr Edmonds for resource management issues.

Mr Monk traced some of the more recent history of Arrowtown from the time when it contained three fuel suppliers but a very much smaller population than at present. There had been significant changes with this growth which he saw as bringing positive benefits. He felt it should continue in a carefully managed way. Proposed Plan Change 39 involved a coming together of eight property owners and a cohesive structured subdivision plan. He

considered that it would cater appropriately for the expected level of growth of Arrowtown.

Dr Fairgray's analysis identified costs to the community if the needs of the community for urban growth were not met, there would be adverse effects from residential intensification, housing affordability and encroachment of residential activities onto rural land. In terms of need, Dr Fairgray emphasised the importance of meeting demand for growth. He found fault with the demand estimates for the 20 year horizon used by the reporting officer. He estimated the shortfall at nearly 3 times the 149 dwellings estimated for and relied on in the section 42A report. On this basis he concluded that Arrowtown's capacity would be fully taken up by 2017 rather than 2022 as estimated in the report. With the inclusion of those portions recommended for Plan Change 29 (65 dwellings) this would add only another 1-7 years space rather than the 2-5 years estimated in the report. Bearing in mind that the indication that urban boundaries should provide for growth over 20 years, the Council was considering only 9 years with the inclusion of Proposed Plan Change 39 at least this would extend to 14 years. Dr Fairgray believed that these key issues resulting from inappropriate constraints had not been adequately assessed. He said market responses to a shortfall in capacity are likely to have serious implications for Arrowtown. On balance it was in the best interests of the district to meet this shortfall and Proposed Plan Change 39 was an appropriate option in these terms.

Ms Skidmore saw Proposed Plan Change 39 as a way to demonstrate that the QLDC was serious about its urban design strategy. The Low Density Residential Zone is generic to the district and does not provide direction that is specific to the character features of Arrowtown. While she agreed that the environmental carrying capacity of the existing settlement in its context was limited she considered that Proposed Plan Change 39 successfully achieved a balance between this and meeting projected demands. She observed that providing for growth historically had enabled the maintenance of the heritage core of Arrowtown. Key landscape features would be perceived and much needed connectivity would be provided between Centennial Avenue and McDonnell Roads.

Mr Baxter described the design outcomes of the objectives, policies and methods proposed in the Plan Change. Having 17 Neighbourhood Development Plans within each structure plan each requiring a consent process would deliver a high quality urban environment that

both reflected the key character of Arrowtown at the same time as protecting identified landscape features. Much amenity had been lost on low density residential development and this plan change would do much to put right those wrongs.

Mr White indicated that while infrastructure was not presently in place to service the proposed development, there were no insurmountable impediments to its provision.

Mr Carr was able to support the Plan Change from a traffic perspective. While it would result in increased levels of activity, this increase was not likely to be perceived by drivers at the key intersections and accesses. While the peak hour level of service on the eastern part of Malaghans Road is likely to decrease, in his view the only practical difference would be that drivers would be restricted a little more in their freedom to select speed and manoeuvrability within the traffic stream. He considered that Proposed Plan Change 39 was consistent with the transport related provisions in both regional and district planning documents.

Ms Dawn Palmer had prepared an ecological report for the plan change application. She described the subject site as an environment which had less than 20% of its original vegetation. The wetland was in a threatened environment. A channelised stream ran through the site and there was a lot of crack willow. The site did not display much biodiversity. Birdlife included Pukeko and Spur Winged Plovers and there were Falcon above Arrowtown. Home gardens and other plantings would help to increase insects and bring in fantails. This could provide for a better environment.

Mr Edmonds explained why it was deemed appropriate to offer up Proposed Plan Change 39 at the same time as plan Change 29 and 30. This enabled the full complexity of all the issues to be understood in real time. He placed the three plan changes in context.

Relying particularly on the evidence of Dr Fairgray he concluded that that real demand for people to live in Arrowtown would be at a much higher level than the section 42A report suggested and that there was less than 8 years of land supply left. He considered that the Arrowtown Historic Management Zone is well protected but that if land supply was to run out there would be a great deal of pressure for redevelopment of the Low Density

Residential Zone with land amalgamations and apartment blocks. He considered that the community would wish to resist such infill development.

Mr Edmonds traversed the relevant provisions of the Resource Management Act in terms of section 32 and 74. Any objectives and policies proposed must be consistent with the current provisions of the District Plan which expressly encourages new urban development.

Mr Edmonds criticised the section 42A report because it did not address a number of very important issues exposed in particular by Dr Fairgray. In particular it did not count as beneficial the carefully crafted design framework proposed or the benefits that would flow from a design process with resource consents on a neighbourhood by neighbourhood basis. That, coupled with a misconstruction of the demand and capacity data aforementioned has resulted in an undervaluation of the benefits to be obtained from Proposed Plan Change 39. He considered that the issue of affordable housing was best addressed outside the plan change process but did not discount the possibility of a deed of agreement as to Community and Affordable Housing.

THE SUBMITTERS

Mr Ken Hardman, a resident of Centennial Avenue, stated his opposition to the proposal and his belief that the proposed exercise of development proposed to be permitted by Proposed Plan Change 39 would do significant damage to the present character of Arrowtown. His original submission had been misconstrued as being in support of the plan change: it was not. He portrayed Arrowtown as a “brand” which could ill afford to undertake the changes proposed. He did not accept that the Golf Course and McDonnell Road were natural boundaries. There is a very distinct entry point in Centennial Avenue and he considered the proposed change would make that less distinct. Mr Hardman also raised the issue of supply lead demand expressing doubt that there was real demand. He opposed the provision of a commercial area saying it would be divisive at a time when consolidation made more sense.

Dame Elizabeth Hannan has rural property on the west side of McDonnell Road. She saw the road as a functioning bypass to Arrowtown and foresaw traffic problems developing at the intersection with Lake Hayes Road and Malaghan Road if the plan change is to proceed. The rural area is the “lungs” of the district and if the 31ha is to be converted into housing the amenity of the backdrop to the Wakatipu Basin would deteriorate. Dame Elizabeth foresaw problems arising with overstressed amenities, infrastructure, air quality and stormwater discharge. Arrowtown, she said, was the last village concept in the basin and its boundaries should not be extended at the cost of loss of its character.

Mr J M Hannan expressed doubts about the statistical basis of the population and demand projections used to justify the plan change. He felt that many of the traditional tourist based operations had peaked and that growth would slow down. Mr Hannan was concerned at the precedent which would be set for similar extensions and at what he saw as a domination of the perception of Arrowtown as a primarily historic site. He was particularly critical of the historic decision to allow urban development to come over the ridgeline down to McDonnell Road. More houses along the road would reduce the road’s utility as a bypass. Mr Hannan considered that there were ample alternative sites to accommodate growth in the Wakatipu. He referred to a number of successful controls of development in places like Steamboat Springs and Whistler or St Agathe in Quebec where growth boundaries had been set. The great majority of residents, he said, did not want Arrowtown to spread outside its present boundaries.

Mr Bruce Gibbs represented the Arrowtown Promotion and Business Association. He emphasised that Arrowtown was recognised as a village of national significance and that it was gaining international recognition. While his Association supported limited extensions at Jopp Street and McDonnell Road as recommended in the officer’s report, it was opposed to the large extent of Proposed Plan Change 39.

Mr George and **Mrs Sandra Page** live on McDonnell Road in the rural area across the road from the proposed plan change. They have farmed the land since 1987 and were becoming concerned that urban development was approaching closer to their boundary. They had considerable problems with wandering domestic dogs. They considered the prospect of having to participate in multiple resource consents for each defined

neighbourhood was very burdensome. They considered that the development would damage the aesthetic rural nature of the area.

Mr Don Spary supported the proposal in principle. He considered that Arrowtown is popular and would continue to be so. He felt it would always have a premium and we should face the reality that it would continue to expand. He recalled the day when the local school was about to lose its second teacher 41 years ago. Despite all the expansion the heart of Arrowtown was still as solid as ever and it was probably the growth that had ensured this. He considered that Arrowtown could still grow and be great in another 41 years. The town had natural boundaries in the higher country around it and there was a huge resource surrounding it in the basin.

Mr McKenzie appeared on behalf of Paula McKenzie, Amber Mitchell, Ray and Caroline Robinson and Paula Craig and her husband. He questioned the legality of the hearing because Plan Changes 29 and 30 had not been completed. He doubted the need for the plan change and emphasised Arrowtown's uniqueness and vulnerability to changes.

Mr Steck supported the plan change as going some way toward meeting a need. He considered that it was important to relieve the pressure for internal redevelopment in Arrowtown. He acknowledged that the rapid growth that had occurred had sparked an anti-development sentiment. Mr Steck observed that growth could not be resisted successfully but it could be influenced as to how and where it went. He felt that the Proposed Plan Change 39 area was much more suitable than the Council's Jopp Street proposal. He felt that the Plan Change 39 land would be developed at some stage regardless and that it was better not done in an ad hoc way. Rejection, he said would achieve nothing in the longer term. He did not believe any ring-fencing and shutting the gate was appropriate planning. Mr Steck considered that the Proposed Plan Change 39 land should have been developed before Butel Park.

Mr Peter Roberts spoke on behalf of the Arrowtown Residents Group. He indicated that the Proposed Plan Change 39 application had undermined confidence within the community over the equity of the local government process. His group was responsible for 839 of the 1043 submissions on Plan Changes 30 and 39. In terms of numbers, the great majority were against expansion of Arrowtown. Such submissions he said showed

an Arrowtown spirit of sense of place and sense of belonging. Arrowtown he said was a foil to the brash Queenstown and the more it took on the characteristics of Queenstown the less the value for either. The brand of Arrowtown had a very high value and it was vulnerable to excessive growth. Other towns with these characteristics were protected around the world. It did not have to meet a quota – growth could go to other parts of the Wakatipu. In the context of Arrowtown, Mr Roberts opined that growth was not good and did not represent progress. He accepted that there would be some growth within the current town boundaries under existing rules. Even when full, Arrowtown would not stagnate as long as it was part of a wider vital community. His group also had doubts about schooling and infrastructural capacity, traffic and parking air pollution.

Ms Debbie MacColl presented and spoke also on behalf of Elli MacColl, David and Margaret Bunn, Phillip Bunn, Carol Bunn, Susan Cleaver, Debbie Condon and Steve Monk. Ms MacColl observed that there had been significant changes to the town and the surrounding area over the last 40 years. The function of Arrowtown as a service centre had changed and it was now a tourist centre. She believed that we should look to North America rather than Europe for examples. She considered that Proposed Plan Change 39 would contribute positively to the need to cater for a growing Arrowtown. It would deliver housing choice and high quality urban design. She did not think the Wakatipu was ready for a new town. It would be more sensible to take up available land on the edge of an existing town such as Arrowtown. She supported managed growth in order to ensure a sustainable community. Ms MacColl considered Proposed Plan Change 39 was a unique opportunity to cater for the long term projected growth of Arrowtown.

Mr Philip Blakely spoke also on behalf of Mary Wallace. They are both principals in a landscape architect and planning practise which coordinated and produced the Arrowtown Design Guidelines. He opposed Proposed Plan Change 39 and recalled that over time a consistent message calling for a limitation to Arrowtown's boundaries had come from the local community. He saw Arrowtown as a special case with valued characteristics that could not be sustained with continued growth and expansion. Mr Blakely said Arrowtown was already being degraded with excessive car parking and new development threatens to overwhelm its old character.

Judith Gillies expressed similar concerns and made the point that Arrowtown did not provide and did not have to provide for entry level property ownership. While demand might be there, it did not have to be met. She gave examples of urban areas where growth was restrained in the interest of protection of existing amenity.

Mr David Clarke spoke in opposition to the Plan Change. He emphasised that the findings of a 1994 Community Workshop, a 2003 workshop and the Design Guidelines 2006 were that the further spreading of urbanisation is not appropriate for Arrowtown. In the case of Arrowtown he considered that it was appropriate to restrain growth. A proposal such as Proposed Plan Change 39 would not be appropriate in a place like Stratford-upon Avon and it is not appropriate for Arrowtown. He expressed the same concerns over similar issues to many of the submitters in opposition. He was not opposed to some small scale development on the outskirts of the town such as a retirement village or some rural/residential lifestyle development.

Mr Noel Beggs and his wife Carolyn Beggs are trustees of the trust that owns the “Doctors House” which is within the boundaries of Proposed Plan Change 39. They do not support the plan change. Their further submissions supported some of those in opposition to the Plan Change. They felt strongly that Arrowtown should be treated independently and growth should be accommodated elsewhere.

Ms Gaynor Shepherd emphasised that the great majority of residents were opposed to the Plan Change. She promoted the idea of a protected village and was critical of the proposal to develop an area containing a valuable wetland. She, along with others lived downstream of the development and depended on the unnamed creek flowing through it to their locations for domestic water supply. They were concerned that this would be affected.

Mr Grant Reid is a landscape architect. He felt that the proponents of the plan change were relying on questionable growth projections. Meeting growth such as that predicted was irrelevant to the expressed views of the majority of Arrowtown residents which is to retain the boundaries as they are. He considered that the concept of sustainability had little to do with satisfying demand for housing. He supported infill development as opposed to

peripheral expansion and did not believe the plan change's contribution to connectivity would be significant.

Mr Ray Clarkson described the town's essential character as stemming from its compactness and low scale. He considered that placing a limit on expansion was essential. He referred to a number of villages where population was capped for similar reasons. New developments elsewhere, he said, were a better solution.

Mr Gerard Hall expressed a contrary view. He opined that suggestions that Proposed Plan Change 39 and the more recent peripheral development would and had detracted from Arrowtown heritage and other special values was wrong. Strong feelings did exist but he did not believe they reflected the majority of residents who had not made submissions. Some people, he said, wished to deny the opportunity to others to live in the town, including young people. Growth was inevitable and he felt it should be accommodated in Arrowtown. He believed that while there might be a limit at some time, it had not yet been reached. Mr Hall also spoke in support of Mick Burdon and the Arrowtown Village Association.

Mr Mick Burdon was a little more reserved. He suggested that strict conditions were required and that care was required to ensure that infrastructural services and education services could cope. There should be no building on the escarpment.

The Arrowtown Village Association (which has up to 120 paid up members) expressed similar sentiments. It neither supported nor opposed the Plan Change but indicated that if approved it should conform to high standards with large setbacks, mixed section sizes with none less than 600m².

Ms Ange van der Laan observed that justification for the plan change proposal seemed to rest heavily on the concept of population growth. Growth need not become reality unless the community wants it. The plan change had the potential to increase the town's residential area by 28% and its population by 25% and she felt that would be detrimental to the town's character. Ms van der Laan was concerned about more cars and air pollution. She saw the proposal as reflective of a 1980s concept lacking in vision.

Ms Jill Rutherford wrote in strong opposition to Proposed Plan Change 39. She saw it resulting in loss of rural landscape and agricultural function, significant increases in traffic in McDonnell Road, the despoliation of an historic farm and homestead and a negative impact on native birdlife.

Ms Christine Peters supported the plan change and considered that it would enhance Arrowtown rather than detract from it. It was well designed and provided suitable entrances to Arrowtown. The present boundaries she said, did not give an appropriate feel of arrival and the rural feel had already been broken.

Mr Richard Parkes is a holiday homeowner. He considers that the plan to add the subdivision will permanently alter the character of Arrowtown. He considered it was vital to retain Arrowtown's unique character. He opposed the plan change.

Mr Phil and Mrs Liz Winstone considered that the timing of Proposed Plan Change 39 in relation to Plan Changes 29 and 30 was unsettling. They believed there should be no more development. Arrowtown should be kept small.

Ms Kirsten Klitscher wrote on behalf of the NZ Transport Agency which generally supported the plan change. She pointed out that New Zealand Standard 4404:2004 was being reviewed. The revised standard (DZ4404) incorporated new design principles encouraging more sustainable places, spaces and networks. The plan change provided an opportunity for these methods to be put into effect.

Ms Page's Response

Following the hearing of submissions, Ms Page was asked to respond. She saw the essential dilemma as how to allow growth without compromising character. There had been compromise already with development spilling over the escarpment and this had meant that McDonnell road was the only option for a boundary for at least part of the town. While there was some merit in using the golf course as a boundary, the main concern, as she saw it, was one of scale. She considered that Arrowtown required tightly controlled boundaries more than other places in the district. There was an opportunity for a further eight years of growth within the present boundaries and that would allow time to

reconsider boundary issues and internal controls to deal with the effects of infill. Growth options elsewhere should be examined and Arrowtown should not be extended.

THE APPLICANT'S REPLY

Mr Gordon emphasised the suitability of the land in terms of exposure to sunlight. This had been observed by Mr Steck. The plan change was significant in that it involved 8 owners who had coordinated. Those submitters in support did not believe the town's heritage centre would be adversely affected and he believed it would actually be strengthened.

Mr Gordon considered the brand value of Arrowtown included activities on its fringe such as Millbrook. It would not be adversely affected by Proposed Plan Change 39. He made the point that we rely on the past to look into the future. Dr Fairgray had produced an objective analysis and it should not be overlooked. His figures were more reliable than those used by the Council. Proposed Plan Change 39 would not meet all the demand for growth of Arrowtown but it will give more time to plan for growth and avoid surprises. Ms Page thought eight years respite was sufficient but Dr Fairgray felt the Council should give itself more time than that.

Mr White had been able to demonstrate that with Millbrook included there was capacity in the local infrastructure. It was regrettable that the information had not been available earlier but Mr White had had to wait to obtain information from Tonkin and Taylor.

Mr Gordon noted that the school roll had declined in part because of the opening of Frankton School. As far as Mr Blakely and Mr Clarke were concerned the main issue seemed to be density because both envisaged some less dense and more modest development in the form of rural residential or retirement complexes. Mr Blakely lives in Jopp Street where the golf course is an effective and defensible boundary. The Council could maintain such a boundary over the whole golf course by creating a recreation reserve.

The Arrowtown Design Guide had been taken into account in terms of grid layout with backlane parking and small house forms. It was not proposed to expand the urban area

with existing forms of development. The Plan Change should not be read as an extension of existing development forms. A retirement village could fit within the development but it would be needed to associate with a café or dairy. Mr Gordon did not think that rural residential development was appropriate next to urban areas because it compromised the opportunity to intensify.

Judith Gillies and others preferred infill development rather than the sort of development proposed in Proposed Plan Change 39. Mr Gordon pointed out that much infill would be non-complying and would not meet the Arrowtown Guidelines. Many lots were not large enough to subdivide and the existing rules made redevelopment difficult.

The applicant did not know that landowners downstream relied on the waterway for domestic supply but Mr Gordon pointed out that the development as proposed would be preferable to the existing farming activity. An esplanade reserve would be required from the spring on the property downstream. This would be a better outcome.

Concerns about air quality were a Regional Council issue.

Ms van der Laan referred to the Plan Change as a 1980s dinosaur and so it would be if an extension of the Low Density Residential Zone was contemplated. Mr Gordon emphasised that it was intended to achieve the level of design promoted by the Arrowtown Guidelines.

Mr Reid referred to the end of the escarpment which splits into two levels. The lower level has the golf course clubhouse on it and at this point it was not such a notable feature.

The issue of scale, he said, goes to character. The heritage area of town will not be affected by the scale of the town. However, if some provision is not made for peripheral growth of this nature the demand for growth will continue and it will transfer to infill development which, Mr Gordon opined, would have a more significant effect on the scale of Arrowtown. It was the Design Guide which controlled scale and Proposed Plan Change 39 was driven by that.

Mr Gordon said Proposed Plan Change 39 was an opportunity the town may not get again. He reminded us that there was a significant level of control for the Council through the resource consent process once the plan change was operative.

DISCUSSION

While many would have it that the plan change process is a democratic one, it is not, at least in the sense that numbers for and against are not counted in the balance. It is what is said in the context of the Resource Management Act, the District Plan and the quality of it that counts. On the other hand, the quality of work that goes into a private plan change is not necessarily what tips the balance in its favour if it is not consistent with wider policies in a District Plan or principles in the Act. We feel obliged to point that out because in this case the quality of much of the work that has been put into this application is a fine exemplar. We feel that should it be decided that the land involved should be within an extended urban boundary for Arrowtown the details and procedures in it may well be appropriate. That, however is not one of the major issues we feel able to take into account in view of the importance of wider principles.

A theme espoused by the applicant is that:

- There is demand for growth in Arrowtown;
- This demand should be met in Arrowtown;
- The potential for growth within the present Arrowtown boundary within present regulatory constraints is at most eight years;
- Peripheral expansion in the right place and with attention to detail is the proper way to go.
- If that is not done there will be unacceptable consequences in the form of redevelopment within the Arrowtown boundaries.

Evidence was presented to clearly demonstrate that there is demand for growth in residential accommodation in the Wakatipu Basin. We do not doubt that, but whether or not the growth projections relied upon by Council officers or those put to us by Dr Fairgray are correct is not the salient point. As far as we can see, these predictions are based on past growth trends and there is a presumption that because Arrowtown has

accommodated a proportion of them in the past, it is reasonable or rational for it to do so in the future. A substantial amount of opinion says that is not necessarily so and we agree that it need not be the case. As Mr Steck says, planning is not about stopping growth but it can influence it, much like the steering wheel of a car. Growth cannot be stopped (it needs to be accommodated) but it is possible to have an influence over where it goes. Mr Spary points out that there are opportunities in various parts of the Wakatipu. We believe therefore that the land area chosen for Proposed Plan Change 39 should be examined in the context of the wider environmental terms.

The Council's monitoring of the effectiveness of its rural provisions and of the supply and demand of and for land indicates that there is a need to manage urban growth. This has been recognised for many years and particularly so by significant and growing numbers of the local population, perhaps especially in the vicinity of Arrowtown.

There is no dispute that Arrowtown's character and identity is widely recognised and appreciated in this country and by overseas visitors. The size of Arrowtown, its heritage elements and (with one notable exception) the way it nestles into a fold in the landscape are major contributions to its attractiveness. We think there is no doubt that its attractiveness has diminished and will do so with growth and expansion. In that respect, it is quite different from Queenstown. Having said that, however, there are balancing considerations and potential consequences of preventing lateral expansion which we will explore later.

For the most part, Arrowtown fits rather comfortably between the top of the ridge east of McDonnell road and the Arrow River at the foot of the Crown Terrace. There is one strikingly obvious exception where development spills over the terrace to McDonnell Road. When we viewed this from several elevated positions, we could not help but come to the conclusion that the earlier decision to allow the boundary to extend to McDonnell Road had been environmentally inappropriate. Allowing development to extend further along McDonnell Road would be similarly environmentally inappropriate, although this has to be assessed against the consequences of preventing such development. It could be said that as a consequence of the earlier decision, the horse had bolted, but we think not.

Proposed Plan Change 39 has another face against Centennial Avenue. This would not have quite the same effect. As one travels northwards toward the village, there is clearly some sort of threshold in the vicinity of the golf clubhouse and the Doctor's House. It does not, however, read as an urban environment until about the vicinity of Jopp Street at the end of the Arrowtown Golf Course (which clearly reads as rural). Development on the opposite side of the road from the golf course would create a lop-sided entrance to the town even if set back with appropriate planting. Likewise, when viewed from several elevated positions on the Crown Terrace and Tobins Track it would compromise the compact visual character of the village. Considered in these terms, we believe the development would not be environmentally appropriate.

Of course, bearing in mind that there is demand for growth in Arrowtown and that not all of it will be supply induced, there are obvious consequences. We understand that there may be enough land supply for about eight years of growth at most and once that is taken up even with development opportunities in the wider basin there will still be demand from people who wish to live in Arrowtown. Inevitably this will lead to pressure for redevelopment within the town. This probability was identified by Dr Fairgray and we agree that it is a realistic assumption. For that reason, it is something we explored with various witnesses who opposed Proposed Plan Change 39. Universally they preferred infill development to peripheral expansion, bearing in mind that the historical centre of Arrowtown was well protected against any adverse effects. We accepted that, even though we were unsure of the potential consequences, because the changes would be likely to occur among the more recent (though not most recent) cribs and holiday cottages.

Another aspect we felt a need to consider was the benefit to the historical centre that could be attributed to the growth of the town. We heard from several witnesses that the town was languishing with declining commercial activity until the growth spurts which began in the 1970s. Undoubtedly the vitality of the town centre has benefited from such growth and we felt bound to consider whether growth constraint in terms of peripheral expansion of Arrowtown would cause a decline of the historical commercial centre. We think not because the vitality of the village has benefited as much as any from growth in the wider basin and it would continue to so benefit.

One of the benefits championed by the proponents of Proposed Plan Change 39 was its ability to provide a connection between McDonnell Road and Centennial Avenue. Currently, there is a lack of such connectivity and with the small amount of development now spilling over the terrace to McDonnell Road there is undoubtedly some (limited) need. However, at present that does not amount to much and the plan change itself would generate the real need. If the plan change were to be approved such connectivity would be essential. If not, such connectivity is not a significant benefit.

Next there is the matter of consistency with the settled policy elements of the District Plan. Objective 1 of Section 5.2 of the District Plan and its supporting policies are directed at protecting the character and landscape value of the rural area by promoting sustainable management of natural and physical resources and the control of adverse effects caused through inappropriate activities. We think there is a conflict between Proposed Plan Change 39 and these elements. Not only that, Objective 4.2.5 is directed at avoiding, remedying or mitigating adverse effects on landscape and visual amenity values. It is supported by a number of relevant policies.

Policy 1 which relates to future development directs us to avoid, remedy or mitigate adverse effects on visual amenity values and to encourage development and/or subdivision to occur in those areas with the potential to absorb change without detracting from landscape and visual amenity values. Policy 4 is directed to avoid, remedy or mitigate the adverse effects of subdivision and development on the Visual Amenity Landscapes which are highly visible from public places, other places frequented by the public and public roads. Policy 6(d) directs us to avoid, remedy or mitigate the adverse effects of urban subdivision and development in visual amenity landscapes by avoiding sprawling subdivision and development along roads. Policy 7 again when referring to urban edges and extensions to them that design solutions should avoid sprawling development along roads. We think there are conflicts between these elements in the district plan that are not fully resolved in Proposed Plan Change 39.

The Act provides a test in section 32. An evaluation must examine whether or not, having regard to their effectiveness these methods are the most appropriate for achieving the objectives among them being those above which with their supporting policies must direct any further methods. Despite the various mitigation elements (which we accept are

skilfully conceived) we hold that the plan change is not to be preferred over holding the Arrowtown boundaries where they are now.

Section 32 is subject to Part 2 of the Act and we are mindful of the purpose of the Act as expressed in section 5. Its purpose is to promote sustainable management of natural and physical resources. This means that resources must be managed in a way or at a rate which enables people and communities (on their own initiatives) to provide for their wellbeing (etc) but, at the same time, among other things, as taking care of the environment for future generations. If Arrowtown was not part of the wider Wakatipu and was subject to demand for growth which could go nowhere else we think Proposed Plan Change 39 might well be able to rely on section 5. However, since it is a part of the wider area, we believe the plan change would not be in accord with the purpose of the Act.

RECOMMENDATION

Accordingly, for the reasons expressed above, we recommend that consent to Proposed Plan Change 39 be **refused**. The recommended response in relation to each submission is attached as Appendix 1.

L A Cocks

M J G Garland

Commissioners

Date: September 2010